

**BOARD BOOK OF
MAY 24, 2018**



J. B. Goodwin, Chair
Leslie Bingham Escareño, Vice-Chair
Paul Braden, Member
Asusena Reséndiz, Member
Sharon Thomason, Member
Leo Vasquez, III, Member

Texas Department of Housing and Community Affairs

PROGRAMMATIC IMPACT IN FISCAL YEAR 2017

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

Multifamily New Construction & Rehabilitation:

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

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

Single Family Homebuyer Assistance, New Construction, Rehabilitation, Bootstrap, and Contract for Deed:

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

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

Single Family Homeownership Program:

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

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

Rental Assistance:

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

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

Weatherization Assistance Program:

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

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

Homelessness

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

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

Comprehensive Energy Assistance Program:

Provides energy utility bill assistance to households with an income at or below 150% federal poverty guidelines.

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

Community Services Block Grant:

Provides administrative support for essential services for low-income individuals through Community Action Agencies.

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

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

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

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



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

**A G E N D A
8:00 AM
May 24, 2018**

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

CALL TO ORDER

ROLL CALL

J.B. Goodwin, Chair

CERTIFICATION OF QUORUM

Pledge of Allegiance - I pledge allegiance to the flag of the United States of America, and to the republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

Texas Allegiance - Honor the Texas flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible.

Resolution recognizing June as *Homeownership Month*

CONSENT AGENDA

Items on the Consent Agenda may be removed at the request of any Board member and considered at another appropriate time on this agenda. Placement on the Consent Agenda does not limit the possibility of any presentation, discussion or approval at this meeting. Under no circumstances does the Consent Agenda alter any requirements under Tex. Gov't Code Chapter 551. Action may be taken on any item on this agenda, regardless of how designated.

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

ASSET MANAGEMENT

- a) Presentation, discussion, and possible action regarding an increase to the Housing Tax Credits
14601 Laredo Hill Apartments Big Spring
- b) Presentation, discussion, and possible action regarding a change in the ownership structure of the Development Owner prior to issuance of IRS Form(s) 8609
17091 Plateau Ridge Apartments Cleburne
- c) Presentation, discussion, and possible action regarding a material amendment to the Housing Tax Credit ("HTC") Application and a change in the ownership structure of the Development Owner, Developer, and Guarantors prior to issuance of IRS Form(s) 8609
17730 Blue Flame Apartments El Paso
- d) Presentation, discussion, and possible action regarding a material amendment to the Housing Tax Credit ("HTC") Commitment
16008 Rachael Commons McGregor
17004 Old Dowlen Cottages Beaumont

Raquel Morales
Director
Asset Management

HOUSING RESOURCE CENTER

- e) Presentation, discussion, and possible action on the Draft 2019 Regional Allocation Formula Methodology

Elizabeth Yevich
Director
Housing Resource Center

BOND FINANCE

- f) Presentation, discussion, and possible action on Resolution No. 18-020 authorizing the filing of one or more applications for reservation with the Texas Bond Review Board with respect to qualified mortgage bonds; authorizing state debt application; approving

Monica Galuski
Chief Investment Officer

an underwriting team; and containing other provisions relating to the subject

MULTIFAMILY FINANCE

Marni Holloway
Director
Multifamily Finance

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

18401 Pathways at Chalmers Courts South Austin

- h) Presentation, discussion, and possible action regarding a modification to the Subordinate Promissory Note for Houston DMA Housing, LLC

- i) Presentation, discussion and possible action regarding determinations of eligibility under 10 TAC §10.201(1)(m) related to Ineligible Applicants and Applications

18033 The Miramonte Fifth Street CDP

18047 Miramonte Single Living Fifth Street CDP

18052 Nacogdoches Lofts San Antonio

18053 Alazan Lofts San Antonio

18054 Piedmont Lofts San Antonio

18086 Village at Overlook San Antonio

18096 Patriot Park Family Plano

18106 Hallsville Estates Hallsville

18109 The Trails at San Angelo San Angelo

18186 Avanti at Greenwood Corpus Christi

18188 Avanti at Sienna Palms Weslaco

18204 Cielo at Mountain Creek Dallas

18219 Cypress Creek Apartment Homes at Park South View Houston

18250 Sweetbriar Hills Jasper

18298 Heritage at Wylie Wylie

18306 Campanile on Commerce Houston

18320 Seaside Lodge Chesapeake Seabrook

18327 Scott Street Lofts Houston

18331 Greens at Mission Bend Houston

18333 Fulton Lofts Houston

18357 Capella Brownsville

18358 Ovation Sr Living Brownsville

- j) Presentation, discussion, and possible action on staff determinations regarding Application disclosures under 10 TAC §10.101(a)(3) related to Applicant Disclosure of Undesirable Neighborhood Characteristics

18015 Cambrian East Riverside Austin

18018 Columbia Renaissance Square II Fort Worth

18081 Pathways at Chalmers Court Austin

18084 Artisan at Ruiz San Antonio

18243 2222 Cleburne Houston

18267 Avenue Sycamore Fort Worth

18269 2400 Bryan Dallas

18289 Village at Roosevelt San Antonio

18306 Campanile on Commerce Houston

18323 Talavera Lofts Austin

18327 Scott Street Lofts Houston

18337 Fulton on the Rail Houston

18338 The Greenery Houston

- k) Report on required Housing Tax Credit notifications made under 10 TAC §11.8(b)(2)(B) with a department-provided template, and possible action to accept notifications made using a superseded version of the template as satisfying the current rule

RULES

- l) Presentation, discussion, and possible action on an order proposing the repeal of §2.203 Termination and Reduction of Funding for CSBG Eligible Entities; an order proposing new §2.203 Termination and Reduction of Funding for CSBG Eligible Entities; an order proposing the repeal of §2.204, Contents of a Quality Improvement Plan; an order proposing new §2.204, Contents of a Quality Improvement Plan; an order proposing the repeal of 10 TAC Chapter 6 Community Affairs Programs: §6.1 Purpose and Goals, §6.2 Definitions, §6.3 Subrecipient Contract, §6.7 Subrecipient Reporting Requirements, §6.8 Applicant/Customer Denials and Appeal Rights; §6.205 Limitations on Use of Funds, §6.206 CSBG Needs Assessment, Community Action Plan, and Strategic Plan, §6.207 Subrecipient Requirements, §6.213 Board Responsibility, §6.214 Board Meeting Requirements; §6.301 Background and Definitions, §6.304 Deobligation and Reobligation of CEAP Funds, §6.307 Subrecipient Requirements for Customer Eligibility Criteria and Establishing Priority for Eligible Households, §6.309 Types of Assistance and Benefit Levels, §6.312 Payments to Subcontractors and Vendors; §6.403 Definitions, §6.405 Deobligation and Reobligation of Awarded Funds, §6.406 Subrecipient Requirements for Establishing Priority for Eligible Households and Customer Eligibility Criteria, §6.407 Program Requirements, §6.412 Mold-Like Substances, §6.414 Eligibility for Multifamily Dwelling Units and §6.415 Health and Safety and Unit Deferral; and an order proposing new 10 TAC Chapter 6 Community Affairs Programs: §6.1 Purpose and Goals, §6.2 Definitions, §6.3 Subrecipient Contract, §6.7 Subrecipient Reporting Requirements, §6.8 Applicant/Customer Denials and Appeal Rights; §6.205 Limitations on Use of Funds, §6.206 CSBG Assessment, Community Action Plan, and Strategic Plan, §6.207 Subrecipient Requirements, §6.213 Board Responsibility, §6.214 Board Meeting Requirements; §6.301 Background and Definitions, §6.304 Deobligation and Reobligation of CEAP Funds, §6.307 Subrecipient Requirements for Customer Eligibility Criteria and Establishing Priority for Eligible Households, §6.309 Types of Assistance and Benefit Levels, §6.312 Payments to Subcontractors and Vendors; §6.403 Definitions, §6.405 Deobligation and Reobligation of Awarded Funds, §6.406 Subrecipient Requirements for Establishing Priority for Eligible Households and Customer Eligibility Criteria, §6.407 Program Requirements, §6.412 Mold-Like Substances, §6.414 Eligibility for Multifamily Dwelling Units and §6.415 Health and Safety and Unit Deferral; and directing that they be published for public comment in the *Texas Register*
- m) Presentation, discussion, and possible action on an order proposing the readoption, without changes, of 10 TAC §1.11, Definition of Service-Enriched Housing, and directing its publication for public comment in the *Texas Register*
- n) Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC §1.15, Integrated Housing Rule, and an order proposing new 10 TAC §1.15, Integrated Housing Rule, and directing their publication for public comment in the *Texas Register*
- o) Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC §1.1, Reasonable Accommodation Requests, and an order proposing new 10 TAC §1.1, Reasonable Accommodation Requests to the Department, and directing their publication for public comment in the *Texas Register*
- p) Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC §1.2, Department Complaint System, and an order proposing new 10 TAC §1.2, Department Complaint System, and directing their publication for public comment in the *Texas Register*
- q) Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC §1.4, Protest Procedures for Contractors, and an order proposing new 10 TAC §1.4, Protest Procedures for Contractors, and directing their publication for public comment in the *Texas Register*

Michael DeYoung
Director
Community Affairs

Elizabeth Yevich
Director
Housing Resource Center

Brooke Boston
Deputy Executive Director

- r) Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC §1.6, Historically Underutilized Businesses, and an order proposing new 10 TAC §1.6, Historically Underutilized Businesses, and directing their publication for public comment in the *Texas Register*
- s) Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC §1.9, Texas Public Information Act Training for Department Employees, and directing its publication for public comment in the *Texas Register*
- t) Presentation, discussion, and possible action on proposed amendments to 10 TAC §8.3, Participation as a Proposed Development, relating to the Section 811 Project Rental Assistance Program, and directing their publication for public comment in the *Texas Register*

CONSENT AGENDA REPORT ITEMS

ITEM 2: THE BOARD ACCEPTS THE FOLLOWING REPORTS:

- a) TDHCA Outreach Activities, (April-May)
- b) Report regarding The Report on Customer Service as required by Tex. Gov't Code Chapter 2114.002(c)
- c) 2019 QAP Planning Project Report
- d) Resident Survey Report

Michael Lyttle
Chief of External Affairs

Marni Holloway
Director, MF Finance

ACTION ITEMS

ITEM 3: REPORTS

- a) Report on Department's Outreach and Citizen/Community Participation Plan for the Analysis of Impediments to Fair Housing Choice
- b) Report of and possible action regarding Multifamily Workout Plan for Angelica Homes Corporation, HOME #539109
- c) Report on the Internal Audit review of the Emergency Solutions Grants program

Suzanne Hemphill
Fair Housing Project Mgr
Fair Housing, Data Mgmt,
and Reporting

Raquel Morales
Director, Asset Mgmt

Mark Scott
Director, Internal Audit

ITEM 4: REPORT AND RECOMMENDATIONS OF THE AUDIT AND FINANCE COMMITTEE

- a) Review and possible approval of the agency strategic plan for fiscal years 2019-23
- b) Review and possible approval of policy items for inclusion in the legislative appropriations request for fiscal years 2020-21

Sharon Thomason
Chair, Audit and Finance
Committee

ITEM 5: EXECUTIVE

Presentation, discussion, and possible action authorizing the Department to submit an application for Mainstream Housing Vouchers in response to a Notice of Funding Availability released by the U.S. Department of Housing and Urban Development, and if successfully awarded to operate such program

Brooke Boston
Deputy Executive Director

ITEM 6: MULTIFAMILY FINANCE

- a) Presentation, discussion, and possible action regarding the Issuance of Multifamily Housing Revenue Bonds (Crosby Plaza) Series 2018 Resolution No. 18-021 and a Determination Notice of Housing Tax Credits
- b) Presentation, discussion, and possible action on timely filed scoring appeals under 10 TAC §10.901(13) of the Department's Multifamily Program Rules relating to Fee Schedule, Appeals and other Provisions
18335 Travis Flats Austin
- c) Presentation, discussion, and possible action on a request for the extension of the placement in service deadline under 10 TAC §11.6(5) of the 2016 Qualified Allocation Plan ("QAP") related to Credit Returns Resulting from Force Majeure Events and a waiver of 10 TAC §10.204(7)(A)(i)(III) related to Financing Requirements for No. 16114, The Veranda Townhomes

Marni Holloway
Director, MF Finance

APPENDIX

Multifamily Application Logs

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

EXECUTIVE SESSION

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

1. The Board may go into Executive Session Pursuant to Tex. Gov't Code §551.074 for the purposes of discussing personnel matters including to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee;
2. Pursuant to Tex. Gov't Code §551.071(1) to seek the advice of its attorney about ending or contemplated litigation or a settlement offer;
3. Pursuant to Tex. Gov't Code §551.071(2) for the purpose of seeking the advice of its attorney about a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Tex. Gov't Code Chapter 551; including seeking legal advice in connection with a posted agenda item;
4. Pursuant to Tex. Gov't Code §551.072 to deliberate the possible purchase, sale, exchange, or lease of real estate because it would have a material detrimental effect on the Department's ability to negotiate with a third person; and/or
5. Pursuant to Tex. Gov't Code §2306.039(c) the Department's internal auditor, fraud prevention coordinator or ethics advisor may meet in an executive session of the Board to discuss issues related to fraud, waste or abuse.

J.B. Goodwin
Chair

OPEN SESSION

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

ADJOURN

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

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

Individuals who require auxiliary aids, services or sign language interpreters for this meeting should contact Terri Roeber, ADA Responsible Employee, at 512-475-3959 or Relay Texas at 1-800-735-2989, at least three (3) days before the meeting so that appropriate arrangements can be made.

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

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

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

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

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

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

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

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

Texas Department of Housing and Community Affairs

RESOLUTION

WHEREAS, June 2018 is Homeownership Month in Texas;

WHEREAS, it is the goal of the Texas Department of Housing and Community Affairs (“Department”) that all Texans have access to safe and decent affordable housing;

WHEREAS, it is the policy of the Department to support equal housing opportunities in the administration of its homebuyer and homeownership programs and services;

WHEREAS, this year, the Department is celebrating 37 years of offering affordable first time homebuyer assistance to eligible buyers throughout the State of Texas;

WHEREAS, since 1981, the Department has served as the State’s housing finance agency, providing a choice of mortgage products and services to accommodate market opportunities and buyer needs as appropriate;

WHEREAS, the Department offers a free online homebuyer education tool, Texas Homebuyer U, and administers funds to support the Texas Statewide Homebuyer Education Program to inform and prepare buyers for successful homeownership;

WHEREAS, the Department applauds all those who work to achieve and maintain affordable, responsible homeownership and recognizes those who provide services and resources to all homebuyers regardless of race, color, national origin, religion, sex, disability, or familial status; and

WHEREAS, the Department encourages Texans to explore the numerous resources available during Homeownership Month and throughout the year;

NOW, therefore, it is hereby

RESOLVED, that in the pursuit of the goal of affordable homeownership opportunities for all, the Governing Board of the Texas Department of Housing and Community Affairs, does hereby celebrate June 2018 as Homeownership Month in Texas and encourages all Texas individuals and organizations, public and private, to join and work together in this observance of Homeownership Month.

Signed this Twenty-Fourth Day of May 2018.



J. B. Goodwin, Chair

Leslie Bingham Escareño, Vice Chair

Asusena Reséndiz, Member

Sharon Thomason, Member

Paul A. Braden, Member

Leo Vasquez, Member

Timothy K. Irvine, Executive Director

CONSENT AGENDA

1a

BOARD ACTION REQUEST
ASSET MANAGEMENT DIVISION
MAY 24, 2018

Presentation, discussion, and possible action regarding an increase to the Housing Tax Credit amount for Laredo Hill Apartments (formerly known as Northcrest Apartments) HTC #14601

RECOMMENDED ACTION

WHEREAS, Laredo Hill Apartments (the “Development”) received a 4% Housing Tax Credit (“HTC”) award in 2014 to acquire and rehabilitate 68 units in Big Spring, Howard County;

WHEREAS, DHI NC Housing, L.P., (the “Development Owner”), requests to increase the amount of credit from \$174,613 to \$208,400, a 19.35% increase in the amount of credit reflected in the Determination Notice;

WHEREAS, §42(m)(2)(D) of the Internal Revenue Code allows an increase of tax credits for a bond financed project when the increase is determined necessary as demonstrated through the submission of the cost certification package;

WHEREAS, 10 TAC §10.402(c) requires approval by the Board if an increase to the amount of tax credits exceeds 110% of the amount of credit reflected in the Determination Notice; and

WHEREAS, a review of the cost certification package submitted by the Development Owner supports the need for the additional credits requested and staff has determined that the increase is necessary for the viability of the transaction;

NOW, therefore, it is hereby

RESOLVED, that the credit increase for Laredo Hill Apartments requested by the Development Owner is approved as presented to this meeting and the Executive Director and his designees are each authorized, directed, and empowered to take all necessary action to effectuate the foregoing.

BACKGROUND

Laredo Hill Apartments, formerly known as Northcrest Apartments, (the “Development”), received a 4% Housing Tax Credit (“HTC”) award in 2014 to acquire and rehabilitate 68 units in Big Spring, Howard County. On June 9, 2014, a Determination Notice was issued with an approved credit amount of \$174,613. The Development placed in service in October 2015, and the final cost certification was received by the Department on June 16, 2016.

In conjunction with the cost certification, the representative for the Development Owner, Lenester Erickson, requested to increase the tax credit award to \$208,400, an increase of \$33,787 from the amount reflected in the Determination Notice. A letter from Ms. Erickson dated April 24, 2018, explains that the Development incurred unforeseen and unanticipated costs during the rehabilitation of the project. Ms. Erickson explains that the entire property is master metered for gas. During rehab of the property it was identified that the gas line to the property failed due to age and soil composition. The corroded gas line was un-repairable and required complete replacement. As a result, the entire property had to be trenched in order to reconnect the new line to the units. Staff’s review of the information submitted by the Development Owner within the cost certification indicates that the overall cost of the project increased by \$928,709, and that \$677,539 of the increase was due to the additional construction costs incurred for replacement of the gas line.

Staff’s analysis of this transaction at cost certification has concluded that the Development supports an allocation of the requested amount. As a result, the increased credit recommendation results in a 19.35% increase from the original credit amount in the Determination Notice. In accordance with 10 TAC §10.402(c), Board approval is requested because the amount of the increase exceeds 110% of the amount of credit reflected in the Determination Notice. The Development Owner has submitted the Tax-Exempt Bond Credit Increase Request Fee required in 10 TAC §10.901(10).

Staff recommends approval of the increase in the tax credit award as presented herein.

BACKGROUND

Laredo Hill Apartments, formerly known as Northcrest Apartments, (the “Development”), received a 4% Housing Tax Credit (“HTC”) award in 2014 to acquire and rehabilitate 68 units in Big Spring, Howard County. On June 9, 2014, a Determination Notice was issued with an approved credit amount of \$174,613. The Development placed in service in October 2015, and the final cost certification was received by the Department on June 16, 2016.

In conjunction with the cost certification, the representative for the Development Owner, Lenester Erickson, requested to increase the tax credit award to \$208,400, an increase of \$33,787 from the amount reflected in the Determination Notice. A letter from Ms. Erickson dated April 24, 2018, explains that the Development incurred unforeseen and unanticipated costs during the rehabilitation of the project. Ms. Erickson explains that the entire property is master metered for gas. During rehab of the property it was identified that the gas line to the property failed due to age and soil composition. The corroded gas line was un-repairable and required complete replacement. As a result, the entire property had to be trenched in order to reconnect the new line to the units. Staff’s review of the information submitted by the Development Owner within the cost certification indicates that the overall cost of the project increased by \$928,709, and that \$677,539 of the increase was due to the additional construction costs incurred for replacement of the gas line.

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Staff recommends approval of the increase in the tax credit award as presented herein.

DHI NC Housing, L.P.
c/o Dawson Holdings, Inc.
300 Turney Street, 2nd Floor, Sausalito, CA 94965
Telephone: (415) 332-8393 Fax: (415) 332-8391

April 24, 2018

Lee Ann Chance
Asset Manager
Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, TX 78701

RE: Request for Additional Tax Credits
Laredo Hill Apartments (formerly known as Northcrest Apartments)

Dear Lee Ann:

DHI NC Housing, L.P. is submitting this letter to request additional tax credits for the development Laredo Hill Apartments, formerly known as Northcrest Apartments, located at 1002 N. Main Street, Big Springs, Texas. We are requesting \$208,400 in annual tax credits as supported by the cost certification prepared by accounting firm, Bowman & Company, LLP.

During the rehab of the property, it was discovered that the gas line that serves the property had failed due to age and soil composition. As the property is master metered for gas, the ownership owned all the pipe after the master meter. The deteriorated black gas pipe was unrepairable, as it had corroded throughout the property. As such, the entire pipe had to be replaced as well as be reconnected to the 68 units the pipes serves. The entire property had to be trenched; the line was replaced with IPS poly pipe that should have a service life exceeding 50 years. In addition to these costs, there were also relocation expenses as we put those tenants who wanted to be put in a hotel up for the duration of the repair. Several change orders were issued in connection with this event which resulted in an increase in the total rehab cost.

Additionally, there were capital expenses incurred at the property level which were included in the total project cost. Due to these unexpected events, the total qualified basis increased as well as tax credits requested by the owner.

Enclosed is a check for \$1,351.48, representing the additional tax credit fee. If you have any questions, please contact me at lerickson@d-h-i.net or (415) 332-8393 extension 24.

Sincerely,

DHI NC Housing, L.P.

By: DHI NC Southwest Preservation, LLC,

General Partner



Lenester Erickson
Asset Manager

Enc.

1b

BOARD ACTION REQUEST
ASSET MANAGEMENT DIVISION
MAY 24, 2018

Presentation, discussion, and possible action regarding a change in the ownership structure of the Development Owner prior to issuance of IRS Form(s) 8609 for Plateau Ridge Apartments (HTC #17091)

RECOMMENDED ACTION

WHEREAS, Plateau Ridge Apartments (the “Development”) received an award of 9% Housing Tax Credits (“HTCs”) in 2017 for the acquisition and rehabilitation of 49 multifamily units in Cleburne, Johnson County;

WHEREAS, a representative for National Church Residences, an affiliate of Plateau Ridge Senior Housing Limited Partnership (the “Development Owner”), requested approval for a change to the ownership structure of the Development Owner that involves the exit of one of its original members but no new principals;

WHEREAS, due to a conflict with the requirements in the HUD 202 Use Agreement, which prohibits for-profit entities from being part of the general partner, Betco Consulting, LLC, the 49% member of National Church Residences of Plateau Ridge, LLC (the “General Partner”), will no longer be part of the ownership structure; and

WHEREAS, the transfer of ownership is being requested prior to the issuance of IRS Form(s) 8609, and 10 TAC §10.406(e) requires that parties reflected in the Application that have control must remain in the ownership structure and retain such control, unless approved otherwise by the Board;

NOW, therefore, it is hereby

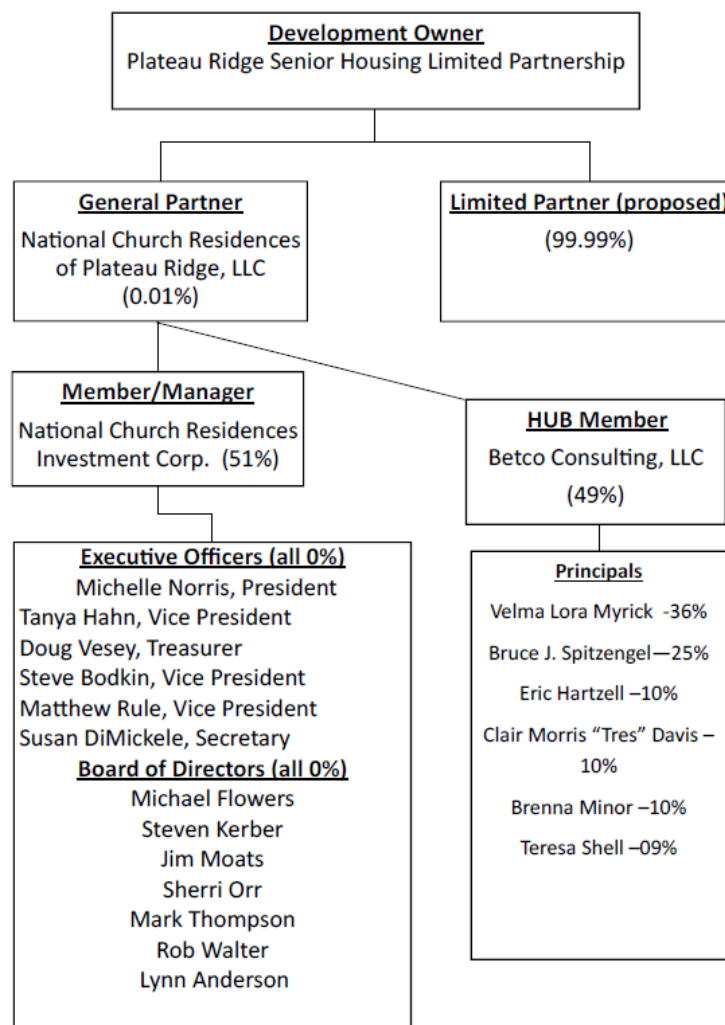
RESOLVED, that the ownership transfer for Plateau Ridge Apartments is approved as presented to this meeting, and the Executive Director and his designees are each authorized, empowered, and directed to take all necessary action to effectuate the foregoing.

BACKGROUND

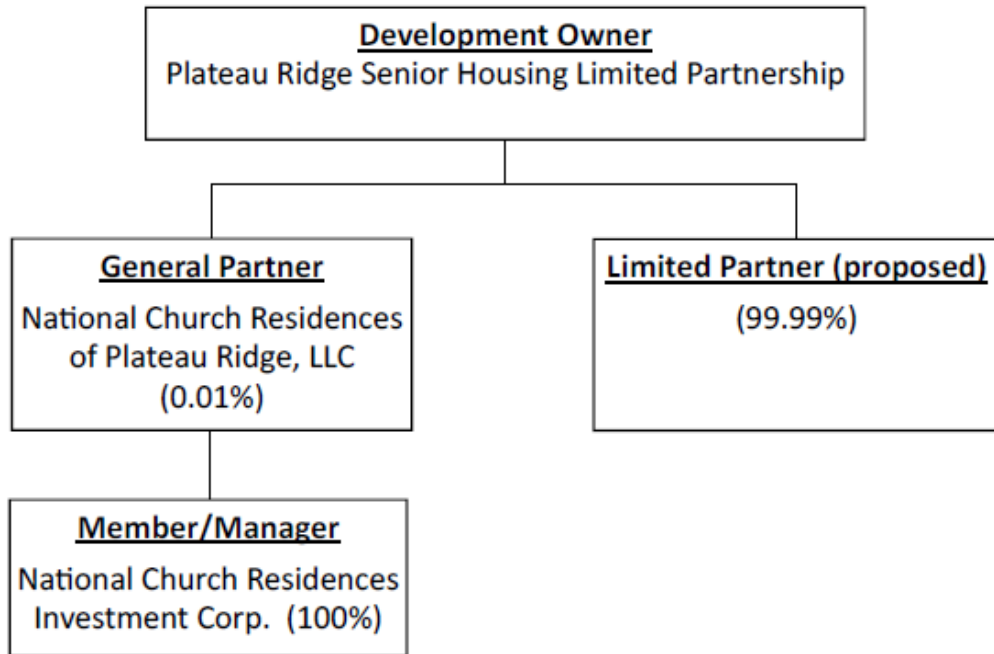
Plateau Ridge Apartments is a development in Cleburne, Johnson County, which was originally built in 1988 under the HUD 202 program and was submitted and approved for a 9% HTC award in 2017 for the rehabilitation of its 49 units. The HTC application for the Development proposed Betco Consulting, LLC, a Historically Underutilized Business (the “HUB”), as the 49% member of the General Partner; however, in a letter dated April 25, 2018, a representative of National Church Residences, an affiliate of the Development Owner requested approval to remove the HUB from the ownership structure of the Development. According to the Applicant, this is the first time that National Church Residences has attempted to have another non-affiliated entity join the general partner structure. However, as the Applicant approached

closing, it came to their attention that the HUD 202 Use Agreement does not allow for-profit entities to serve as general partner. The standard HUD 202 Use Agreement requires that ownership of the project at all times be controlled by a nonprofit mortgagor entity or a limited partnership entity of which the general partner is a nonprofit affordable housing provider or a for-profit corporation wholly owned and controlled by one or more non-profit affordable housing provider. Therefore, the Applicant has to remove the HUB from the ownership structure of the Development. National Church Residences Investment Corporation (“NCRIC”), which was originally proposed as the 51% member and manager of the General Partner, would now remain as the sole member of the General Partner. According to the HTC application, NCRIC is a subsidiary of National Church Residences, an Ohio nonprofit corporation and Section 501(c)(3) organization. NCRIC has its 501(c)(3) status through National Church Residences’ group 501(c)(3) exemption. Although no new principals are being added to the ownership structure, because this change is occurring prior to issuance of IRS Form(s) 8609, Board approval is required under 10 TAC §10.406(e). Steven T. Bodkin of National Church Residences was used to meet the experience requirement at Application, and this is not changing as a result of this transfer. Additionally, NCRIC was proposed as the sole developer and guarantor, and this is not affected by the HUB’s departure. The pre- and post-transfer organization charts for the Development Owner are below.

Ownership Structure Approved at Application



Revised Ownership Structure



The HTC application for Development was submitted under the At-Risk set-aside and scored 152 points, which included one point for having a HUB participate in the ownership structure. Projects scoring 147 points and higher in the At-Risk set-aside were awarded tax credits in 2017. Therefore, by removing this point, the Development would still have received a 2017 LIHTC award in the At-Risk set-aside with an updated score of 151 points. The request letter from the Development Owner erroneously states that two points were awarded to the application for having a HUB in the ownership structure.

Staff recommends approval of the ownership transfer for Plateau Ridge Apartments as presented.

April 25, 2018

Ms. Rosalio Banuelos and Ms. Raquel Morales
TDHCA – Asset management

Re: Request to remove HUB
Plateau Ridge, 17091

Ms. Banuelos and Ms. Morales ,

We received a 2017 9% LIHTC award for Plateau Ridge (#17091), and the general partner included a HUB as part of the ownership structure. Plateau Ridge was originally built under the HUD 202 program. As we approach closing, it has just come to our attention that the HUD 202 Form Use Agreement does not allow for-profit entities to serve as the general partner. Since this is the first time we have tried to have another non-National Church Residences affiliated entity join in GP structure, this is the first time we have encountered this issue. Please see, excerpt below from standard HUD 202 New Use Agreement which tracks the language in the federal legislation:

“Ownership of the project will at all times be controlled by a nonprofit mortgagor entity or a limited partnership entity of which the general partner is a: (1) nonprofit affordable housing provider; (2) for profit corporation wholly owned and controlled by one or more non-profit affordable housing provider; or (3) a limited liability company wholly owned and controlled by one or more nonprofit affordable housing provider.”

Since the HUD 202 Use Agreement prohibits for-profit entities from being part of the general partner, we must request an Ownership change to remove Betco Consulting from the project’s ownership. National Church Residences Investment Corporation would remain the sole member of the General Partner. The HUB will also no longer be receiving any proceeds via cash flow.

Plateau Ridge scored 152 which included 2 points for Sponsorship Characteristics for having a HUB participate in our project. Projects scoring a 147 and higher in At-Risk were awarded tax credits in 2017. By removing these 2 points, Plateau Ridge would still have received a 2017 LIHTC award in At-Risk with an updated score of 150.

We request TDHCA staff give a recommendation to the TDHCA Board to approve removing the HUB from Plateau Ridge’s ownership entity prior to 8609. Attached is the organizational chart before and after the ownership change. Please let me know if you need any further information.

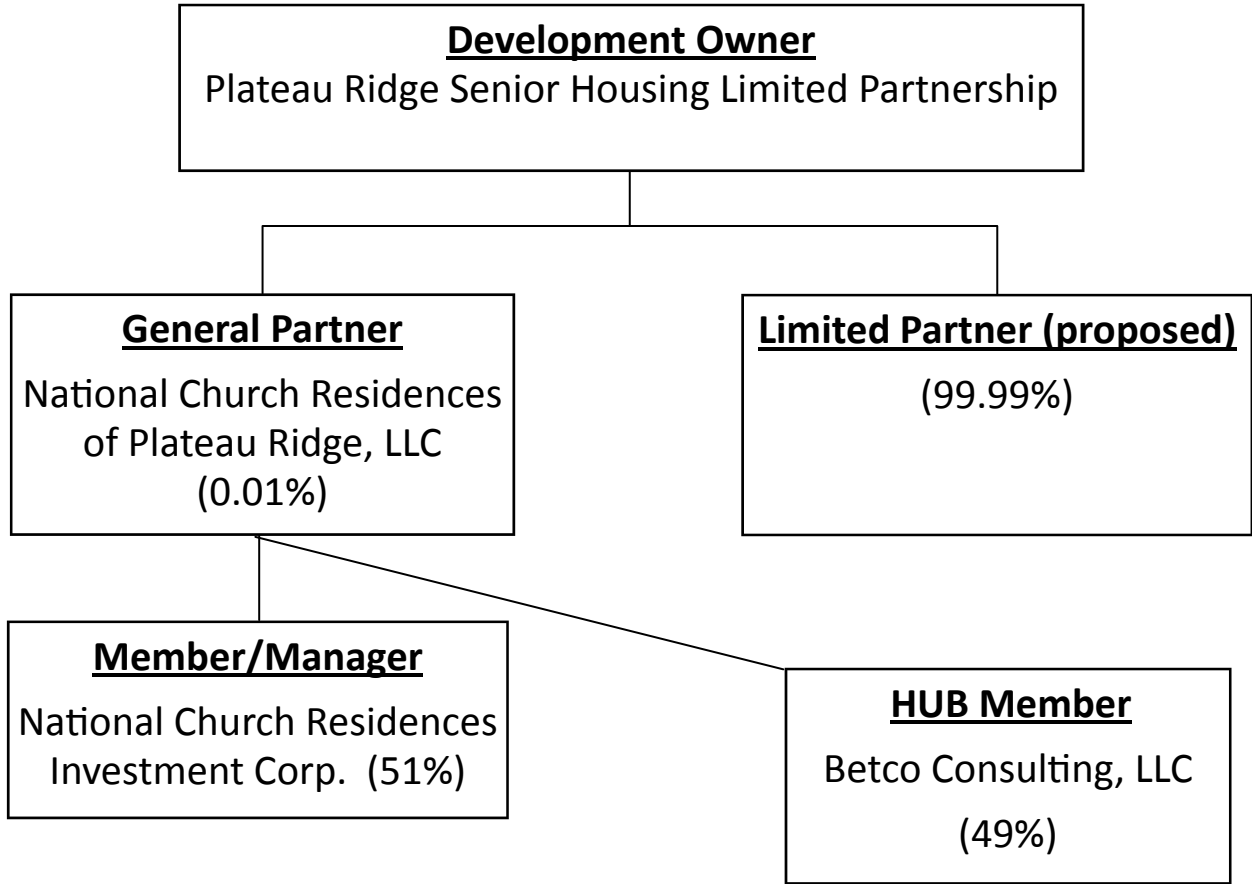
Regards,



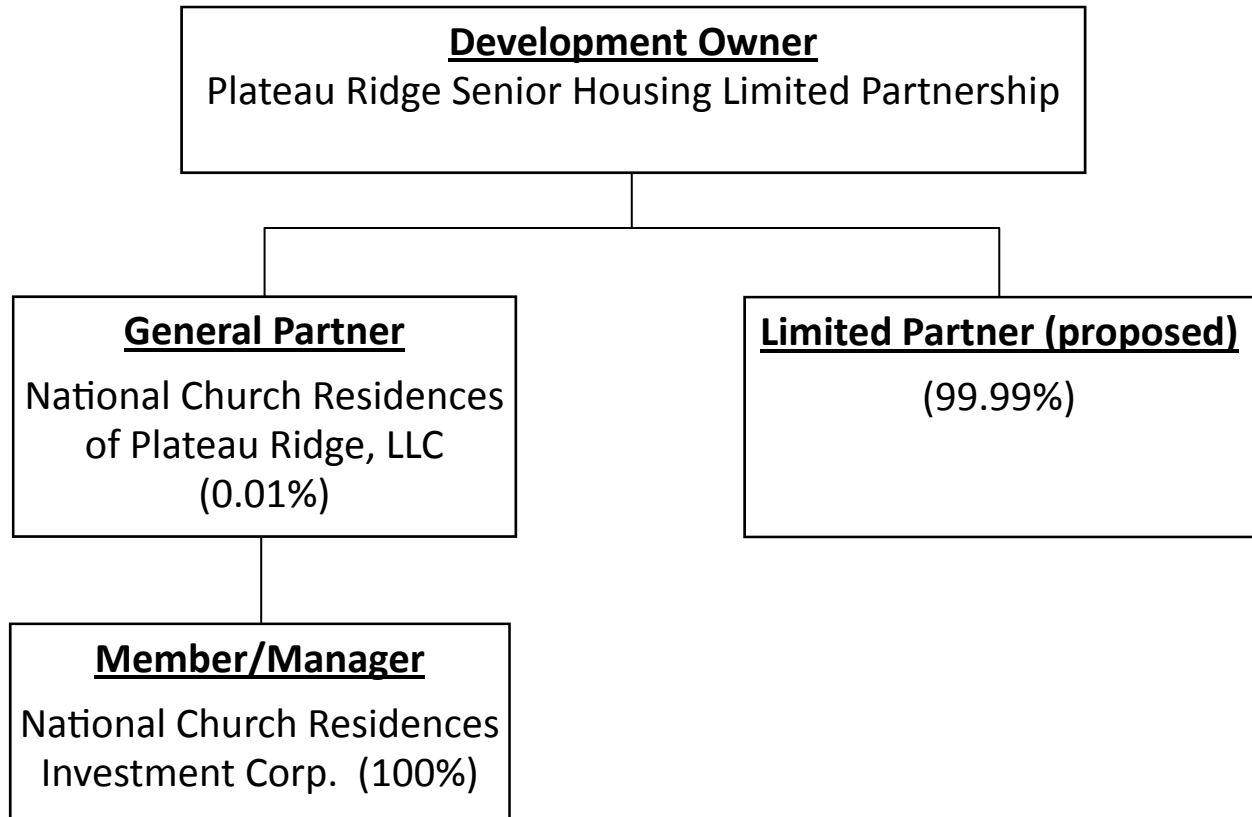
Tracey Fine
Senior Project Leader
773-860-5747



Organizational Chart of Ownership



Organizational Chart of Ownership



1c

BOARD ACTION REQUEST
ASSET MANAGEMENT DIVISION
MAY 24, 2018

Presentation, discussion, and possible action regarding a material amendment to the Housing Tax Credit (“HTC”) Application and a change in the ownership structure of the Development Owner, Developer, and Guarantors prior to issuance of IRS Form(s) 8609 for Blue Flame Apartments (HTC #17330)

RECOMMENDED ACTION

WHEREAS, Blue Flame Apartments (the “Development”) received an award of 9% Housing Tax Credits in 2017 under the non-profit and at risk set asides for the adaptive re-use of 150 units of multifamily housing in El Paso, El Paso County;

WHEREAS, the Development Owner is now requesting a modification of the number of units or bedroom mix of units, a reduction of 3 percent or more in the square footage of the units or common area, a significant modification of the architectural design of the Development, a modification of the residential density of at least 5 percent, and changes in development sources and uses associated with the reduction in units due to what the Owner has represented as changes required by The Texas Historical Commission to preserve certain historical aspects of the building and to meet the City of El Paso’s needs for commercial office space;

WHEREAS, the Development Owner is also requesting approval for changes to the organizational structures of the Development Owner, Developer, and Guarantor that involve a departure of controlling entities (a 40% co-GP, 40% co-developer, and guarantor) from the time of Application and 10 TAC §10.406(e) requires that the party(ies) reflected in the Application as having control must remain in the ownership structure and retain such control, unless approved otherwise by the Board, and that a development sponsor, General Partner, or Development Owner may not sell the Development in whole or voluntarily end their control prior to the issuance of 8609s;

WHEREAS, Board approval is required for a modification of the number of units or bedroom mix of units, a reduction of 3 percent or more in the square footage of the units or common area, a significant modification of the architectural design of the Development, and a modification of the residential density of at least 5 percent as directed in Tex. Gov’t Code §2306.6712 and 10 TAC §10.405(a)(4)(B), (D), (E), and (F), and the Owner has complied with the amendment requirements therein;

WHEREAS, the requested changes do not negatively affect the Development, impact the viability of the transaction, impact the scoring of the application, or affect the amount of the tax credits awarded; and

WHEREAS, the Development Owner acknowledges that the Development will still meet the construction requirements in 10 TAC Chapter 1, Subchapter B;

NOW, therefore, it is hereby

RESOLVED, that the requested application amendments and changes to the Development Owner, Developer and Guarantor for Blue Flame Apartments are approved as presented at this meeting, and the Executive Director and his designees are each authorized, directed, and empowered to take all necessary action to effectuate the Board's determination.

BACKGROUND

Blue Flame Apartments was approved during the 2017 competitive 9% Housing Tax Credit cycle to convert a historic building into 150 adaptive re-use, multifamily, HUD Rental Assistance Demonstration ("RAD") program units in El Paso. The Development is part of an overall plan for a one to one replacement and relocation of existing public housing units from another property (the Pooley development) owned by the Housing Authority of the City of El Paso ("HACEP"). On November 30, 2017, Sarah Anderson, consulting for the partnership, EP Blue Flame, LP (ultimately owned by Paisano Housing Redevelopment Corporation, an affiliate of the Housing Authority of the City of El Paso, Gerry Cichon, Chief Executive Officer), submitted an amendment request identifying changes in the number of units, changes in architectural design, changes in common amenities, changes in parking, changes to the Owner, Developer, and Guarantor structures, and changes to the financial exhibits requiring re-evaluation by the Real Estate Analysis Division. Staff also identified changes in the residential density as a result of the reduction in units and reductions of three percent or more in the square footage of units or common areas. The changes requested are described in detail below.

Changes in Architectural Design, Number of Units & Bedroom Mix, Reductions of Three Percent or More in the Square footages of Units, and Changes in Residential Density

The amendment request submitted by the Applicant proposes to eliminate the originally planned 30 market rate, 2 bedroom units, reducing the total number of units from 150 to 120 and the net rentable square footage from 113,210 to 84,368, a reduction of 25.47%. The proposal will change the unit mix from efficiencies, one-, and two-bedrooms to all efficiencies and one-bedroom units, providing a mix of different square footages in some unit floor plans to match the new residential floor configurations (though there is no square footage reduction in the low income units). According to the Applicant's request, the change in planned market units is a direct result of: 1) The Developer's Historic Tax Credit Consultant's preliminary meetings with the Texas Historical Commission (which directed the partnership to retain the commercial nature of the 16th floor of the building, including the elevator lobby, the President's corner office, and all of the corridors on the

16th floor and doors facing onto the corridors), and 2) The City of El Paso’s interest in acquiring four floors of leasable commercial space for City use and offices in the top of the Blue Flame building (requesting that the conversion of floors that were previously market rate residential housing be converted to leasable office spaces). The change requested will result in architectural modifications to floors 14-16 (previously containing the 30 market units, none of which are now proposed to include residential units). In addition, though the Owner has stated that the downtown El Paso lot size of 0.32 acres will not change as a result of this request, the reduction in the number of residential units from 150 to 120 will result in a 20% reduction in density (from 468.75/units/acre to 375/units/acre). Per the request and evaluation by staff, the numbers of low income units will not change and there will be no change to the proposed rent or income set asides.

As documentation of the meetings with the Texas Historical Commission (“THC”), a letter from Ann McGlone, Principal of Ann Benson McGlone, LLC, a Historic Consultant hired by Franklin Companies to assist with the Blue Flame Development, documenting a meeting with Valerie Magolan at THC, was provided. The letter stated that it was Ms. Magolan’s opinion that the 16th floor, which was the executive office level, needed to remain intact to meet the Secretary of Interior’s Standards. THC, according to the Applicant, subsequently approved the application for the Blue Flame Development on February 8, 2018, while this Amendment was still in process and the National Park Service approval was received February 13, 2018, via the Blue Flame building’s addition to the National Register. A letter from the City of El Paso signed by Gary S. Westin, Deputy City Manager and dated as of December 5, 2017, confirmed the City’s request for 1-4 floors of leasable office space in the Blue Flame building and was later followed by an updated letter dated February 8, 2018, stating that the City’s interest had expanded to all four floors of available leasable office space. The letter states that the City believes that the conversion of market rate units to commercial office space will be in the best interest of the Downtown El Paso area.

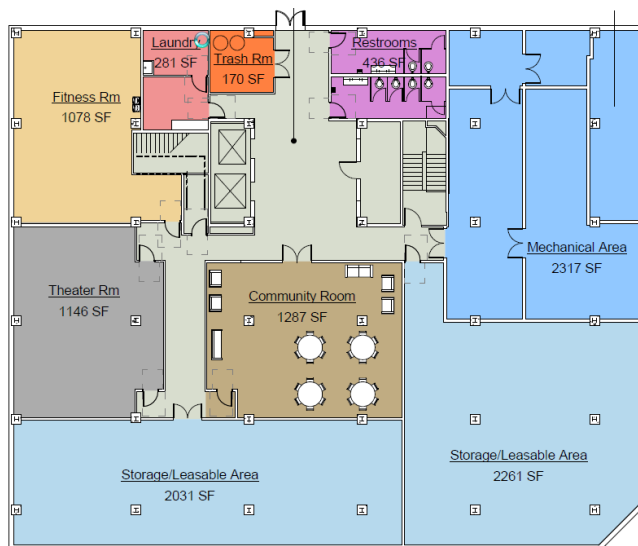
Material Alterations as defined in Texas Government Code §2306.6712(d) and 10 TAC §10.405(a)(4)									
Application					Amendment				
Development Site: 0.32 acres Units: 150 Density: 468.75 units/acre Residential Buildings: 1 Non-Residential Floors: 4 (basement, ground, 17, 18) Common Area Square Footage (basement floor <i>only</i> as counted at initial underwriting): 3,792 Common Area Square Footage (by total non-leasable space on basement and ground floor): 14,618 Total Building Leasable Area Square Footage: 12,291 (10,149 for basement & ground floor only; 2,142 for floor 17) Residential Net Rentable SF: 113,210					Development Site: 0.32 acres Units: 120 Density: 375.00 units/acre (-20%) Residential Buildings: 1 Non-Residential Floors: 7 (basement, ground, 14-18) Common Area Square Footage (basement floor <i>only</i> for comparison to original underwriting): 2,222 Common Area Square Footage (by total non-leasable space on basement and ground floor): 13,321 Total Building Leasable Area Square Footage: 39,672 (11,110 for basement & ground floor only; 26,420 for floors 14-16; 2,142 for floor 17) Residential Net Rentable SF: 84,368				
HTC	# of			Unit	HTC	# of			Unit
Units	Units	# BRs	# Baths	Size	Units	Units	# BRs	# Baths	Size

Material Alterations as defined in Texas Government Code §2306.6712(d) and 10 TAC §10.405(a)(4)

Application				
30%	1	0	1	705
50%	1	0	1	705
60%	2	0	1	789
30%	11	1	1	673
50%	2	1	1	673
50%	13	1	1	781
50%	8	1	1	657
60%	22	1	1	657
60%	30	1	1	668
60%	30	1	1	750
MR	30	2	1	969

30% units: 12
 50% units: 24
 60% units: 84
 MR units: 30

Basement Floor:

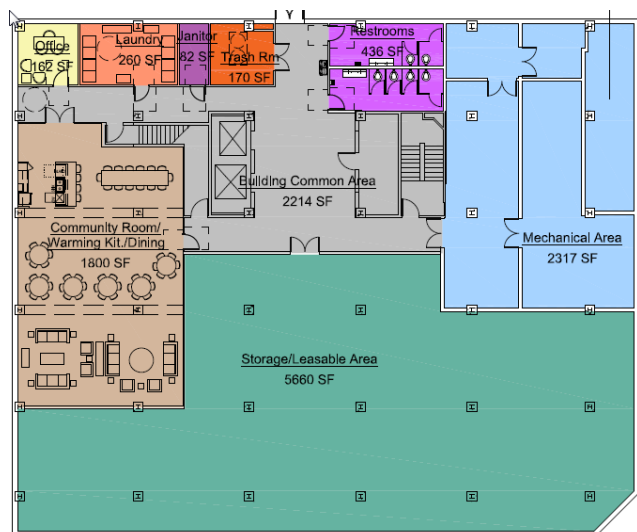


Ground Floor:

Amendment				
30%	1	0	1	705
50%	1	0	1	705
60%	2	0	1	789
30%	10	1	1	673
50%	2	1	1	673
60%	12	1	1	781
50%	7	1	1	781
30%	1	1	1	781
50%	14	1	1	657
60%	22	1	1	657
60%	24	1	1	668
60%	24	1	1	750

30% units: 12
 50% units: 24
 60% units: 84
 MR units: 0

Basement Floor:

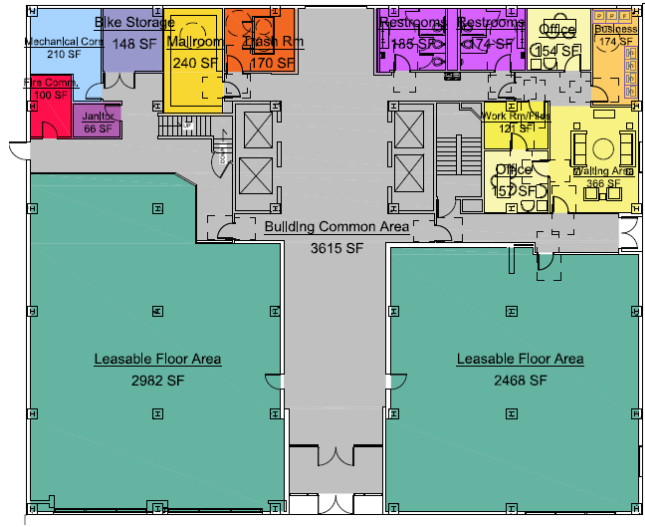
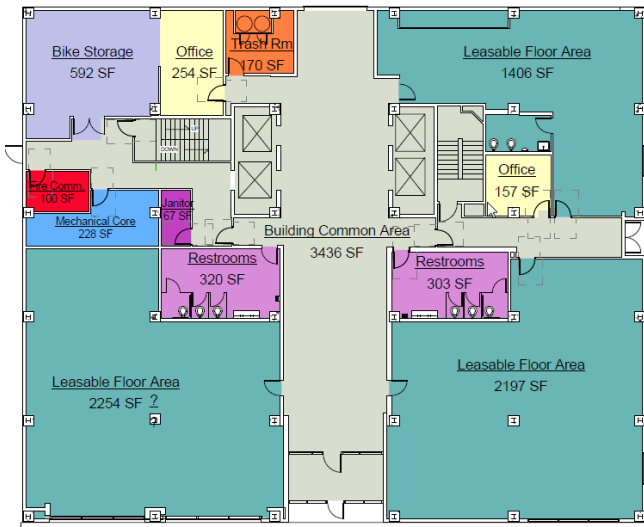


Ground Floor:

Material Alterations as defined in Texas Government Code §2306.6712(d) and 10 TAC §10.405(a)(4)

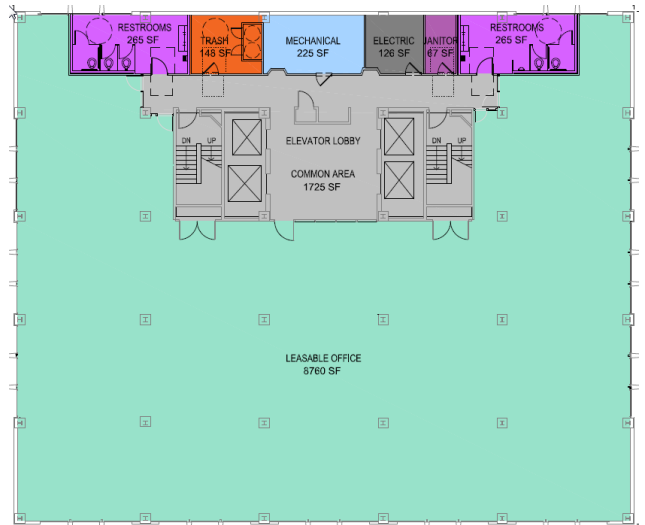
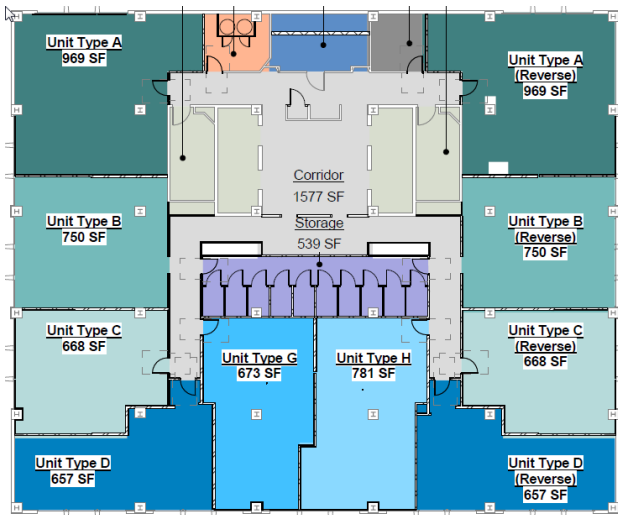
Application

Amendment



Floor 14:

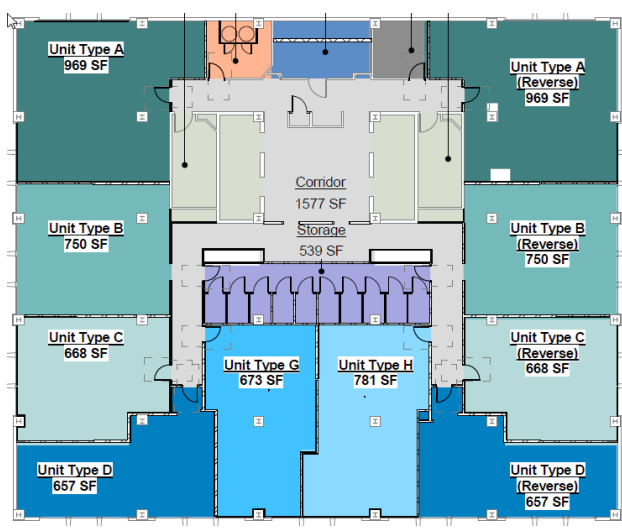
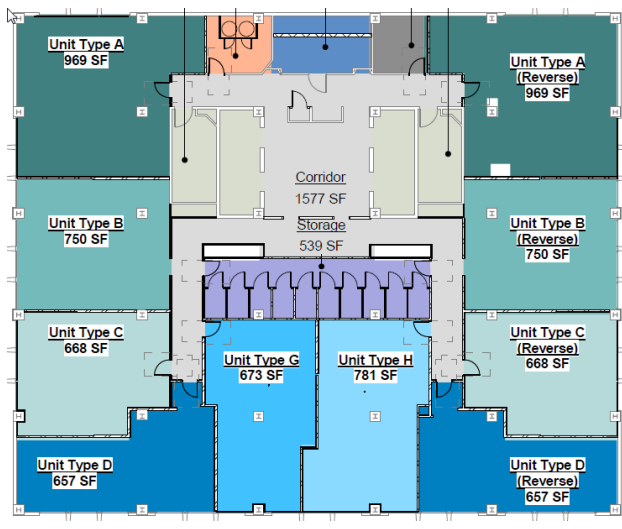
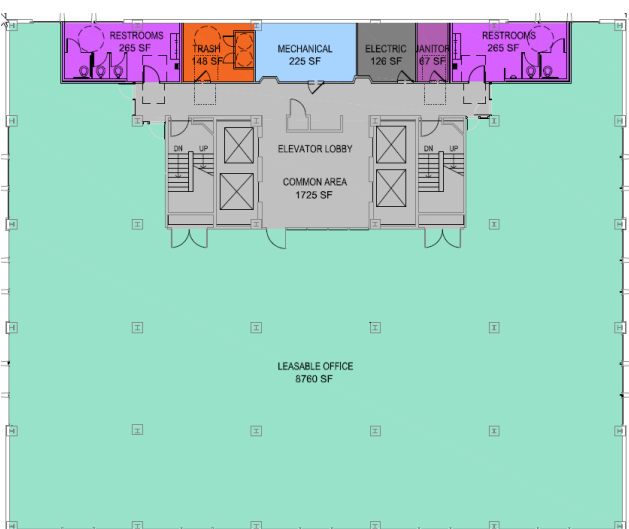
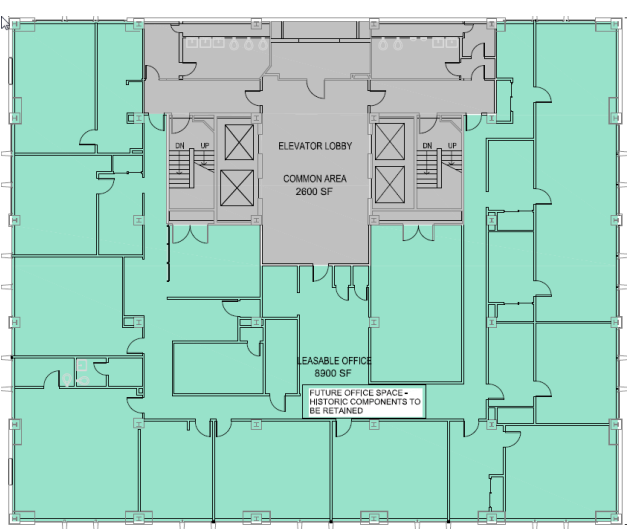
Floor 14:



Floor 15:

Floor 15:

Material Alterations as defined in Texas Government Code §2306.6712(d) and 10 TAC §10.405(a)(4)

Application	Amendment
 <p>Floor 16:</p> 	 <p>Floor 16:</p> 

Changes in Common Area Square Footage

In addition to changes affecting the number of units, square footage, residential density, and architectural design, the Applicant’s amendment also requests approval for material reductions to the common area square footage of the basement (from 3,792 square feet previously counted for only the basement level at initial underwriting for the laundry, fitness center, theater room, and community room to the comparable 2,222 square feet for the laundry, office, and community room/warming kitchen/dining room on the basement level replacing these spaces at the time of amendment, for a total reduction of 1,570 square feet or 41.40%).

Staff realized, however, that in reviewing the initial architectural drawings alongside those proposed at amendment, that the original common area square footage stated in the underwriting report only included common area on the basement floor and had not included additional office and bike storage spaces noted on the initial plans on the ground floor. As a result, staff re-reviewed both the basement and ground floor common areas for total common area space (which, in this case, staff examined as all space except leasable space available to commercial tenants). Based on this review, it appears that the original application proposed total non-leasable/common area space of 14,618 square feet on the basement and ground floor levels of the building and 10,149 leasable square feet on the basement and ground floor levels; at amendment, the request shows total non-leasable/common area space of 13,321 square feet on the basement and ground floor levels and 11,110 leasable square feet on the basement and ground floor levels, showing a total decrease of 1,297 square feet in the non-leasable/common area space, or a 8.87% decrease in common area square footage, which still results in a material change.

Based on the request, the changes to the basement and ground floor were made as a result of finalizing the interior amenities for the Development; a fitness room, theater room, and community room are now being consolidated into a community room/warming kitchen/dining room on the basement floor and a service coordinator office is added; other reconfigurations are now planned for the small community spaces on the ground floor (to include a mail room, business center, resident council office, and waiting area and re-consolidating leasable floor area in two areas rather than three). Previous plans for leasable space on floor 17 did not change and new non-residential plans for floors 14-16, according to the Owner, are being proposed due to the City of El Paso's request for leasable office space in the Blue Flame building.

Non-Material Changes in Parking

At the time of Application, the Owner planned for 180 garage parking spaces based on the related-party seller's ownership of a parking structure located one block from the Blue Flame building where 180 spaces would be designated for tenants based on a formal parking agreement that had not yet been drafted between the related-party seller and the Owner. At the time of amendment, the Owner has stated that Blue Flame will be considered exempt from City of El Paso parking requirements as a property inside the Boundaries of Improvement District No. 3 under the City of El Paso Downtown 2015 Plan. At the time of amendment, the Owner has reduced the amount of parking to be delivered from 180 spaces to 120 total spaces and has now proposed to offer one space per tenant unit.

Changes in Development Costs & Financing

The Owner was asked to submit a revised property condition assessment ("PCA") for the evaluation of the amendment and to submit revised financial exhibits to support updated total development costs. Though the amendment request is for a reduction in units, the revised PCA showed a new cost estimate of \$24,679,613 for hard costs and contractor fees (an increase of 16% from original application and an increase of 22% in hard costs alone) and new financial exhibits include an estimated total development cost of \$36,450,878 (an increase of 21% from the time of initial application).

Based on conversations with the Applicant in March, a condo regime was being envisioned whereby the building would be split into a residential space owned by the tax credit partnership and a commercial space that would be owned by a to be formed commercial partnership, which would

share in the building, financing, and soft costs and would finance the cost of the commercial tenants and reimbursement of construction costs to the tax credit partnership. In late April, however, the Applicant revised this plan and is now envisioning a separation of commercial space by way of a Master Lease by which the tax credit partnership would Master Lease with an entity once the tenants are in place, leaving a single tax credit investor for the HTC and commercial space.

The latest sources and uses reflects revised lending and equity partners and changes in debt and equity structures, for which financial exhibits and term sheets were submitted. The new sources and uses shows a decrease in conventional debt (now from Citibank) during the permanent period (down from \$7,850,000 to \$3,060,000, a reduction of \$4,790,000) balanced by increases in credit pricing resulting in larger equity contributions for additional projected credits, particularly in the case of Federal and State Historic Credit Equity, which was estimated at .89 and .70, respectively, for a combined total of \$8,665,591 at application and which has increased to estimates of .92 and .90 respectively for a combined total of \$13,706,314 at amendment in addition to the general third party equity amount of \$13,751,041 now offered by Hunt Capital (replacing PNC as the equity provider).

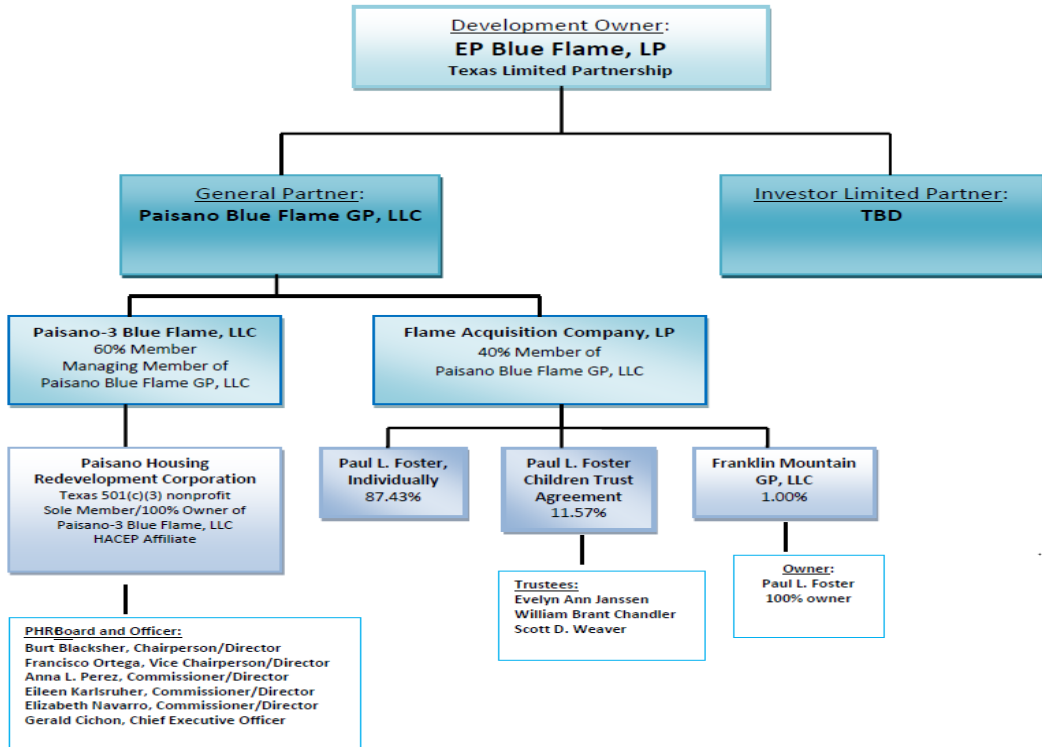
Real Estate Analysis (“REA”) has re-evaluated the transaction pursuant to Tex. Gov’t Code 2306.6712(b) and has concluded that the Development remains feasible. The analysis is attached to this Board Action Request.

Changes to Owner, Developer, and Guarantor Structures

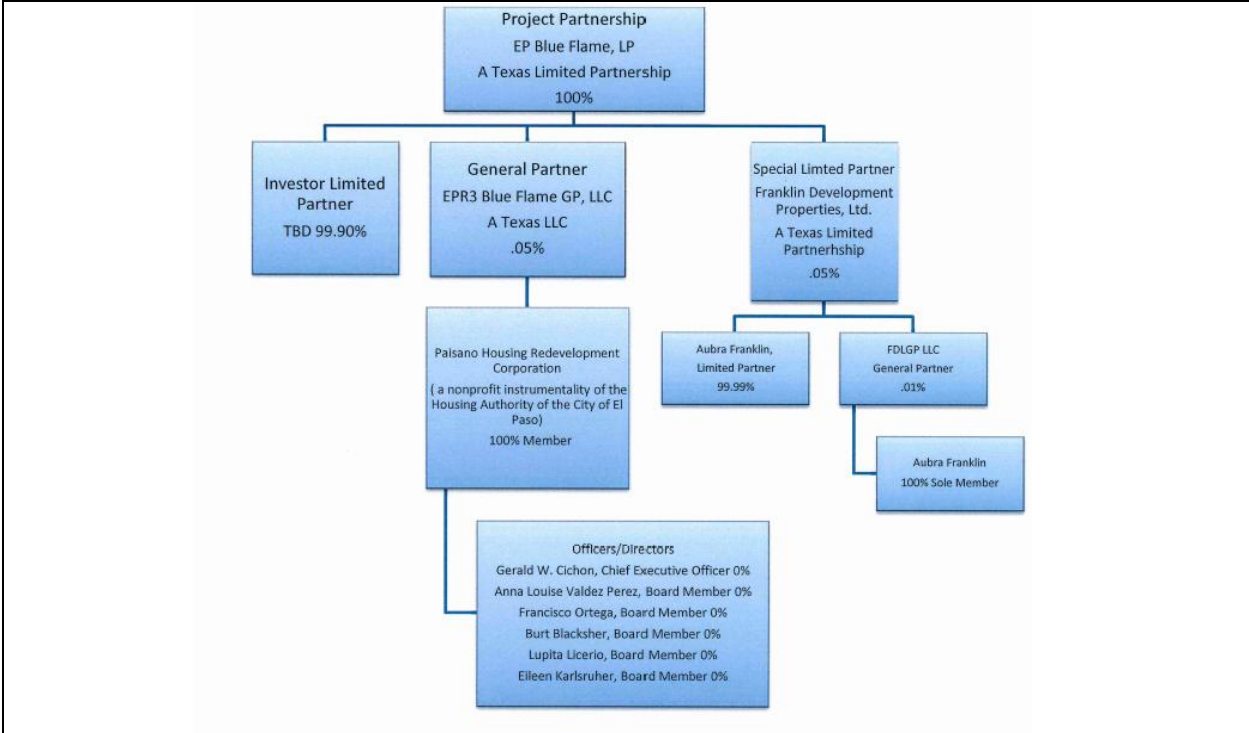
Finally, the amendment request addressed changes to the organizational structure of the Owner, Developer, and Guarantor. Based on the amendment request submitted from the Owner, because of the volume of developments that HACEP has in its pipeline, both HACEP and the Development’s investors believe that an Owner/Developer/Guarantor should be added to the organizational structure. The amendment proposes to remove the original co-GP, Flame Acquisition Company, LP (40% member of the GP), from the ownership structure, change the name of the GP to EPR3 Blue Flame GP, LLC (.05% GP), and retain Paisano Housing Redevelopment Corporation as sole member and 100% owner of the GP). A new Special Limited Partner, Franklin Development Properties, Ltd. (.05% SLP) will also be added, bringing in FDLGP, LLC as its GP (.01%, owned 100% by Aubra Franklin).

Additionally, Franklin Development Properties, Ltd. has also come into the Developer structure as a 50% co-Developer (with the same associated entities beneath), replacing the prior co-Developer of Flame Acquisition Company, LP (which was previously 40% co-Developer) and has become another Guarantor in the structure in addition to Paisano Housing Redevelopment Corporation, replacing the other original Guarantor of Flame Acquisition Company, LP. Under the Uniform Multifamily Rules in 10 TAC §10.406(e), the parties reflected in the Application as having control must remain in the ownership structure and retain such control prior to release of 8609s or the completion of construction unless approved otherwise by the Board. A development sponsor, General Partner or Development Owner may not sell the Development in whole or voluntarily end their control prior to the issuance of 8609s. Due to the fact that the Franklin entity, in this case, is replacing the previous Flame Acquisition Company, LP, the Board must approve the proposed change. A previous participation review was run for the addition of the new parties and resulted in a Category 3 result under the Department’s previous participation rule; EARAC approved the addition of the new parties unanimously with no conditions on April 24, 2018.

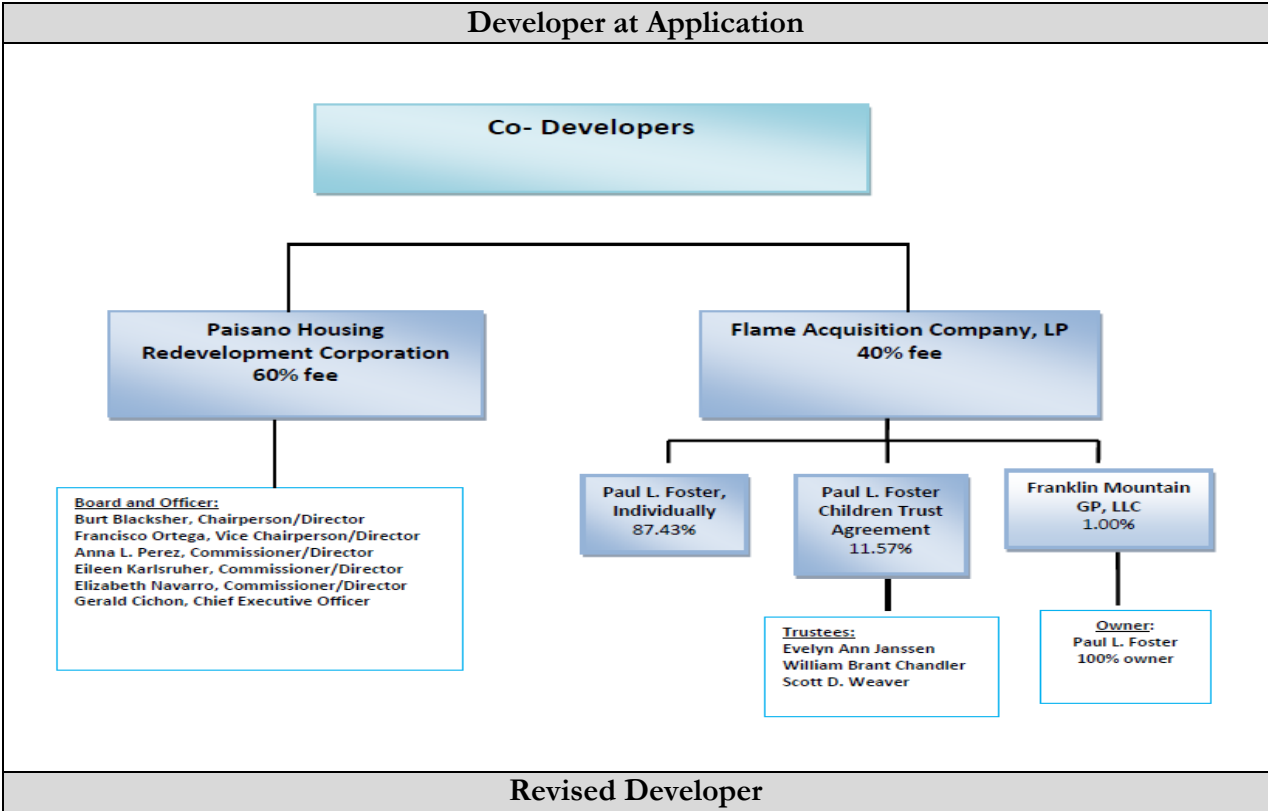
Ownership Structure at Application



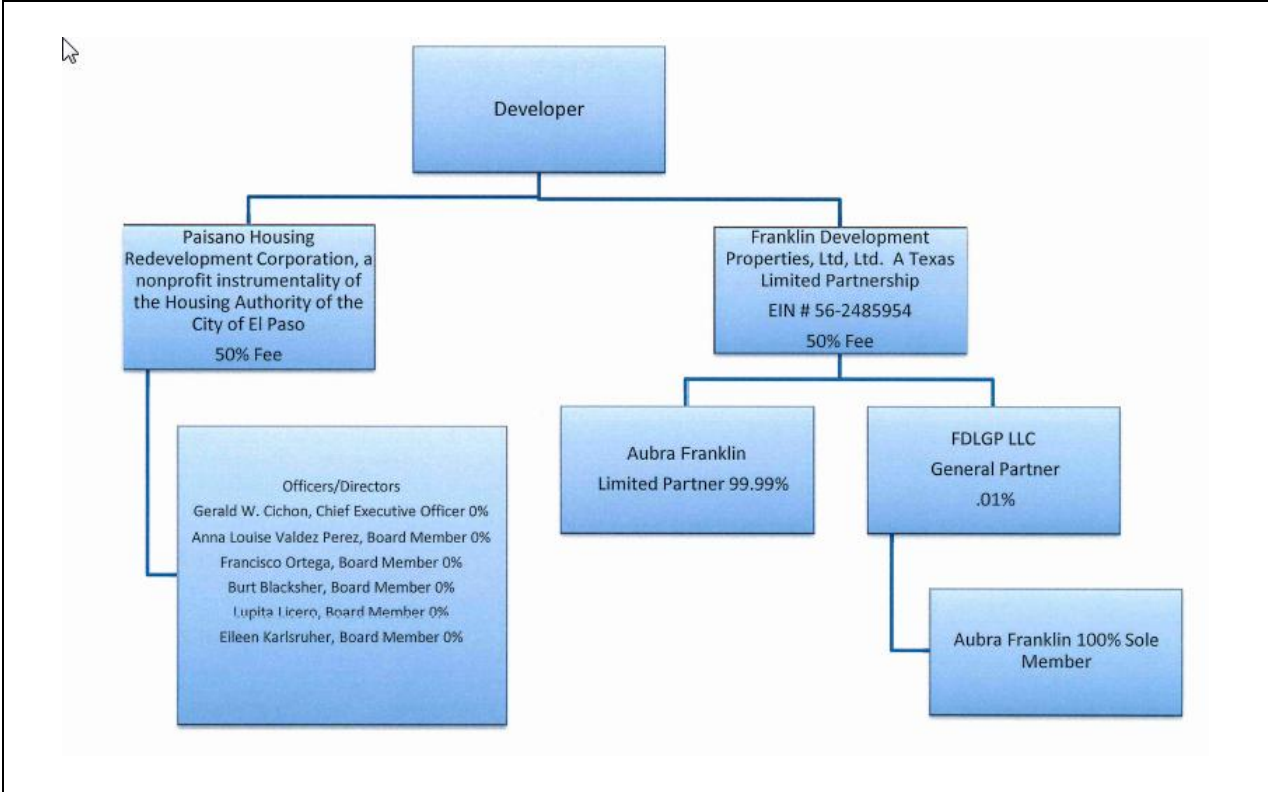
Revised Ownership Structure



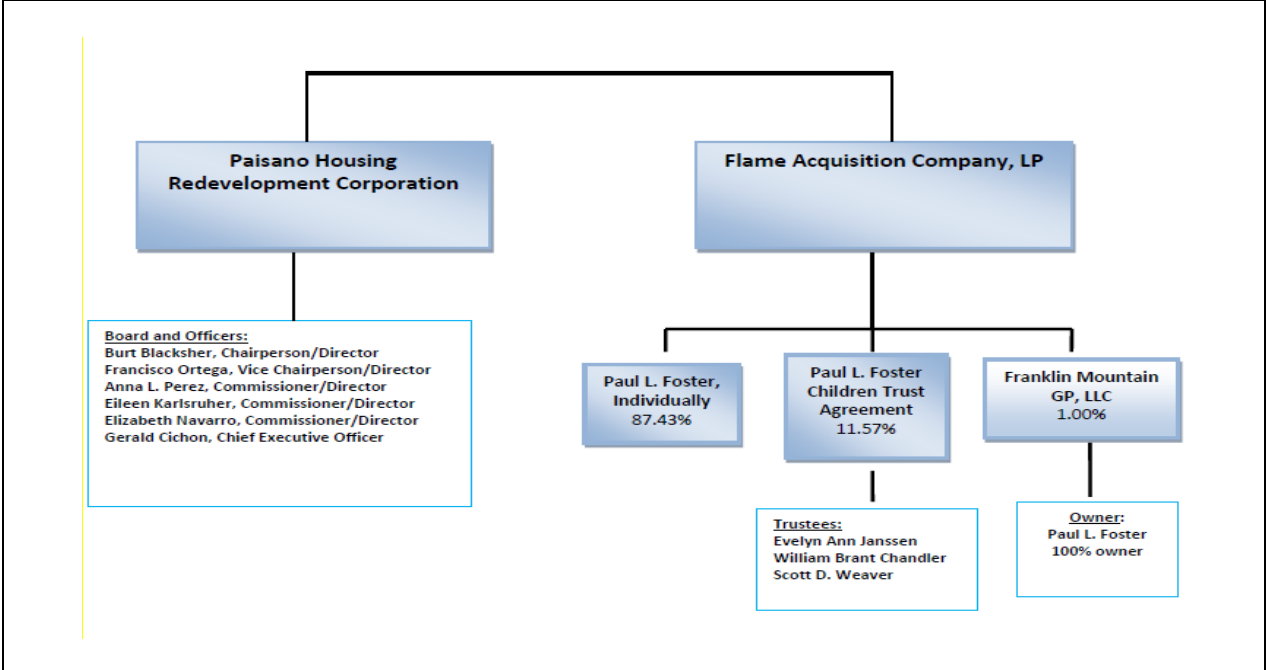
Developer at Application



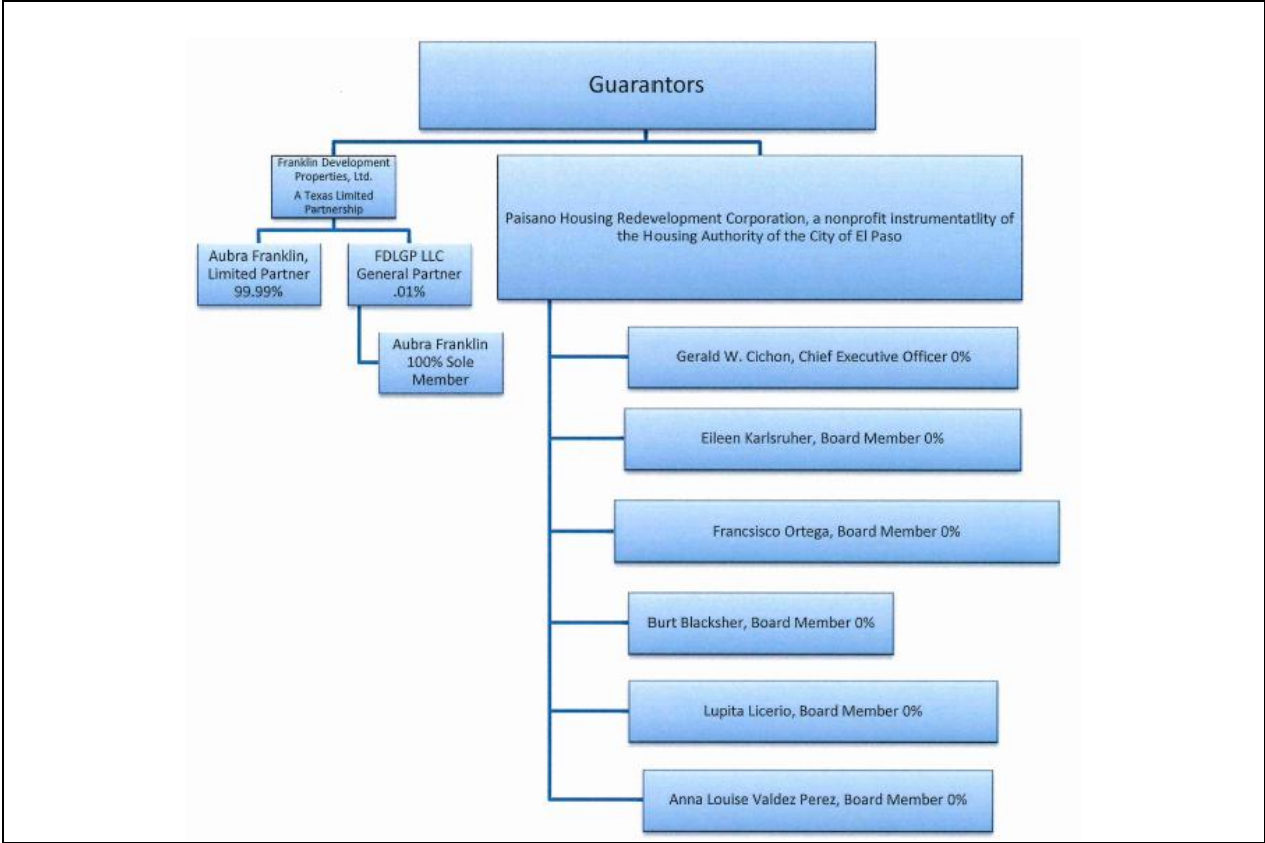
Revised Developer



Guarantor at Application



Revised Guarantor



Staff has reviewed the original application and scoring documentation against this amendment request and has concluded that none of the changes would have resulted in selection or threshold criteria changes that would have affected the application score.

Staff recommends approval of the requested material amendments to the Application and, changes to the Development Owner, Developer and Guarantor for Blue Flame Apartments, subject to previous participation review.



Addendum to Underwriting Report

TDHCA Application #: 17330 Program(s): 9% HTC

Blue Flame

Address/Location: 120 N Stanton St

City: El Paso County: El Paso Zip: 79901

APPLICATION HISTORY	
Report Date	PURPOSE
04/10/18	Amendment
09/19/17	New Application - Initial Underwriting

ALLOCATION

TDHCA Program	Previous Allocation				RECOMMENDATION				
	Amount	Rate	Amort	Term	Amount	Rate	Amort	Term	Lien
LIHTC (Annual)	\$1,494,828				\$1,494,828				

CONDITIONS STATUS

- 1 Receipt and acceptance by Carryover:
 - a: An updated term sheet from the FHA Lender.

Status: PNC has been replaced by Citibank and Hunt and there is no longer any FHA financing. **Condition satisfied.**
 - b: Documentation of a formal Parking Lease Agreement.

Status: Existing Memorandum of Parking Agreement provides up to 200 parking permits to the Subject. Site control includes the acquisition of the existing parking lease agreement and will be transferred to the Development Owner upon acquisition of the property.
 - c: Documentation of the status of the Historic Tax Credit application and approval.

Status: Texas Historical Commission Approval was received February 8, 2018. National Park Service Approval was received February 13, 2018. **Condition satisfied.**
- 2 Receipt and acceptance by 10% test:
 - HUD approval of RAD conversion including a commitment to enter into the Housing Assistance Payment contract (or executed CHAP or similar agreement), HUD approved rents and operating budget.

Status: Pending
- 3 Receipt and acceptance by Cost Certification:
 - a: Architect certification that all noise assessment recommendations were implemented and the Development is compliant with HUD noise guidelines.

b: Certification of comprehensive testing for asbestos (and/or) lead-based paint; that any appropriate abatement procedures were implemented by a qualified abatement company; and that any remaining asbestos-containing materials or lead-based paint are being managed in accordance with an acceptable Operations and Maintenance (O&M) program.

Status: Pending

Should any terms of the proposed capital structure change or if there are material changes to the overall development plan or costs, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted.

ANALYSIS

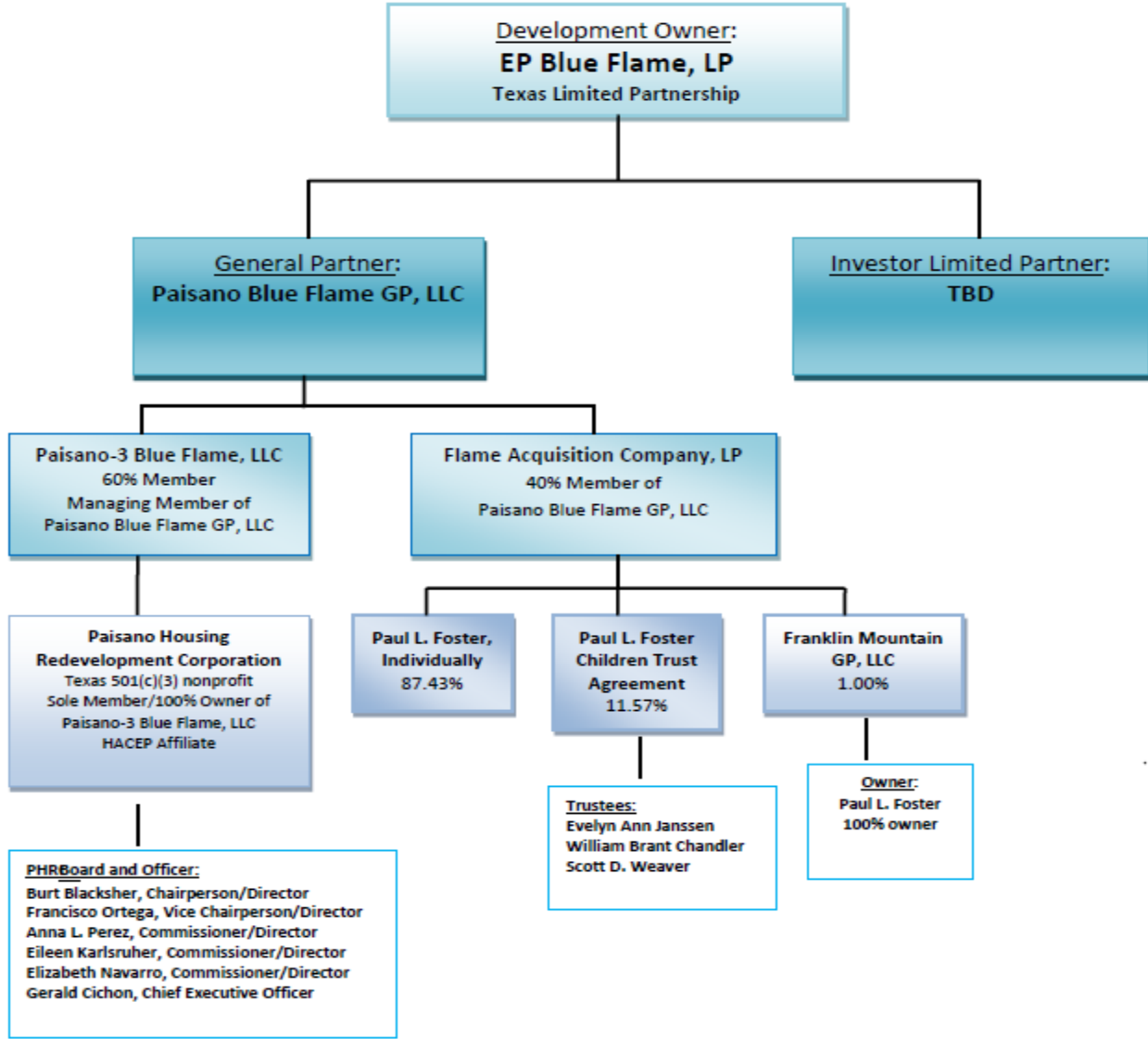
Applicant received a \$1.49M annual tax credit award during the 2017 9% HTC competitive cycle. On December 18, 2017, Applicant submitted an initial request to amend the original Application and subsequently issued an updated request in March of 2018 to modify the ownership structure, unit/building configuration, development costs and financing structure.

The most notable changes to the unit/building configuration are:

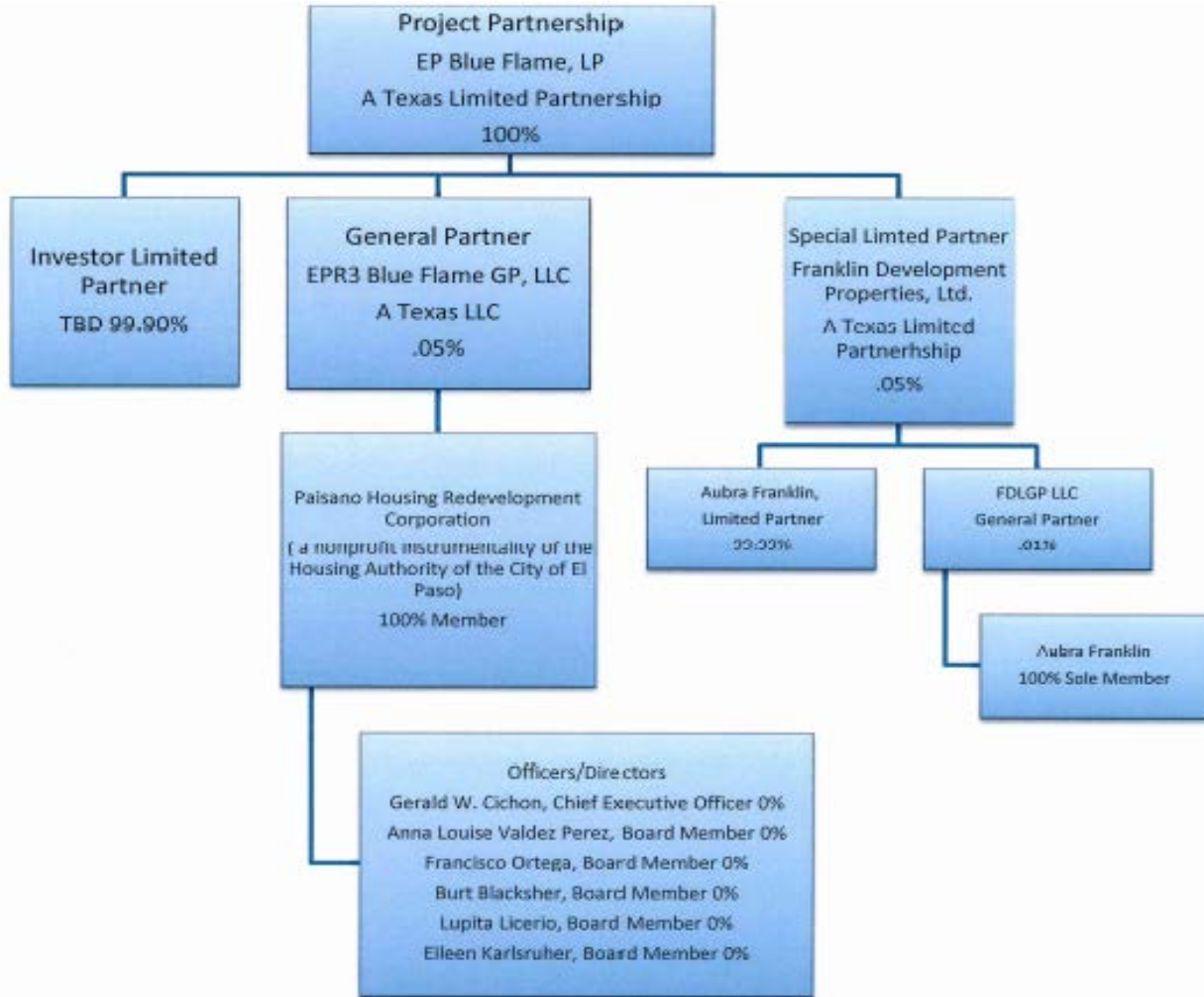
- Decrease from 150 to 120 total units
- Decrease in total NRA from 113,210 s.f to 84,368 s.f.
- Elimination of 2 BR units
- Elimination of all 30 Market rate units
- Avg Unit Size – Decrease from 755 s.f to 703 s.f.
- LIHTC/Residential (Floors 2-13). Previously all floors.
- Office (Floors 14-18).
- Basement & Ground Floor (Shared by LIHTC & Condo)

The most significant change to the ownership structure is the replacement of Flame Acquisition Company with Franklin Development. (See Org Charts below)

ORIGINAL OWNERSHIP STRUCTURE



AMENDED OWNERSHIP STRUCTURE



Operating Pro Forma

Applicant's revised pro forma is within 5% of Underwriter's; therefore the Applicant's pro forma continues to be used for analysis. Although the no changes to the CHAP were reported, total income has decreased \$285K as a result of the reduced development. Applicant's total income and expenses have on average decreased by 20% as a direct result of the reduced development plan.

At ~\$3,400/unit, controllable expenses may prove low or understated; however, RAD rents will be adjusted to adequately cover operating expenses.

Underwritten DCR decreases from 1.19 at original underwriting to 1.15.

Development Cost

Originally, no acquisition value had been included in the development costs, as the Applicant assumed that the land and building would be contributed to the partnership by the then current owner in exchange for ownership interest in the LIHTC partnership. Subsequently, the value would be paid from surplus cash flow over the 75 year ground lease period. However, a \$2.25M Seller note has since been executed and fully repaid as of February 16, 2018.

Because of the addition of the commercial space, the Applicant will create a condo regime with the apartment and commercial space each being a condo.

Applicant has allocated 22% of the total cost to the Commercial condo based on a pro rata square footage of total commercial space versus residential space. This allocation method may not be accurate as several aspects of the costs are not generally allocated in the same manner (i.e., interiors of units/finishes). However, the Applicant indicates this conservative approach was taken in order to not artificially inflate the eligible basis. Final allocation will be made at Cost Certification.

Applicant submitted a revised PCA detailing the updates to the Developer's Scope of Work. The revised PCA identified Hard Costs (including demolition, non-residential renovations, contingency and contractor fees) totaling \$24.68M (up from \$21.21M) and are consistent with the Applicant's amended estimate.

Total Development Cost increased 21% (-\$6.4M); however current costs reviewed by third party entities and based on 70% plans.

Additionally, since initial application, a new Developer has stepped in and cost increases may be due to a number of factors including spec and scope changes, market increases and underestimated costs at original application.

Sources of Funds

Citibank has replaced PNC's \$7.85M FHA 221d4 loan with a \$3.06M conventional loan. The new loan will have a higher interest rate at 6.10% and be amortized over a 35/15 year term instead of 40/40. Applicant added a \$5.9M gap loan from the Housing Authority of the City of El Paso (HACEP) to help offset the newly included Acquisition costs and \$7.9M in total commercial costs.

For simplicity, the Underwriter has listed the \$2.5M Seller Note as a separate source and reduced the HACEP gap loan accordingly.

HACEP Gap Loan is a Related Party loan. Underwriter assumes \$1.5M of this loan will be bona fide debt and amortized similar to the senior debt at 3% interest. If treated as deferred fee there is insufficient cash flow to retire the debt within the required 15 years.

Hunt Capital has replaced PNC as equity provider and the LIHTC equity rate has increased from \$0.89 to \$0.92, resulting in increased equity proceeds of ~\$448K (\$13.75M total).

Underwriter reduced the total \$5.9M gap loan by \$330K to reflect the resulting gap in financing. With the HACEP gap loan reduced to a total of \$5.6M (\$2.5M of which is Seller Note), the long term financial feasibility of the development is greatly improved.

Conclusion

The current analysis continues to support the original \$1,494,828 credit allocation.

No change in the approved credit allocation is being recommended at this time.

Underwriter: Diamond Unique Thompson

Manager of Real Estate Analysis: Thomas Cavanagh

Director of Real Estate Analysis: Brent Stewart

UNIT MIX/RENT SCHEDULE

Blue Flame, El Paso, 9% HTC #17330

LOCATION DATA	
CITY:	El Paso
COUNTY:	El Paso
Area Median Income	\$45,400
PROGRAM REGION:	13

UNIT DISTRIBUTION						
# Beds	# Units	% Total	Assisted	Income	# Units	% Total
Eff	4	3.3%	4	30%	12	10.0%
1	116	96.7%	116	40%	-	0.0%
2	-	0.0%	0	50%	24	20.0%
3	-	0.0%	0	60%	84	70.0%
4	-	0.0%	0	MR	-	0.0%
TOTAL	120	100.0%	120	TOTAL	120	100.0%

Applicable Programs
9% Housing Tax Credits

Pro Forma ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	100.00%
APP % Acquisition	3.39%
APP % Construction	9.00%
Average Unit Size	703 sf

UNIT MIX / MONTHLY RENT SCHEDULE

HTC		RENT ASSISTED UNIT		UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS				MARKET RENTS		
Type	Gross Rent	Type	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Utility Allow	Max Net Program Rent	Delta to Max	Rent psf	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent psf	Delta to Max	Underwritten	Mrkt Analyst	
TC 30%	\$275	RAD	\$623	1	0	1	705	\$623	\$0	\$623	\$0	\$0.88	\$623	\$623	\$623	\$623	\$0.88	\$0	\$810	\$1.15	\$810
TC 50%	\$458	RAD	\$623	1	0	1	705	\$623	\$0	\$623	\$0	\$0.88	\$623	\$623	\$623	\$623	\$0.88	\$0	\$810	\$1.15	\$810
TC 60%	\$550	RAD	\$623	2	0	1	789	\$623	\$0	\$623	\$0	\$0.79	\$623	\$1,246	\$1,246	\$623	\$0.79	\$0	\$820	\$1.04	\$820
TC 30%	\$295	RAD	\$668	10	1	1	673	\$668	\$0	\$668	\$0	\$0.99	\$668	\$6,680	\$6,680	\$668	\$0.99	\$0	\$865	\$1.29	\$865
TC 50%	\$491	RAD	\$668	2	1	1	673	\$668	\$0	\$668	\$0	\$0.99	\$668	\$1,336	\$1,336	\$668	\$0.99	\$0	\$865	\$1.29	\$865
TC 60%	\$590	RAD	\$668	12	1	1	781	\$668	\$0	\$668	\$0	\$0.86	\$668	\$8,016	\$8,016	\$668	\$0.86	\$0	\$880	\$1.13	\$880
TC 50%	\$491	RAD	\$668	7	1	1	781	\$668	\$0	\$668	\$0	\$0.86	\$668	\$4,676	\$4,676	\$668	\$0.86	\$0	\$865	\$1.11	\$865
TC 30%	\$295	RAD	\$668	1	1	1	781	\$668	\$0	\$668	\$0	\$0.86	\$668	\$668	\$668	\$668	\$0.86	\$0	\$865	\$1.11	\$865
TC 50%	\$491	RAD	\$668	14	1	1	657	\$668	\$0	\$668	\$0	\$1.02	\$668	\$9,352	\$9,352	\$668	\$1.02	\$0	\$865	\$1.32	\$865
TC 60%	\$590	RAD	\$668	22	1	1	657	\$668	\$0	\$668	\$0	\$1.02	\$668	\$14,696	\$14,696	\$668	\$1.02	\$0	\$880	\$1.34	\$880
TC 60%	\$590	RAD	\$668	24	1	1	668	\$668	\$0	\$668	\$0	\$1.00	\$668	\$16,032	\$16,032	\$668	\$1.00	\$0	\$880	\$1.32	\$880
TC 60%	\$590	RAD	\$668	24	1	1	750	\$668	\$0	\$668	\$0	\$0.89	\$668	\$16,032	\$16,032	\$668	\$0.89	\$0	\$880	\$1.17	\$880
TOTALS/AVERAGES:				120			84,368				\$0	\$0.95	\$667	\$79,980	\$79,980	\$667	\$0.95	\$0	\$874	\$1.24	\$874

ANNUAL POTENTIAL GROSS RENT:		\$959,760	\$959,760
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CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Blue Flame, El Paso, 9% HTC #17330

DEBT / GRANT SOURCES																	
APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE										AS UNDERWRITTEN DEBT/GRANT STRUCTURE							
DEBT (Must Pay)	Fee	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Prior Underwriting		Principal	Term	Amort	Rate	Pmt	Cumulative	
		UW	App						Applicant	TDHCA						DCR	LTC
CitiBank, N.A.		1.16	1.16	278,369	6.10%	35	15	\$3,060,000	\$7,850,000	\$7,850,000	\$3,060,000	15	35	6.10%	\$211,845	1.53	8.5%
HACEP		1.16	1.16		3.00%	0	50	\$0			\$1,450,000	15	35	3.00%	\$66,964	1.16	4.0%
Adjustment to Debt Per \$10.302(c)(2)		1.16	1.16								\$0	0	0	0.00%		1.16	0.0%
CASH FLOW DEBT / GRANTS																	
City of El Paso		1.16	1.16		0.00%	0	0	\$0			\$0	0	0	0.00%		1.16	0.0%
HACEP		1.16	1.16		3.00%	0	50	\$5,933,523			\$1,653,039	50		3.00%		1.16	4.6%
HACEP Seller Note		1.16	1.16		0.00%	0	0	\$0			\$2,500,000	0	0	0.00%		1.16	6.9%
				\$278,369	TOTAL DEBT / GRANT SOURCES				\$8,993,523	TOTAL DEBT SERVICE				\$278,809	1.16	24.0%	

NET CASH FLOW	\$43,617	\$45,002	APPLICANT NET OPERATING INCOME										\$323,371	\$44,561	NET CASH FLOW
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EQUITY SOURCES														
APPLICANT'S PROPOSED EQUITY STRUCTURE						AS UNDERWRITTEN EQUITY STRUCTURE								
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	Prior Underwriting		Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method	
						Applicant	TDHCA							
Hunt Capital	LIHTC Equity	38.1%	\$1,494,828	0.92	\$13,751,041	\$13,348,665	\$13,302,638	\$13,751,041	\$0.92	\$1,494,828	38.1%	\$12,457	Previous Allocation	
Hunt Capital	Federal Historic Credit Equity	17.1%		0.92	\$6,166,166	\$4,369,618	\$4,369,618	\$6,166,166	0.92		17.1%			
Hunt Capital	State Historic Credit Equity	20.9%		0.90	\$7,540,148	\$4,295,973	\$4,295,973	\$7,540,148	0.90		20.9%			
Paisano Housing Redevelopment	Deferred Developer Fees	0.0%		(0% Deferred)	\$0	\$179,614		\$0		(0% Deferred)	0.0%	Total Developer Fee:	\$4,076,711	
Additional (Excess) Funds Req'd		0.0%						\$0			0.0%			
TOTAL EQUITY SOURCES		76.0%			\$27,457,355			\$27,457,355			76.0%			

TOTAL CAPITALIZATION	\$36,450,878	\$36,120,394	15-Yr Cash Flow after Deferred Fee:	\$700,116
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DEVELOPMENT COST / ITEMIZED BASIS														
APPLICANT COST / BASIS ITEMS					TDHCA COST / BASIS ITEMS					COST VARIANCE				
	Eligible Basis		Total Costs		Prior Underwriting		Total Costs		Eligible Basis					
	Acquisition	New Const. Rehab			Applicant	TDHCA			New Const. Rehab	Acquisition				%
Land Acquisition			\$20,833 / Unit	\$2,500,000	\$0	\$0	\$2,500,000	\$20,833 / Unit				0.0%	\$0	
Building Acquisition	\$0		\$ / Unit	\$0	\$0	\$0	\$0	\$ / Unit		\$0		0.0%	\$0	
Off-Sites			\$ / Unit	\$0	\$0	\$0	\$0	\$ / Unit				0.0%	\$0	
Site Work		\$0	\$ / Unit	\$0	\$0	\$0	\$0	\$ / Unit	\$0			0.0%	\$0	
Site Amenities		\$0	\$ / Unit	\$0	\$0	\$0	\$0	\$ / Unit	\$0			0.0%	\$0	
Interior Demolition			\$ / Unit	\$0	\$0	\$595,718	\$332,200	\$2,768 / Unit				-100.0%	(\$332,200)	
Non-Residential Space			\$ / Unit	\$0	\$0	\$4,133,803	\$4,462,876	\$37,191 / Unit				-100.0%	(\$4,462,876)	
Building Cost		\$15,822,898	\$244.38 /sf	\$171,816/Unit	\$20,617,974	\$16,915,201	\$12,185,680	\$15,822,898	\$131.857/Unit	\$187.55 /sf	\$15,822,898	30.3%	\$4,795,076	
Contingency		\$804,100	5.08%	5.00%	\$1,030,898	\$1,691,520	\$1,691,520	\$1,030,898	5.00%	5.08%	\$804,100	0.0%	\$0	
Contractor Fees		\$2,327,780	14.00%	14.00%	\$3,030,741	\$2,604,941	\$2,604,941	\$3,030,741	14.00%	14.00%	\$2,327,780	0.0%	\$0	
Soft Costs	0	\$1,713,091		\$18,963 / Unit	\$2,275,529	\$2,275,529	\$2,275,529	\$18,963 / Unit			\$1,713,091	0.0%	\$0	
Financing	0	\$1,488,327		\$17,924 / Unit	\$2,150,824	\$2,150,824	\$2,150,824	\$17,924 / Unit			\$1,488,327	0.0%	\$0	
Developer Fee	\$0	\$3,469,085	15.66%	15.75%	\$4,280,665	\$3,841,609	\$3,633,858	\$4,076,710	15.00%	15.00%	\$3,323,429	5.0%	\$203,955	
Reserves				\$4,702 / Unit	\$564,247	\$564,247	\$564,669	\$437,718	\$3,648 / Unit			28.9%	\$126,529	
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BA	\$0	\$25,625,281		\$303,757 / Unit	\$36,450,878	\$30,043,870	\$29,818,542	\$36,120,394	\$301.003 / Unit	\$25,479,625	\$0	0.9%	\$330,484	
Acquisition Cost	\$0													
Contingency		\$0												
Contractor's Fee		(\$0)												
Interim Interest		\$0												
Developer Fee	\$0	(\$145,656)			(\$203,955)									
Reserves					\$0									
ADJUSTED BASIS / COST	\$0	\$25,479,625		\$302,058/unit	\$36,246,924			\$36,120,394	\$301.003/unit	\$25,479,625	\$0	0.4%	\$126,529	
TOTAL HOUSING DEVELOPMENT COSTS BASED ON 3RD PARTY PCA/CNA								\$36,120,394						

CAPITALIZATION / DEVELOPMENT COST BUDGET / ITEMIZED BASIS ITEMS

Blue Flame, El Paso, 9% HTC #17330

	CREDIT CALCULATION ON QUALIFIED BASIS			
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
ADJUSTED BASIS	\$0	\$25,479,625	\$0	\$25,479,625
Deduction of Federal Grants	\$0	(\$6,166,166)	\$0	(\$6,166,166)
Credit for Voluntary Basis Adj.		\$5,392,635		\$5,392,635
TOTAL ELIGIBLE BASIS	\$0	\$24,706,094	\$0	\$24,706,094
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$0	\$32,117,922	\$0	\$32,117,922
Applicable Fraction	100.00%	100.00%	100.00%	100.00%
TOTAL QUALIFIED BASIS	\$0	\$32,117,922	\$0	\$32,117,922
Applicable Percentage	3.39%	9.00%	3.39%	9.00%
ANNUAL CREDIT ON BASIS	\$0	\$2,890,613	\$0	\$2,890,613
CREDITS ON QUALIFIED BASIS		\$2,890,613		\$2,890,613

Method	ANNUAL CREDIT CALCULATION BASED ON TDHCA BASIS		FINAL ANNUAL LIHTC ALLOCATION		
	Annual Credits	Proceeds	Credit Price \$0.9199	Variance to Request	
			Credit Allocation	Credits	Proceeds
Eligible Basis	\$2,890,613	\$26,590,978	----	----	----
Needed to Fill Gap	\$1,494,828	\$13,751,041	----	----	----
Previous Allocation	\$1,494,828	\$13,751,041	\$1,494,828	\$0	\$0

Long-Term Pro Forma

Blue Flame, El Paso, 9% HTC #17330

	Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30	Year 35	Year 40
EFFECTIVE GROSS INCOME	2.00%	\$912,810	\$931,066	\$949,688	\$968,682	\$988,055	\$1,090,893	\$1,204,434	\$1,329,792	\$1,468,198	\$1,621,009	\$1,789,725	\$1,976,001
TOTAL EXPENSES	3.00%	\$589,440	\$606,666	\$624,401	\$642,658	\$661,453	\$764,079	\$882,767	\$1,020,045	\$1,178,841	\$1,362,549	\$1,578,655	\$1,830,094
NET OPERATING INCOME ("NOI")		\$323,371	\$324,400	\$325,287	\$326,024	\$326,602	\$326,814	\$321,667	\$309,748	\$289,356	\$258,461	\$211,070	\$145,907
EXPENSE/INCOME RATIO		64.6%	65.2%	65.7%	66.3%	66.9%	70.0%	73.3%	76.7%	80.3%	84.1%	88.2%	92.6%
MUST -PAY DEBT SERVICE													
CitiBank, N.A.		\$211,845	\$211,845	\$211,845	\$211,845	\$211,845	\$211,845	\$211,845	\$211,845	\$211,845	\$211,845	\$211,845	\$211,845
TOTAL DEBT SERVICE		\$278,809	\$278,809	\$278,809	\$278,809	\$278,809	\$278,809	\$278,809	\$278,809	\$278,809	\$278,809	\$278,809	\$278,809
DEBT COVERAGE RATIO		1.16	1.16	1.17	1.17	1.17	1.17	1.15	1.11	1.04	0.93	0.76	0.52
ANNUAL CASH FLOW		\$44,561	\$45,591	\$46,478	\$47,214	\$47,792	\$48,004	\$42,858	\$30,938	\$10,547	(\$20,349)	(\$67,739)	(\$132,902)
Deferred Developer Fee Balance		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CUMULATIVE NET CASH FLOW		\$44,561	\$90,152	\$136,630	\$183,844	\$231,636	\$473,127	\$700,116	\$881,673	\$978,959	\$943,663	\$707,458	\$180,755



Asset Management Division

Amendment Request Form

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

TYPE OF AMENDMENT REQUESTED

Date Submitted: 11/30/2017

Amendment Requested: *Application Amendment,*

Has the change been implemented? *No*

Award Stage: *Carryover (Prior to Construction/10% Test)*

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

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

DEVELOPMENT INFORMATION

Dev. Name: Blue Flame

File No. / CMTS No.: 17330 /

CONTACT INFORMATION

Request Submitted By: Sarah Anderson

Phone #/Email: (512) 554-4721 /

SECTION 1: COVER LETTER

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

- The change(s) requested
- The reason the change is necessary
- The good cause for the change
- An explanation of whether the amendment was reasonably foreseeable or preventable at the time of Application

SECTION 2: REQUIRED DOCUMENTATION

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

- Revised Development Financing Exhibits – if sources, terms, conditions, or amounts of financing will be impacted or changed by your amendment request, revised Application exhibits and term sheets (or executed Loan documents and LPA, if the loan has closed) must be submitted
- Signed Statement of No Financial Impact – if no sources, terms, conditions, or amount of financing will be impacted or changed by your amendment request, the Owner must sign and submit a statement to this effect
- Revised Application Exhibits/Documents Reflecting or Supporting All Requested Changes – revised site plans, surveys, Building and Unit Configuration exhibit, etc.
- Material Amendment fee of \$2,500 for first amendments, \$3,000 for second amendments, \$3,500 for third or more. (Applicable to Non-Material Amendments only if changes have been implemented prior to Amendment approval) – *N/A for Developments only funded by a Direct Loan program (HOME, NSP, HTF)*

SECTION 3A: MATERIAL APPLICATION AMENDMENT ITEMS

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

- Site plan Scope of tenant services Exclusion of reqs in Subchapters B & C
 Number of units* Reduction of 3%+ in unit sq ft Other
 Bedroom mix Reduction of 3%+ common area
 Architectural design Residential density (5%+ change)

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

- Written confirmation from the lender *and* syndicator that the development is infeasible without the adjustment in units
 Evidence supporting the need for the adjustment in units

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

SECTION 3B: MATERIAL LURA AMENDMENT ITEMS

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

- Reductions in the number of LI units Change in Target Population
 Changes to income or rent restrictions Removal of Non-profit Other
 Change in ROFR period or other ROFR provisions

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

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

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

SECTION 4A: NON-MATERIAL APPLICATION AMENDMENT SUMMARY

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

Short Summary Regarding Application Changes

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

SECTION 4B: NON-MATERIAL LURA AMENDMENT SUMMARY

Identify non-material amendments requested to the LURA:

Short Summary Regarding LURA Changes

SECTION 4C: NOTIFICATION ITEM SUMMARY

Identify any notification items from the time of application:

Short Summary Regarding LURA Changes

November 30, 2017

TDHCA
Multifamily Finance
221 E. 11th Street
Austin, TX 78701

RE; Blue Flame Apartments—TDHCA File No. 17330
Request for Application Amendment

Dear Ms. DeBellas:

On behalf of the Developer, I am submitting this request to obtain the Department's approval for amendments to the Developer's tax credit application for the Blue Flame Apartments (TDHCA File No. 17330), located in El Paso, TX.

Based on a meeting with the Texas Historic Commission (THC), the Developer's Historic Tax Credit Consultant was given direction regarding the need to retain the commercial nature of 16th floor of the building. (See Exhibit A-1 for more details on the proposed work anticipated to receive historic tax credits, both at the state and federal level.) Specifically, that:

Public spaces and significant offices are specifically called out in the Standards as spaces that should be retained...The Texas Historical Commission would require that we retain the elevator lobby and all of the corridors on the 16th floor, as well as all doors facing onto the corridors. They would also require that we retain, in whole, the President's corner office as a significant space.

Additionally, based upon the most pressing needs and revitalization efforts for the downtown area, the City of El Paso is requesting that a minimum of three floors of commercial space be set aside for use by the City.

In order to comply with THC's directive to preserve certain historical components, as well as to meet the City's interest for commercial office use, the Developer is proposing to eliminate the 30 market rate units and re-configure floors 14-16 as leasable space. Floors 2-13 will continue to be dedicated for the 120 tax credits units as originally submitted in the tax credit application.

The Developer believes that the following amendment request will result in a design that more effectively accounts for the development's operation, the building's historic preservation measures, and remains true to the tax credit application.

Threshold 1: Changes to Unit Configuration

Description: Changes to the unit configuration were necessary as referenced above. The 30 market rate units will be eliminated with a re-configured plan of floors 2-13 for residential use (120 tax credit units) and floors 14-16 for commercial use.

Impact: The amendment does not modify the number of affordable units or bedroom types, nor does it decrease total square footage from the affordable units. *See Exhibit B (unit mix comparison) and Exhibit C (unit, basement and ground floor plans)* for a comparison of the original unit mix as submitted in the tax credit application and the proposed amended unit mix.

Threshold 2 Changes to common amenities to better serve the population

Description: This amendment is a result of finalizing interior amenities for the development. The following amenities were added to the Area Plans (Basement and Ground Floor Plans). *See Exhibit C (basement and ground floor plans)*. With the elimination of the 30 market rate units, the total number of points required to meet Threshold for Common Amenities was reduced from 18 to 14 points required. The following reflect the revisions made to the common spaces:

- Fitness room was replaced with a Service Coordinator Office
- Theatre room was replaced with a Community Dining with warming kitchen area.
- A business center was added to the common spaces
- A Resident Council office was added to the common spaces.
- A mail room was added to the common ground floor area.

These changes are also in line with a predominately senior based household as indicated in the relocation plan.

Impact: Changes to the common amenities will not have an impact on the development cost.

Threshold 3 Changes to common area square footage

Description: No changes to the common area square footage. *See Exhibit C-basement and ground floor plans*.

Impact: No impact on development cost.

Threshold 4 Changes to Development Cost Schedule

Description: The Development Cost Schedule was updated to reflect the elimination of the 30 market rate units. *See Exhibit D for updated Development Cost Schedule*.

Impact: Total Development Costs decreased \$5,040,595. Due to the recent uncertainty with the proposed tax legislation, the Partnership will be required to purchase the building prior to December 31, 2017. In order to accomplish this, the building will have to be purchased outright, in lieu of a long term lease. This added \$2,500,000 of building acquisition costs to the development cost schedule.

The requested credits remain the same. Total qualified basis increased due to increase in applicable percentage.

Threshold 5 Changes to the Rent Schedule

Description: The Rent Schedule was updated to reflect changes in the unit mix. *See Exhibit E for updated Rent Schedule*.

Impact: Elimination of 30 Market rate units decreased Effective Gross Annual Income \$285,180. The decrease will reduce NOI reducing Permanent Loan Amount. Total Net Rentable Square Feet for Tax Credit units increase slightly (from 84,140 sq. ft. to 84,368 sq. ft.) due to

reconfiguring 120 units on twelve floors instead of fifteen. Percentage of units at 30%, 50% and 60% remains unchanged.

Threshold 6 Changes to Utility Allowances

Description: No Changes to the utility allowances. Utility Allowances remain the same.

Impact: No impact to the utility allowances.

Threshold 7 Changes to Operating Schedule

Description: The operating schedule was updated per the amended unit configuration and elimination of the market rate units. *See Exhibit F for the updated Operating Schedule.*

Impact: Reducing operating expenses for the 30 market rate units increased operating expense per unit from \$4,700 per unit to \$4,912 per unit. With lower permanent debt service, property is able to maintain the same 1.16 DCR as original application.

Threshold 8 Pro forma

Description: The 15 year operating pro-forma was updated per the referenced and requested changes. *See Exhibit G for the updated Pro forma.*

Impact: 15 year operating pro-forma supports operating expenses at or above 1.15DCR through year 15.

Threshold 9 Sources and Uses

Description: Due to reduced total development costs, Sources and Uses is updated to reflect decrease in permanent loan amount needed (\$7,850,000 to \$5,161,576) and decrease in State/Federal Historic Tax credit equity (\$8,665,591 to \$6,493,034). *See Exhibit H for the updated Sources and Uses schedule.*

Impact: There is no change to LIHTC Credit Equity.

Threshold 10 Parking Requirements

Description: Under the El Paso Municipal Code, 20.14.050-Parking Requirements and Standards, parking regulations shall not apply to properties in Boundaries of Improvement District No. 3 shall also include all property designated under the Downtown 2015 Plan. The Blue Flame development is within the boundaries of the revitalization efforts of the Downtown 2015 Plan-originally identified at tax credit application. Based on the exemption per local code, the Developer has committed to delivering 1 parking space for every unit, totaling 120 parking spaces available at no charge to the tenants.

Impact: The Building Configuration Schedule included under **Exhibit B** has been updated to reflect the 120 parking spaces to be provided. A parking agreement was originally engaged at tax credit application. No impact on development cost.

Threshold 11 Changes to Owner/ Developer/ Guarantor Structure

Description: Because of the volume of developments that HACEP has in the pipelines, both HACEP and the development investors believe it would be in the best interest for all parties to add an Owner/ Developer/ Guarantor to the organizational structure. *See Exhibit I for the updated Organizational Charts.*

Impact: The organization charts have been amended. New organizational charts (Owners/ Developer/ Guarantor) and previous participation information is included as part of Exhibit H. None of the individuals or entities being added participated in the 2017 HTC round, so there are no \$3M cap issues. Additionally, an EARAC review for the proposed Franklin entities was conducted on August 28, 2017. The committee approved the compliance history of the Franklin entities with no conditions.

The above mentioned changes are necessary for the development to be able to qualify for both State and federal tax credits which are crucial to the financial viability of the development. We believe that these changes were not reasonably foreseeable or preventable at the time of Application, as the review by THC could not be undertaken until the development was awarded tax credits and was prepared to proceed, and the City has only recently made the request for commercial space from the Developer.

While we are requesting a change in the total number of units, we are not impacting the number of affordable units, thus request that there be no penalty with regard to Section 10.405(a)(6)(b).

The Developer respectfully requests to TDHCA's approval to amend its tax credit application by accepting the above requests.

A check in the amount of \$2,500.00 is enclosed for the payment of the amendment fee. Please do not hesitate to contact me should you need any additional information. Thank you for your time and attention to this matter.

Sincerely,



Sarah Anderson
S. Anderson Consulting
512-554-4721
sarah@sarahandersonconsulting.com

April 20, 2018

Re: Blue Flame
TDHCA #17330
Amendment Request change in structure

To: Laura DeBellas
Raquel Morales
Brent Stewart

All,

During our call yesterday, you requested I send a quick synopsis of our questions regarding the structure of the Blue Flame development. Originally, we had indicated that the commercial spaces be separated from the residential space by a condominium structure. After much research and communication with our debt and equity partners and their counsel, it was determined that the most advantageous route would be to separate the commercial piece by way of a Master Lease. The tax credit partnership would enter into a Master Lease with an entity with the terms of such Master Lease acceptable to the debt and equity providers in every respect. While the Master Lease has yet to be drafted, it is assumed the Master Lease would be put in place when the tenant was known. This structure will allow for an easier (and less expensive) transaction, yet still allow for a single tax credit investor for the LIHTC piece as well as the Commercial piece. The bifurcation of costs between the commercial and residential pieces would be detailed when known and will be vetted among the project accountants, the Tax credit limited partner and HACEP during the cost certification process. The allocation of costs between the commercial and residential portion will remain unchanged.

It is understood that if a tenant (and associated income, expenses, and debt) is in place, then the financial analysis will be submitted to TDHCA to ensure it complies with underwriting standards.

We believe that this revision to the financing structure doesn't alter the amendment too much, Please do let us know what the next steps are.

Thanks,
Ryan Wilson
Franklin Development Properties, Ltd.

November 15, 2017

Ryan G. Wilson
Executive Vice President, Development
Franklin Companies
21260 Gathering Oak, Ste 101
San Antonio, Tx 78260

Re: El Paso Natural Gas Company (Blue Flame) Building
Historic Tax Credits

Dear Ryan,

On Friday, November 10, I met with Valerie Magolan, Historic Tax Credit Specialist, with the Texas Historical Commission. I was accompanied by Beverly Baldwin of Alamo Architects and William Helm of InSitu Architects. We reviewed the proposed work at the Blue Flame Building with Valerie to get a better understanding of potential issues that might arise in our quest to obtain historic tax credits at both the state and federal level.

In general, it was a very positive meeting and the project was well received. However, I wanted to bring to your attention one issue that came up that has a direct effect on the project. In Valerie's opinion the 16th floor, which was the executive office level, will need to remain somewhat intact for the project to meet the Secretary of Interior's Standards. Public spaces and significant offices are specifically called out in the Standards as spaces that should be retained. This is very consistent with other Tax Credit projects I have been involved in.

The Texas Historical Commission would require that we retain the elevator lobby and all of the corridors on the 16th floor, as well as all doors facing onto the corridors. They would also require that we retain, in whole, the President's corner office as a significant space.

Texas Historical Commission will not offer a formal written review until we submit a formal application. In my experience though, I have found that these early meetings with THC are very useful and the THC staff are consistent in their analysis and advice. I am attaching the Meeting Minutes from our meeting that document the conversation.

Please let me know if we need to discuss further.

Sincerely,



Ann McGlone, AIA
Principal

MEETING MINUTES

Date/Time: **November 10, 2017; 10:30 a.m.**

Project: **Blue Flame Building
Alamo Architects Job No. 2017-60**

Location: **Alamo conference room**

Attendees: Valerie Magolan Texas Historical Commission
 Ann McGlone Ann Benson McGlone, LLC
 Beverly Baldwin Alamo Architects
 William Helm In-Situ Architects

Subject: **Review of Project Scope to obtain historic tax credits from the Texas Historical Commission**

1. Project Information
 - a. 18 story high rise office building constructed in 1954 in El Paso, Texas. Building is listed on the National Register (NPS #355-84).
 - b. Proposed use is low income residential units with some possible office floors as well as some amenities and future retail on the ground floor.
2. Timeline
 - a. Under the current law, a phased project must complete within 60 months, single phase is 24 months.
 - b. Under the new proposed House Bill, work must begin within 180 days of bill being passed which cuts federal tax credits. The Senate bill does not have the same requirement.
 - c. Under new proposed House Bill, ownership would have to be in place by 12/31/17.
3. Exterior
 - a. Storefront – Storefront can be modified to reflect the original configuration.
 - b. Exterior materials – Proposed to be repaired and cleaned only.
 - c. Canopy – Proposed to be repaired/replaced.
 - d. Flame – Proposed to be repaired.
 - e. Windows – Proposed to remain in place and sealed.
 - f. Ext. Doors – Proposed to add doors within existing storefront configuration.
4. Core
 - a. Elevators – Pending code compliance, elevator finishes should be retained.
 - b. Stairs – Stairs should be brought into code compliance and retain as much historic character as possible.
5. Mechanical equipment – All existing mechanical proposed to be removed.
6. Basement – Finished spaces preferred. If existing space is not finished, not required to add finishes.
7. Ground floor –
 - a. Retain lobby finishes and configuration.
 - b. Side exit circulation paths should remain in place, but finishes are not critical.
 - c. Future retail should be finished spaces.
8. Typical office floor
 - a. Retain the configuration and finishes in elevator lobbies and “wings”. The end of the wings appear to have been modified and are not critical to maintain.
 - b. Corrugated glass should be retained where it currently exists.

9. 5th floor
 - a. Historically a special use floor, no remnants of special use remain.
 - b. No requirement to restore special use.
10. 16th floor
 - a. Preferred historic components to be retained
 - i. Circulation path (main hallway)
 - ii. Doors along main hallway
 - iii. Primary spaces (President's office)
 - iv. Elevator lobby
 - b. Areas/components not required to be retained
 - i. Bathrooms
 - ii. Non-primary offices
 - c. Follow up approval – Plan should be provided in the THC application representing:
 - i. Floor plan treated differently than other floors.
 - ii. Historic components to be retained
11. Demolition – A general agreement was established that demolition could begin on all floors except for the 16th.

-End of Mtg. Minutes –

This summarizes the discussions and decisions made at the meeting. Any modifications or additions to the minutes should be forwarded in writing to this office within five (5) working days of their receipt.

Report By: Beverly Baldwin, submitted

Distribution: All attendees



Exhibit J

City Manager's Office

Mayor

Dee Margo

City Council

District 1

Peter Svarzbein

District 2

Alexsandra Anello

District 3

Cassandra H. Brown

District 4

Sam Morgan

District 5

Dr. Michiel R. Noe

District 6

Claudia Ordaz Perez

District 7

Henry Rivera

District 8

Cissy Lizarraga

City Manager

Tommy Gonzalez

February 8, 2018

Gerald Cichon
Chief Executive Officer
Housing Authority of the City of El Paso
5300 E. Paisano Drive
El Paso, Texas 79905

Re: Blue Flame Office Space

Dear Mr. Cichon,

We want to congratulate HACEP on receiving an award of tax credits to rehabilitate the historic Blue Flame Building in downtown El Paso. The Blue Flame Building holds a special place in El Paso history and we continue to support an activity that will help revitalize the downtown area.

We realize that the approval process was complex and the ability to move forward with tax credits is a huge step in the process. Now that this project seems feasible with the award, we would very much like the opportunity to discuss the possibility of leasing office space for City use. We feel having a City presence in this building will be both beneficial to the City as well as the historical nature of the Blue Flame Building. We understand that the conversion of market rate units will be required to make this change, but believe that it will be in the best interest of the Downtown El Paso area.

Our interest level is possibly occupying all four floors for our office use at prices that are commensurate with the market. Please let us know if there is opportunity to discuss this exciting opportunity.

Sincerely,



Col (Ret) Gary S. Westin
Deputy City Manager
City Manager's Office

Cary Westin – Deputy City Manager of Economic Development & Tourism
City # 1 | 300 N. Campbell | El Paso, Texas 79901 | (915) 212-1063

“Delivering Outstanding Services”

BLUE FLAME

UPDATED 11-21-2017

CURRENT TOTAL / AVG.														
	UNIT NAME	UNIT TYPE	NO. OF UNITS	% OF UNIT COUNT	% BY BDRM. TYPE	BED / UNIT	NO. OF BEDS	% OF BED COUNT	BATH / UNIT	NO. OF BATH	% OF BATH COUNT	SQ.FT.	TOTAL SQ. FT.	NOTES
	E	0 Bd / 1 Ba	2	2%	3%	0	0	0.0%	1	2	1.7%	705	1,410	
	F	0 Bd / 1 Ba	2	2%		0	0	0.0%	1	2	1.7%	789	1,578	
	A (formerly H)	1 Bd / 1 Ba	13	11%	97%	1	13	11.2%	1	13	10.8%	781	10,153	
	B	1 Bd / 1 Ba	30	25%		1	30	25.9%	1	30	25.0%	750	22,500	
	C	1 Bd / 1 Ba	30	25%		1	30	25.9%	1	30	25.0%	668	20,040	
	D	1 Bd / 1 Ba	30	25%		1	30	25.9%	1	30	25.0%	657	19,710	
	G	1 Bd / 1 Ba	13	11%		1	13	11.2%	1	13	10.8%	673	8,749	
TOTAL / AVG.			120	100%	100%		116	100.0%		120	100%		84,140	

NEW TOTAL / AVG.														
	UNIT NAME	UNIT TYPE	NO. OF UNITS	% OF UNIT COUNT	% BY BDRM. TYPE	BED / UNIT	NO. OF BEDS	% OF BED COUNT	BATH / UNIT	NO. OF BATH	% OF BATH COUNT	SQ.FT.	TOTAL SQ. FT.	NOTES
	E	0 Bd / 1 Ba	2	2%	3%	0	0	0.0%	1	2	1.7%	705	1,410	228 SF MORE THAN ORIGINAL = .27% SQUARE FOOT INCREASE
	F	0 Bd / 1 Ba	2	2%		0	0	0.0%	1	2	1.7%	789	1,578	
	A (formerly H)	1 Bd / 1 Ba	8	7%	97%	1	8	6.9%	1	8	6.7%	781	6,248	
	A1 - ALT	1 Bd / 1 Ba	12	10%		1	12	10.3%	1	12	10.0%	781	9,372	
	B	1 Bd / 1 Ba	24	20%		1	24	20.7%	1	24	20.0%	750	18,000	
	C	1 Bd / 1 Ba	24	20%		1	24	20.7%	1	24	20.0%	668	16,032	
	D	1 Bd / 1 Ba	36	30%		1	36	31.0%	1	36	30.0%	657	23,652	
	G	1 Bd / 1 Ba	12	10%	1	12	10.3%	1	12	10.0%	673	8,076		
TOTAL / AVG.			120	100%	100%		116	100.0%		120	100%		84,368	

SPECIFICATIONS AND BUILDING/UNIT TYPE CONFIGURATION

Unit types should be entered from smallest to largest based on "# of Bedrooms" and "Sq. Ft. Per Unit." "Unit Label" should correspond to the unit label or name used on the unit floor plan. "Building Label" should conform to the building label or name on the building floor plan. The total number of units per unit type and totals for "Total # of Units" and "Total Sq Ft. for Unit Type" should match the rent schedule and site plan. If additional building types are needed, they are available by un-hiding columns Q through AA, and rows 51 through 79.

Specifications and Amenities (check all that apply)

Building Configuration (Check all that apply):
 Single Family Construction SRO Transitional (per §42(i)(3)(B)) Duplex
 Scattered Site Fourplex > 4 Units Per Building Townhome

Development will have:
 Fire Sprinklers Elevators # of Elevators Wt. Capacity

Number of Parking Spaces (consistent with Architectural Drawings):

<input type="text"/>	<input type="text"/>	Free Shed or Flat Roof Carport Spaces	<input type="text"/>	<input type="text"/>	Free Detached Garage Spaces
<input type="text"/>	<input type="text"/>	Attached Garage Spaces	<input type="text"/>	<input type="text"/>	Uncovered Spaces
<input type="text" value="120"/>	<input type="text"/>	Structured Parking Garage Spaces			

Floor Composition/Wall Height:
 % Carpet/Vinyl/Resilient Flooring Ceiling Height
 % Ceramic Tile Upper Floor(s) Ceiling Height (Townhome Only)
 % Other Describe: _____

Unit Type				Number of Buildings	Number of Units Per Building										Total # of Units	Total Sq Ft for Unit Type				
Unit Label	# of Bedrooms	# of Baths	Sq. Ft. Per Unit																	
B	1	1	750	1	24													24	18,000	
C	1	1	668		24													24	16,032	
D	1	1	657		36													36	23,652	
E	0	1	705		2													2	1,410	
F	0	1	789		2													2	1,578	
G	1	1	673		12													12	8,076	
A	1	1	781		8													8	6,248	
A1	1	1	781		12													12	9,372	
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Totals					120	-	-	-	-	-	-	-	-	-	-	-	-	-	120	84,368

Net Rentable Square Footage from Rent Schedule

Supportive Housing Applicants Only

Enter the total development common area from the architect's plans:

Ensure that this number matches your architectural drawings.

The additional square footage allowed for Supportive Housing per 11.9(e)(2) is:

The lesser of these two numbers added to NRA:

Use this number to figure points under 11.9(e)(2)

Blue Flame

EP BLUE FLAME, LP.

120 N. Stanton Street, El Paso, Texas

DATE: 11.22.2017

SHEET INDEX

GENERAL

ARCHITECTURE

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A-003	Area Plan - Ground Floor
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A-005	Area Plan - Floors 4-5
A-006	Area Plan - Floors 6-13
A-007	Area Plan - Floors 14-15
A-008	Area Plan - Floor 16
A-009	Area Plans - Floors 17-18
A-010	Typical Unit Floors (2-3)
A-011	Typical Unit Floors (4-5)
A-012	Typical Unit Floor (6-13)
A-013	Typical Unit Plans A & B
A-014	Typical Unit Plans C & D
A-015	Typical Unit Plans E & F
A-016	Typical Unit Plans G & A1-ALT
A-017	Exterior Elevations
A-018	Exterior Elevations



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ph. 210.227.2612 fax: 210.227.9457

In*Situ Architecture
123 W. Mills Ave., Suite 410, El Paso, TX 79901
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LOCATION MAP



PROJECT LOCATION

DISTANCE FROM MAIN ENTRANCE TO PARKING = 316' +-

PARKING GARAGE
120 PARKING SPACES AVAILABLE
(PARKING MEETS ZONING REQUIREMENTS)

**TOTAL HANDICAPPED ACCESSIBLE
SPACES REQUIRED FOR UFAS & FHA**
= 6 SPACES

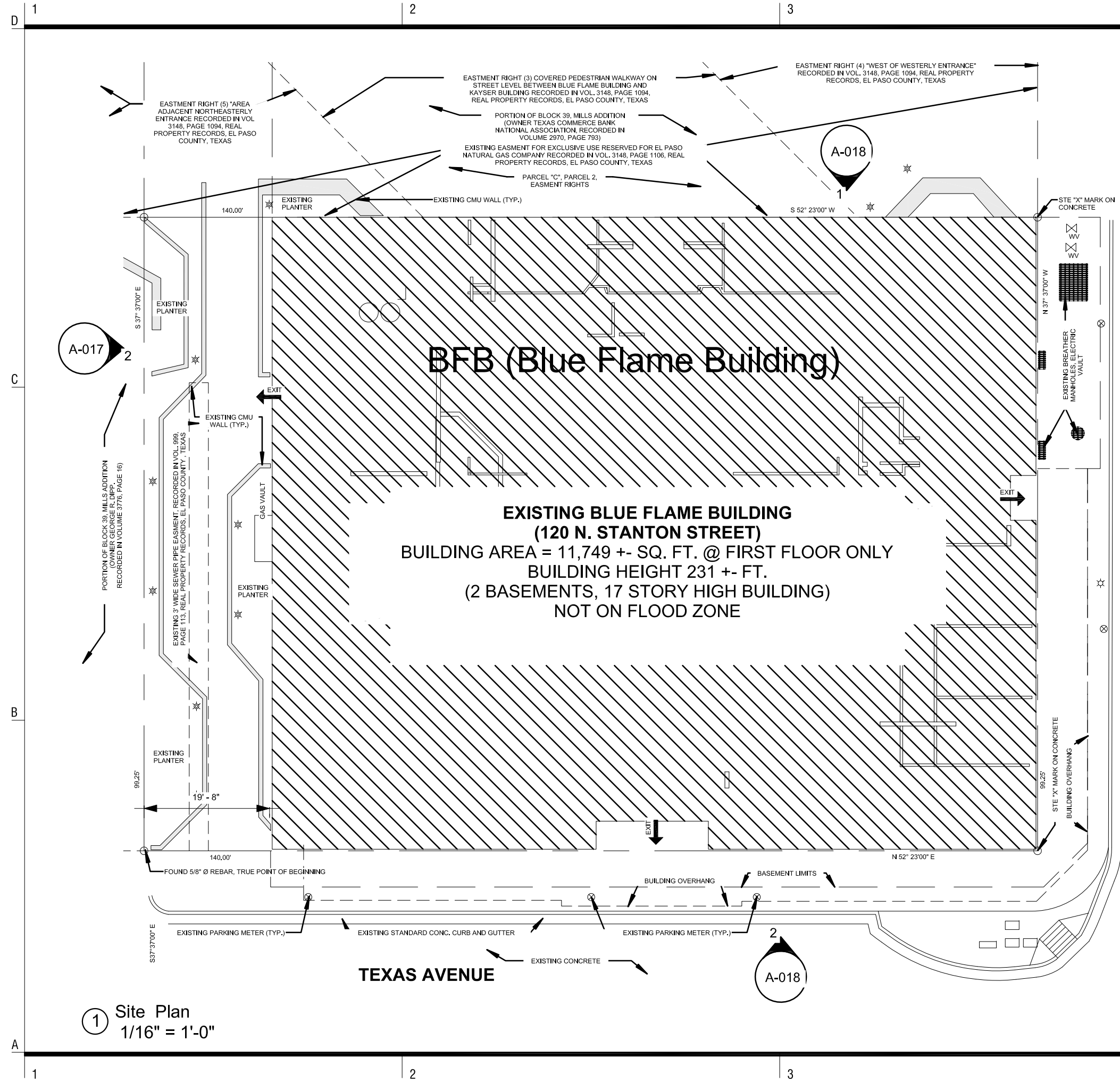
NOT IN FLOOD ZONE

Blue Flame

120 N. Stanton Street, El Paso, Texas

EP BLUE FLAME, LP.

A-000



BFB Unit Type Matrix

Unit Label	# of Bed-rooms	# of Baths	Sq. Ft. Per Unit	Total # of Units	Total Sq. Ft. for Unit Type
A	1	1	781	8	6,248
B	1	1	750	24	18,000
C	1	1	668	24	16,032
D	1	1	657	36	23,652
E	0	1	705	2	1,410
F	0	1	789	2	1,578
G	1	1	673	12	8,076
A1-ALT	1	1	781	12	9,372
Totals				120	84,368

ACCESSIBLE Unit Matrix

Unit Label	# of Bed-rooms	# of Baths	ADA	SIGHT & HEARING
A	1	1		FLR.12
B	1	1	FLR.2, FLR.13	
C	1	1	FLR.9	FLR.8
D	1	1	FLR.6	FLR.4
E	0	1		FLR.2
F	0	1	FLR.5	
G	1	1	FLR.10	
A1-ALT	1	1	FLR.11	
Totals			7	4

TOTAL FULLY ACCESSIBLE HANDICAP AS REQUIRED
 5% OF 120 = 7 UNITS

TOTAL SIGHT AND HEARING IMPAIRED UNITS PROVIDED
 2% OF 120 = 4 UNITS

***ACCESSIBLE UNITS TO BE DISTRIBUTED EVENLY THROUGHOUT RESIDENTIAL FLOORS. SEE AREA PLAN SHEETS.**

SITE ACREAGE
 .32 ACRE

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 El Paso, TX 79901
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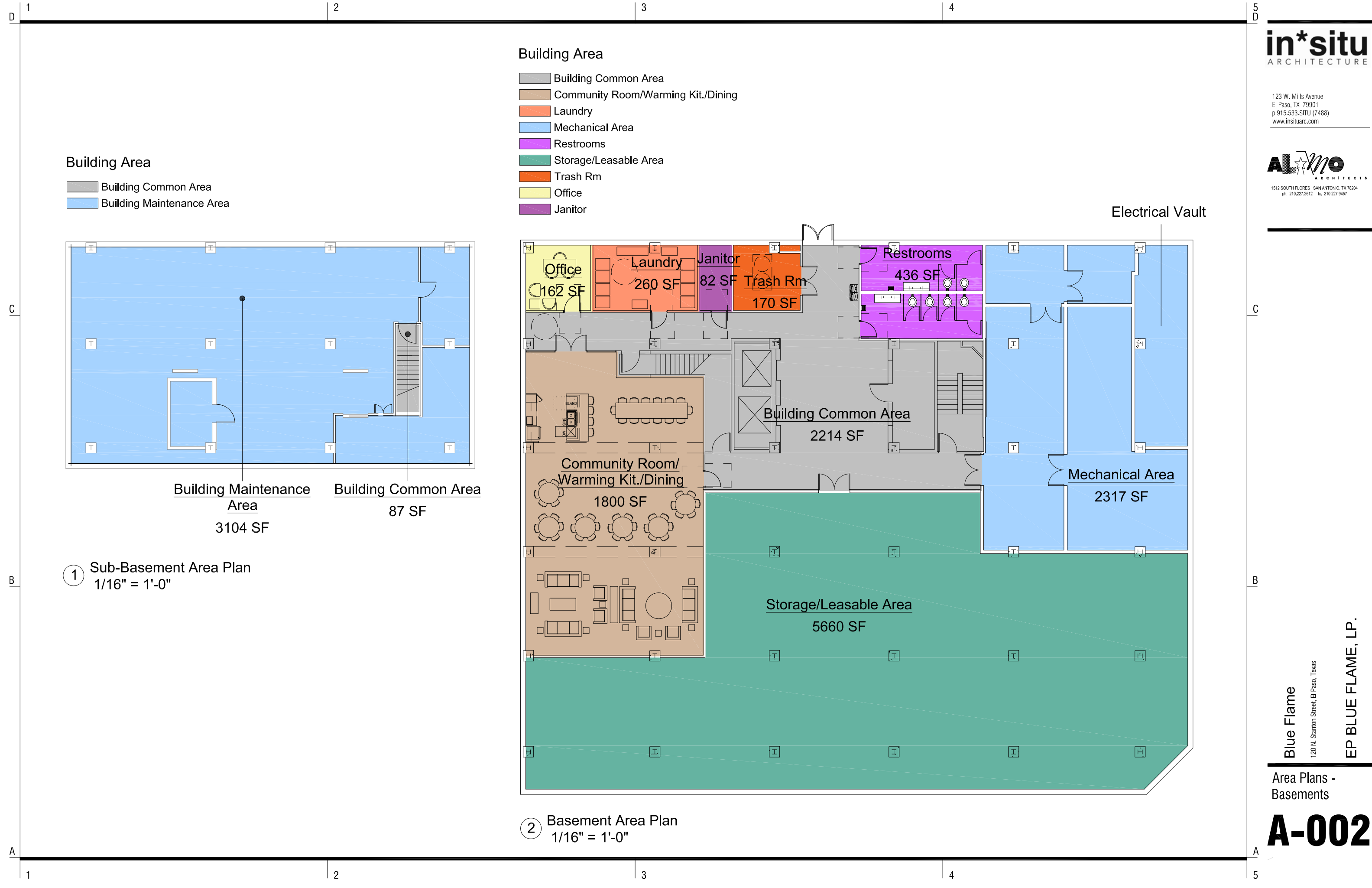
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 ph. 210.227.2612 fx. 210.227.9457

Blue Flame
 120 N. Stanton Street, El Paso, Texas
 EP BLUE FLAME, LP.

Site Plan
A-001

① Site Plan
 1/16" = 1'-0"





① Area Plan - Ground Floor
1/16" = 1'-0"

Building Area

- Bike Storage
- Building Common Area
- Fire Comm.
- Janitor
- Leasable Floor Area
- Mechanical Core
- Office
- Work Room/Files
- Business Center
- Waiting Area
- Mail Room
- Restrooms
- Trash Rm

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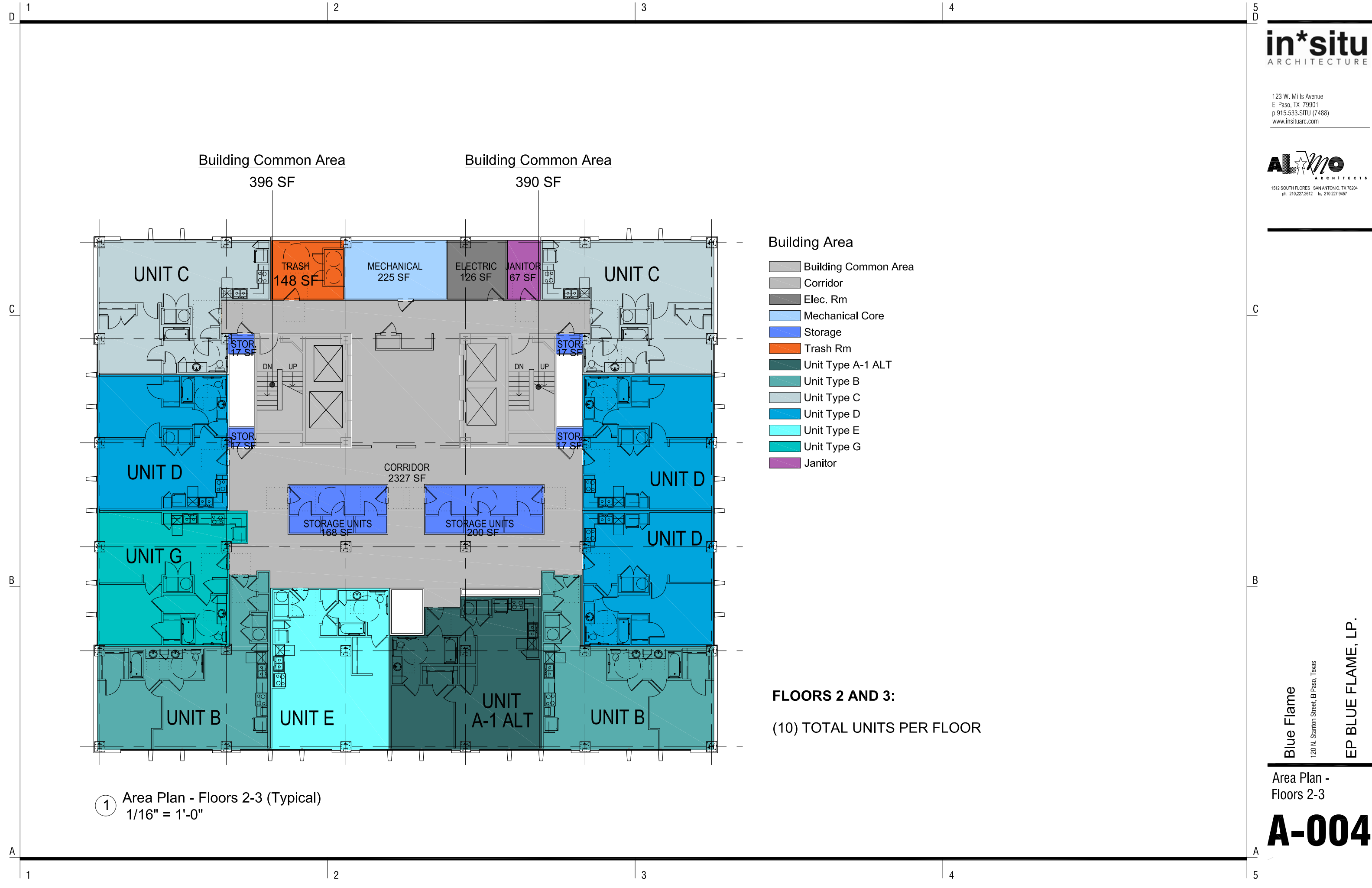
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ph. 210.227.2612 fax. 210.227.9457

Blue Flame
 120 N. Stanton Street, El Paso, Texas
EP BLUE FLAME, LP.

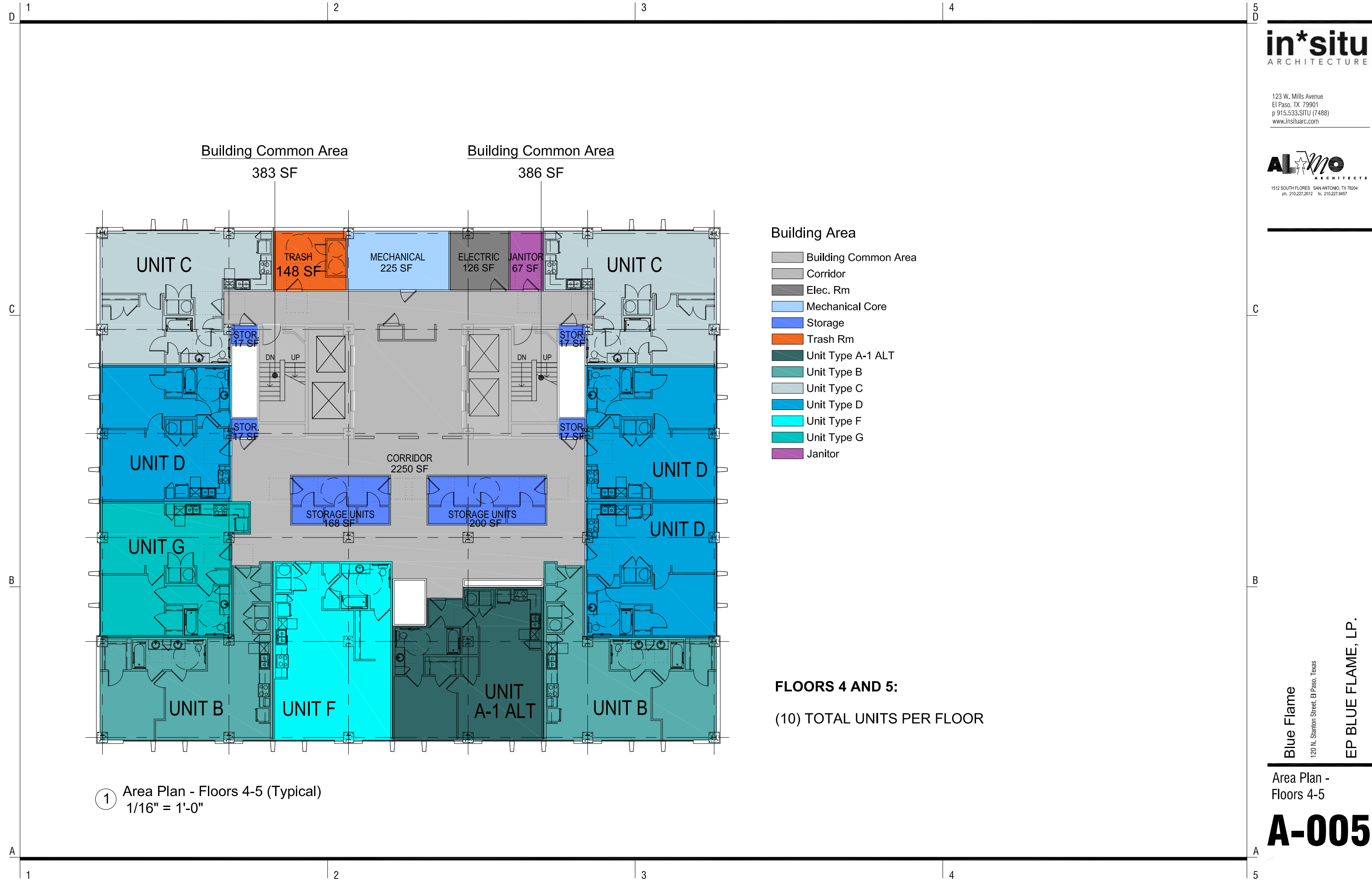
Area Plan -
Ground Floor
A-003



- Building Area**
- Building Common Area
 - Corridor
 - Elec. Rm
 - Mechanical Core
 - Storage
 - Trash Rm
 - Unit Type A-1 ALT
 - Unit Type B
 - Unit Type C
 - Unit Type D
 - Unit Type E
 - Unit Type G
 - Janitor

FLOORS 2 AND 3:
 (10) TOTAL UNITS PER FLOOR

① Area Plan - Floors 2-3 (Typical)
 1/16" = 1'-0"



Building Common Area
383 SF

Building Common Area
386 SF

Building Area

- Building Common Area
- Corridor
- Elec. Rm
- Mechanical Core
- Storage
- Trash Rm
- Unit Type A-1 ALT
- Unit Type B
- Unit Type C
- Unit Type D
- Unit Type F
- Unit Type G
- Janitor

FLOORS 4 AND 5:
(10) TOTAL UNITS PER FLOOR

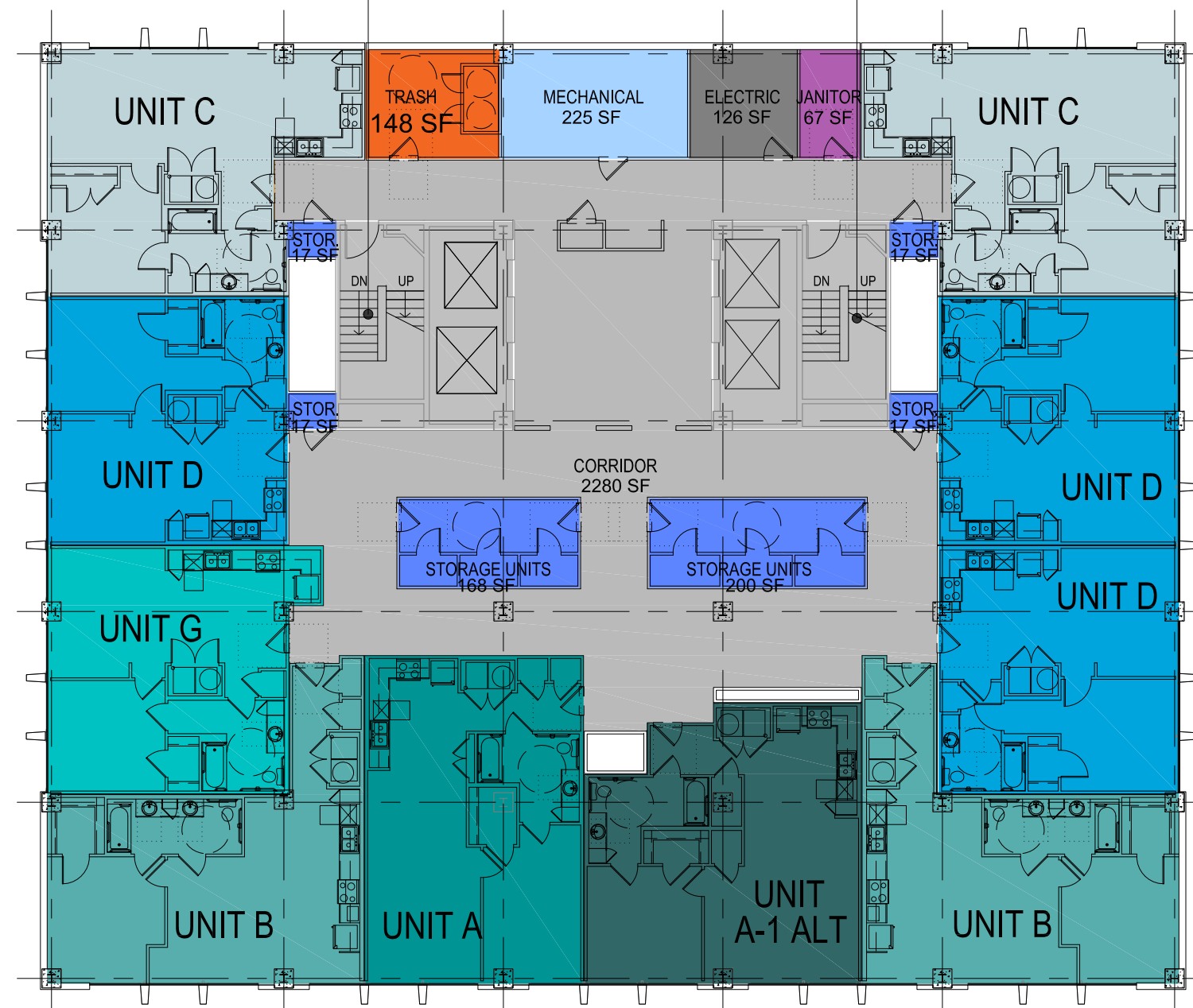
① Area Plan - Floors 4-5 (Typical)
1/16" = 1'-0"

Building Common Area

383 SF

Building Common Area

386 SF



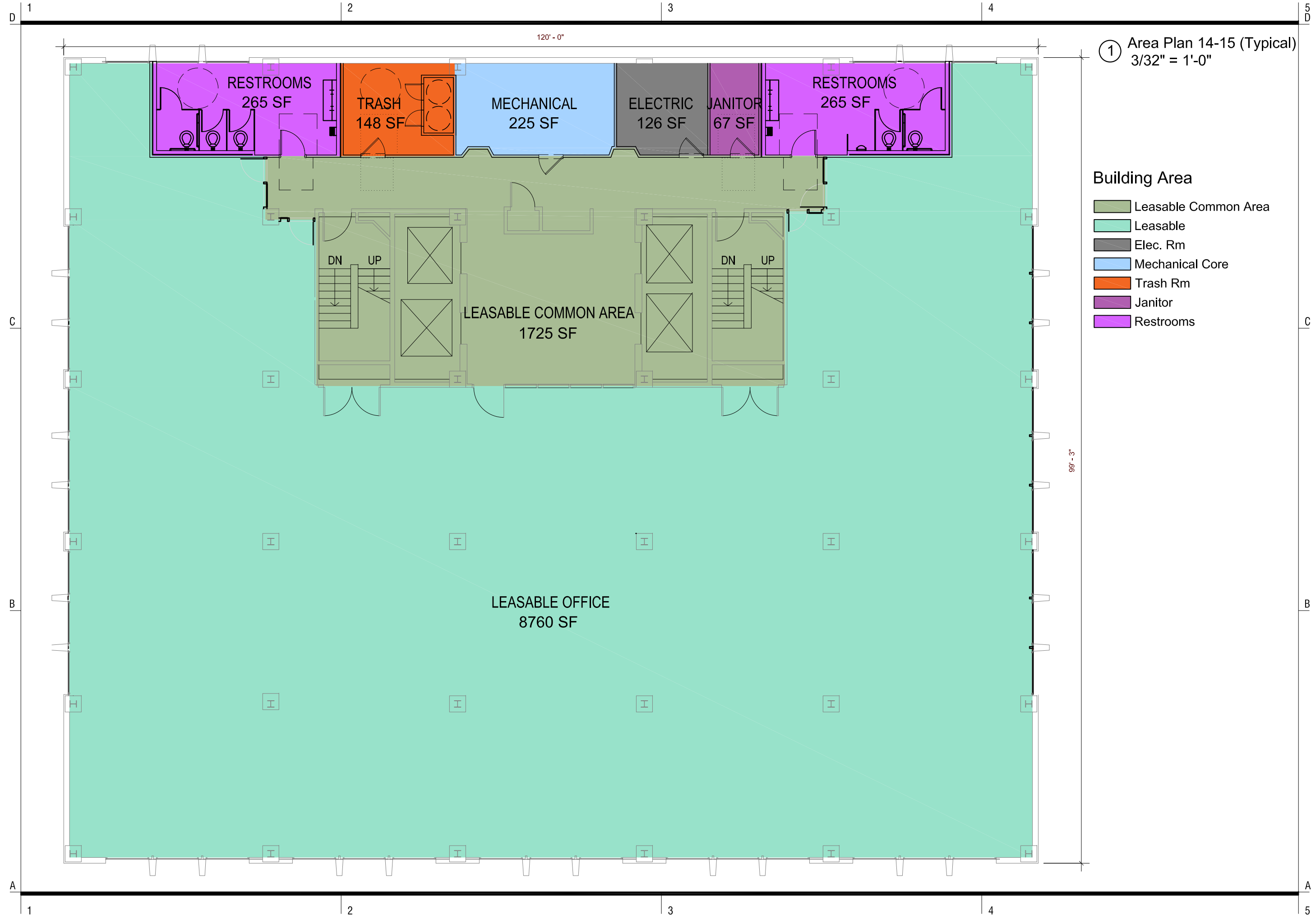
Building Area

- Building Common Area
- Corridor
- Elec. Rm
- Mechanical Core
- Storage
- Trash Rm
- Unit Type A
- Unit Type A-1 ALT
- Unit Type B
- Unit Type C
- Unit Type D
- Unit Type G
- Janitor

FLOORS 6 THROUGH 13:

(10) TOTAL UNITS PER FLOOR

1 Area Plan - Floors 6-13 (Typical)
1/16" = 1'-0"



① Area Plan 14-15 (Typical)
3/32" = 1'-0"

- Building Area**
- Leasable Common Area
 - Leasable
 - Elec. Rm
 - Mechanical Core
 - Trash Rm
 - Janitor
 - Restrooms

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ARCHITECTURE

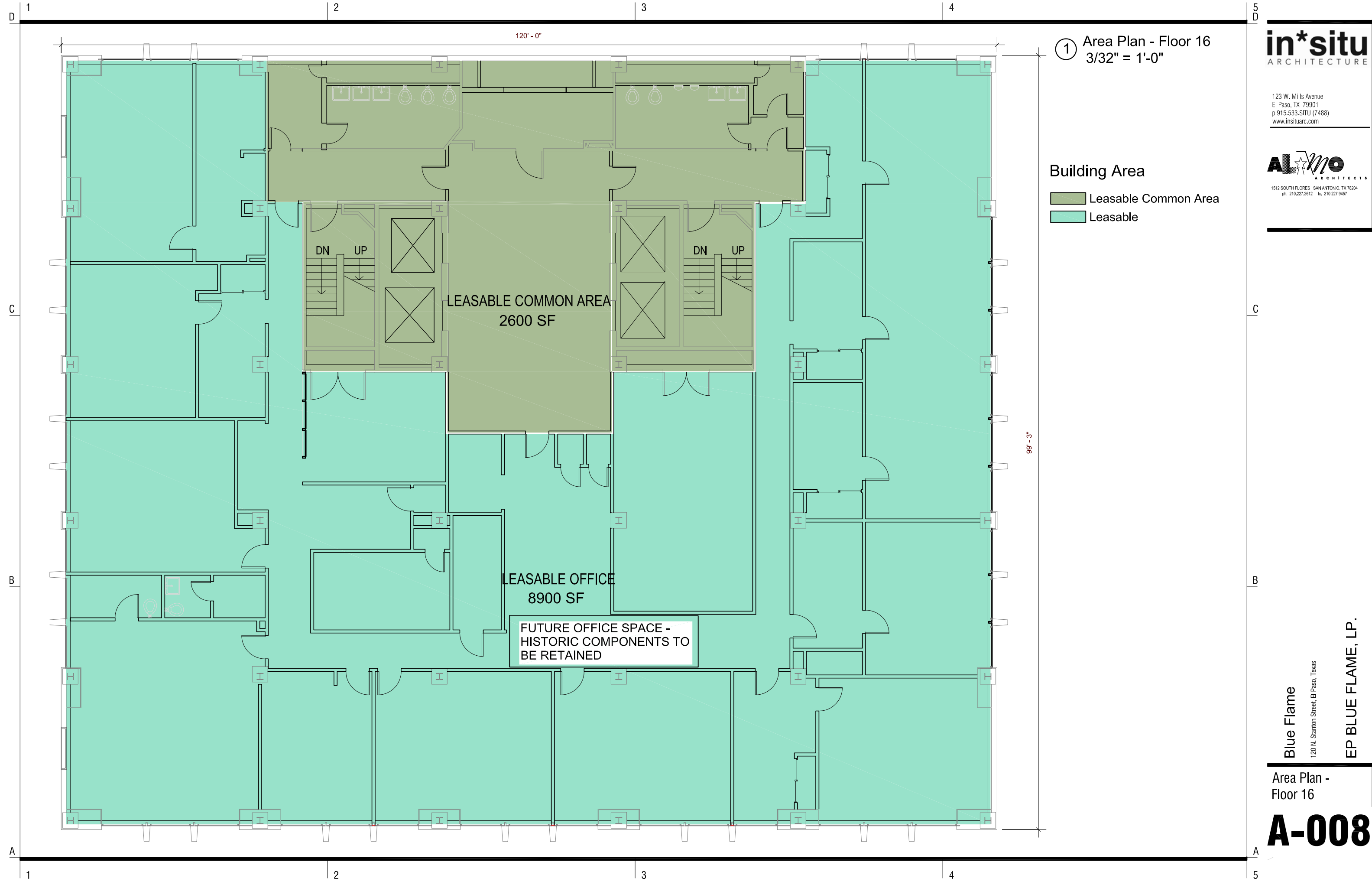
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Blue Flame
120 N. Stanton Street, El Paso, Texas
EP BLUE FLAME, LP.

Area Plan -
Floors 14-15
A-007



1 2 3 4 5

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ph. 210.227.2612 fax: 210.227.9457

Building Area

- Leasable Common Area
- Leasable Floor Area
- Mechanical Area
- Restrooms
- Trash Rm

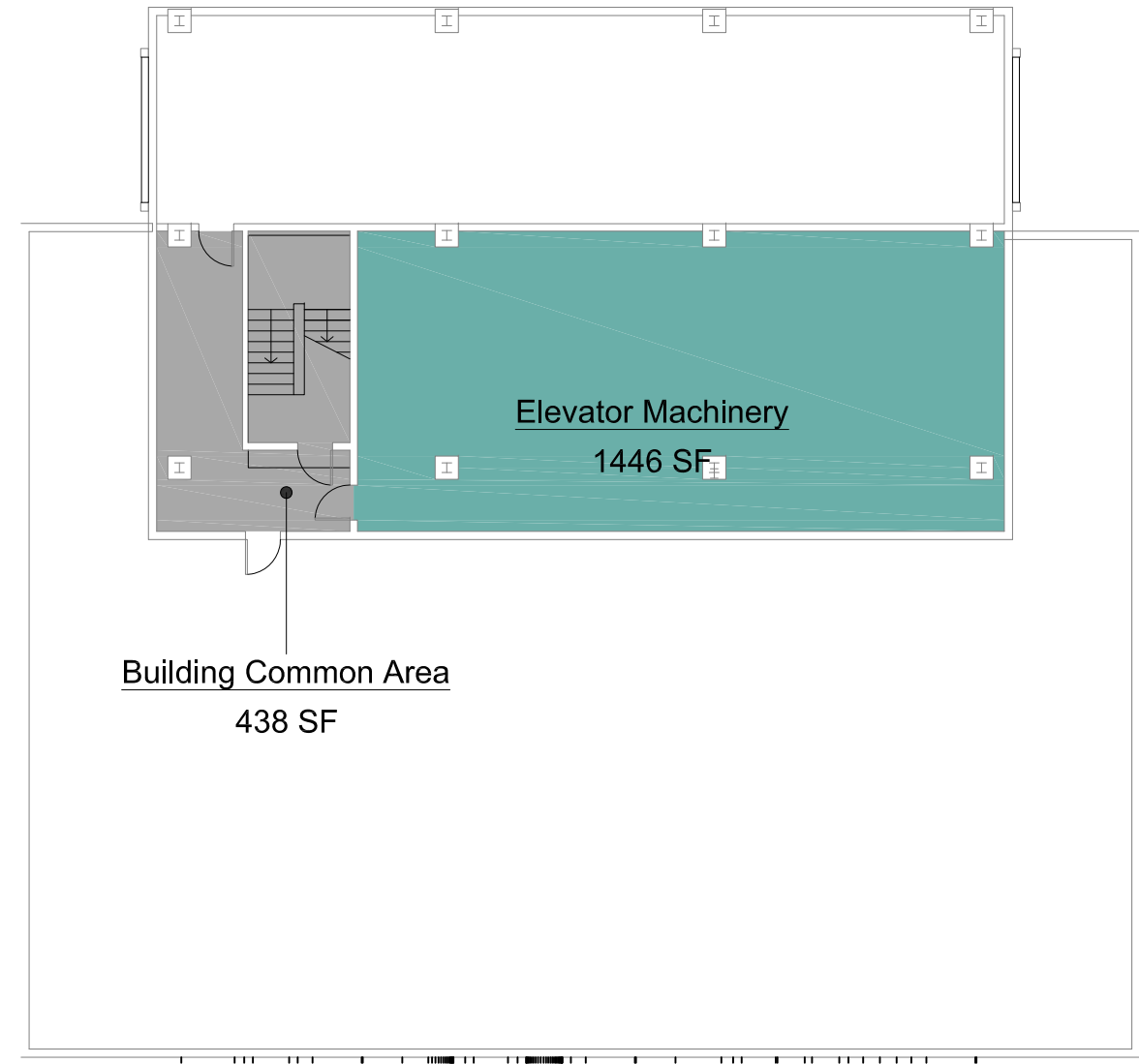
Restrooms Trash Rm

223 SF 93 SF



Building Area

- Building Common Area
- Elevator Machinery



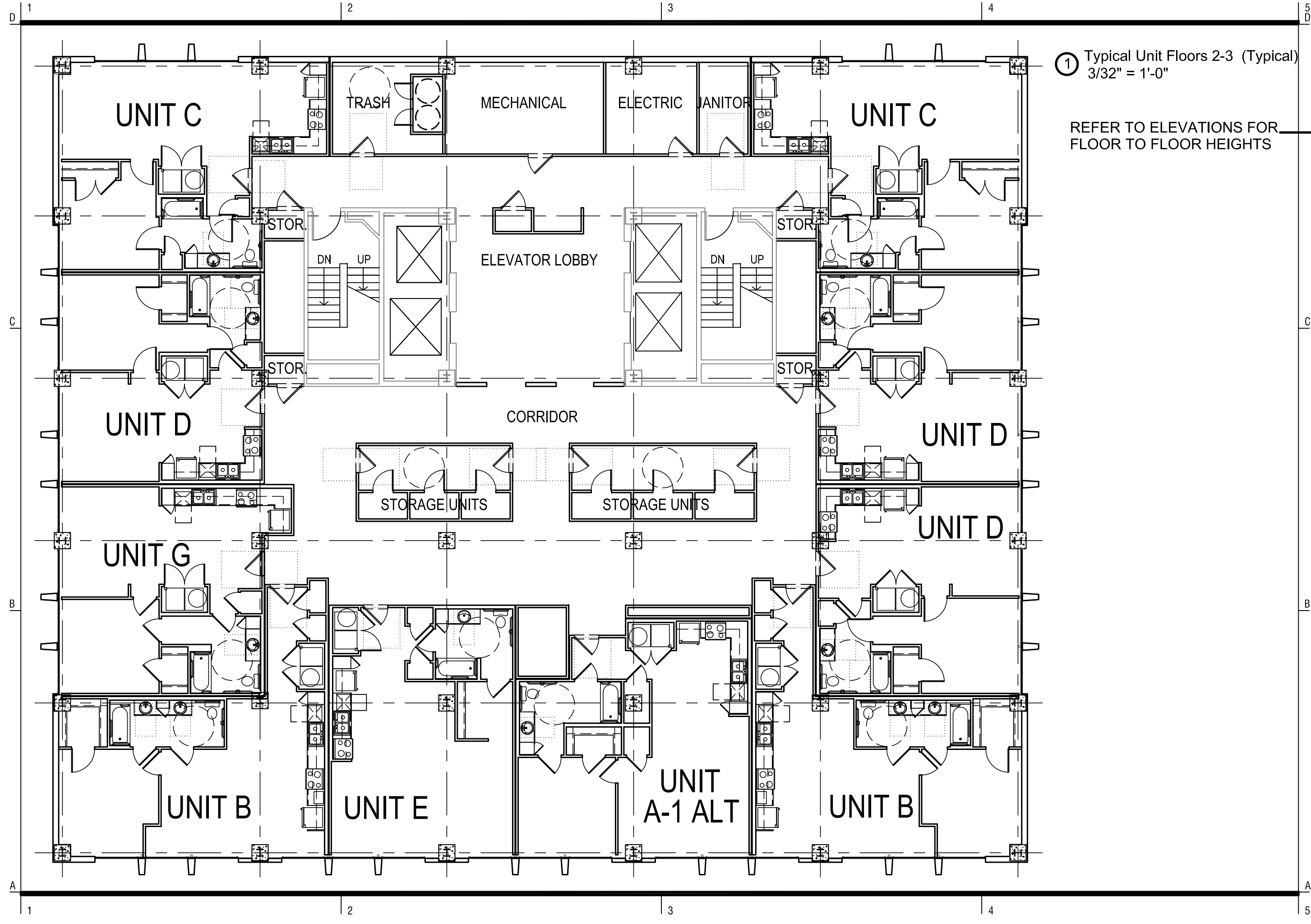
① 17th Floor Area Plan
1/16" = 1'-0"

② 18th Floor Area Plan
1/16" = 1'-0"

A 1 2 3 4 5

Blue Flame
120 N. Stanton Street, El Paso, Texas
EP BLUE FLAME, LP.

Area Plans -
Floors 17-18
A-009



① Typical Unit Floors 2-3 (Typical)
3/32" = 1'-0"

REFER TO ELEVATIONS FOR
FLOOR TO FLOOR HEIGHTS

in*situ
ARCHITECTURE

123 W. Mills Avenue
El Paso, TX 79901
p 915.533.SITU (7488)
www.insituarc.com

ALAMO
ARCHITECTS

1512 SOUTH FLORES SAN ANTONIO, TX 78204
ph. 210.227.2612 fax. 210.227.9457

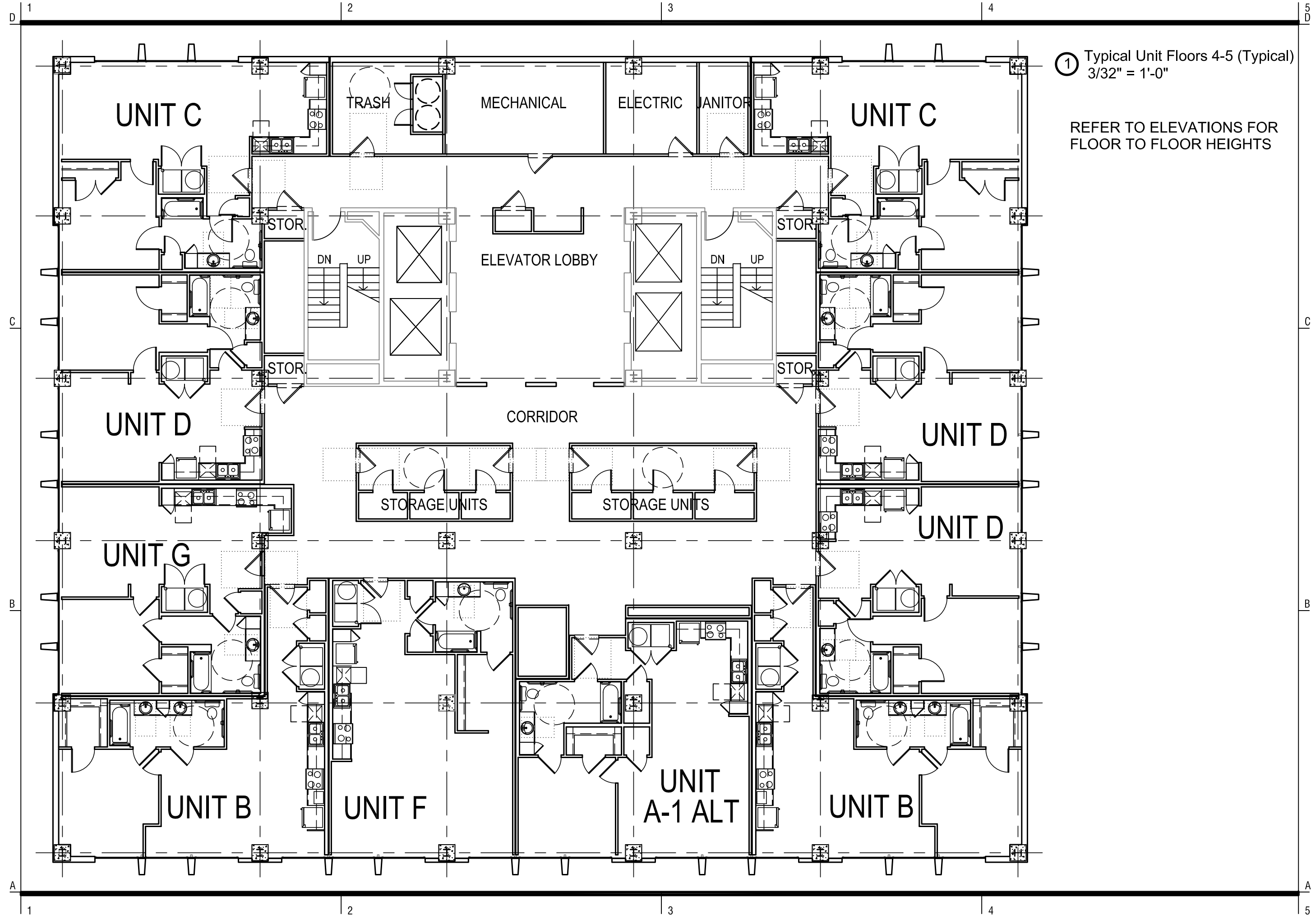
Blue Flame

120 N. Stanton Street, El Paso, Texas

EP BLUE FLAME, L.P.

Typical Unit
Floors (2-3)

A-010



① Typical Unit Floors 4-5 (Typical)
3/32" = 1'-0"

REFER TO ELEVATIONS FOR
FLOOR TO FLOOR HEIGHTS

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ph. 210.227.2612 fax: 210.227.9457

Blue Flame

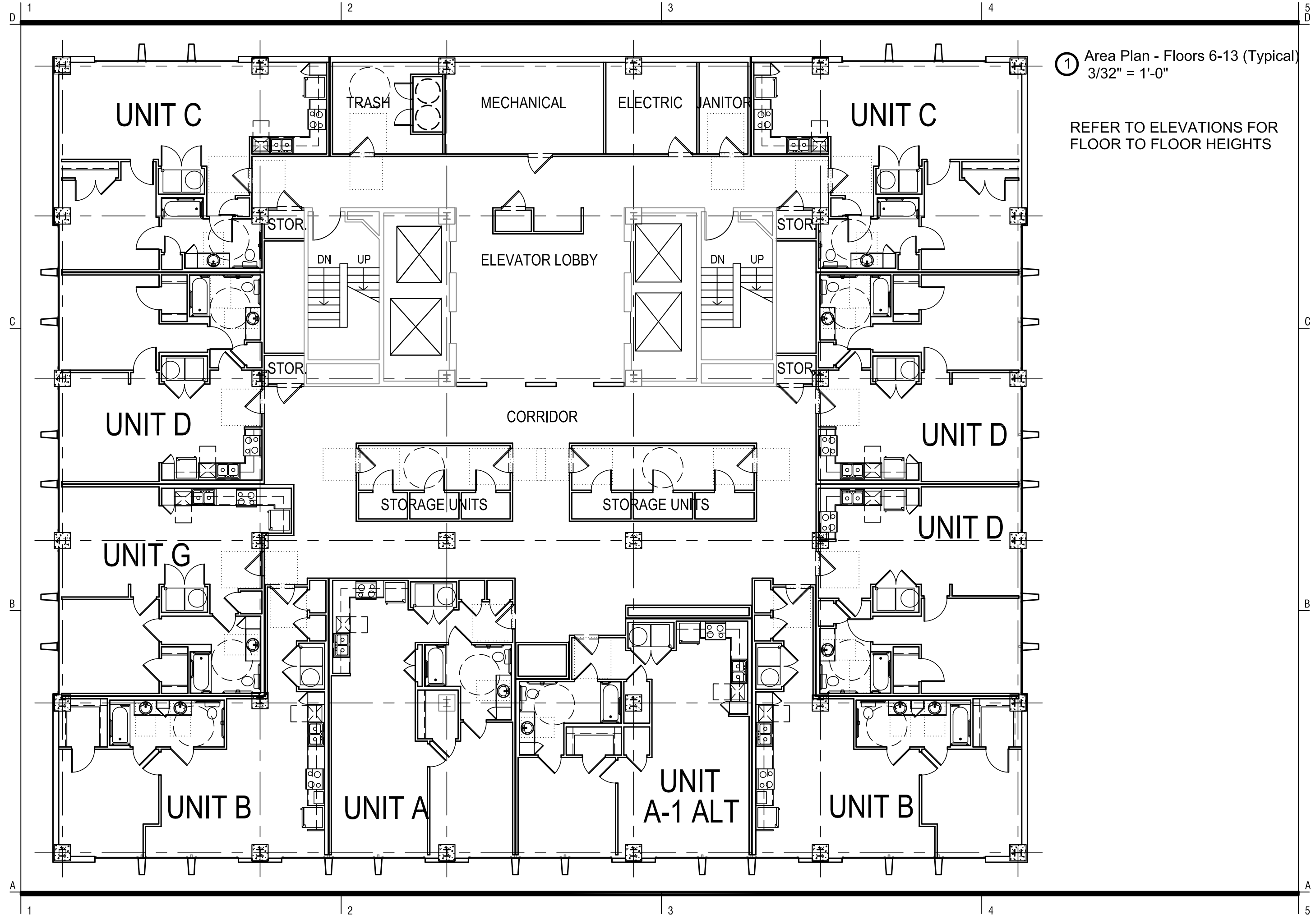
120 N. Stanton Street, El Paso, Texas

EP BLUE FLAME, LP.

Typical Unit
Floors (4-5)

A-011

11/14/2017 4:58:44 PM



① Area Plan - Floors 6-13 (Typical)
3/32" = 1'-0"

REFER TO ELEVATIONS FOR
FLOOR TO FLOOR HEIGHTS

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ARCHITECTURE

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El Paso, TX 79901
p 915.533.SITU (7488)
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ARCHITECTS

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ph. 210.227.2612 fax. 210.227.9457

Blue Flame

120 N. Stanton Street, El Paso, Texas

EP BLUE FLAME, L.P.

Area Plan -
Floors 6-13

A-012

1 2 3 4 5 D

NOTE: ACCESSIBILITY NOTES REFER TO FULLY ACCESSIBLE UNITS. ALL UNITS ARE TO BE FAIR HOUSING COMPLIANT.

REFER TO ELEVATIONS FOR FLOOR TO FLOOR HEIGHTS

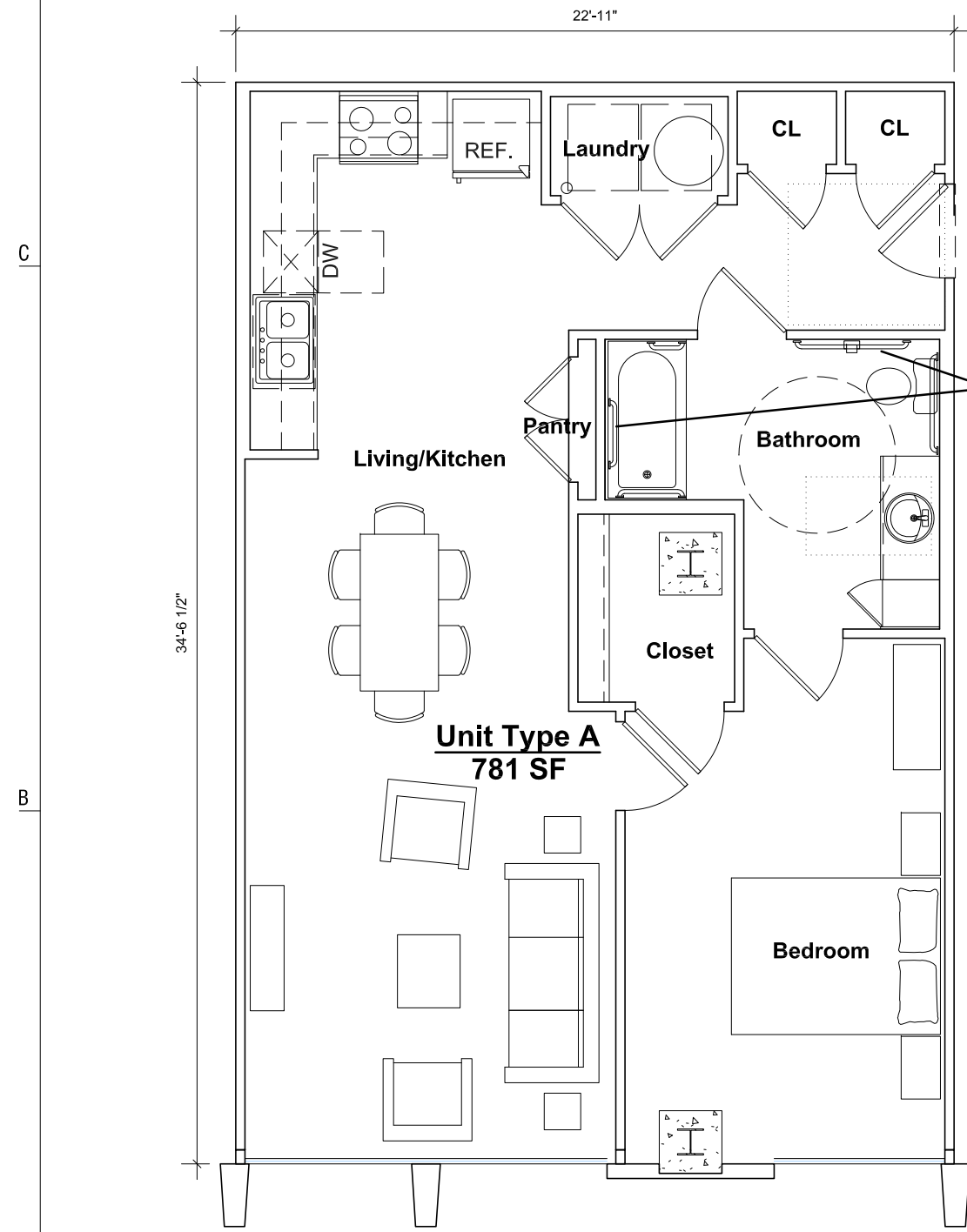
in*situ
ARCHITECTURE

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p 915.533.SITU (7488)
www.insituarc.com

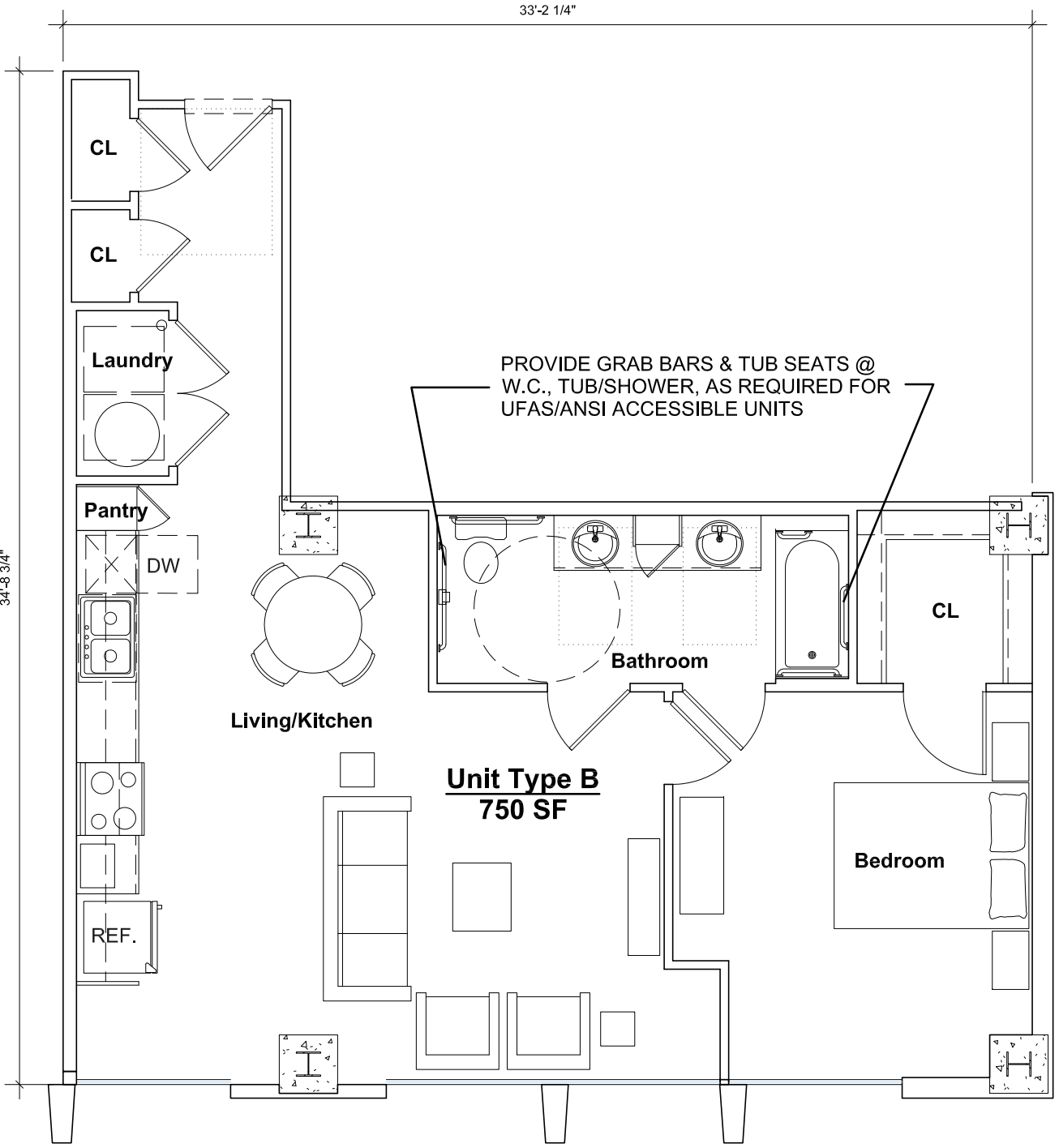
ALAMO
ARCHITECTS

1512 SOUTH FLORES SAN ANTONIO, TX 78204
ph. 210.227.2612 fx. 210.227.9457

REVISED 11.21.2017



Unit Type A
781 SF



Unit Type B
750 SF

① UNIT TYPE A
3/16" = 1'-0"

② UNIT TYPE B (+REVERSE)
3/16" = 1'-0"

A 1 2 3 4 5

Blue Flame
120 N. Stanton Street, El Paso, Texas
EP BLUE FLAME, LP.

Typical Unit
Plans A & B

A-013

NOTE: ACCESSIBILITY NOTES REFER TO FULLY ACCESSIBLE UNITS. ALL UNITS ARE TO BE FAIR HOUSING COMPLIANT.

REFER TO ELEVATIONS FOR FLOOR TO FLOOR HEIGHTS

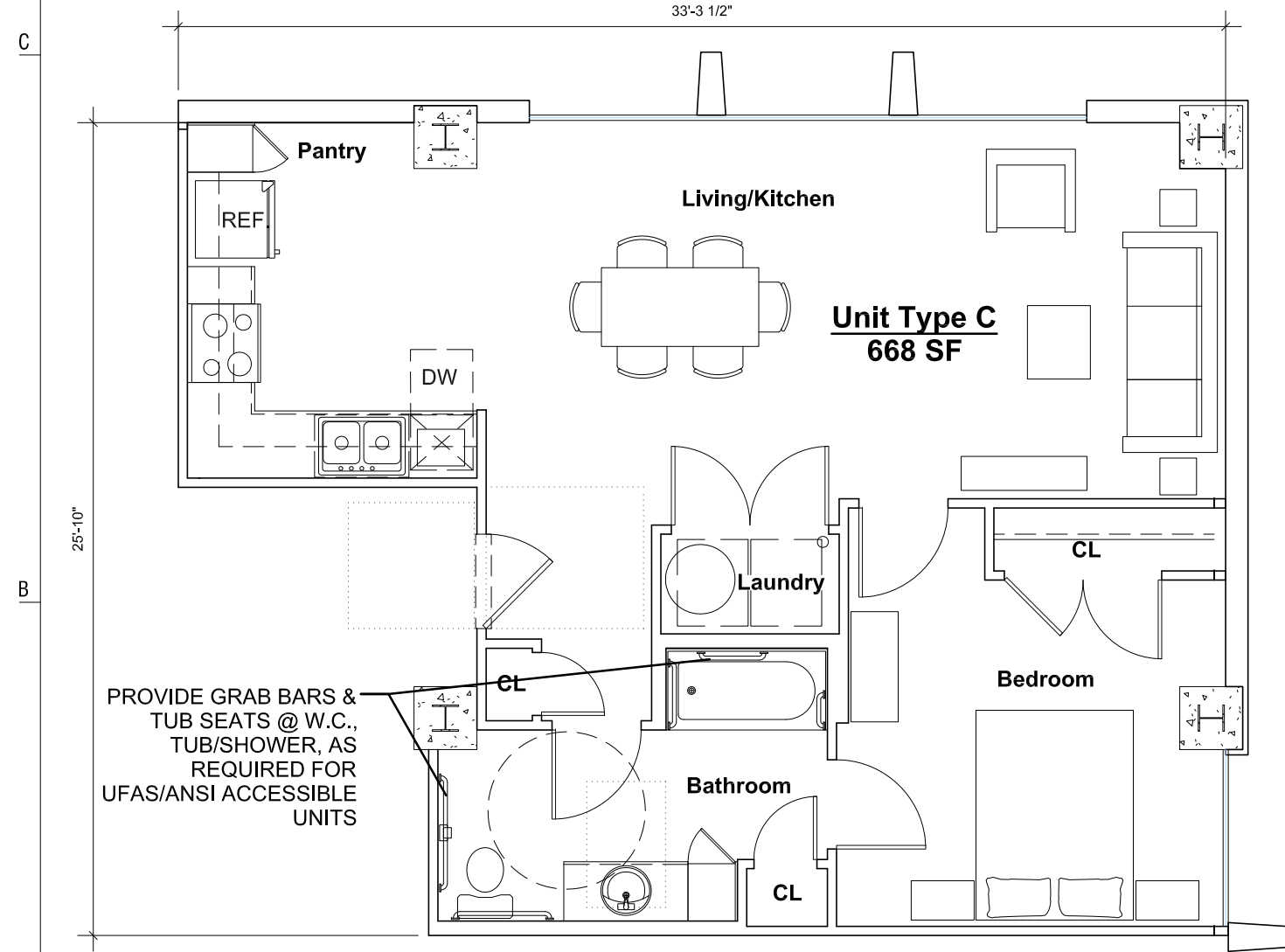
REVISED 11.21.2017

in*situ
ARCHITECTURE

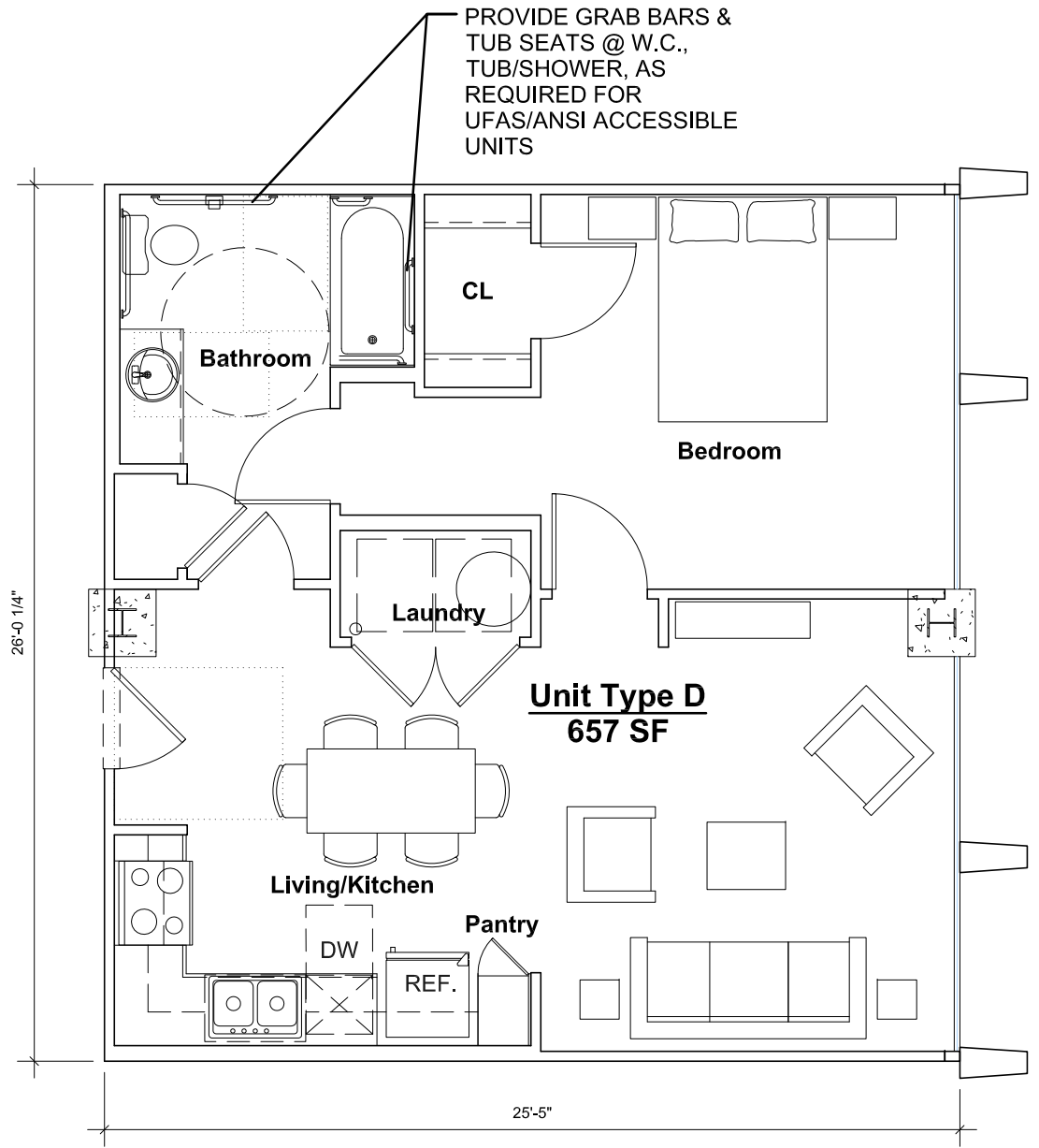
123 W. Mills Avenue
El Paso, TX 79901
p 915.533.SITU (7488)
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ALMO
ARCHITECTS

1512 SOUTH FLORES SAN ANTONIO, TX 78204
ph. 210.227.2612 fx. 210.227.9457



PROVIDE GRAB BARS & TUB SEATS @ W.C., TUB/SHOWER, AS REQUIRED FOR UFAS/ANSI ACCESSIBLE UNITS



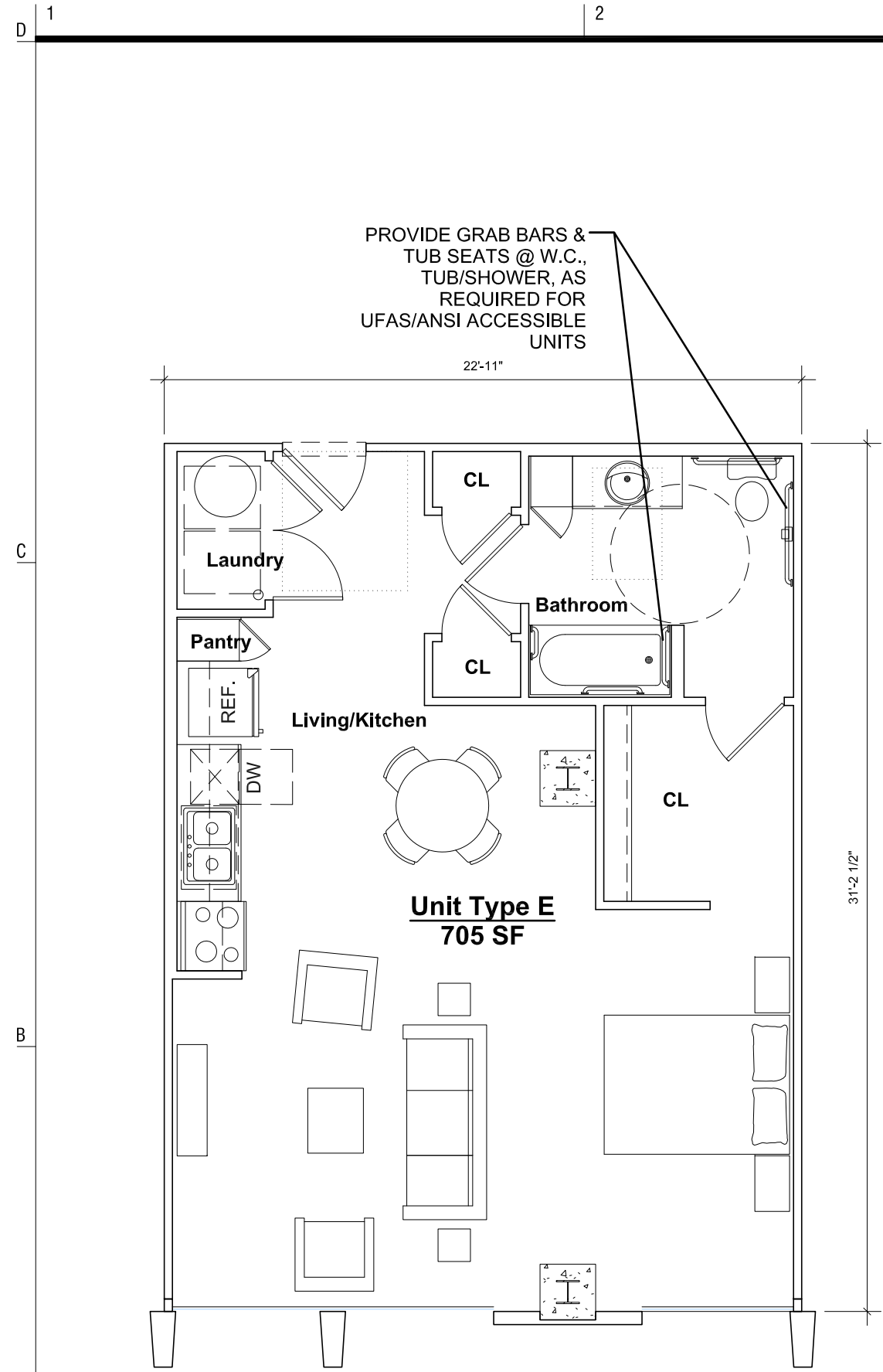
PROVIDE GRAB BARS & TUB SEATS @ W.C., TUB/SHOWER, AS REQUIRED FOR UFAS/ANSI ACCESSIBLE UNITS

① UNIT TYPE C (+REVERSE)
3/16" = 1'-0"

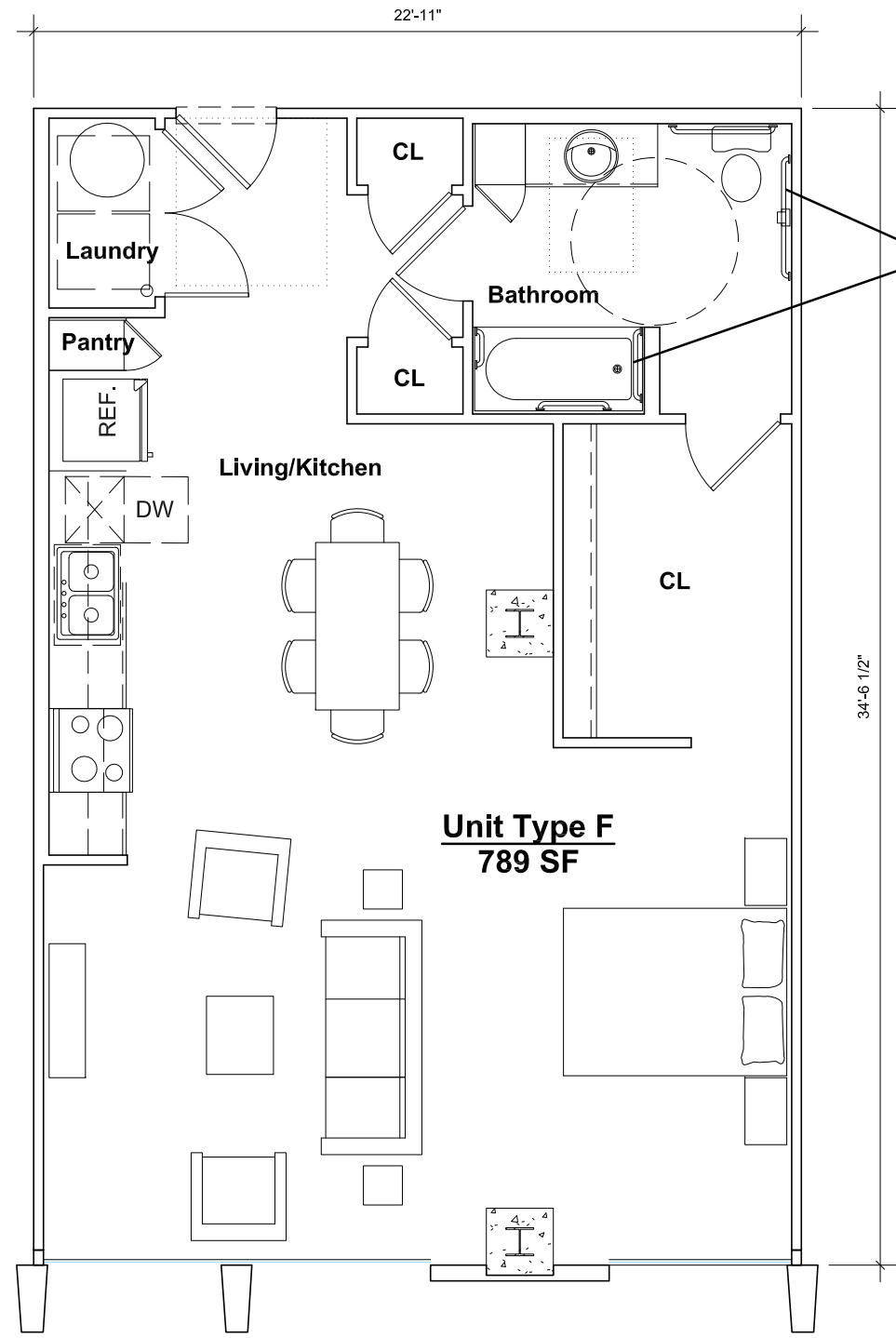
② UNIT TYPE D (+REVERSE)
3/16" = 1'-0"

Blue Flame
120 N. Stanton Street, El Paso, Texas
EP BLUE FLAME, LP.

Typical Unit
Plans C & D
A-014



① UNIT TYPE E
3/16" = 1'-0"



② UNIT TYPE F
3/16" = 1'-0"

**NOTE: ACCESSIBILITY NOTES
REFER TO FULLY ACCESSIBLE
UNITS.
ALL UNITS ARE TO BE FAIR
HOUSING COMPLIANT.**

REFER TO ELEVATIONS FOR
FLOOR TO FLOOR HEIGHTS

REVISED 11.21.2017

in*situ
ARCHITECTURE

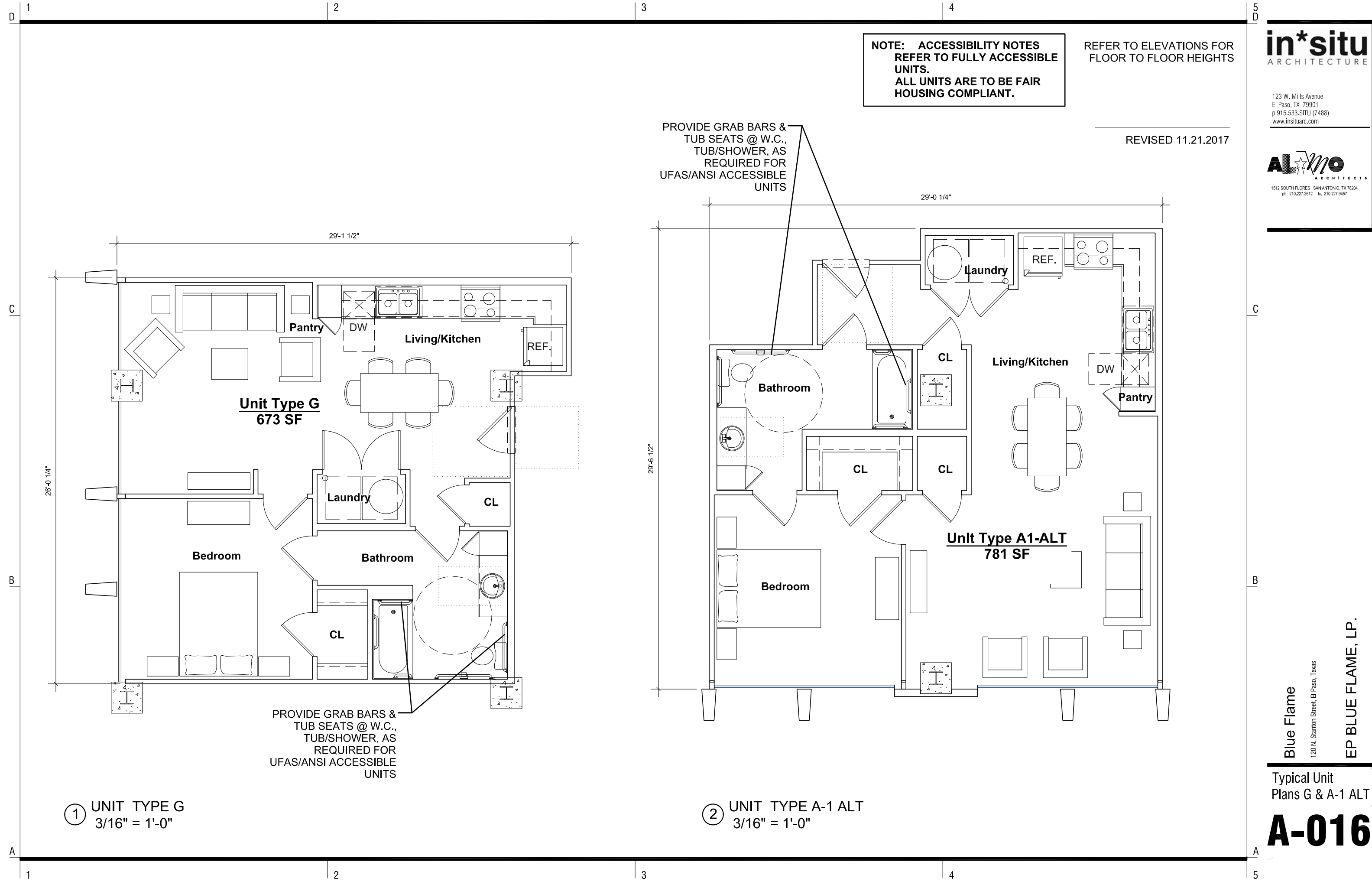
123 W. Mills Avenue
El Paso, TX 79901
p 915.533.SITU (7488)
www.insituarc.com

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ARCHITECTS

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ph. 210.227.2612 fax: 210.227.9457

Blue Flame
120 N. Stanton Street, El Paso, Texas
EP BLUE FLAME, LP.

Typical Unit
Plans E & F
A-015



**NOTE: ACCESSIBILITY NOTES
REFER TO FULLY ACCESSIBLE
UNITS.
ALL UNITS ARE TO BE FAIR
HOUSING COMPLIANT.**

REFER TO ELEVATIONS FOR
FLOOR TO FLOOR HEIGHTS

REVISED 11.21.2017

PROVIDE GRAB BARS &
TUB SEATS @ W.C.,
TUB/SHOWER, AS
REQUIRED FOR
UFAS/ANSI ACCESSIBLE
UNITS

PROVIDE GRAB BARS &
TUB SEATS @ W.C.,
TUB/SHOWER, AS
REQUIRED FOR
UFAS/ANSI ACCESSIBLE
UNITS

① UNIT TYPE G
3/16" = 1'-0"

② UNIT TYPE A-1 ALT
3/16" = 1'-0"

in*situ
ARCHITECTURE

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El Paso, TX 79901
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ALMO
ARCHITECTS

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ph. 210.227.2612 fx. 210.227.9457

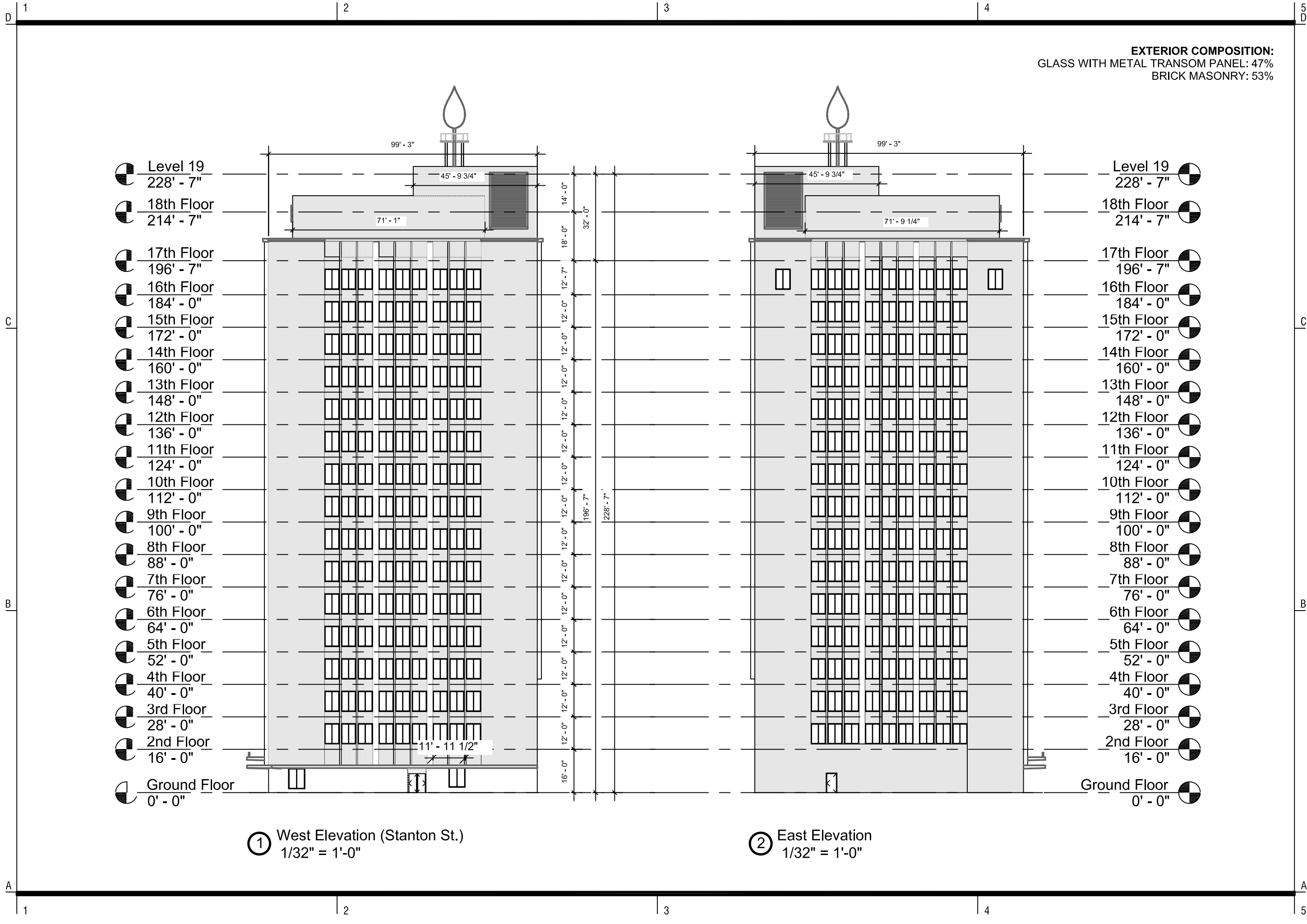
Blue Flame

120 N. Stanton Street, El Paso, Texas

EP BLUE FLAME, LP.

Typical Unit
Plans G & A-1 ALT

A-016



EXTERIOR COMPOSITION:
 GLASS WITH METAL TRANSOM PANEL: 47%
 BRICK MASONRY: 53%

- Level 19
228' - 7"
- 18th Floor
214' - 7"
- 17th Floor
196' - 7"
- 16th Floor
184' - 0"
- 15th Floor
172' - 0"
- 14th Floor
160' - 0"
- 13th Floor
148' - 0"
- 12th Floor
136' - 0"
- 11th Floor
124' - 0"
- 10th Floor
112' - 0"
- 9th Floor
100' - 0"
- 8th Floor
88' - 0"
- 7th Floor
76' - 0"
- 6th Floor
64' - 0"
- 5th Floor
52' - 0"
- 4th Floor
40' - 0"
- 3rd Floor
28' - 0"
- 2nd Floor
16' - 0"
- Ground Floor
0' - 0"

- Level 19
228' - 7"
- 18th Floor
214' - 7"
- 17th Floor
196' - 7"
- 16th Floor
184' - 0"
- 15th Floor
172' - 0"
- 14th Floor
160' - 0"
- 13th Floor
148' - 0"
- 12th Floor
136' - 0"
- 11th Floor
124' - 0"
- 10th Floor
112' - 0"
- 9th Floor
100' - 0"
- 8th Floor
88' - 0"
- 7th Floor
76' - 0"
- 6th Floor
64' - 0"
- 5th Floor
52' - 0"
- 4th Floor
40' - 0"
- 3rd Floor
28' - 0"
- 2nd Floor
16' - 0"
- Ground Floor
0' - 0"

① West Elevation (Stanton St.)
 1/32" = 1'-0"

② East Elevation
 1/32" = 1'-0"

in*situ
 ARCHITECTURE

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 El Paso, TX 79901
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 ph. 210.227.2612 fax. 210.227.9457

Blue Flame

120 N. Stanton Street, El Paso, Texas

EP BLUE FLAME, LP.

Exterior Elevations

A-017

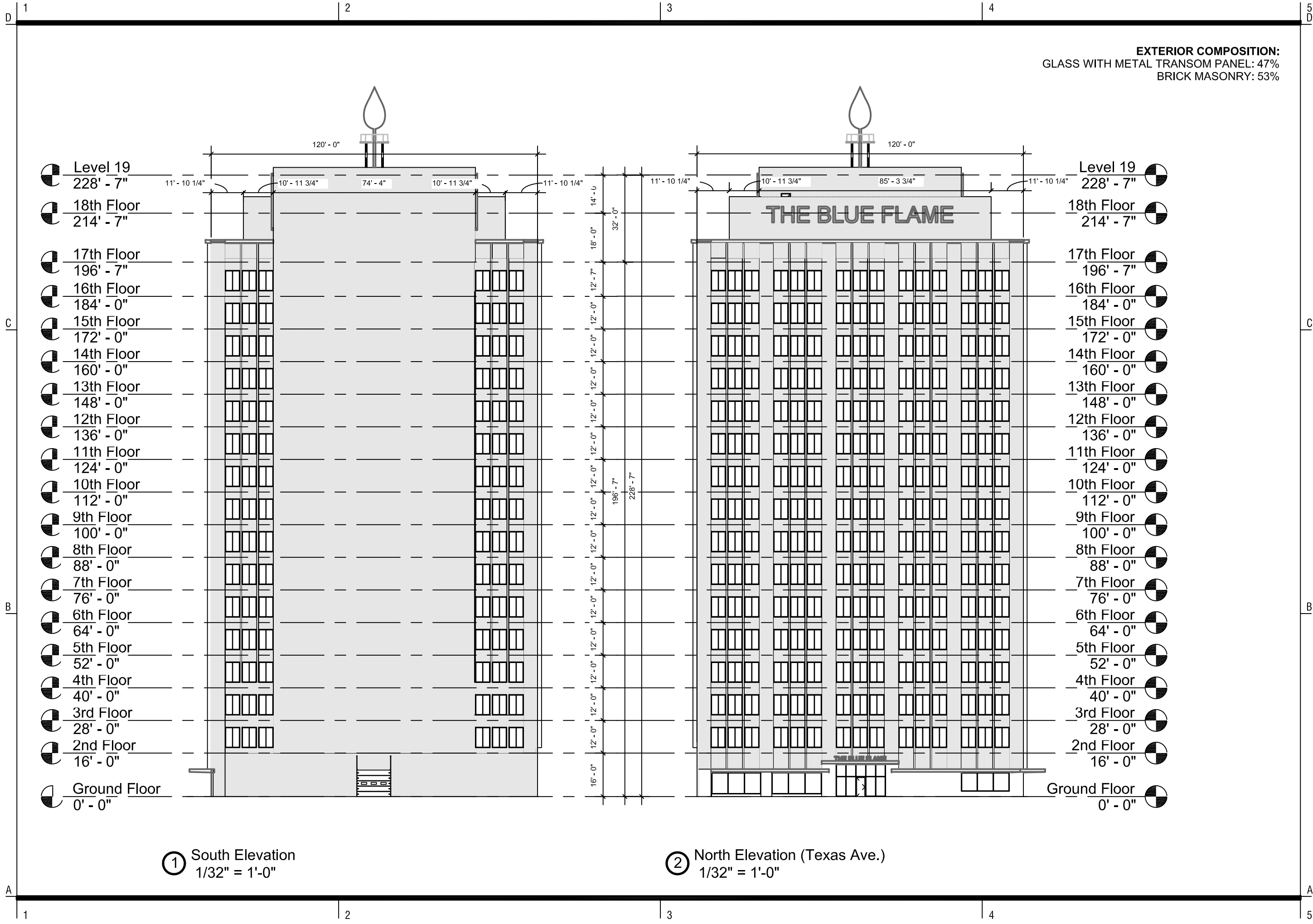
EXTERIOR COMPOSITION:
 GLASS WITH METAL TRANSOM PANEL: 47%
 BRICK MASONRY: 53%

in*situ
 ARCHITECTURE

123 W. Mills Avenue
 El Paso, TX 79901
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ALAMO
 ARCHITECTS

1512 SOUTH FLORES SAN ANTONIO, TX 78204
 ph. 210.227.2612 fax. 210.227.9457



- Level 19
228' - 7"
- 18th Floor
214' - 7"
- 17th Floor
196' - 7"
- 16th Floor
184' - 0"
- 15th Floor
172' - 0"
- 14th Floor
160' - 0"
- 13th Floor
148' - 0"
- 12th Floor
136' - 0"
- 11th Floor
124' - 0"
- 10th Floor
112' - 0"
- 9th Floor
100' - 0"
- 8th Floor
88' - 0"
- 7th Floor
76' - 0"
- 6th Floor
64' - 0"
- 5th Floor
52' - 0"
- 4th Floor
40' - 0"
- 3rd Floor
28' - 0"
- 2nd Floor
16' - 0"
- Ground Floor
0' - 0"

- Level 19
228' - 7"
- 18th Floor
214' - 7"
- 17th Floor
196' - 7"
- 16th Floor
184' - 0"
- 15th Floor
172' - 0"
- 14th Floor
160' - 0"
- 13th Floor
148' - 0"
- 12th Floor
136' - 0"
- 11th Floor
124' - 0"
- 10th Floor
112' - 0"
- 9th Floor
100' - 0"
- 8th Floor
88' - 0"
- 7th Floor
76' - 0"
- 6th Floor
64' - 0"
- 5th Floor
52' - 0"
- 4th Floor
40' - 0"
- 3rd Floor
28' - 0"
- 2nd Floor
16' - 0"
- Ground Floor
0' - 0"

① South Elevation
 1/32" = 1'-0"

② North Elevation (Texas Ave.)
 1/32" = 1'-0"

Blue Flame
 120 N. Stanton Street, El Paso, Texas
 EP BLUE FLAME, LP.

Exterior Elevations
A-018

Exhibit H

Development Cost Schedule

Self Score Total: 11

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

TOTAL DEVELOPMENT SUMMARY			Scratch Paper/Notes
Total	Eligible Basis (If Applicable)		
Cost	Acquisition	New/Rehab.	
ACQUISITION			
Site acquisition cost	2,500,000		
Existing building acquisition cost			
Closing costs & acq. legal fees			
Other (specify) - see footnote 1			
Other (specify) - see footnote 1			
Subtotal Acquisition Cost	\$2,500,000	\$0	\$0
OFF-SITES²			
Off-site concrete			
Storm drains & devices			
Water & fire hydrants			
Off-site utilities			
Sewer lateral(s)			
Off-site paving			
Off-site electrical			
Other (specify) - see footnote 1			
Other (specify) - see footnote 1			
Subtotal Off-Sites Cost	\$0	\$0	\$0
SITE WORK³			
Demolition	0		
Asbestos Abatement (Demolition Only)			
Detention			
Rough grading			
Fine grading			
On-site concrete			
On-site electrical			
On-site paving			
On-site utilities			
Decorative masonry			
Bumper stops, striping & signs			
Other (specify) - see footnote 1			
Subtotal Site Work Cost	\$0	\$0	\$0
SITE AMENITIES			
Landscaping			
Pool and decking			
Athletic court(s), playground(s)			
Fencing			
Other (specify) - see footnote 1			
Subtotal Site Amenities Cost	\$0	\$0	\$0

BUILDING COSTS*:

Concrete	40,000		31,200
Masonry	74,000		57,720
Metals	235,000		183,300
Woods and Plastics	114,332		89,179
Thermal and Moisture Protection	431,447		336,528
Roof Covering	174,875		136,402
Doors and Windows	724,990		565,492
Finishes	3,424,477		2,671,092
Specialties	252,638		197,057
Equipment	458,347		357,510
Furnishings	689,662		537,936
Special Construction	628,300		490,074
Conveying Systems (Elevators)	1,330,012		1,037,409
Mechanical (HVAC; Plumbing)	7,322,204		5,711,319
Electrical	3,822,273		2,981,371

Individually itemize costs below:

Detached Community Facilities/Building			
Carpports and/or Garages			
Lead-Based Paint Abatement			
Asbestos Abatement (Rehabilitation Only)	563,217		439,309
Structured Parking			
Commercial Space Costs			
Interior Demolition	332,200		
Subtotal Building Costs Before 11.9(e)(2)	\$20,617,974	\$0	\$15,822,899

Voluntary Eligible Building Costs (After 11.9(e)(2))	\$188.05 psf	\$15,822,899
Enter amount to be used to achieve desired score.		

*Enter score for Building **OR** Hard Costs at end of form

TOTAL BUILDING COSTS & SITE WORK

(including site amenities)

Contingency	5.00%	\$1,030,898	804,100
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TOTAL HARD COSTS

\$21,648,872	\$0	\$16,626,999
--------------	-----	--------------

OTHER CONSTRUCTION COSTS

%THC

%EHC

General requirements (<6%)	6.00%	1,298,882	997,620	6.00%
Field supervision (within GR limit)				
Contractor overhead (<2%)	2.00%	432,977	332,540	2.00%
G & A Field (within overhead limit)		0		
Contractor profit (<6%)	6.00%	1,298,882	997,620	6.00%

TOTAL CONTRACTOR FEES

\$3,030,741	\$0	\$2,327,780
-------------	-----	-------------

TOTAL CONSTRUCTION CONTRACT

\$24,679,613	\$0	\$18,954,779
--------------	-----	--------------

Voluntary Eligible "Hard Costs" (After 11.9(e)(2))	\$225.28 psf	\$18,954,784
Enter amount to be used to achieve desired score.		

*Enter score for Building **OR** Hard Costs at end of form

SOFT COSTS³

Architectural - Design fees	1,380,779		1,077,007
Architectural - Supervision fees	0		0
Engineering fees	50,000		39,000
Real estate attorney/other legal fees	353,500		275,730
Accounting fees	35,000		27,300
Impact Fees			
Building permits & related costs	74,250		57,915
Appraisal	12,000		9,360
Market analysis	10,280		8,018
Environmental assessment	25,000		19,500
Soils report			
Survey	18,000		14,040
Marketing	1,000		
Hazard & liability insurance	27,720		21,621
Real property taxes			
Personal property taxes			
Tenant Relocation Expenses	120,000		120,000
Asbestos/LBP Testing/RPCA	20,000		15,600
FF&E	148,000		148,000
Subtotal Soft Cost	\$2,275,529	\$0	\$1,833,091

Includes \$10 reduction in permit fees

FINANCING:

CONSTRUCTION LOAN(S)³

Interest	816,838		637,133
Loan origination fees	117,750		91,845
Title & recording fees	85,000		66,300
Closing costs & legal fees	75,000		58,725
Inspection fees	18,000		14,040
Credit Report			
Discount Points			
Prepaid MIP	24,000		18,720
Other (specify) - see footnote 1			

PERMANENT LOAN(S)

Loan origination fees	117,750		
Title & recording fees	15,000		
Closing costs & legal	35,000		
Bond premium	0		
Credit report			
Discount points			
Credit enhancement fees			
Prepaid MIP			
Other (specify) - see footnote 1			
Other (specify) - see footnote 1			

BRIDGE LOAN(S)

Interest	410,000		319,800
Loan origination fees	85,236		66,484
Title & recording fees			
Closing costs & legal fees	30,000		23,400
Other (specify) - see footnote 1			
Other (specify) - see footnote 1			

OTHER FINANCING COSTS³

Tax credit fees	65,250		
Tax and/or bond counsel			
Payment bonds			
Performance bonds	246,000		191,880
Credit enhancement fees			
Mortgage insurance premiums			
Cost of underwriting & issuance			
Syndication organizational cost	10,000		
Tax opinion			
RAD Consultant	50,000		50,000
Historic Consultant	115,000		89,700
Subtotal Financing Cost	\$2,315,824	\$0	\$1,628,027

DEVELOPER FEES³

Housing consultant fees ⁴	150,000		117,000
General & administrative			
Profit or fee	3,965,665		3,212,385
Subtotal Developer Fees 15.00%	\$4,115,665	\$0	\$3,329,385

RESERVES

Rent-up	0		
Operating	564,247		
Replacement			
Escrows	0		
Subtotal Reserves	\$564,247	\$0	\$0

TOTAL HOUSING DEVELOPMENT COSTS⁵

	\$36,450,878	\$0	\$25,745,282
--	--------------	-----	--------------

The following calculations are for HTC Applications only.

Deduct From Basis:

Federal grants used to finance costs in Eligible Basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units §42(d)(5)			
Historic Credits (residential portion only)			
Total Eligible Basis		\$0	\$25,745,282
**High Cost Area Adjustment (100% or 130%)			130%
Total Adjusted Basis		\$0	\$33,468,867
Applicable Fraction			100%
Total Qualified Basis	\$33,468,867	\$0	\$33,468,867
Applicable Percentage ⁶			9.00%
Credits Supported by Eligible Basis	\$3,012,198	\$0	\$3,012,198

(May be greater than actual request)

*11.9(c)(2) Cost Per Square Foot: DO NOT ROUND! Applicants are advised to ensure that figure is not rounding down to the maximum dollar figure to support the elected points.

Requested Score for 11.9(e)(2)

11

Name of contact for Cost Estimate:

Phone Number for Contact:

Footnotes:

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

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

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

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

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

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

Exhibit G

Blue Flame Cost Schedule
Residential vs. Commercial

Current 205,228 sq.ft 100%	Residential 159,236 sq ft 78%	Commercial 45,992 sq.ft 22%
----------------------------------	-------------------------------------	-----------------------------------

ACQUISITION

Site acquisition cost	2,500,000	1950000	550,000
Existing building acquisition cost			
Closing costs & acq. legal fees			
Other (specify)			
Other (specify)			
Subtotal Acquisition Cost	\$2,500,000	\$1,950,000	\$550,000

OFF-SITES:

Off-site concrete			
Storm drains & devices			
Water & fire hydrants			
Off-site utilities			
Sewer lateral(s)			
Off-site paving			
Off-site electrical			
Other (specify)			
Other (specify)			
Subtotal Off-Sites Cost	\$0	\$0	\$0

SITE WORK:

Demolition			
Rough grading			
Fine grading			
On-site concrete			
On-site electrical			
On-site paving			
On-site utilities			
Decorative masonry			
Bumper stops, striping & signs			
Subtotal Site Work Cost	\$0	\$0	\$0

SITE AMENITIES:

Landscaping			
Pool and decking			
Athletic court(s), playground(s)			
Fencing			
Other (specify)			
Subtotal Site Amenities Cost	\$0	\$0	\$0

BUILDING COSTS:

Concrete	40,000	31,200	8,800
----------	--------	--------	-------

Engineering fees	50,000	39,000	11,000
Real estate attorney/other legal fees	353,500	275,730	77,770
Accounting fees	35,000	27,300	7,700
Impact fees			0
Building permits & related costs	74,250	57,915	16,335
Appraisal	12,000	9,360	2,640
Market analysis	10,280	8,018	2,262
Environmental assessment	25,000	19,500	5,500
Soils report			0
Survey	18,000	14,040	3,960
Marketing	1,000	780	220
Hazard & liability insurance	27,720	21,621	6,099
Real property taxes			0
Personal property taxes			0
Tenant relocation expenses	120,000	120,000	0
Asbestos/LBP Testing/RPCA	20,000	15,600	4,400
FF&E	148,000	148,000	0
Subtotal Soft Cost	\$2,275,529	\$1,833,871	\$441,658

FINANCING:

CONSTRUCTION LOAN

Interest	816,838	637,133	179,705
Loan origination fees	117,750	91,845	25,905
Title & recording fees	85,000	66,300	18,700
Closing costs & legal fees	75,000	58,725	16,275
Inspection fees	18,000	14,040	3,960
Credit Report		0	0
Discount Points			0
Prepaid MIP	24,000	18,720	5,280
			0

PERMANENT LOAN

Loan origination fees	117,750	91,845	25,905
Title & recording fees	15,000	11,700	3,300
Closing costs & legal	35,000	27,300	7,700
Bond premium		0	0
Credit report			0
Discount points			0
Credit enhancement fees			0
Prepaid MIP			0
Other (specify)			0
Other (specify)			0

BRIDGE LOAN

Interest	410,000	319,800	90,200
Loan origination fees	85,236	66,484	18,752
Title & recording fees		0	0
Closing costs & legal fees	30,000	23,400	6,600
Other (specify)			0

Other (specify)			0
OTHER FINANCING COSTS			
Tax credit fees	65,250	65250	0
Tax and/or bond counsel			0
Payment bonds			0
Performance bonds	246,000	191,880	54,120
Credit enhancement fees			0
Mortgage insurance premiums			0
Cost of underwriting & issuance			0
Syndication organizational cost	10,000	10000	0
Tax opinion			0
Contractor Guarantee Fee			0
Developer Guarantee Fee			0
RAD Consultant	50,000	50,000	0
Historic Consultant	115,000	89,700	25,300
Subtotal Financing Cost	\$2,315,824	\$1,834,122	\$481,702

DEVELOPER FEES:

Housing consultant fees	150,000	117,000	33,000
General & administrative			0
Profit or fee	3,965,665	3,212,385	753,280
Subtotal Developer's Fees	\$4,115,665	\$3,329,385	\$786,280

RESERVES:

Rent-up		0	0
Operating	564,247	564247	0
Replacement			0
Escrows		0	0
Subtotal Reserves	\$564,247	\$564,247	\$0

TOTAL HOUSING DEVELOPMENT COSTS	\$36,450,878	\$28,466,404	\$7,984,474
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Rent Schedule (Continued)

		% of LI	% of Total	
HOUSING TAX CREDITS	TC30%	10%	10%	12
	TC40%			0
	TC50%	20%	20%	24
	TC60%	70%	70%	84
	HTC LI Total			120
	EO			0
	MR			0
	MR Total			0
	Total Units			120
	MORTGAGE REVENUE BOND	MRB30%		
MRB40%				0
MRB50%				0
MRB60%				0
MRB LI Total				0
MRBMR				0
MRBMR Total				0
MRB Total				0

		% of LI	% of Total	
HOUSING TRUST FUND	HTF30%			0
	HTF40%			0
	HTF50%			0
	HTF60%			0
	HTF80%			0
	HTF LI Total			0
	MR			0
	MR Total			0
	HTF Total			0
	DIRECT LOAN	30%		
LH/50%				0
HH/60%				0
HH/80%				0
Direct Loan LI Total				0
EO				0
MR				0
MR Total				0
Direct Loan Total				0
OTHER				120
	Total OT Units			120

BEDROOMS	0			4
	1			116
	2			0
	3			0
	4			0
	5			0

ACQUISITION + HARD		DO NOT USE THIS CALCULATION TO SCORE POINTS UNDER 11.9(e)(2). At the end of the Development Cost Schedule, you will have the ability to adjust your eligible costs to qualify. Points will be entered there.
Cost Per Sq Ft	\$ 134.80	
HARD		
Cost Per Sq Ft	\$ 134.80	
BUILDING		
Cost Per Sq Ft	\$ 107.50	

ANNUAL OPERATING EXPENSES

General & Administrative Expenses				
Accounting	\$	10,000		
Advertising	\$	5,000		
Legal fees	\$	587		
Leased equipment	\$	1,397		
Postage & office supplies	\$			
Telephone	\$	5,000		
Other		<i>Training, Gas Mileage</i>	\$	2,372
Other		<i>Third Party Asset Management Review</i>	\$	14,060
Total General & Administrative Expenses:				\$ 38,416
Management Fee:	Percent of Effective Gross Income:	5.00%		\$ 45,640
Payroll, Payroll Tax & Employee Benefits				
Management	\$	55,600		
Maintenance	\$	40,341		
Other		<i>Management Benefits</i>	\$	14,042
Other		<i>Maintenance Benefits</i>	\$	13,625
Total Payroll, Payroll Tax & Employee Benefits:				\$ 123,608
Repairs & Maintenance				
Elevator	\$	9,267		
Exterminating	\$	2,863		
Grounds	\$	16,358		
Make-ready	\$	11,019		
Repairs	\$	75,232		
Pool	\$			
Other		<i>describe</i>	\$	
Other		<i>describe</i>	\$	
Total Repairs & Maintenance:				\$ 114,739
Utilities (Enter Only Property Paid Expense)				
Electric		<i>HACEP Portfolio Expenses</i>	\$	78,853
Natural gas		<i>HACEP Portfolio Expenses</i>	\$	17,593
Trash		<i>HACEP Portfolio Expenses</i>	\$	7,824
Water/Sewer		<i>HACEP Portfolio Expenses</i>	\$	31,467
Other		<i>describe</i>	\$	
Other		<i>describe</i>	\$	
Total Utilities:				\$ 135,737
Annual Property Insurance:	Rate per net rentable square foot:	\$ 0.41		\$ 34,500
Property Taxes:				
Published Capitalization Rate:	Source:	NA - Tax Exemption		
Annual Property Taxes	\$			
Payments in Lieu of Taxes	\$			
Total Property Taxes:				\$ -
Reserve for Replacements:	Annual reserves per unit:	\$ 350		\$ 42,000
Other Expenses				
Cable TV	\$			
Supportive Services (Staffing/Contracted Services)	\$	15,000		
TDHCA Compliance fees	\$	4,800		
TDHCA Bond Administration Fees (TDHCA as Bond Issuer Only)	\$			
Security	\$	10,000		
Other		<i>Parking Lease</i>	\$	25,000
Other		<i>describe</i>	\$	
Total Other Expenses:				\$ 54,800
TOTAL ANNUAL EXPENSES		Expense per unit:	\$ 4912	\$ 589,440
		Expense to Income Ratio:	64.57%	
NET OPERATING INCOME (before debt service)				\$ 323,370
Annual Debt Service				
	\$	<i>FHA Loan Debt Service</i>	\$	278,369
	\$		\$	
	\$		\$	
	\$		\$	
TOTAL ANNUAL DEBT SERVICE				\$ 278,369
		Debt Coverage Ratio:	1.16	
NET CASH FLOW				\$ 45,001

15 Year Rental Housing Operating Pro Forma (All Programs)

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

INCOME	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15
POTENTIAL GROSS ANNUAL RENTAL INCOME	\$959,760	\$978,955	\$998,534	\$1,018,505	\$1,038,875	\$1,147,002	\$1,266,383
Secondary Income	\$ 7,200	\$ 7,344	\$ 7,491	\$ 7,641	\$ 7,794	\$ 8,605	\$ 9,500
POTENTIAL GROSS ANNUAL INCOME	\$966,960	\$986,299	\$1,006,025	\$1,026,146	\$1,046,669	\$1,155,607	\$1,275,883
Provision for Vacancy & Collection Loss	(\$54,150)	(\$55,233)	(\$56,337)	(\$57,464)	(\$58,613)	(\$64,714)	(\$71,449)
Rental Concessions	\$0						
EFFECTIVE GROSS ANNUAL INCOME	\$912,810	\$931,066	\$949,688	\$968,682	\$988,055	\$1,090,893	\$1,204,434
EXPENSES							
General & Administrative Expenses	\$38,416	\$39,568	\$40,756	\$41,978	\$43,238	\$50,124	\$58,108
Management Fee	\$ 45,640	\$ 46,553	\$ 47,484	\$ 48,434	\$ 49,402	\$ 54,544	\$ 60,221
Payroll, Payroll Tax & Employee Benefits	\$ 123,608	\$ 127,316	\$ 131,136	\$ 135,070	\$ 139,122	\$ 161,280	\$ 186,968
Repairs & Maintenance	\$ 114,739	\$ 118,181	\$ 121,727	\$ 125,378	\$ 129,140	\$ 149,708	\$ 173,553
Electric & Gas Utilities	\$ 96,446	\$ 99,339	\$ 102,320	\$ 105,389	\$ 108,551	\$ 125,840	\$ 145,883
Water, Sewer & Trash Utilities	\$ 39,291	\$ 40,470	\$ 41,684	\$ 42,934	\$ 44,222	\$ 51,266	\$ 59,431
Annual Property Insurance Premiums	\$ 34,500	\$ 35,535	\$ 36,601	\$ 37,699	\$ 38,830	\$ 45,015	\$ 52,184
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserve for Replacements	\$ 42,000	\$ 43,260	\$ 44,558	\$ 45,895	\$ 47,271	\$ 54,800	\$ 63,529
Other Expenses	\$ 54,800	\$ 56,444	\$ 58,137	\$ 59,881	\$ 61,678	\$ 71,502	\$ 82,890
TOTAL ANNUAL EXPENSES	\$589,440	\$606,667	\$624,401	\$642,658	\$661,454	\$764,080	\$882,767
NET OPERATING INCOME	\$323,370	\$324,400	\$325,286	\$326,023	\$326,601	\$326,813	\$321,666
DEBT SERVICE							
First Deed of Trust Annual Loan Payment	\$278,369	\$278,369	\$278,369	\$278,369	\$278,369	\$278,369	\$278,369
Second Deed of Trust Annual Loan Payment							
Third Deed of Trust Annual Loan Payment							
Other Annual Required Payment							
Other Annual Required Payment							
ANNUAL NET CASH FLOW	\$45,001	\$46,031	\$46,917	\$47,654	\$48,232	\$48,444	\$43,297
CUMULATIVE NET CASH FLOW	\$45,001	\$91,032	\$137,949	\$185,603	\$233,836	\$475,526	\$704,880
Debt Coverage Ratio	1.16	1.17	1.17	1.17	1.17	1.17	1.16
Other (Describe)							
Other (Describe)							

By signing below I (we) are certifying that the above 15 Year pro forma, is consistent with the unit rental rate assumptions, total operating expenses, net operating income, and debt service coverage based on the bank's current underwriting parameters and consistent with the loan terms indicated in the term sheet and preliminarily considered feasible pending further diligence review. The debt service for each year maintains no less than a 1.15 debt coverage ratio. (Signature only required if using this pro forma for points under §11.9(e)(1) relating to Financial Feasibility)

Phone: 502-881-1977

Email: d.miller@pnc.com



Signature, Authorized Representative, Construction or
Permanent Lender

Dan Miller

Printed Name

11/14/2017

Date

Financing Narrative and Summary of Sources and Uses

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

Financing Participants	Funding Description	Construction Period		Lien Position	Permanent Period					Lien Position
		Loan/Equity Amount	Interest Rate (%)		Loan/Equity Amount	Interest Rate (%)	Amort - ization	Term (Yrs)	Syndication Rate	
Debt										
TDHCA	Multifamily Direct Loan (Repayable)	\$0	0.00%		\$ -	0.00%	30	0		
TDHCA	Multifamily Direct Loan (Soft Repayment)	\$0	0.00%		\$ -	0.00%	0	0		
TDHCA	Mortgage Revenue Bond	\$0	0.00%		\$ -	0.00%	0	0		
CitiBank, N.A.	Conventional Loan	\$16,480,312	4.10%	1st	\$ 3,060,000	6.10%	35	15		1st
Third Party Equity										
Hunt Capital	HTC \$ 1,494,828	\$ 2,521,971			\$ 13,751,041				0.92	
Federal Historic Credit Equity		\$ 1,100,811			\$ 6,166,166				0.92	
State Historic Credit Equity		\$ 7,540,148			\$ 7,540,148				0.9	
Grant										
Deferred Developer Fee										
		\$ -								
Other										
	Direct Loan Match									
HACEP Loan	Conventional	\$ 5,933,523			\$ 5,933,523	3.00%		50		
Total Sources of Funds		\$ 33,576,765			\$ 36,450,878					
Total Uses of Funds					\$ 36,450,878					

Exhibit I

INSTRUCTIONS: Describe the sources of funds that will finance Development. The description must include construction, permanent and bridge loans, and all other types of funds to be used for development. The information must be consistent with all other documentation in this section. Provide sufficient detail to identify the source and explain the use (in terms of the timing and any specific uses) of each type of funds to be contributed. In addition, describe/explain replacement reserves. Finally, describe/explain operating items. The narrative must include rents, operating subsidies, project based assistance, and all other sources of funds for operations. In the foregoing discussion of both development and operating funds, specify the status (dates and deadlines) for applications, approvals and closings, etc., associated with the commitments.

Describe the sources and uses of funds (specify the status (dates and deadlines) for applications, approvals and closings, etc., associated with the commitments):

CITI Bank is providing both construction and permanent loan. Conversion is upon completion of construction and 90% occupancy. Hunt Capital is providing tax credit equity. 100% of State HTC will be funded upon lien free completion of construction.

Describe the replacement reserves:

The Reserve for Replacement requirement is projected to be \$250 pupa, based on industry standard for adaptive reuse projects with the financing we are pursuing.

Describe the operating items (rents, operating subsidies, project based assistance, etc., and specify the status (dates and deadlines) for applications, approvals and closings, etc., associated with the commitments.:

HACEP will submit documentation for the Contract for Housing Assistance Payment (CHAP). The HUD RAD office cleared Environmental Review process in December 2017. We anticipate receiving the RCC (RAD Conversion Commitment) to be in a position to close in May 2018.

By signing below I acknowledge that the amounts and terms of all anticipated sources of funds as stated above are consistent with the assumptions of my institution as one of the providers of funds.

Signature, Authorized Representative, Construction or Permanent Lender

Printed Name

Date

Telephone: _____

Email address: _____



March 5, 2018

Ryan Wilson
Franklin Development Companies
21260 Gathering Oak, Suite101
San Antonio, TX 78260

Re: Blue Flame Apartments, a 120-unit affordable housing development to be located at 120 N Stanton, El Paso, El Paso County, Texas, and developed, constructed, owned and operated by Franklin Park Overlook, Ltd., a Texas limited liability company (the "Partnership"), in compliance with Section 42 of the *Internal Revenue Code of 1986* ("IRC")

Dear Mr. Wilson:

Thank you for providing Hunt Capital Partners, LLC ("HCP") the opportunity to present this Letter of Intent Agreement. The following sets forth our proposal of the basic business terms to be included in the Partnership by and between Hunt, or its designees as the Investor Limited Partner (the "Limited Partner" or "LP") and Paisano Blue Flame GP, LLC, a Texas limited liability company (the "General Partner" or "GP") regarding the Project.

Investment Entity: EP Blue Flame, LP., a Texas limited partnership (the "Partnership"), with Paisano Blue Flame GP, LLC as General Partner with a 0.01% ownership interest in the Partnership and Hunt Capital Partners, LLC or its designated affiliate, as Limited Partner with a 99.99% ownership interest in the Partnership.

Tax Credits Available: \$1,494,828 ("projected LIHTCs")
The LP is acquiring 99.99% of the partnership's tax credits with annual housing credit allocation of \$1,494,828

\$6,702,354 ("projected federal HTC's")
The LP is acquiring 99.99% of the partnership's federal historic tax credits

\$8,377,942 ("projected state HTC's")
The LP is acquiring 100% of the partnership's state historic tax credits

Net Credit Price to Partnership: \$0.92 (Federal LIHTC)
 \$0.92 (Federal Historic)
 \$0.90 (State Historic)

Net Capital Contribution: \$13,751,041 (Federal LIHTC)
 \$6,166,166 (Federal Historic)
 \$7,540,148 (State Historic)

Equity Proceeds Pay-In Schedule: Based on the terms of this letter agreement and the information, projections, and assumptions you have provided to us, equity contributions will be made to the Partnership by the LP in the percentages set forth below:

1. 25% will be funded at (a) the Limited Partner's admission into the Partnership, (b) closing and initial funding of all of the construction financing for the Project, (c) receipt of the commitments for all of the permanent financing, and (d) receipt of the LIHTC allocation; such funds shall be used to fund hard and soft development costs.
2. 25% will be funded upon the later to occur of: (a) satisfaction of all conditions precedent to the payment set forth in paragraph (1), and (b) 50% construction completion as certified by project architect; such funds shall be used to fund hard and soft development costs.
3. 25% will be funded upon the later to occur of: (a) satisfaction of all conditions precedent to the payment set forth in paragraphs (1) and (2) and (b) 100% construction completion as certified by project architect; such funds shall be used to fund hard and soft development costs.
4. 100% of State HTC will be funded upon the later to occur of: (a) satisfaction of all conditions precedent to the payment set forth in paragraphs (1) and (2) and (b) 100% construction completion as certified by project architect; such funds shall be used to fund hard and soft development costs.

5. 20% will be funded upon the later to occur of: (a) satisfaction of all conditions precedent to the payments set forth in paragraphs (1), (2) and (3), (b) the issuance of final Municipal or County Occupancy Certificates, (c) receipt of the certification of qualified expenditures by an independent certified public accountant, (d) 90% qualified occupancy for three consecutive months ("Stabilized Operations"), and (e) funding of the Permanent Loan; such funds shall be used to fund initial operating deficit reserves and any remaining hard and soft costs.
6. 5% will be funded upon the later to occur of: (a) satisfaction of all conditions precedent to the payment set forth in paragraphs (1), (2), (3) and (4), (b) the issuance of all Treasury Forms 8609, and (c) receipt of the federal income tax return and K-1s for the Partnership; such funds shall be used to fund and any soft development costs.

*Obligations of the General
Partner and Guarantor(s):*

Operating Deficit Guaranty: The GP and Guarantors will guarantee and agree to loan to the Partnership sufficient funds, for a period of 60 months following the date stabilized operations is achieved (the "Operating Deficit Guarantee Period"), to fund operating deficits.

Development Completion Guaranty: The GP and Guarantors will guarantee completion of construction of the Project substantially in accordance with plans and specifications approved by Hunt Capital Partners, LLC, including, without limitation, a guaranty: (i) to pay any amounts needed in excess of the construction loan and other available proceeds to complete the improvements; and (ii) to pay operating deficits prior to the conclusion of Project construction.

Credit Adjusters: The GPs will provide that, if in any year actual credits are less than Projected Credits, then LP shall be owed an amount necessary to preserve its anticipated return based on the Projected Credit.

The obligations of the GP shall be guaranteed by GP, Developer and its principals (the "Guarantors").

- Asset Management Fee (AMF):* \$7,500 annually
- Syndicator Costs:* \$60,000
- Developer Fee:* Of the total developer fee of \$4,115,656 it is expected that \$4,115,665 will be earned and paid and \$0 will be deferred.
- Cash Flow Split:* Cash Flow to the Partnership shall be distributed as follows:
- a. To the LP, to make any tax credit adjuster payment not previously made;
 - b. To the payment of any debts, excluding any unpaid Development Fee, owed to the Partners and/or their affiliates, until all such debts have been paid in full;
 - c. To the payment of the AMF plus all accrued AMF unpaid from prior years;
 - d. 100% to the payment of any unpaid Development Fee, until such fee has been paid in full;
 - e. The balance, 90% to the GP as an Incentive Property Management Fee and 10% to the partners in accordance with their ownership percentages.

All tax profits, losses, and credits from operations will be allocated 0.01% to the GP and 99.99% to the LP.

Residual Split: From Refinancing or Sale. Taxable profits and/or losses from a sale of the Property will be allocated among the Partners of the Partnership to adjust capital accounts as required by the Internal Revenue Code and in accordance with sale proceeds distributions.

Sale and Refinancing Proceeds will be distributed as follows:

- a. Payment in full of all Partnership debts except those due to Partners and/or their affiliates;
- b. To the LP, to make any tax credit adjuster payment not previously made;
- c. To the payment of any debts owed to Partners and/or their affiliates until all such debts have been paid in full, and GP's capital contribution;

d. The balance, 90% to the GP and 10% to the LP.

Replacement Reserves: \$350/unit/year

Other Terms and Conditions:

- 1) Proof of award and allocation of LIHTC.
- 2) The GP must have a firm commitment for a fixed-rate permanent first mortgage with terms, conditions and a Lender acceptable to the Limited Partner. It is anticipated that the following construction and perm sources will be provided to the project:
 - A 24-month construction loan provided by Citi Community Capital in the amount of \$16,480,312.
 - A 35-year permanent loan provided by Citi Community Capital in the amount of \$3,060,000 at a 5.50% interest rate and a 35-year amortization.
 - A 50-year non-amortizing construction and permanent loan provided by HACEP in an amount up to \$5,933,523 at a 3% interest rate.
- 3) Receipt, review, and approval of market study, environmental and geological reports, plans and specifications, contractor and such other conditions which are customary and reasonable for an equity investment of this nature and amount;
- 4) The Capital Contributions are determined on the projected credits delivered to Hunt based on the lease-up schedule provided to Hunt by the GP. Any changes in the timing of construction and/or lease-up may impact the timing and amounts of Capital Contributions.
- 5) Final Approval of the transaction by HCP's Investment Committee and approval of the transaction yield and tax rate assumptions by HCP's Investor.

[THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

In recognition of the time and expense to be spent by Hunt in evaluating this transaction prior to

closing, the GP will deal exclusively with Hunt with respect to the transactions noted in this firm commitment letter until this firm commitment letter is terminated by either party. You hereby confirm that no other party presently has any right to acquire an interest in the Property or the Partnership.

Please execute and promptly return to us a copy of this commitment letter. The terms herein shall expire 10 business days after the date of this letter if your signed copy has not been received by us.

Sincerely,



Dana Mayo
Executive Vice President
Hunt Capital Partners, LLC

AGREED and ACCEPTED:

Paisano Blue Flame GP, LLC

By: _____

_____ Date

Name: _____

Title: _____

Cc: Omar Chaudhry (Hunt Capital Partners)
Bryce Tobias (Hunt Capital Partners)



TERM SHEET

Multifamily Rental Developments with Rent Restrictions New Construction and/or Substantial Rehabilitation and/or Term Mortgages

Blue Flame

February 12, 2018

NOTE: This Term Sheet constitutes a brief summary of certain, but not all, transaction terms and conditions for discussion purposes only. The summary that follows is subject to credit approval and does not constitute an offer or commitment.

In connection with this Term Sheet, CITI will be acting solely as a principal and not as your agent, advisor or fiduciary. CITI has not assumed a fiduciary responsibility with respect to this Term Sheet, and nothing in this transaction or in any prior relationship between you and CITI will be deemed to create an advisory, fiduciary or agency relationship between us in respect of this Term Sheet. You should consider carefully whether you would like to engage an independent advisor to represent or otherwise advise you in connection with this Term Sheet, if you have not already done so.

PRELIMINARY LOAN TERMS

Transaction

Summary: Citibank, N.A. ("CITI") proposes to arrange a construction/permanent loan (the "Loan") to the Borrower (defined below) in connection with the acquisition and construction of the Property described below.

Property: An adaptive re-use acq/rehab, multifamily project to contain 120 units located in El Paso, Texas. This existing property is currently known as "Blue Flame" (the "Property.")

Set-Asides: 100% of the units are reserved for individuals or families whose income is no greater than 60% of Area Median Income ("AMI").

Applicant: Franklin Development and Paisano Housing Redevelopment Corp

Borrower: A single asset entity whose manager or general partner is the Applicant or an affiliate of Applicant. Borrower entity, its constituent entities and its operating/partnership agreement must be acceptable to CITI in all respects.

**LIHTC Investor/
Syndicator:**

If applicable, the Low Income Housing Tax Credit ("LIHTC") Investor / Syndicator, the upper tier investor(s) and the terms and conditions of the partnership/operating agreement must be acceptable to CITI in all respects including, particularly, the timing of and conditions to funding capital contributions.

Guarantor(s): Aubra Franklin and relevant related corporate entities acceptable to CITI in all respects until perm conversion and Paisano Housing Redevelopment thereafter. The Guarantor's financial condition must be acceptable to CITI in all respects.

- Subordinate Debt:** If applicable, the sources of subordinate debt and the subordinate loan documents must be acceptable to CITI in all respects. All subordinate debt must fund prior to Loan funding unless CITI approves other arrangements.
- Loan Security:** First lien on land and any improvements or first leasehold interest, UCC filings for fixtures; assignment of all leases and rents; and, a first priority collateral assignment of all contracts, management agreements, and other agreements and all permits relating to the Property.
- Construction Phase Recourse Guarantees:** Prior to conversion of the Loan to the Permanent Phase (described below) and during the Construction Phase (described below), the Loan will be fully recourse to the Borrower and to the Guarantor(s) and Completion and Repayment Guarantees are required from the Borrower and the Guarantor(s).
- Guarantees, Permanent Phase:** None, except for industry standard carve outs (“Carve Outs”). Carve Outs include guarantees against fraud, misrepresentation, bankruptcy and environmental issues.
- Environmental Indemnity:** Borrower and Guarantor(s) will be liable for CITI’s standard environmental indemnity.
- Closing:** Closing is subject to full satisfaction of CITI’s standard due diligence, underwriting and credit approval processes, and the execution and delivery of all required loan documents, delivery of opinions, payment of fees and other customary requirements.
- Closing Date:** May, 2018 (estimated)

CONSTRUCTION PHASE

- Construction Phase Loan Amount:** An amount, currently estimated to be \$16,480,312, but in any event, an amount not to exceed 80% of costs budgeted for the Construction Phase.
- Term:** 30 months, plus one 6-month extension(s). Fees for the extension(s) are indicated below under “Fees & Expenses.”
- Construction Phase Interest Rate:** Variable rate equal to one month LIBOR (which shall have a floor of 0.00%) plus a spread of 2.50%, (“Construction Phase Interest Rate”). Rate adjusts monthly. Currently, one month LIBOR is trading at approximately 1.60%, for an all-in rate of 4.10%. Pricing is based on current market conditions and is subject to change.
- Availability:** Loan proceeds will be advanced to Borrower on a “draw down” basis upon receipt of a written request from Borrower, supported by documentation acceptable to CITI. Borrower will be required to submit a loan budget worksheet with each draw request tracking all Property sources and uses of funds. Draw requests limited to one per month.
- Loan in Balance:** The loan must remain “in balance” during the Construction Phase. “In balance” means that (1) the funds available during the Construction Phase (from the Loan and all other debt and equity sources) are sufficient to complete the construction or rehabilitation of the Property and all other expenses reasonably expected to be necessary to achieve the

conditions for conversion of the Loan to the Permanent Phase; and (2) the sources available at Conversion are sufficient to pay down the Construction Phase loan amount to the Permanent Phase loan amount, along with any other funding requirements for Conversion.

Amortization: None. Payments on the Loan during the Construction Phase will be interest only.

Prepayment and Yield Maintenance: Voluntary prepayment of Loan principal amounts during the Construction Phase, including those as a result of a Borrower default, may be made without prepayment fee or penalty unless the Construction Phase Loan Amount is reduced to less than the Permanent Phase Loan Amount (as defined below).

If the prepayment reduces the Loan amount to an amount less than the Permanent Phase Loan Amount, the Borrower shall pay the greater of: (i) 1% of the amount of the Loan prepaid below 100% of the Permanent Phase Loan Amount; or (ii) CITI's standard yield maintenance amount on the amount of the Loan prepaid below 100% of the Permanent Phase Loan Amount.

In the event that a Loan prepayment resulting from a Loan resizing, as determined by CITI in its sole discretion, reduces the Loan amount to an amount less than the Permanent Phase Loan Amount, the Borrower shall pay the greater of: (i) 1% of the amount of the Loan prepaid below 90% of the Permanent Phase Loan Amount; and (ii) CITI's standard yield maintenance amount on the amount of the Loan prepaid below 90% of the Permanent Phase Loan Amount.

Notwithstanding any of the above, in the event the amount of such prepayment would cause the Loan amount to fall below 50% of the Permanent Phase Loan Amount, the Borrower shall be required to repay the Loan in full plus the greater of: (i) 1% of the amount of the Loan repaid below 90% of the Permanent Phase Loan Amount; and (ii) CITI's standard yield maintenance amount on the amount of the Loan repaid below 90% of the Permanent Phase Loan Amount.

If Borrower prepays Loan principal amounts through the application of insurance proceeds or a condemnation award, no prepayment fee shall be payable to CITI

Interest Reserve: Calculated at the Construction Phase Interest Rate noted above, plus a cushion acceptable to CITI at time of final Credit approval. Currently, CITI is underwriting with a cushion of 1.0%. The Interest Reserve will be sized based on an analysis of the projected draw schedule for the Loan during the Construction Phase.

Budget and Contingencies: The budget for the Construction Phase, including all budget line items, is subject to CITI approval. The budget shall include a hard cost contingency of no less than 5% of budgeted hard costs for new construction projects and no less than 10% of budgeted hard costs for rehabilitation projects. The budget shall include a soft cost contingency of no less than 5% of budgeted soft costs, excluding 1) soft costs incurred prior to or in connection with closing; 2) interest reserve and bank fees; 3) capitalized operating reserve deposits and other costs that may be due in connection with Conversion for which specific sources are identified; and 4) developer fees.

General Contractor and Bonding Requirements: The general contractor and the construction contract must be acceptable to CITI. It is anticipated that the general contractor will be a related party to the Borrower and given

the financial strength and experience of the Guarantor (subject to review and approval by CITI in its sole discretion), CITI will not require a payment and performance bond or letter of credit from the general contractor. However, CITI will require the completion and repayment guarantees noted above.

Retainage: Construction contract will provide for a minimum retainage of 10% of each construction pay application until 50% construction completion is achieved, and zero retainage thereafter, unless other arrangements have been approved by CITI. All retained amounts will be released upon final, lien-free completion of construction, as approved by CITI.

PERMANENT PHASE

**Permanent Phase
Loan Amounts:**

An amount currently estimated to be in the maximum amount of \$3,060,000 or such other loan amount supported by CITI's underwriting of the Property at the time of Conversion in accordance with CITI's underwriting requirements including those listed below. If at the time of Conversion the Permanent Phase Loan is determined to be lower; the Applicant will be required to pay the loan down to the supportable amount.

Term/Amortization: 15/35 years

**Yield Maintenance
Period:**

From Closing until 6 months prior to the end of the Permanent Phase.

**Permanent Phase
Interest Rates:**

Fixed rate equal to the 10-year Treasury yield plus a spread of 3.25%. Currently, 10-year Treasury is trading at approximately 2.85%, for an all-in rate of 6.10%. Pricing is based on current market conditions and is subject to change. The rate will be committed at the time of closing of the Construction Phase financing.

**Conversion to
Permanent Phase
Requirements:**

Conversion requirements include completion of construction and 90% physical occupancy of Project for three consecutive calendar months. CITI will review the Property's net operating income to determine the maximum Permanent Phase Loan Amount based on the Debt Service Coverage and Loan-to-Value noted below.

Debt Service Coverage: A minimum of 1.15 to 1.00.

Loan-to-Value: 90% of market value, based on restricted rents and inclusive of value of permanent below market financing (if applicable), assuming project rents on 80% or more of the units are discounted to a level at least 10% below market. Otherwise, 85%.

Replacement Reserve: Upon Conversion, Borrower will be required to fund a Replacement Reserve for each of the first five years following Conversion in a minimum amount of \$250/unit/year for new construction projects or, for renovation projects, in an amount determined by a Physical Needs Assessment acceptable to CITI, but in a minimum amount of \$300/unit/year. For each successive five year period thereafter until Loan maturity, the Replacement Reserve level will be determined by a new Physical Needs Assessment acceptable to CITI.

Taxes and Insurance: Commencing upon Conversion, real estate taxes and insurance premiums must be escrowed with the Loan servicer (the "Servicer") on a monthly prorated basis in an amount sufficient to enable the Servicer to pay (at least 30 days before due) all taxes, assessments, insurance premiums or other similar charges affecting the Property.

OTHER

Appraisal, Environmental, Plan/Cost Reviews: Appraisal and Plan/Cost Review reports will be commissioned and reviewed by CITI. CITI may rely upon environmental reports commissioned by Borrower if report is current (within 12 months) and CITI has been provided evidence of acceptable E&O insurance coverage carried by Borrower's environmental consultant and a reliance letter in form acceptable to CITI. Appraisal, environmental condition and plan/cost reviews must be acceptable to CITI in all respects.

Property Tax Abatements, Incentives: All documentation related to any tax abatement or tax incentives must be acceptable to CITI in all respects.

Developer Fee: Any developer fee paid prior to conversion to the Permanent Phase shall be pre-approved by CITI in its sole discretion.

FEES & EXPENSES

Application Fee: \$25,000, which amount shall be non-refundable (if applicable, except as set forth in the "Exclusivity" section of the Loan Application) and due and payable upon acceptance of a Loan Application. This fee is applicable toward third party reports, loan underwriting and processing (in the minimum amount of \$5,000), and CITI's initial legal fees. Applicant is responsible for the payment of all reasonable costs incurred in connection with the underwriting, processing and/or closing of the Loan (including CITI legal fees).

Origination Fee: A non-refundable Origination Fee equal to 1.00% of the Construction Phase loan amount plus 1.00% of the estimated Permanent Phase loan amount (the "Origination Fee") shall be earned in full by CITI upon the closing of the Loan, and is due and payable at that time.

CITI Legal Fees (est): Estimated fees of CITI's counsel for the initial closing is \$50,000 and assumes no significant negotiation over CITI's form documents. A portion of the Application Fee will be applied to initial CITI counsel fees. Applicant agrees to make a supplemental deposit to cover CITI's counsel fees once the drafting of legal documentation commences, if requested.

Fees of CITI's counsel for work associated with conversion of the Loan to the Permanent Phase are estimated to be \$7,500.

Course of Construction Inspections (est): \$TBD/monthly report.

Construction Term Extension Fee: 0.25%

**Conversion Fee
and Expenses:**

A Conversion fee equal to \$10,000 will be charged by CITI. Other expenses, including insurance review, site inspection and loan servicer set-up fees are estimated to be \$5,000.

Other Costs:

Applicant is responsible for costs of survey, title insurance policy, hazard insurance policy, tax escrow fee and all other normal and customary loan closing expenses.

**Term Sheet
Expiration Date:**

Fifteen (15) days after the date hereof, unless attached to a Preliminary Application letter.

This Term Sheet is an indication of our proposal to finance the Property. It is understood and agreed that this Term Sheet does not, in any manner, constitute a commitment to lend. The financing documents evidencing the Loan will be in separate documents and will contain terms and conditions that may be in addition to or in substitution of those set forth in this Term Sheet.

Any terms set forth herein are intended for discussion purposes only and are subject to the final terms as set forth in separate definitive written agreements. This Term Sheet is not a commitment to lend, syndicate a financing, underwrite or purchase securities, or commit capital nor does it obligate us to enter into such a commitment, nor are we acting as a fiduciary to you. By accepting this presentation, subject to applicable law or regulation, you agree to keep confidential the existence of and proposed terms for any transaction contemplated hereby (a "Transaction").

The provision of information in this Term Sheet is not based on your individual circumstances and should not be relied upon as an assessment of suitability for you of a particular product or transaction. Even if CITI possesses information as to your objectives in relation to any transaction, series of transactions or trading strategy, this will not be deemed sufficient for any assessment of suitability for you of any transaction, series of transactions or trading strategy.

This Term Sheet is provided for information purposes and is intended for your use only. Except in those jurisdictions where it is impermissible to make such a statement, CITI hereby informs you that this Term Sheet should not be considered as a solicitation or offer to sell or purchase any securities or other financial products. This Term Sheet does not constitute investment advice and does not purport to identify all risks or material considerations which should be considered when undertaking a transaction. CITI makes no recommendation as to the suitability of any of the products or transactions mentioned. Any trading or investment decisions you take are in reliance on your own analysis and judgment and/or that of your advisors and not in reliance on us.

CITI often acts as (i) a market maker; (ii) an issuer of financial instruments and other products; and (iii) trades as principal in many different financial instruments and other products, and can be expected to perform or seek to perform investment banking and other services for the issuer of such financial instruments or other products. The author of this Term Sheet may have discussed the information contained herein with others within or outside CITI and the author and/or such other CITI personnel may have already acted on the basis of this information (including by trading for CITI's proprietary accounts or communicating the information contained herein to other customers of CITI). CITI, CITI's personnel (including those with whom the author may have consulted in the preparation of this Term Sheet), and other customers of CITI may be long or short the financial instruments or other products referred to in this Term Sheet, may have acquired such positions at prices and market conditions that are no longer available, and may have interests different from or adverse to your interests.

CITI is required to obtain, verify and record certain information that identifies each entity that enters into a formal business relationship with CITI. CITI will ask for your complete name, street address, and taxpayer ID number. CITI may also request corporate formation documents, or other forms of identification, to verify information provided.

Although Citibank, N.A. (together with its subsidiaries and branches worldwide, "Citibank") is an affiliate of CITI, you should be aware that none of the financial instruments or other products mentioned in this term sheet (unless expressly stated otherwise) are (i) insured by the Federal Deposit Insurance Corporation or any other governmental authority, or (ii) deposits or other obligations of, or guaranteed by, Citibank or any other insured depository institution.

IRS Circular 230 Disclosure: CITI and its employees are not in the business of providing, and do not provide, tax or legal advice to any taxpayer outside of CITI. Any statements in this term sheet regarding tax matters were not intended or written to be used, and cannot be used or relied upon, by any taxpayer for the purpose of avoiding tax penalties. Any such taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

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Housing Authority of the City of El Paso

March 5, 2018

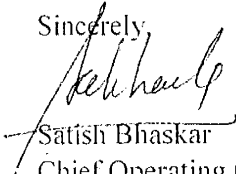
Paisano Housing Redevelopment Corporation
5300 E. Paisano Dr.
El Paso, TX 79905

RE: Gap Financing Commitment Letter for EP Blue Flame, LP

To Whom It May Concern:

The Housing Authority of the City of El Paso commits to funding the gap in the development financing for the EP Blue Flame, LP development of Blue Flame, a 120 unit development. The gap loan of up to \$5,933,523 will be in the form of a cash-flow contingent, non-amortizing loan which carries an interest rate of 3.00% to the Paisano Housing Redevelopment Corporation, a public facilities corporation. The loan will have a term of 50 years.

Sincerely,



Satisf Bhaskar

Chief Operating Officer, Housing Authority of the City of El Paso, Texas
5300 E. Paisano Dr.
El Paso, TX 79905
Phone: (915) 849-3730
Email: sbhaskar@hacep.org





U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING

AUG 04 2016

Gerald Cichon
Executive Director
Housing Authority of the City of El Paso
5300 E. Paisano Drive
El Paso, TX 79905

Dear Mr. Cichon:

Thank you for your application under the Rental Assistance Demonstration (RAD) for the conversion to Project Based Rental Assistance of 139 units at the following PIC Development TX003000014, RUBEN SALAZAR PARK.

We are pleased to approve your request for conversion as described in the application, subject to the conditions below.

This award letter serves as the Department's Commitment to Enter into a Housing Assistance Payments (CHAP) for the above-referenced project, provided the Owner meets all the requirements contained in the PIH Notice 2012-32, Revision 2 ("Notice") and all subsequent revisions. In addition, the owner must comply with all "CHAP Milestones" identified in section 1.12 of the Notice as applicable.

This award is issued pursuant to the Consolidated and Further Continuing Appropriations Act, 2012, Pub. L. No. 112-55, approved November 18, 2011 and the Consolidated and Further Continuing Appropriations Act of 2015 (P.L. 113-235), approved December 6, 2014; section 8 of the United States Housing Act of 1937 (Act), 42 U.S.C. 1437 et seq.; and the Department of Housing and Urban Development Act, 42 U.S.C. 3531 et seq. The purpose of this award is to begin the process of effectuating the conversion of Public Housing to a form of project-based assistance under section 8 of the Act. This award cannot be transferred without the prior written consent of HUD.

In order to convert your project, the PHA must fulfill the CHAP milestones and deadlines identified in section 1.12 of the Notice. HUD will rely solely on documents and certifications the PHA submits through the RAD Resource Desk to monitor compliance with CHAP milestones. If HUD, in its sole judgment, determines that the PHA fails to meet any of the requirements, the CHAP will be revoked, unless the PHA submits and HUD approves a request

for a deadline extension. Any extension request must include both a justification and an explanation of why failure to meet the milestone will not jeopardize the PHA's ability to complete the RAD conversion. Approval of any request for an extension is at HUD's sole discretion.

Within 30 days of CHAP issuance, you must **confirm your acceptance of a CHAP by submitting an application into the Inventory Removals module in PIC** in order to identify the units that will be removed from public housing Annual Contributions Contract (ACC) when the project completes conversion. HUD has made instructions for submitting a Removal Application into PIC available at www.hud.gov/rad.¹ Failure to submit a Removal application into PIC will result in a suspension of the CHAP and a revocation if not corrected within a reasonable time period. Contact your PIH Field Office if you have any questions about this submission.

As the award is a conditional commitment by HUD, HUD reserves the right to revoke or amend its commitment at any time prior to closing if HUD, in its sole judgment, determines that any of the following conditions are present:

- A. any of the contract units were not eligible for selection;
- B. the proposed conversion is not or will not be financially feasible;
- C. the Owner fails to meet any applicable deadline;
- D. the Owner fails to cooperate;
- E. there is any violation of program rules, including fraud; or
- F. the terms of the conversion would be inconsistent with fair housing and civil rights laws or a fair housing or civil rights court order, settlement agreement, or voluntary compliance agreement.

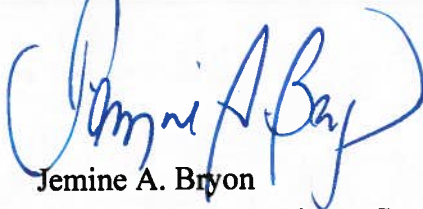
This award shall be interpreted and implemented in accordance with all statutory requirements, and with all HUD requirements, including amendments or changes in HUD requirements, the Notice, and all other applicable RAD guidance.

As you start the process of conversion, we urge you to continue to maintain an open dialogue with your residents and local officials. If you have any questions or concerns regarding

¹ See http://portal.hud.gov/hudportal/documents/huddoc?id=RADPICinventory_removal.pdf

the conversion process or fulfilling the CHAP Milestones, please contact your RAD Transaction Manager.

Sincerely,



Jemine A. Bryon
General Deputy Assistant Secretary
Office of Public and Indian Housing

Enclosure

CC: Satish Bhaskar

EXHIBIT A

**IDENTIFICATION OF UNITS ("CONTRACT UNITS")
BY SIZE AND APPLICABLE CONTRACT RENTS**

The Contract Rents below for the subject project were determined in accordance with PIH Notice 2012-32, REV-1 based on Fiscal Year 2012 Federal Appropriations and assumptions regarding applicable rent caps. The final RAD contracts rents, which will be reflected in the RAD HAP contract, will be based on Fiscal Year 2012 Federal Appropriations, as well as applicable program rent caps and Operating Cost Adjustment Factors (OCAFs), and, as such, may change.

Existing PIC Development Number: TX003000014

Updated PIC Development Number* (for tracking purposes only): TX003000014G

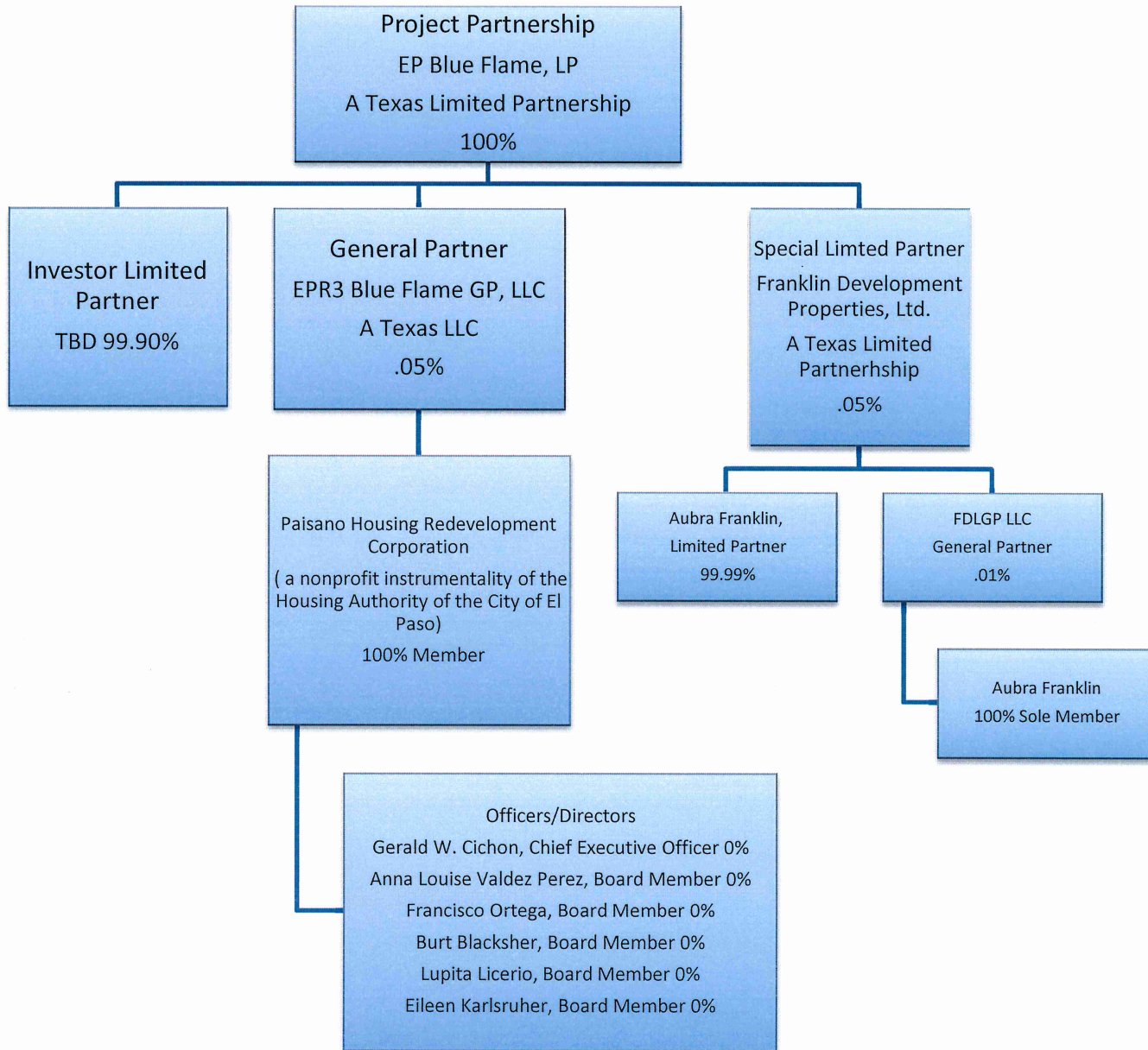
**Updated PIC Development Name* (for tracking purposes only): RUBEN SALAZAR
PARK G**

Number of Contract Units	Number of Bedrooms	Contract Rent	Utility Allowance	Gross Rent
4	0	\$623	\$0	\$623
118	1	\$668	\$0	\$668
9	2	\$797	\$39	\$836
6	3	\$1,142	\$46	\$1,188
2	5	\$1,559	\$0	\$1,559

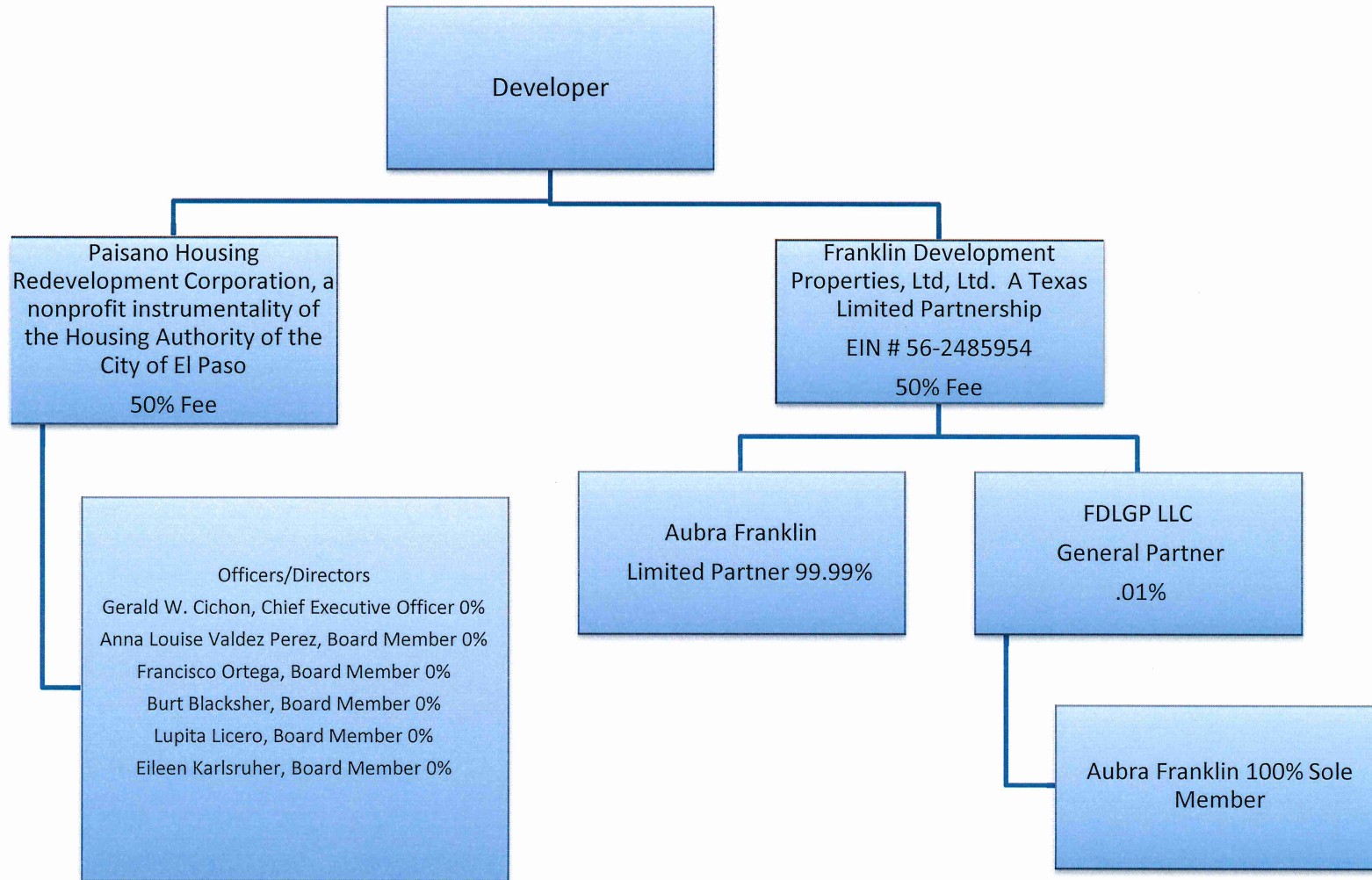
Please note that this rent schedule includes the 2014, 2015 and 2016 OCAF adjustments that the PHA is eligible for, and will be confirmed during the Financing Plan review.

*The revised PIC and Project name are only applicable as references for the RAD conversion. No formal changes to PIC have been made.

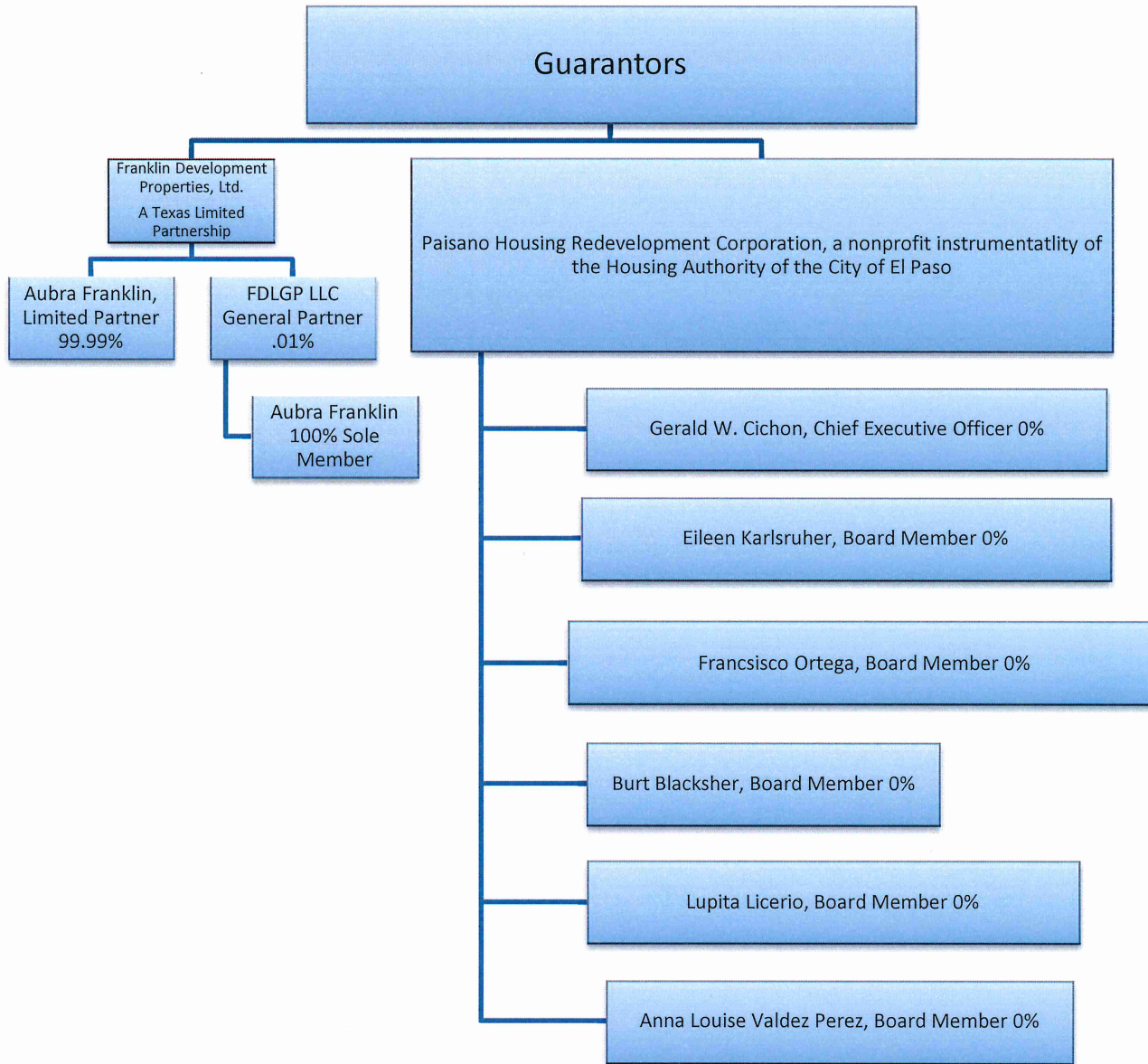
Blue Flame Apartments El Paso, Texas Organizational Structure



Blue Flame Apartments
El Paso, Texas
Organizational Structure
Developer



Blue Flame Apartments El Paso, Texas Organizational Structure



Applicant Credit Limit Documentation and Certification (Competitive HTC Only)

Pursuant to §11.4(a) of the Qualified Allocation Plan, the Department shall not allocate more than \$3 million of Competitive Housing Tax Credits from the current Application Round to any Applicant, Developer, Affiliate or Guarantor (unless the Guarantor is also the General Contractor, and is not a Principal of the Applicant, Developer, or Affiliate of the Development Owner). All Applications must be identified herein to ensure that the Department is advised of all Applications, Applicants, Affiliates, Developers, General Partners or Guarantors involved to avoid any statutory violation of Texas Government Code, §2306.6711(b).

Instructions:

Complete Part I of this form. For each person or entity in Part I that answers "Yes" to Part I b., a Part II form must be submitted (i.e. if 4 persons/entities answer "Yes" to Part I b., then 4 separate Part II forms must be provided).

Part I. Applicant Credit Limit Documentation

a. Applicant, Developers, Affiliates, and Guarantors - List below all entities or Persons meeting the definition of Applicant, Affiliate, Developer or Guarantor.	b. Person/entity has at least one other application in the current Application Round.	
1. Franklin Development Properties, Ltd	No	
2. FDLGP LLC	No	
3. Aubra Franklin	No	
4.		
5.		
6.		
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9.		
10.		
11.		
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30.		

Individually, or as the General Partner(s) of officer(s) of the Applicant entity, I (we) certify that we are submitting behind this tab one signed Credit Limit Certification form for each person and/or entity that answered "Yes" to Part b. above.

By: 
Signature of Applicant

12/18/17
Date

Its: MANAGING MEMBER

Part II. Credit Limit Certification

Instructions:

Each Person and/or Entity that answered "Yes" to Part 1 (b) must complete this form.

Name and role of Person or Entity completing this form: Franklin Development Properties, Ltd.

- Which is: the Applicant (Entity that generally manages or controls the "Applicant," i.e. General Partner, Managing Partner, etc.)
- a Special Limited Partner or Class B Limited Partner or equivalent of the Applicant
- a Developer for the Applicant for this specific Application
- an Affiliate to the Applicant
- a Guarantor on the Application

Pursuant to §11.4(a) of the Qualified Allocation Plan, the Department shall not allocate more than \$3 million of tax credits from the current Application Round to any Applicant, Developer, Affiliate or Guarantor. The undersigned represents to the Department that the following is a list of all developments for which the Applicant, the Developer, Affiliate, or Guarantor, has applied for an allocation of tax credit authority from the Department in the current Application Round.

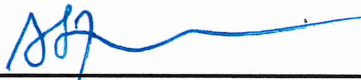
Development Name:	Region:	City:	% Ownership:	% of Dev. Fee:
Blue Flame	13	El Paso	0.50%	50.00%

I acknowledge that Gerald W. Cichon is authorized to terminate the Application in the event of a conflict with §11.4(a) of the Qualified Allocation Plan.

I hereby certify that the foregoing is a complete list of Developments with respect to which I am seeking a current allocation of tax credit authority from the Department. I certify that, if the Department makes a recommendation to the Board or issues a commitment which may cause Applications for which I am the Applicant, the Developer, Affiliate or Guarantor, to receive credits in excess of \$3 million, I will notify the Department in writing within three business days of the recommendation or issuance of the Commitment.

I acknowledge that if the Department determines that an Applicant, Developer, Affiliate or Guarantor, has received (in the aggregate) allocations in the current Application Round from the Department exceeding \$3 million, the Department must refuse to issue one or more Commitments or Carryover Allocations, or must terminate one or more Commitments or Carryover Allocations.

Under penalty of perjury, I certify that this information and these statements are true, complete, and accurate:

By:  Franklin Development Properties, Ltd. 12/18/17
Signature of Applicant, Developer, Affiliate or Guarantor (as appropriate) *Printed Name* *Date*

Part II. Credit Limit Certification

Instructions:

Each Person and/or Entity that answered "Yes" to Part 1 (b) must complete this form.

Name and role of Person or Entity completing this form:

Aubra Franklin

Which is: the Applicant (Entity that generally manages or controls the "Applicant," i.e. General Partner, Managing Partner, etc.)

a Special Limited Partner or Class B Limited Partner or equivalent of the Applicant

a Developer for the Applicant for this specific Application

an Affiliate to the Applicant

a Guarantor on the Application

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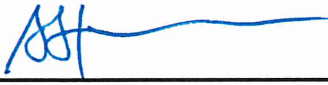
Development Name:	Region:	City:	% Ownership:	% of Dev. Fee:
<u>Blue Flame</u>	<u>13</u>	<u>El Paso</u>	<u>0.50%</u>	<u>50.00%</u>

I acknowledge that Gerald C. Cichon is authorized to terminate the Application in the event of a conflict with §11.4(a) of the Qualified Allocation Plan.

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I acknowledge that if the Department determines that an Applicant, Developer, Affiliate or Guarantor, has received (in the aggregate) allocations in the current Application Round from the Department exceeding \$3 million, the Department must refuse to issue one or more Commitments or Carryover Allocations, or must terminate one or more Commitments or Carryover Allocations.

Under penalty of perjury, I certify that this information and these statements are true, complete, and accurate:

By: 
 Signature of Applicant, Developer, Affiliate or Guarantor (as appropriate)

Aubra Franklin
 Printed Name

12/13/17
 Date

Part II. Credit Limit Certification

Instructions:

Each Person and/or Entity that answered "Yes" to Part 1 (b) must complete this form.

Name and role of Person or Entity completing this form:

FDLGP LLC

Which is: the Applicant (Entity that generally manages or controls the "Applicant," i.e. General Partner, Managing Partner, etc.)

a Special Limited Partner or Class B Limited Partner or equivalent of the Applicant

a Developer for the Applicant for this specific Application

an Affiliate to the Applicant

a Guarantor on the Application

Pursuant to §11.4(a) of the Qualified Allocation Plan, the Department shall not allocate more than \$3 million of tax credits from the current Application Round to any Applicant, Developer, Affiliate or Guarantor. The undersigned represents to the Department that the following is a list of all developments for which the Applicant, the Developer, Affiliate, or Guarantor, has applied for an allocation of tax credit authority from the Department in the current Application Round.


Development Name:	Region:	City:	% Ownership:	% of Dev. Fee:
<u>Blue Flame</u>	<u>13</u>	<u>El Paso</u>	<u>0.50%</u>	<u>50.00%</u>

I acknowledge that Gerald C. Cichon is authorized to terminate the Application in the event of a conflict with §11.4(a) of the Qualified Allocation Plan.

I hereby certify that the foregoing is a complete list of Developments with respect to which I am seeking a current allocation of tax credit authority from the Department. I certify that, if the Department makes a recommendation to the Board or issues a commitment which may cause Applications for which I am the Applicant, the Developer, Affiliate or Guarantor, to receive credits in excess of \$3 million, I will notify the Department in writing within three business days of the recommendation or issuance of the Commitment.

I acknowledge that if the Department determines that an Applicant, Developer, Affiliate or Guarantor, has received (in the aggregate) allocations in the current Application Round from the Department exceeding \$3 million, the Department must refuse to issue one or more Commitments or Carryover Allocations, or must terminate one or more Commitments or Carryover Allocations.

Under penalty of perjury, I certify that this information and these statements are true, complete, and accurate:

By: 
 Signature of Applicant, Developer, Affiliate or Guarantor (as appropriate)

Aubra Franklin
 Printed Name

12/18/17
 Date

1d

BOARD ACTION REQUEST

ASSET MANAGEMENT

MAY 24, 2018

Presentation, discussion, and possible action regarding a material amendment to the Housing Tax Credit (“HTC”) Commitment for Rachael Commons, #16008

RECOMMENDED ACTION

WHEREAS, Rachael Commons (the “Development”) received an award of HTCs in 2016 for the acquisition and rehabilitation of 48 units in McGregor;

WHEREAS, the Governing Board of the Department approved the award of HTCs for the Development with conditions that were the result of the previous participation review conducted by the Department in conjunction with the Application;

WHEREAS, the HTC Commitment for the Development requires that Herman & Kittle Properties, Inc. (“HKP”) contract with a third party Management Agent for the operation of HKP’s portfolio of Texas properties;

WHEREAS, the Development Owner has requested to modify the conditions contained in the HTC Commitment relating to third party Management Agent due to substantial operating deficits experienced with the HKP Texas portfolio, and

WHEREAS, the Development Owner has proposed modified conditions intended to address the Department’s compliance findings through the previous participation review related to the lack of familiarity with Section 42 enforcement procedures and Texas management procedures;

NOW, therefore, it is hereby

RESOLVED, that the request to modify the conditions of the HTC Commitment for Rachael Commons is approved as presented to this meeting and the Executive Director and his designees are each authorized, directed and empowered to take all necessary action to effectuate the foregoing.

BACKGROUND

Rachael Commons received a 9% HTC award in 2016 to acquire and rehabilitate 48 units in McGregor, McLennan County. On August 29, 2016, a Housing Tax Credit Commitment was issued by the Department with the following development specific conditions related to the third party property management of the HKP Texas portfolio:

G. 2. For affiliated properties currently managed by Herman & Kittle Properties, Inc. ("HKP"): a third party property Management Agent will be contracted to operate the HKP portfolio of Texas properties and to provide

compliance oversight. Final approval will be determined by lender, and investor. For properties with HUD financing and/or HUD contract, HUD approval will also have to be received.

G. 5.1. For Rachael Commons and/or Homestead Prairie Senior Apartments: a qualified third party Management Agent will be contracted as the property manager at construction and equity closing.

G.5.2. For Rachael Commons, Homestead Prairie Senior Apartments, and affiliated properties currently managed by HKP in the State of Texas: the third party Management Agent shall remain in place for a minimum of eighteen (18) months.

G.5.3. The third party Management Agent will provide robust service to HKP in order to clear outstanding TDHCA audit responses, direct staff trainings, and respond to future correspondence with TDHCA – including training supervisory staff, preparing responses, tracking deadlines, who-is-who at TDHCA, CMTS overview, and TDHCA Rules.

G.5.4. The HKP Director of Compliance shall serve as a liaison between the third party Management Agent and the Owner for all Texas file issues (example: eligibility-related compliance). The HKP Regional Maintenance Supervisor under the Regional Vice President of Property Management will serve as a liaison between the third party Management Agent and the Owner for all Texas physical-related compliance issues.

G.5.5. In addition to the compliance oversight provided by the third party Management Agent, the HKP Director of Compliance will provide a second layer of review of move-in files before any prospective resident is permitted to move in, and all re-certifications.

In a letter dated March 9, 2018, from Coats Rose, on behalf of HKP, a request to modify the above conditions related to the third party management of HKP's Texas portfolio is proposed for the Board's consideration. According to the request letter, HKP's eight Texas properties are currently managed by a third party property manager as required by the self imposed condition approved by the Board in July 2016. However, the owner reports that this management scenario has been less than successful, resulting in substantial operating deficits for HKP's Texas portfolio. The owner believes the issues are related to failure to lease vacant units promptly and failure to control expenses.

Additionally, the owner states that the compliance findings that came out of the previous participation review conducted at the time the 2016 competitive application was submitted reflected a lack of familiarity by HKP with the rigorous Section 42 enforcement procedures practiced by the Department. As a way to address this, HKP agreed to employ third party management of the Texas portfolio until it could build up Texas expertise in its own management and compliance staff. In that vein, HKP reports that it has increased the number of compliance staff from four to 14 and has hired personnel with extensive Texas experience. HKP believes that with its increased region-specific expertise, and additional staffing with experience and expertise, self management of its Texas portfolio will result in a financially sound portfolio. However, in order to mitigate the Department's concerns related to compliance findings in previous participation reviews, HKP has proposed to retain a third party compliance agent along with the following proposed modified conditions:

G.2. For affiliated properties currently managed by HKP: a third party compliance agent will be contracted to provide compliance oversight of the HKP portfolio of Texas properties. Final approval will be determined by lender and investor. For properties with HUD financing and/or HUD contract, HUD approval will also have to be received.

G.5.1. For Rachael Commons and/or Homestead Prairie Senior Apartments: a qualified third party Compliance Agent, will be contracted to provide compliance oversight at construction and equity closing.

G.5.2. For Rachael Commons and/or Homestead Prairie Senior Apartments, and affiliated properties currently managed by HKP in the State of Texas: the third party Compliance Agent shall remain in place until October 1, 2019, or such earlier time as approved by the Department.

G.5.3. The third party Compliance Agent will provide robust service to HKP in order to clear outstanding TDHCA audit responses, direct staff trainings, and respond to future correspondence with TDHCA- including training supervisory staff, preparing responses, tracking deadlines, who-is-who at TDHCA, CMTS overview and TDHCA rules.

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G.5.5. In addition to the compliance oversight provided by the third party Compliance Agent, the HKP Director of Compliance will provide a second layer of review of move-in files before any prospective resident is permitted to move in, and all re-certifications.

Staff recommends approval of the requested modified conditions for Rachael Commons.

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BARRY PALMER
DIRECTOR

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March 09, 2018

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

By Email to: leeann.chance@tdhca.state.tx.us
Ms. Lee Ann Chance, Asset Manager
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410

Re: #16008; Rachael Commons, McGregor, McLennan County, Texas;
Request for Non-Material Amendment to Housing Tax Credit Award

Dear Raquel and Lee Ann:

This is a request for an amendment to the Housing Tax Credit award for Rachael Commons (the "Project"), a development that received a 9% Housing Tax Credit allocation of \$501,703 out of the 2016 Competitive Program. The Housing Tax Credit Commitment (the "Commitment") requires Herman & Kittle Properties, Inc. ("HKP") to contract with a third party Management Agent for the operation of HKP's portfolio of Texas properties. HKP requests the conditions contained in the Commitment relating to a third party Management Agent be modified for the reasons hereafter set forth.

The Commitment contains the following conditions related to the contracting of a third party property Management Agent:

G.2. For affiliated properties currently managed by Herman & Kittle Properties, Inc. ("HKP"): a third party property Management Agent will be contracted to operate the HKP portfolio of Texas properties and to provide compliance oversight. Final approval will be determined by lender, and investor. For properties with HUD financing and/or HUD contract, HUD approval will also have to be received.

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4821-5523-3118.v2

G.5.1. For Rachael Commons and/or Homestead Prairie Senior Apartments: a qualified third party Management Agent, will be contracted as the property manager at construction and equity closing.

G.5.2. For Rachael Commons, Homestead Prairie Senior Apartments, and affiliated properties currently managed by HKP in the State of Texas: the third party Management Agent shall remain in place for a minimum of eighteen (18) months.

G.5.3. The third party Management Agent will provide robust service to HKP in order to clear outstanding TDHCA audit responses, direct staff trainings, and respond to future correspondence with TDHCA – including training supervisory staff, preparing responses, tracking deadlines, who-is-who at TDHCA, CMTS overview, and TDHCA Rules.

G.5.4. The HKP Director of Compliance shall serve as a liaison between the third party Management Agent and the Owner for all Texas file issues (example: eligibility-related compliance). The HKP Regional Maintenance Supervisor under the Regional Vice President of Property Management will serve as a liaison between the third party Management Agent and the Owner for all Texas physical-related compliance issues.

G.5.5. In addition to the compliance oversight provided by the third party Management Agent, the HKP Director of Compliance will provide a second layer of review of move-in files before any prospective resident is permitted to move in, and all re-certifications.

Currently, the management of HKP's eight Texas developments is being accomplished through a third party property manager who customarily manages both market rate and affordable housing. Unfortunately, the third party management scenario has been less than successful. In 2017, the Texas portfolio experienced substantial operating deficits, exceeding a million dollars in total, a trend that has continued into 2018 and is expected to result in a commensurate level of funding for the current calendar year, based on current projections. HKP believes that the issues are (i) failure to lease vacant units promptly, and (ii) failure to control expenses, particularly those due to over-use of temporary labor. Properties that incur large operating deficits generally start deferring maintenance and making other cuts, and this adversely affects the residents' quality of life. With its vertically integrated structure HKP has the experience and the expertise on hand to successfully offer its services and products to affordable housing partners that will complete a project from beginning to end. This is an important element of keeping a portfolio financially sound.

HKP has been recognized by Affordable Housing Finance as the 11th largest development firm, and the 14th largest owner of affordable properties in the country. It operates over 12,000 apartment homes in 16 states, but only entered into the Texas market in 2011. Initially compliance scores reflected lack of familiarity with the rigorous section 42 enforcement procedures practiced by the TDHCA, and so HKP agreed to employ third party management of the Texas portfolio until it could build up Texas expertise in its own management and compliance staff. HKP has increased the number of compliance staff from four to fourteen. Further, HKP has hired personnel with extensive Texas experience, including a Regional Vice

President who holds HCCP, CHP and CPM certifications, and has twenty years of LIHTC experience. This individual spent the last eight years in Austin, Texas as both a VP of Property Management and VP of Asset Management. He is a member of the HCCP Board of Governors with the National Association of Home Builders and is a featured speaker for HCCP webinars. Furthermore, HKP has another Regional Vice President position actively being recruited that will be Texas-based and require extensive management and compliance experience within the state. With Texas management issues being addressed through additional region-specific expertise of this caliber, HKP's leadership believes that the Texas properties will be best served by returning management to HKP.

In that regard, we respectfully request that Staff recommend the modification of the above conditions with the following language to the TDHCA Board at the earliest possible Board Meeting:

G.2. For affiliated properties currently managed by Herman & Kittle Properties, Inc. ("HKP"): a third party compliance agent will be contracted to provide compliance oversight of the HKP portfolio of Texas properties. Final approval will be determined by lender, and investor. For properties with HUD financing and/or HUD contract, HUD approval will also have to be received.

G.5.1. For Rachael Commons and/or Homestead Prairie Senior Apartments: a qualified third party Compliance Agent, will be contracted to provide compliance oversight at construction and equity closing.

G.5.2. For Rachael Commons, Homestead Prairie Senior Apartments, and affiliated properties currently managed by HKP in the State of Texas: the third party Compliance Agent shall remain in place until October 1, 2019, or such earlier time as approved by the Department.

G.5.3. The third party Compliance Agent will provide robust service to HKP in order to clear outstanding TDHCA audit responses, direct staff trainings, and respond to future correspondence with TDHCA – including training supervisory staff, preparing responses, tracking deadlines, who-is-who at TDHCA, CMTS overview, and TDHCA Rules.

G.5.4. The HKP Director of Compliance shall serve as a liaison between the third party Compliance Agent and the Owner for all Texas file issues (example: eligibility-related compliance). The HKP Regional Maintenance Supervisor under the Regional Vice President of Property Management will serve as a liaison between the third party Compliance Agent and the Owner for all Texas physical-related compliance issues.

G.5.5. In addition to the compliance oversight provided by the third party Compliance Agent, the HKP Director of Compliance will provide a second layer of review of move-in files before any prospective resident is permitted to move in, and all re-certifications.

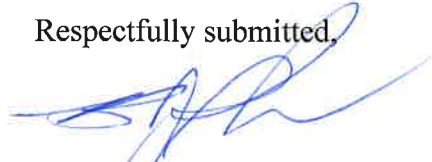
March 09, 2018

Page 4

Overall, HKP believes its proposal to retain a third party compliance agent and the requested modifications to the Commitment provide a reasonable solution to the substantial operating deficits HKP's Texas portfolio has experienced. HKP further believes the retention of a third party compliance agent, coupled with its increase in compliance staff and experienced personnel, will ensure the proper management of HKP's Texas portfolio.

Thank you for your attention to this request for an award amendment.

Respectfully submitted,



Barry Palmer

BOARD ACTION REQUEST

ASSET MANAGEMENT

MAY 24, 2018

Presentation, discussion, and possible action regarding a material amendment to the Housing Tax Credit (“HTC”) Commitment for Old Dowlen Cottages, #17004

RECOMMENDED ACTION

WHEREAS, Old Dowlen Cottages (the “Development”) received an award of HTCs in 2017 for the new construction of 72 units in Beaumont;

WHEREAS, the Governing Board of the Department approved the award of HTCs for the Development with conditions that were the result of the previous participation review conducted by the Department in conjunction with the Application;

WHEREAS, the HTC Commitment for the Development requires that Herman & Kittle Properties, Inc. (“HKP”) contract with a third party Management Agent for the operation of HKP’s portfolio of Texas properties;

WHEREAS, the Development Owner has requested to modify the conditions contained in the HTC Commitment relating to third party Management Agent due to substantial operating deficits experienced with the HKP Texas portfolio, and

WHEREAS, the Development Owner has proposed modified conditions intended to address the Department’s compliance findings through the previous participation review related to the lack of familiarity with Section 42 enforcement procedures and Texas management procedures;

NOW, therefore, it is hereby

RESOLVED, that the request to modify the conditions of the HTC Commitment for Old Dowlen Cottages is approved as presented to this meeting and the Executive Director and his designees are each authorized, directed and empowered to take all necessary action to effectuate the foregoing.

BACKGROUND

Old Dowlen Cottages received a 9% HTC award in 2017 to construct 72 units in Beaumont, Jefferson County. On August 25, 2017, a Housing Tax Credit Commitment was issued by the Department with the following development specific conditions related to the third party property management of the HKP Texas portfolio:

G.1. For the entire HKP portfolio of properties in the State of Texas, including Old Dowlen Cottages and/or Magnolia Station Apartments, HKP will continue to contract with a Third Party Management Agent meeting the

submitted “Management and Compliance Agent Requirements”, to operate the properties and to provide compliance oversight. The Third Party Management Agent will remain in place indefinitely. If, in the future, HKP determines that resuming internal property management and compliance is in the best interest of the State of Texas portfolio and its residents, but in no circumstance prior to receiving a Category 2 or better on a Previous Participation Review, HKP will work with the TDHCA Chief of Compliance and/or EARAC to develop a Transition Plan at least twelve (12) months prior to the proposed date of the transition.

G.4. HKP shall designate a Manager of Third Party Portfolio Management to serve as the point of contact between the Third Party Management Agent and the Owner for all issues.

In a letter dated March 9, 2018, from Coats Rose, on behalf of HKP, a request to modify the above conditions related to the third party management of HKP's Texas portfolio is proposed for the Board's consideration. According to the request letter, HKP's eight Texas properties are currently managed by a third party property manager as required by the self imposed condition approved by the Board in July 2017. However, the owner reports that this management scenario has been less than successful, resulting in substantial operating deficits for HKP's Texas portfolio. The owner believes the issues are related to failure to lease vacant units promptly and failure to control expenses.

Additionally, the owner states that the compliance findings that came out of the previous participation review conducted at the time the 2017 competitive application was submitted reflected a lack of familiarity by HKP with the rigorous Section 42 enforcement procedures practiced by the Department. As a way to address this, HKP agreed to employ third party management of its Texas portfolio until it could build up Texas expertise in its own management and compliance staff. In that vein, HKP reports that it has increased the number of compliance staff from four to 14 and has hired personnel with extensive Texas experience. HKP believes that with its increased region-specific expertise, and additional staffing with experience and expertise, self management of its Texas portfolio will result in a financially sound portfolio. However, in order to mitigate the Department's concerns related to compliance findings in previous participation reviews, HKP has proposed to retain a third party compliance agent along with the following proposed modified conditions:

G.1. For the entire HKP portfolio of properties in the State of Texas, including Old Dowlen Cottages and/or Magnolia Station Apartments, HKP will contract with a Third Party Compliance Agent to provide compliance oversight. Final approval will be determined by lender, and investor. For properties with HUD financing and/or HUD contract, HUD approval will also have to be received. For Old Dowlen Cottages and/or Magnolia Station Apartments, a qualified third party compliance agent will be contracted to provide compliance oversight at construction and equity closing. For Old Dowlen Cottages, Magnolia Station Apartments, and the entire HKP portfolio of properties in the State of Texas, the third party compliance agent will remain in place until October 1, 2019, or such earlier time as approved by the Department. The third party compliance agent will provide robust service to HKP in order to clear outstanding TDHCA audit responses, direct staff trainings, and respond to future correspondence with TDHCA- including training supervisory staff, preparing responses, tracking deadlines, who-is-who at TDHCA, CMTS overview, and TDHCA rules.

G.4. The HKP Director of Compliance shall serve as a liaison between the third party compliance agent and the owner for all Texas file issues (example: eligibility-related compliance). The HKP Regional Maintenance Supervisor under the Regional Vice President of Property Management will serve as a liaison between the third party compliance agent and the owner for all Texas physical-related compliance issues. In addition to the compliance oversight provided by the third party compliance agent, the HKP Director of Compliance will provide a second layer of review of move-in files before any prospective resident is permitted to move in, and all re-certifications.

Staff recommends approval of the requested modified conditions for Old Dowlen Cottages.

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March 09, 2018

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By Email to: kent.bedell@tdhca.state.tx.us
Mr. Kent Bedell, Asset Manager
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410

Re: #17004; Old Dowlen Cottages, McGregor, Jefferson County, Texas;
Request for Non-Material Amendment to Housing Tax Credit Award

Dear Raquel and Kent:

This is a request for an amendment to the Housing Tax Credit award for Old Dowlen Cottages (the "Project"), a development that received a 9% Housing Tax Credit allocation of \$1,049,712 out of the 2017 Competitive Program. The Housing Tax Credit Commitment (the "Commitment") requires Herman & Kittle Properties, Inc. ("HKP") to contract with a third party Management Agent for the operation of HKP's portfolio of Texas properties. HKP requests the conditions contained in the Commitment relating to a third party Management Agent be modified for the reasons hereafter set forth.

The Commitment contains the following conditions related to the contracting of a third party property Management Agent:

G.1. For the entire HKP portfolio of properties in the State of Texas, including Old Dowlen Cottages and/or Magnolia Station Apartments, HKP will continue to contract with a Third Party Management Agent meeting the submitted "Management and Compliance Agent Requirements", to operate the properties and to provide compliance oversight. The Third Party Management Agent will remain in place indefinitely. If, in the future, HKP determines that resuming internal property management and compliance is

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in the best interest of the State of Texas portfolio and its residents, but in no circumstance prior to receiving a Category 2 or better on a Previous Participation Review, HKP will work with the TDHCA Chief of Compliance and/or EARAC to develop a Transition Plan at least twelve (12) months prior to the proposed date of the transition.

G.4. HKP shall designate a Manager of Third Party Portfolio Management to serve as the point of contact between the Third Party Management Agent and the Owner for all issues.

Currently, the management of HKP's eight Texas developments is being accomplished through a third party property manager who customarily manages both market rate and affordable housing. Unfortunately, the third party management scenario has been less than successful. In 2017, the Texas portfolio experienced substantial operating deficits, exceeding a million dollars in total, a trend that has continued into 2018 and is expected to result in a commensurate level of funding for the current calendar year, based on current projections. HKP believes that the issues are (i) failure to lease vacant units promptly, and (ii) failure to control expenses, particularly those due to over-use of temporary labor. Properties that incur large operating deficits generally start deferring maintenance and making other cuts, and this adversely affects the residents' quality of life. With its vertically integrated structure HKP has the experience and the expertise on hand to successfully offer its services and products to affordable housing partners that will complete a project from beginning to end. This is an important element of keeping a portfolio financially sound.

HKP has been recognized by Affordable Housing Finance as the 11th largest development firm, and the 14th largest owner of affordable properties in the country. It operates over 12,000 apartment homes in 16 states, but only entered into the Texas market in 2011. Initially compliance scores reflected lack of familiarity with the rigorous section 42 enforcement procedures practiced by the TDHCA, and so HKP agreed to employ third party management of the Texas portfolio until it could build up Texas expertise in its own management and compliance staff. HKP has increased the number of compliance staff from four to fourteen. Further, HKP has hired personnel with extensive Texas experience, including a Regional Vice President who holds HCCP, CHP and CPM certifications, and has twenty years of LIHTC experience. This individual spent the last eight years in Austin, Texas as both a VP of Property Management and VP of Asset Management. He is a member of the HCCP Board of Governors with the National Association of Home Builders and is a featured speaker for HCCP webinars. Furthermore, HKP has another Regional Vice President position actively being recruited that will be Texas-based and require extensive management and compliance experience within the state. With Texas management issues being addressed through additional region-specific expertise of this caliber, HKP's leadership believes that the Texas properties will be best served by returning management to HKP.

In that regard, we respectfully request that Staff recommend the modification of the above conditions with the following language to the TDHCA Board at the earliest possible Board Meeting:

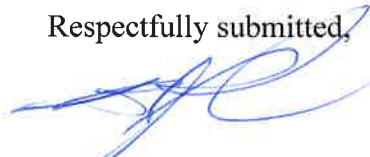
G.1. For the entire HKP portfolio of properties in the State of Texas, including Old Dowlen Cottages and/or Magnolia Station Apartments, HKP will contract with a Third Party Compliance Agent to provide compliance oversight. Final approval will be determined by lender, and investor. For properties with HUD financing and/or HUD contract, HUD approval will also have to be received. For Old Dowlen Cottages and/or Magnolia Station Apartments, a qualified third party compliance agent will be contracted to provide compliance oversight at construction and equity closing. For Old Dowlen Cottages, Magnolia Station Apartments, and the entire HKP portfolio of properties in the State of Texas, the third party compliance agent will remain in place until October 1, 2019, or such earlier time as approved by the Department. The third party Compliance Agent will provide robust service to HKP in order to clear outstanding TDHCA audit responses, direct staff trainings, and respond to future correspondence with TDHCA – including training supervisory staff, preparing responses, tracking deadlines, who-is-who at TDHCA, CMTS overview, and TDHCA Rules.

G.4. The HKP Director of Compliance shall serve as a liaison between the third party Compliance Agent and the Owner for all Texas file issues (example: eligibility-related compliance). The HKP Regional Maintenance Supervisor under the Regional Vice President of Property Management will serve as a liaison between the third party Compliance Agent and the Owner for all Texas physical-related compliance issues. In addition to the compliance oversight provided by the third party Compliance Agent, the HKP Director of Compliance will provide a second layer of review of move-in files before any prospective resident is permitted to move in, and all re-certifications.

Overall, HKP believes its proposal to retain a third party compliance agent and the requested modifications to the Commitment provide a reasonable solution to the substantial operating deficits HKP's Texas portfolio has experienced. HKP further believes the retention of a third party compliance agent, coupled with its increase in compliance staff and experienced personnel, will ensure the proper management of HKP's Texas portfolio.

Thank you for your attention to this request for an award amendment.

Respectfully submitted,



Barry Palmer

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BOARD ACTION REQUEST
HOUSING RESOURCE CENTER
MAY 24, 2018

Presentation, discussion, and possible action on the Draft 2019 Regional Allocation Formula Methodology

RECOMMENDED ACTION

WHEREAS, Tex. Gov't Code §§2306.1115 and 2306.111(d) require that the Department use a Regional Allocation Formula ("RAF") to allocate its HOME Investment Partnerships Program ("HOME"), Housing Tax Credit ("HTC") Program, and under certain circumstances, State Housing Trust Fund ("SHTF") Program funding; and

WHEREAS, the proposed RAF utilizes appropriate statistical data to measure affordable housing needs, available resources housing resources, and other factors determined by the Department to be relevant to the equitable distribution of housing funds in the urban and rural areas of the 13 State Service Regions used for planning purposes;

NOW, therefore, it is hereby

RESOLVED, that the Executive Director and his designees are authorized and empowered to publish the Draft 2019 Regional Allocation Formula Methodologies for the HOME, HTC, and SHTF programs in the Texas Register for public comment and, in connection therewith, to make such non-substantive grammatical and technical changes as they deem necessary or advisable.

BACKGROUND

The RAF utilizes appropriate statistical data to measure the affordable housing need and available resources in the 13 State Service Regions that are used for planning purposes. It also allocates funding to rural and urban areas within each region. The Department has flexibility in determining variables to be used in the RAF, per Tex. Gov't Code §2306.1115(a)(3), "the department shall develop a formula that...includes other factors determined by the department to be relevant to the equitable distribution of housing funds."

The RAF is revised annually to reflect current data, respond to public comment, and better assess regional housing needs and available resources. Most notably, in 2013 after careful and thorough analysis and much public participation, staff recommended substantial changes to increase accuracy and transparency in the RAF by using a methodology called the Compounded Need Model. The changes resulted in the increased ability for developers and community members to predict funding availability, the elimination of large swings in funding from one region to another each year, and a simplified process that is easier to explain to the Legislature, the Board, and the public.

The RAF Methodology was updated in the 2014 RAF cycle to use “MSA counties with urban places” and “Non-MSA counties or counties with only rural places” instead of using just MSA and Non-MSA counties to allocate between urban and rural areas. This accounts for the fact that even though a county may be a part of an MSA, all the places within that county may meet the definition of rural per Tex. Gov’t Code §2306.004(28-a). Based on public comment received in the 2015 RAF cycle, factors for lack of kitchen and plumbing facilities were added to the RAF Methodology to measure housing need for Single Family activities. Similarly in the 2016 RAF cycle, a new factor called the Regional Coverage Factor was added to the RAF Methodology for Single Family activities. The Regional Coverage Factor takes into account the smaller populations of rural areas as well as scattered locations of single family projects, instead of relying solely on population as an absolute.

The Draft 2019 RAF Methodology explains the use of factors, in keeping with the statutory requirements, which include the need for housing assistance, the availability of housing resources, and other factors relevant to the equitable distribution of housing funds in urban and rural areas of the state.

The Single Family HOME, Multifamily HOME, HTC, and SHTF program RAFs each use slightly different formulas because the programs have different eligible activities, households, and geographical service areas. For example, Tex. Gov’t Code §2306.111(c) requires that 95% of HOME funding be set aside for non-participating jurisdictions (“non-PJs”). Therefore, the Single Family and Multifamily HOME RAFs only use need and available resource data for non-PJs.

The Draft 2019 RAF methodology will be made available for public comment from Friday, May 25, 2018, through Friday June 15, 2018, at 6:00 p.m. Austin local time. A public hearing will be held on Thursday, June 7, 2018, at 2:00 p.m. in the Stephen F. Austin Building, Room 172, 1700 North Congress Avenue, Austin, TX 78701.

The following Attachments are provided:

- A. Draft 2019 RAF Methodology
- B. Draft Sample 2019 HTC RAF
- C. Draft Sample 2019 HOME MF RAF
- D. Draft Sample 2019 SHTF RAF
- E. Draft Sample 2019 HOME SF RAF

Once approved, the final 2019 RAF Methodology will be published on the Department’s website. It should be noted with this action that the Board is approving the publication of the proposed methodology for public comment, not specific allocation amounts.

To the extent funds received/proposed to be used are below the statutory minimum for any program/activity, or if the proposed activities fall into a statutory exception, the RAF will not be used.

Draft 2019 Regional Allocation Formula Methodology

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Introduction

Since 2000, the Texas Department of Housing and Community Affairs (“TDHCA” or “the Department”) has used a Regional Allocation Formula (“RAF”) as required by Tex. Gov’t Code §§2306.111 and 2306.1115. The RAF analyzes housing need, availability, and other relevant factors in the State’s urban and rural areas. Using formula components based on this analysis, the RAF has been used to allocate funding and certain other assistance for multifamily and single family activities for the following programs:

- Multifamily Activities:
 - Housing Tax Credit (“HTC”) Program
 - HOME Investment Partnerships Program (“HOME”) Multifamily (“MF”)
- Single Family Activities:
 - State Housing Trust Fund (“SHTF”) Program*
 - HOME Single Family (“SF”)

*It should be noted that based on the current program activities of SHTF, the RAF is not utilized for SHTF as authorized by Tex. Gov’t Code §2306.111(d-1). SHTF is funded through state general revenue and is not to be confused with the federally-funded National Housing Trust Fund (“NHTF”).

The Methodology presented in this document explains the use of factors in conformity with statutory requirements including the need for housing assistance, the availability of housing resources, and other factors relevant to the equitable distribution of housing funds in urban and rural areas of the state.

Also provided with the Methodology is an example allocation spreadsheet for each of the four programs to show how the methodologies affect each program. The spreadsheets provided are based on the following example allocations:

Program	Example Allocation
HTC	\$65,000,000
HOME Multifamily	\$12,500,000
SHTF	\$3,000,000
HOME Single Family	\$15,000,000

These allocation amounts are only examples. The final allocation amounts are calculated by program area staff following approval of the RAF Methodology by the TDHCA Governing Board and are based on the latest available information on the amount available to be allocated under each program or activity. Even when final allocation amounts are made available, other planning considerations may alter the applicability of the RAF and/or allocation amounts. For example, the funding activity type for HOME SF may further affect how and whether or not funds are released regionally. In addition, per Tex. Gov’t Code §2306.111(d-1)(3), if SHTF funds administered by the Department (and not otherwise set aside) do not exceed \$3 million, then SHTF funds are not required to be allocated using the formula-based RAF discussed here, although other policies dictate the geographic dispersal of funds.

The Draft 2019 RAF Methodology will be presented at the Board meeting of May 24, 2018, for approval to be released for public comment. A public comment period will be open from Friday, May 25, 2018, through Friday, June 15, 2018, with a public hearing on Thursday, June 7, 2018. Following public comment, it is

anticipated that the final 2019 RAF Methodology will be presented for adoption at the Board meeting of July 26, 2018.

Statutory Requirement

Tex. Gov't Code §§2306.111 and 2306.1115 require that TDHCA use a RAF for HOME, SHTF, and HTC Programs.

Tex. Gov't Code §2306.1115 states:

(a) To allocate housing funds under Section 2306.111(d), the department shall develop a formula that:

(1) includes as a factor the need for housing assistance and the availability of housing resources in an urban area or rural area;

(2) provides for allocations that are consistent with applicable federal and state requirements and limitations; and

(3) includes other factors determined by the department to be relevant to the equitable distribution of housing funds under Section 2306.111(d).

(b) The department shall use information contained in its annual state low income housing plan and other appropriate data to develop the formula under this section.

The methodology detailed in this document takes into account the need for housing assistance and the availability of housing in urban and rural areas in keeping with the statutory requirements for the HOME SF, HOME MF, SHTF, and HTC programs. The methodology also includes a regional coverage factor for single family programs that measures inverse population density in keeping with the statutory requirements to include other factors necessary for the equitable distribution of funding.

Urban and Rural Areas

Tex. Gov't Code §2306.004 states:

(28-a) "Rural area" means an area that is located:

(A) outside the boundaries of a primary metropolitan statistical area or a metropolitan statistical area; or

(B) within the boundaries of a primary metropolitan statistical area or a metropolitan statistical area, if the statistical area has a population of 25,000 or less and does not share a boundary with an urban area.

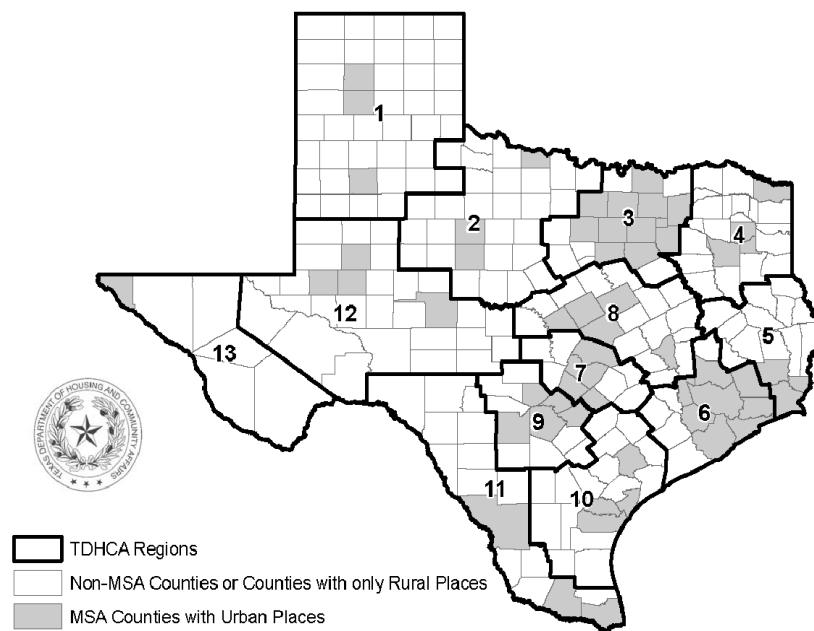
Tex. Gov't Code §2306.004(28-a)(B) is applied to incorporated places and census-designated places (collectively "places") that correlate to cities, towns, and similar geographies as designated by the U.S. Census Bureau. The requirement regarding "a population of 25,000" and the requirement regarding boundaries are applied at the place level. Prior to the development of the RAF each year, these parameters

are used to determine which places are urban and which are rural. Organizations applying for certain TDHCA administered funds may use the urban and rural place designation to determine which subregional allocation they are eligible to apply for. The RAF methodology does not override the urban or rural designations of specific places. The rural and urban designation for site-specific applications is made at the place level.

However, the RAF is a macro view compared to place-level analysis, so in order to measure housing need across the State of Texas for the purpose of subregional allocations only county-level data are used. County data are more complete than combining place-level data. If the RAF only combined data from places, unincorporated parts of the state would not be considered. Using place-level data to create the RAF would be incomplete and substantially hinder its utility as an equitable allocation tool. Alternatively, using county-level data to determine need and availability factors allows for a more complete picture of the State’s demographics.

Even though a county may be part of a Metropolitan Statistical Area (“MSA”) per the U.S. Office of Management and Budget (“OMB”) definitions, all of the places within that county may meet the definition of a rural area per Tex. Gov’t Code §2306.004(28-a). If an MSA county has no places designated as urban, the need and availability of the whole county will be counted toward the rural allocation (*i.e.*, the MSA county had no places with a population over 25,000 or touching a boundary of a place with a population over 25,000). The allocation process outlined in this document refers to “MSA counties with urban places” as “urban counties” and “Non-MSA counties and counties with only rural places” as “rural counties.” The need and availability of “MSA counties with urban places” directs the allocation toward the urban places, and the need and availability of “Non-MSA counties and counties with only rural places” directs the allocation toward the rural places.

Map of Urban and Rural Counties in Texas by Region



Sources: U.S. Census Bureau, 2011-2015 American Community Survey 5-Year Estimates, Table B01003.
 U.S. Census Bureau, Jul. 2015, CBSAs, metropolitan divisions, and CSAs.
 TIGER data 2015.
 Disclaimer: This map is not a survey product; boundaries, distances, and scale are approximate only.

Methodology

Affordable Housing Need

For the purposes of developing an allocation formula, affordable housing need is measured by variables that relate to the types of assistance available through TDHCA programs. Despite SHTF not currently utilizing the RAF, SHTF is included in the RAF methodology description in the event that funding or programmatic changes require the RAF to be utilized for this program.

Income

Income is the primary measurement of eligibility for housing assistance through TDHCA. HOME and SHTF serve households that earn less than or equal to 80% Area Median Family Income (“AMFI”) and HTC serves households that earn less than or equal to 60% AMFI. While eligibility for housing assistance is measured by AMFI, datasets showing how many households are in each AMFI category lag behind by a full year from the datasets used to calculate poverty. In order to use the most up-to-date data, the measurement of individuals in poverty will be used to measure eligible populations. The percentage of individuals at or below 200% of the poverty level is strongly linked with the percentage of individuals earning less than or equal to 80% AMFI. Individuals at or below 200% of the poverty level will qualify for a majority of the housing assistance options offered through TDHCA’s HOME, HTC, and SHTF programs. In order for *individuals in poverty* to be combined with cost burdened and overcrowded *households*, the number of individuals at or below 200% poverty is divided by the average size of a household in Texas. The number of individuals at or below 200% poverty is included as a variable in all four program RAFs.

Cost Burden and Overcrowding

Renter and owner need for housing assistance is measured through cost burden and overcrowding conditions. The count of cost burdened renter and owner households used in the RAF measures the number of households in Texas that pay more than 30% of their income on rent or homeowner costs (for homeowners with a mortgage), which is a common measure of unaffordable housing. The count of overcrowded renters and owners measures the number of housing units with more than one person per room, including the kitchen and bathroom. Areas with high cost burden or overcrowding may signify a need for assistance.

HTC and HOME MF both offer assistance for reduced-rent apartments. HOME SF offers Tenant-Based Rental Assistance, which pays a portion of a recipient’s rent to the landlord. SHTF offers the Amy Young Barrier Removal Program, which can serve both renters and homeowners. Therefore, variables representing renters who need assistance are included in the analysis for all four program RAFs.

HOME SF offers homebuyer assistance, home repair assistance, and single family development programs. For home repair, HOME SF offers grants and no-interest loans to homeowners to rehabilitate or reconstruct their homes. For single family development, typically the homes are built by Community Housing Development Organizations (“CHDOs”) and the homes are purchased by low-income homeowners. SHTF offers the Amy Young Barrier Removal Program, which can be used for homeowners as mentioned above, and the Bootstrap Loan Program for potential homeowners who use “sweat equity” and low- to no-interest

loans to build and secure ownership of their homes. Therefore, variables representing homeowners who need assistance are included in the HOME SF and SHTF RAFs.

Lack of Kitchen and Plumbing Facilities

HOME SF offers homeowner rehabilitation or reconstruction assistance, and SHTF has activities involving rehabilitation such as the Amy Young Barrier Removal Program. Because TDHCA programs fund rehabilitation, substandard housing units should be included in the RAF. Common definitions of substandard housing include lack of operable indoor plumbing, usable flush toilets, usable bathtub or shower, safe electricity, safe or adequate source of heat, or kitchen facilities. Data regarding units lacking kitchen facilities or plumbing are the only data available on both an annual basis and at a county level. The count of occupied and unoccupied units lacking kitchen facilities and the count of occupied and unoccupied units lacking plumbing are utilized in the HOME SF and SHTF RAFs.

Summary of Affordable Housing Need for Multifamily and Single Family Activities

The extent of Texans needing affordable housing is measured using five variables for single family activities:

1. Cost burdened renter and owner households;
2. Overcrowded renter and owner households;
3. Housing units lacking kitchen facilities;
4. Housing units lacking plumbing; and
5. Individuals at or below 200% of the poverty rate.

The extent of Texans needing affordable housing is measured using three variables for multifamily activities:

1. Cost burdened renter households;
2. Overcrowded renter households; and
3. Individuals at or below 200% of the poverty rate.

Housing Availability

Housing availability is measured by variables that relate directly to housing resources. In order to take into account both market-rate and subsidized units, vacancies will be used. A high number of vacancies indicate that a market has an adequate or potentially abundant supply of housing. Both vacant units for sale and vacant units for rent will be included in the HOME SF and SHTF RAFs, while vacant units for rent alone are included in the HOME MF and HTC RAFs.

Regional Coverage Factor

Population density is the number of people divided by the area of land in which they live. A high population density means that more people are living in a given land area compared to other equally-sized pieces of land. Inverse population density, which divides the land area by the number of people that live in that area, gives the amount of land per person. A high inverse population density means that fewer people are living in a given land area compared to other equally-sized pieces of land, and may indicate a challenge in reaching and serving Texans in that area.

Inverse population density is included in the HOME SF and SHTF RAFs as a Regional Coverage Factor to take into account the distance between scattered-site single family activities and the dispersed population within the predominantly rural areas where HOME SF and SHTF administrators provide assistance. TDHCA’s multifamily programs generally focus development to a single site, so the Regional Coverage Factor is not as pertinent to multifamily program allocation. The Regional Coverage Factor assists in redistributing single family program funding from urban areas to more rural parts of the state, better aligning funding goals with the statutory requirement that 95% of HOME funds be allocated for the benefit of those areas of the state that do not receive HOME funds directly from the U.S. Department of Housing and Urban Development (“HUD”), chiefly smaller cities and rural areas (per Tex. Gov’t Code §2306.111).

Summary of Variables

The following chart shows which need, availability, and other variables are used in the RAF Methodology for each of the four applicable programs.

		Multifamily Programs		Single Family Programs	
		HTC	HOME MF	SHTF	HOME SF
Need Variables	<i>Cost Burdened Renter Households</i>	✓	✓	✓	✓
	<i>Cost Burdened Owner Households</i>			✓	✓
	<i>Overcrowded Renter Households</i>	✓	✓	✓	✓
	<i>Overcrowded Owner Households</i>			✓	✓
	<i>Units Lacking Kitchen Facilities</i>			✓	✓
	<i>Units Lacking Plumbing Facilities</i>			✓	✓
	<i>Individuals at or Below 200% of Poverty</i>	✓	✓	✓	✓
Availability Variables	<i>Vacant Units for Rent</i>	✓	✓	✓	✓
	<i>Vacant Units for Sale</i>			✓	✓
Other	<i>Regional Coverage Factor</i>			✓	✓

Exceptions to the RAF

Per Tex. Gov’t Code §2306.111, there are certain instances in which the RAF requirement does not apply to HOME MF, HOME SF, HTC, or SHTF funds.

Set-Asides

Specific set-asides will not be subject to the RAF per Tex. Gov’t Code §2306.111(d-1), including set-asides for contract-for-deed activities and set-asides mandated by state or federal law, if these set-asides are less than 10% of the total allocation of funds or credits. Set-asides for funds allocated to serve persons with

disabilities will not be subject to the RAF. The total amount available through the RAF will not include funds for at-risk development for the HTC Program, with instances mentioned in this paragraph. Also pursuant to Tex. Gov't Code §2306.111(d-1), programmed activities for SHTF that do not exceed \$3 million are not subject to the RAF. It is due to these exceptions that the SHTF funds as currently programmed do not utilize the RAF.

In addition, per Tex. Gov't Code §2306.111(c)(1), 5% of State HOME funds must be spent on activities that serve people with disabilities in any area of the State; this portion of HOME is not subject to the RAF because it is set-aside for persons with disabilities.

In Tex. Gov't Code §2306.111(d-2), 5% of HTC funds must be allocated to developments that receive federal assistance through USDA. Any developments that receive federal assistance through USDA and HTC for rehabilitation may compete for funding separately under the "USDA Set-Aside." This funding is taken from the total tax credit ceiling prior to applying the RAF to allocate funds between each subregion.

Participating Jurisdictions ("PJs")

In accordance with Tex. Gov't Code §§2306.111(c)(1) and (2), 95% of the funds for HOME must be spent outside PJs. PJs are areas that receive funding directly from HUD. Because 95% of funds cannot be spent within a PJ, the housing need factors, housing availability factors, and Regional Coverage Factor in the PJs are not counted in the HOME MF or HOME SF RAF.

The PJ designations are subject to change annually depending on HUD funding. According to HUD's 2017 HOME allocation, 33 of the PJs are cities and eight of the PJs are counties. Five PJ cities fell completely within PJ counties, resulting in a total of 28 PJ cities and eight PJ counties that will be subtracted from the HOME SF and HOME MF versions for the 2018 RAF.

Allocation Adjustments

The HOME SF and HTC RAFs have subregional allocation adjustments under certain conditions. Tex. Gov't Code §2306.111(d-3) requires that at least \$500,000 in housing tax credits be allocated to each urban and rural subregion. In a further effort to meet Tex. Gov't Code §§2306.111(c)(1) and (2), the HOME SF RAF has a minimum subregional allocation of \$100,000. Additional detail regarding the processes used to adjust allocations for the HOME SF RAF and the HTC RAF can be found in the single family and multifamily RAF examples.

Single Family RAF Example

Tables 1, 2, and 3 show the need variables, availability variables, and regional coverage factor used in the HOME SF RAF. The SHTF RAF is very similar to the HOME SF RAF with the exception that the SHTF RAF includes PJs. Example numbers are used for clarity.

Table 1: Example of Need Variables Used for HOME SF, by Subregion

MSA Counties with Urban Places	Region	Column A: Individuals at or below 200% Poverty without PJs	Column B: Households ("HH") at or below 200% Poverty without PJs	Column C: Cost Burdened Owners without PJs	Column D: Cost Burdened Renters without PJs	Column E: Overcrowded Owners without PJs	Column F: Overcrowded Renters without PJs	Column G: Units Lacking Plumbing without PJs	Column H: Units Lacking Kitchen without PJs	Column I: Total Need Variables
	1	150,000	53,191	1,500	15,000	3,000	2,000	4,000	6,000	84,691
	2	100,000	35,461	2,500	16,000	3,500	2,500	3,000	5,000	67,961
	3	150,000	53,191	1,500	15,000	3,000	2,000	4,000	6,000	84,691
	4	100,000	35,461	2,500	16,000	3,500	2,500	3,000	5,000	67,961
	5	150,000	53,191	1,500	15,000	3,000	2,000	4,000	6,000	84,691
	6	100,000	35,461	2,500	16,000	3,500	2,500	3,000	5,000	67,961
	7	150,000	53,191	1,500	15,000	3,000	2,000	4,000	6,000	84,691
	8	100,000	35,461	2,500	16,000	3,500	2,500	3,000	5,000	67,961
	9	150,000	53,191	1,500	15,000	3,000	2,000	4,000	6,000	84,691
	10	100,000	35,461	2,500	16,000	3,500	2,500	3,000	5,000	67,961
	11	150,000	53,191	1,500	15,000	3,000	2,000	4,000	6,000	84,691
	12	100,000	35,461	2,500	16,000	3,500	2,500	3,000	5,000	67,961
13	150,000	53,191	1,500	15,000	3,000	2,000	4,000	6,000	84,691	
Non-MSA counties and counties with only rural	Region	Column A: Individuals at or below 200% Poverty without PJs	Column B: HH at or below 200% Poverty without PJs	Column C: Cost Burdened Owners without PJs	Column D: Cost Burdened Renters without PJs	Column E: Overcrowded Owners without PJs	Column F: Overcrowded Renters without PJs	Column G: Units Lacking Plumbing without PJs	Column H: Units Lacking Kitchen without PJs	Column I: Total Need Variables
	1	80,000	28,369	6,000	8,000	2,000	2,000	5,000	5,000	56,369
	2	60,000	21,277	9,000	5,000	1,000	1,000	7,000	7,000	51,277
	3	80,000	28,369	6,000	8,000	2,000	2,000	5,000	5,000	56,369
	4	60,000	21,277	9,000	5,000	1,000	1,000	7,000	7,000	51,277
	5	80,000	28,369	6,000	8,000	2,000	2,000	5,000	5,000	56,369
	6	60,000	21,277	9,000	5,000	1,000	1,000	7,000	7,000	51,277
	7	80,000	28,369	6,000	8,000	2,000	2,000	5,000	5,000	56,369
	8	60,000	21,277	9,000	5,000	1,000	1,000	7,000	7,000	51,277
	9	80,000	28,369	6,000	8,000	2,000	2,000	5,000	5,000	56,369
	10	60,000	21,277	9,000	5,000	1,000	1,000	7,000	7,000	51,277
	11	80,000	28,369	6,000	8,000	2,000	2,000	5,000	5,000	56,369
	12	60,000	21,277	9,000	5,000	1,000	1,000	7,000	7,000	51,277
13	80,000	28,369	6,000	8,000	2,000	2,000	5,000	5,000	56,369	
Col A Total		Col B Total	Col C Total	Col D Total	Col E Total	Col F Total	Col G Total	Col H Total	Col I Total	
Total		2,570,000	911,348	121,500	287,000	62,000	49,000	123,000	149,000	1,702,848

Table 2: Example of Availability Variables Used for HOME SF, by Subregion

MSA Counties with urban places	Region	Column J: Vacant Units For Sale without PJs	Column K: Vacant Units For Rent without PJs	Column L: Total Availability Variables
	1	1,500	2,000	3,500
	2	1,000	3,000	4,000
	3	1,500	2,000	3,500
	4	1,000	3,000	4,000
	5	1,500	2,000	3,500
	6	1,000	3,000	4,000
	7	1,500	2,000	3,500
	8	1,000	3,000	4,000
	9	1,500	2,000	3,500
	10	1,000	3,000	4,000
	11	1,500	2,000	3,500
	12	1,000	3,000	4,000
13	1,500	2,000	3,500	
Column J Total		39,000	Column K Total	61,000
Column L Total		100,000		

Non-MSA counties and counties with only rural places	Region	Column J: Vacant Units For Sale without PJs	Column K: Vacant Units For Rent without PJs	Column L: Total Availability Variables
	1	1,500	2,000	3,500
	2	2,000	2,500	4,500
	3	1,500	2,000	3,500
	4	2,000	2,500	4,500
	5	1,500	2,000	3,500
	6	2,000	2,500	4,500
	7	1,500	2,000	3,500
	8	2,000	2,500	4,500
	9	1,500	2,000	3,500
	10	2,000	2,500	4,500
	11	1,500	2,000	3,500
	12	2,000	2,500	4,500
13	1,500	2,000	3,500	

Table 3: Example of Regional Coverage Factor used for HOME SF, by Subregion

MSA Counties with urban places	Region	Column M: Land area without PJs	Column N: Total Population without PJs	Column O: Regional Coverage Factor
	1	3,000	350,000	0.009
	2	2,000	250,000	0.008
	3	3,000	350,000	0.009
	4	2,000	250,000	0.008
	5	3,000	350,000	0.009
	6	2,000	250,000	0.008
	7	3,000	350,000	0.009
	8	2,000	250,000	0.008
	9	3,000	350,000	0.009
	10	2,000	250,000	0.008
	11	3,000	350,000	0.009
	12	2,000	250,000	0.008
13	3,000	350,000	0.009	
Column M Total		216,000	Column N Total	7,150,000
Column O Total		0.893		

Non-MSA counties and counties with only rural places	Region	Column M: Land area without PJs	Column N: Total Population without PJs	Column O: Regional Coverage Factor
	1	15,000	200,000	0.075
	2	13,000	300,000	0.043
	3	15,000	200,000	0.075
	4	13,000	300,000	0.043
	5	15,000	200,000	0.075
	6	13,000	300,000	0.043
	7	15,000	200,000	0.075
	8	13,000	300,000	0.043
	9	15,000	200,000	0.075
	10	13,000	300,000	0.043
	11	15,000	200,000	0.075
	12	13,000	300,000	0.043
13	15,000	200,000	0.075	

Compounded Need

To allocate funds, the RAF uses each subregion's ratios of the State's total. All of the variables that measure need will be added together before taking the percentage of each subregion's need over the amount of the total need in the State. Table 1, Column I, illustrates how the Total Need Variables are derived: Households at 200% of poverty, cost-burdened owner and renter households, over-crowded owner and renter households, and units lacking kitchen facilities and plumbing facilities are added together, thereby compounding the need.

This compounding balances the relative importance of the variables; variables with very high or very small numbers are combined with the overall total of need, preventing these variables from having a disproportionate or arbitrary amount of weight for their size.

Weights

Examples of how the weights work in the RAF are in Tables 4 through 6. The column header letters (A, B, C, etc.) will build off the previous table, so if the letters are not in alphabetical order, the column header letter refers to a previous table. For the sake of simplification, for the remainder of the example "MSA Counties with Urban Places" will be referred to as "Urban Counties," and "Non-MSA Counties and Counties with Only Rural Places" will be referred to as "Rural Counties."

In order to apply weights, percentages of need, availability, and inverse population density, variables must be taken from the state as a whole. These percentages illustrate the relative need of the subregion. Table 4 demonstrates how the percentages are derived. Table 4 shows only the urban counties of Region 1 and the total of all the regions, in order to simplify the example.

Table 4: Percentages Taken

Area	Column I: Total Need Variables	Column P: Percent of State's Total Need	Column L: Total Availability Variables	Column Q: Percent of State's Total Availability	Column O: Regional Coverage Factor	Column R: Percent of State's Total Regional Coverage Factor
Urban Region 1	84,691	5.0%	3,500	3.5%	0.075	8.4%
Total	1,702,848		100,000		0.893	

Note: Column I is from Table 1, Column L is from Table 2, and Column O is from Table 3.

A successful allocation formula will provide more funding for areas with high housing need and reduce funding for areas with an abundance of housing resources. In order to get the right relationship between housing and need, the housing availability variables will have negative weight, while the need variables and regional coverage factor will have positive weight. All variables added together must equal 100%, so the formulas to determine variable weight for the Single Family RAF are as follows:

- Total Need Variables = HH at or below 200% poverty + Cost Burden + Overcrowding + Units Lacking Plumbing + Units Lacking Kitchen
- Total Availability Variables = Unoccupied Units for Sale + Unoccupied Units for Rent
- Regional Coverage Factor = Inverse Population Density
- Total Need Variables – Total Availability Variables + Regional Coverage Factor = 100%

To put it simply (with x representing the weight of each variable): $5x-x+x=100\%$

As a result, each variable is weighted at 20% for Single Family programs, giving the appropriate relationship between funding and current availability of resources. The compounded need variables will receive 100% weight. Table 5 shows the application of the weights based on a hypothetical statewide availability of \$2,500,000 to more clearly emphasize how a Minimum Subregional Allocation Adjustment is made when initial HOME SF subregion allocations fall under \$100,000.

Table 5: Weight Application

Area	Column P: Percent of State's Total Need	Column S: Weight of Need Variables	Column T: Need Variable Allocation*	Column Q: Percent of State's Total Availability	Column U: Weight of Availability Variable	Column V: Availability Variable Allocation~	Column R: Percent of State's Total Regional Coverage Factor	Column W: Weight of Availability Variable	Column X: Availability Variable Allocation^	Column Y: Total Allocation+
Urban Region 1	5.0%	100.0%	\$ 124,338	3.5%	-20%	\$ (17,500)	1.0%	20%	\$4,799	\$ 111,637

Note: Column P, Q and R taken from Table 4.

*Column T is calculated as follows: Column P x Column S x statewide availability of funds.

~Column V is calculated as follows: Column Q x Column U x statewide availability of funds.

^ Column X is calculated as follows: Column W x Column R x statewide availability of funds.

+Column Y is calculated as follows: Column T + Column V + Column X.

Minimum Subregional Allocation Adjustment

A floor was added to the HOME SF RAF in order to allow sufficient funding to award at least one contract in each sub region. If the RAF results in a subregional funding amount that is less than \$100,000, that subregion’s amount of funding is adjusted to provide for at least a minimum of \$100,000. The process does not reallocate funds from subregions with initial funding amounts in excess of \$100,000 to those subregions with initial funding amounts that are less than \$100,000. Funds used to enable the floor are not subject to RAF requirements and so are added as a final adjustment to the subregional allocation amounts available for award. The final adjustment simply adds a supplemental allocation to bring all subregions to a minimum of \$100,000. The process is complete when each subregion has at least \$100,000.

Table 6 shows the process of supplementing funds to subregions that have initial funding amounts that are less than \$100,000. This table builds from the previous tables included in this methodology and the Urban Counties of Regions 1 and 2 are included. The column header letters build off previous tables, so if the letters are not in alphabetical order, the column letter refers to previous tables.

Table 6: Subregion amount under \$100,000

Area	Column Y: Initial Subregion amount	Column Z: Amount needed to reach \$100,000	Column AA: Final Subregion Allocation
Urban Region 1	\$111,637	\$-	\$111,637
Urban Region 2	\$84,255	\$15,745	\$100,000
Total	\$195,892	\$15,745	\$211,637

Note: Column Y is from Table 5.

Since the Urban Region 1 initial Subregion amount exceeds \$100,000, no adjustment is made to this sub-allocation. However, because the Urban Region 2 initial Subregion amount is less than \$100,000, a supplemental allocation amount is added to bring the subregion allocation up to the final allocation amount of \$100,000.

Multifamily RAF Example

Table 7 shows the need and availability variables used in the HTC RAF. The HTC RAF is very similar to the HOME MF RAF with the exception that the HTC RAF includes PJs. Example numbers are used for clarity.

Table 7: Example of Need and Availability Variables used for HTC, by Subregion

MSA Counties with urban places	Region	Column BB: Individuals at or below 200% Poverty	Column CC: HH at or below 200% Poverty	Column DD: Cost Burdened Renters	Column EE: Overcrowded Renters	Column FF: Vacant Units for Rent
	1	150,000	53,571	25,000	4,000	6,000
	2	100,000	35,714	20,000	2,000	4,000
	3	150,000	53,571	25,000	4,000	6,000
	4	100,000	35,714	20,000	2,000	4,000
	5	150,000	53,571	25,000	4,000	6,000
	6	100,000	35,714	20,000	2,000	4,000
	7	150,000	53,571	25,000	4,000	6,000
	8	100,000	35,714	20,000	2,000	4,000
	9	150,000	53,571	25,000	4,000	6,000
	10	100,000	35,714	20,000	2,000	4,000
	11	150,000	53,571	25,000	4,000	6,000
	12	100,000	35,714	20,000	2,000	4,000
	13	150,000	53,571	25,000	4,000	6,000

Non-MSA counties and counties with only rural places	Region	Column BB: Individuals at or below 200% Poverty	Column CC: HH at or below 200% Poverty	Column DD: Cost Burdened Renters	Column EE: Overcrowded Renters	Column FF: Vacant Units for Rent
	1	40,000	14,286	7,000	700	700
	2	25,000	8,929	2,000	400	500
	3	40,000	14,286	7,000	700	700
	4	25,000	8,929	2,000	400	500
	5	40,000	14,286	7,000	700	700
	6	25,000	8,929	2,000	400	500
	7	40,000	14,286	7,000	700	700
	8	25,000	8,929	2,000	400	500
	9	40,000	14,286	7,000	700	700
	10	25,000	8,929	2,000	400	500
	11	40,000	14,286	7,000	700	700
	12	25,000	8,929	2,000	400	500
	13	40,000	14,286	7,000	700	700

	Column BB Total	Column CC Total	Column DD Total	Column EE Total	Column FF Total
Total	2,080,000	742,857	356,000	47,300	73,900

Weights

To allocate funds, the RAF will use each subregion’s ratios of the State’s total. In order to account for the amount of population that the variables affect, all the variables that measure need will be added together (i.e., compounded) before taking the percentage of each subregion’s need over the amount of the total need in the State.

Examples of how the weights work in the RAF are in Tables 8 through 10. If the letters are not in alphabetical order, the column header letter refers to a previous table. For the sake of simplification, for the remainder of the example “MSA Counties with Urban Places” will be referred to as “Urban Counties,” and “Non-MSA Counties and Counties with Only Rural Places” will be referred to as “Rural Counties.”

Table 8 shows only the Urban Counties of Region 1 and the total of all the regions. Table 8 illustrates how the Total Need Variables are derived: Households at or below 200% of poverty, cost-burdened renter households, and over-crowded renter households are added together, thereby compounding the need. This compounding balances the relative importance of the variables; variables with very high or very small numbers are combined with the overall total of need, preventing these variables from having a disproportionate or arbitrary amount of weight for their size.

Table 8: Total Need Variables

Area	Column CC: HH at or below 200% Poverty	Column DD: Cost Burdened Renters	Column EE: Overcrowded Renters	Column GG: Total Need Variables
Urban Region 1	53,571	25,000	4,000	82,571
Total	742,857	356,000	47,300	1,146,157

Note: Columns CC, DD and EE are from Table 7.

In order to apply weights, percentages of need and availability variables must be taken from the state as a whole. These percentages illustrate the relative need of the subregion. Table 9 demonstrates how the percentages are derived.

Table 9: Percentages Taken

Area	Column GG: Total Need Variables	Column HH: Percent of State's Total Need	Column II: Vacant Units for Rent	Column JJ: Percent of State's Total Availability
Urban Region 1	82,571	7.2%	6,000	8.1%
Total	1,146,157		73,900	

Note: Column GG is from Table 8.

A successful allocation formula will provide more funding for areas with high housing need and reduce funding for areas with an abundance of housing resources. In order to get the right relationship between housing and need, the housing availability variable will have negative weight. All variables added together must equal 100%, so the formulas to determine variable weight for the Multifamily RAF are as follows:

- Total Need Variables = HH at or below 200% poverty + Renter Cost Burden + Renter Overcrowding

- Availability Variable = Unoccupied Units for Rent
- Total Need Variables – Availability Variable = 100%

To put it simply (with x representing the weight of each variable): $3x-x=100\%$

As a result, each variable is weighted at 50% for multifamily programs, giving the appropriate relationship between funding and current availability of resources. The compounded need variables will receive 150% weight. Table 10 shows the application of the weights based on a statewide availability of \$40,000,000 to emphasize how a proportional adjustment is made when initial HTC allocations fall under \$500,000.

Table 10: Weight Application

Area	Column HH: Percent of State's Total Need	Column KK: Weight of Need Variables	Column LL: Need Variable Allocation*	Column JJ: Percent of State's Total Availability	Column MM: Weight of Availability Variable	Column NN: Availability Variable Allocation~	Column OO: Total Allocation ⁺
Urban Region 1	7.2%	150.0%	\$ 4,322,519	8.1%	-50%	\$ (1,623,816)	\$ 2,698,703

Note: Column HH and JJ taken from Table 9.

*Column LL is calculated as follows: Column HH x Column KK x statewide availability of funds.

~Column NN is calculated as follows: Column JJ x Column MM x statewide availability of funds.

+Column OO is calculated as follows: Column LL + Column NN.

HTC \$500,000 Adjustment

Tex. Gov't Code §2306.111(d-3) is a special requirement regarding funding and the RAF that applies only to HTC. This provision requires that TDHCA allocate at least 20% of housing tax credits to rural areas and that \$500,000 be available for each of the 26 urban subregions and rural subregions. The overall state rural percentage of the total tax credit ceiling amount will be adjusted to a minimum of 20% only at the time of actual award, if needed. Usually, the 20% allocation to rural areas occurs through the competitive process, but, if not, one more deal for rural areas will be awarded from the statewide collapse of the RAF to ensure the requirement is met.

For the HTC RAF, the regional amount of rural and urban funding is adjusted to a minimum of \$500,000 if needed. This is done as a final adjustment to the subregional allocation amounts available for award. The process proportionately takes funds from subregions with initial funding amounts in excess of \$500,000 and reallocates those funds to those subregions with initial funding amounts that are less than \$500,000. The process is complete when each subregion has at least \$500,000.

Tables 11 through 12 show the process of determining the amount to adjust from subregions with more than \$500,000. These tables build from the previous tables included in this methodology and Urban Region 1 and 2 and Rural Region 1 and 2 are included. The column header letters build off previous tables, so if the letters are not in alphabetical order, the column letter refers to previous tables.

These four subregions are examined because the most common movement for funds during the \$500,000 adjustment is from Urban Counties to Rural Counties. The first step in the \$500,000 adjustment process is to determine the amount over or under \$500,000 for each subregion. This is illustrated in Table 11.

Table 11: Subregion amount over/under \$500,000

Area	Column OO: Initial Subregion amount	Column PP: Amount needed to reach \$500,000	Column QQ: Amount over \$500,000 that can be reallocated
Urban Region 1	\$2,698,703	\$-	\$2,198,703
Urban Region 2	\$1,938,732	\$-	\$1,438,732
Rural Region 1	\$961,482	\$-	\$461,482
Rural Region 2	\$457,720	\$42,280	\$-

Note: Column OO is from Table 10.

Column QQ in Table 11 is the amount in Column OO minus \$500,000 if the amount in Column OO is over \$500,000. At least \$500,000 is maintained in each subregion before the adjustment process. Next the amounts in Column PP are totaled for the entire state and the amounts in Column QQ are totaled for the entire state. In this simplified example, the Column PP's total would be \$42,280. The Column QQ total would be \$4,098,917.

The next step in the adjustment process is to determine the percentage to be reallocated. Following the example in Table 11, if only Region 1 and 2 were used in the RAF, the percentages would be seen in Column RR in Table 12. The proportion of the total amount to be reallocated is in Column SS. Finally, Column OO is adjusted by Column SS to equal the final Sub-Amount in Column TT.

Table 12: Proportional adjustment

Area	Column RR: Amount that can be reallocated*	Column SS: Amount to be reallocated~	Column TT: Final Subregion Allocation ⁺
Urban Region 1	54%	\$ (22,679)	\$ 2,676,024
Urban Region 2	35%	\$ (14,840)	\$ 1,923,892
Rural Region 1	11%	\$ (4,760)	\$ 956,722
Rural Region 2	-%	\$ 42,280	\$ 500,000

*Column RR is calculated as follows: if Column OO is over \$500,000, then $((\text{Column OO} - \$500,000) / \$4,098,917)$

~Column SS is calculated as followed: if Column RR is a percentage, then $(\text{Column RR} * \$42,280)$; if Column RR is n/a, then Column SS equals Column PP.

⁺Column TT is calculated as follows: Column OO + Column SS.

Texas Department of Housing and Community Affairs
Draft Example 2019 HTC Regional Allocation Formula

Table 1 - Raw Data

	Region	Individuals at or Below 200% Poverty	HH at or Below 200% Poverty	Cost-Burdened Renters	Overcrowded Renters	Vacant Units For Rent
MSA Counties with Urban Places	1	202,603	71,339	37,697	4,207	7,602
	2	103,106	36,305	17,976	1,492	4,373
	3	2,301,829	810,503	443,579	76,356	78,072
	4	187,699	66,091	27,968	2,662	5,771
	5	139,863	49,248	20,497	1,673	4,739
	6	2,194,388	772,672	400,064	70,609	76,386
	7	529,552	186,462	136,749	18,840	17,291
	8	339,161	119,423	66,956	5,894	15,281
	9	796,872	280,589	129,581	18,785	23,163
	10	198,757	69,985	32,946	5,613	5,664
	11	886,586	312,178	66,416	25,237	12,034
	12	127,971	45,060	20,853	4,155	3,591
	13	409,531	144,201	45,218	8,090	10,306
		Subtotal	8,417,918	2,964,056	1,446,500	243,613
Non-MSA Counties and Counties with Only Rural Places	1	127,694	44,963	9,559	2,704	3,114
	2	99,330	34,975	8,192	1,145	2,942
	3	95,934	33,780	11,850	1,580	2,418
	4	259,746	91,460	23,420	3,666	5,558
	5	158,920	55,958	16,542	2,019	3,406
	6	71,324	25,114	8,979	953	1,675
	7	66,691	23,483	6,278	942	1,384
	8	105,582	37,177	9,064	1,259	2,144
	9	75,885	26,720	6,744	1,634	1,363
	10	96,505	33,981	9,534	2,283	1,929
	11	152,795	53,801	8,194	3,207	2,609
	12	62,243	21,917	4,990	1,077	998
	13	11,953	4,209	1,018	170	431
		Subtotal	1,384,602	487,536	124,364	22,639
	Total	9,802,520	3,451,592	1,570,864	266,252	294,244

Texas Average HH Size: 2.84

Texas Department of Housing and Community Affairs
Draft Example 2019 HTC Regional Allocation Formula

Table 2 - Weights

	Region	Total Need Variables	% of Total Need Variables	Weighted	Total Availability Variable	% of Total Availability Variable	Weighted	Initial Subregion Allocation	% of Total Award
MSA Counties with Urban Places	1	113,243	2.1%	\$ 2,087,694	7,602	2.6%	\$ (839,660)	\$ 1,248,033.29	1.92%
	2	55,773	1.1%	\$ 1,028,202	4,373	1.5%	\$ (483,009)	\$ 545,193.18	0.84%
	3	1,330,438	25.2%	\$ 24,527,301	78,072	26.5%	\$ (8,623,251)	\$ 15,904,049.46	24.47%
	4	96,721	1.8%	\$ 1,783,104	5,771	2.0%	\$ (637,422)	\$ 1,145,682.55	1.76%
	5	71,418	1.4%	\$ 1,316,618	4,739	1.6%	\$ (523,435)	\$ 793,183.77	1.22%
	6	1,243,345	23.5%	\$ 22,921,691	76,386	26.0%	\$ (8,437,028)	\$ 14,484,662.70	22.28%
	7	342,051	6.5%	\$ 6,305,883	17,291	5.9%	\$ (1,909,835)	\$ 4,396,047.72	6.76%
	8	192,273	3.6%	\$ 3,544,648	15,281	5.2%	\$ (1,687,825)	\$ 1,856,822.57	2.86%
	9	428,955	8.1%	\$ 7,907,998	23,163	7.9%	\$ (2,558,412)	\$ 5,349,585.16	8.23%
	10	108,544	2.1%	\$ 2,001,061	5,664	1.9%	\$ (625,603)	\$ 1,375,457.73	2.12%
	11	403,831	7.6%	\$ 7,444,832	12,034	4.1%	\$ (1,329,186)	\$ 6,115,645.98	9.41%
	12	70,068	1.3%	\$ 1,291,743	3,591	1.2%	\$ (396,635)	\$ 895,107.83	1.38%
	13	197,509	3.7%	\$ 3,641,179	10,306	3.5%	\$ (1,138,324)	\$ 2,502,855.43	3.85%
		Subtotal	4,654,169	88.0%	\$ 85,801,954	264,273	89.8%	\$ (29,189,627)	\$ 56,612,327.35
Non-MSA Counties and Counties with Only Rural Places	1	57,226	1.1%	\$ 1,054,984	3,114	1.1%	\$ (343,949)	\$ 711,035.06	1.09%
	2	44,312	0.8%	\$ 816,921	2,942	1.0%	\$ (324,951)	\$ 491,969.23	0.76%
	3	47,210	0.9%	\$ 870,332	2,418	0.8%	\$ (267,074)	\$ 603,258.19	0.93%
	4	118,546	2.2%	\$ 2,185,453	5,558	1.9%	\$ (613,895)	\$ 1,571,557.63	2.42%
	5	74,519	1.4%	\$ 1,373,791	3,406	1.2%	\$ (376,201)	\$ 997,589.42	1.53%
	6	35,046	0.7%	\$ 646,092	1,675	0.6%	\$ (185,008)	\$ 461,084.28	0.71%
	7	30,703	0.6%	\$ 566,021	1,384	0.5%	\$ (152,866)	\$ 413,154.34	0.64%
	8	47,500	0.9%	\$ 875,682	2,144	0.7%	\$ (236,810)	\$ 638,871.86	0.98%
	9	35,098	0.7%	\$ 647,051	1,363	0.5%	\$ (150,547)	\$ 496,503.86	0.76%
	10	45,798	0.9%	\$ 844,303	1,929	0.7%	\$ (213,063)	\$ 631,239.59	0.97%
	11	65,202	1.2%	\$ 1,202,033	2,609	0.9%	\$ (288,171)	\$ 913,862.20	1.41%
	12	27,984	0.5%	\$ 515,891	998	0.3%	\$ (110,232)	\$ 405,659.25	0.62%
	13	5,397	0.1%	\$ 99,493	431	0.1%	\$ (47,605)	\$ 51,887.74	0.08%
		Subtotal	634,539	12.0%	\$ 11,698,046	29,971	10.2%	\$ (3,310,373)	\$ 8,387,672.65
	Total	5,288,708	100%	\$ 97,500,000	294,244	100%	\$ (32,500,000)	\$ 65,000,000.00	100.00%

Total Sample Allocation: \$65,000,000
Weight of Need Variables: 150%
Weight of Availability Variables: -50%

Texas Department of Housing and Community Affairs
Draft Example 2019 HTC Regional Allocation Formula

Table 3 - Reallocation

	Region	Initial Subregion Amount	Amount Needed to Reach Subregion Floor	Amount that can be Reallocated	% of Total Amount that can be Reallocated	Amount to be Reallocated	Final Subregion Allocation	% of Total Award
MSA Counties with Urban Places	1	\$ 1,248,033.29	\$ -	\$ 748,033.29	1.42%	\$ (9,652.08)	\$ 1,238,381.21	1.91%
	2	\$ 545,193.18	\$ -	\$ 45,193.18	0.09%	\$ (583.14)	\$ 544,610.04	0.84%
	3	\$ 15,904,049.46	\$ -	\$ 15,404,049.46	29.24%	\$ (198,762.72)	\$ 15,705,286.74	24.16%
	4	\$ 1,145,682.55	\$ -	\$ 645,682.55	1.23%	\$ (8,331.42)	\$ 1,137,351.13	1.75%
	5	\$ 793,183.77	\$ -	\$ 293,183.77	0.56%	\$ (3,783.03)	\$ 789,400.74	1.21%
	6	\$ 14,484,662.70	\$ -	\$ 13,984,662.70	26.55%	\$ (180,447.98)	\$ 14,304,214.72	22.01%
	7	\$ 4,396,047.72	\$ -	\$ 3,896,047.72	7.40%	\$ (50,271.78)	\$ 4,345,775.94	6.69%
	8	\$ 1,856,822.57	\$ -	\$ 1,356,822.57	2.58%	\$ (17,507.46)	\$ 1,839,315.11	2.83%
	9	\$ 5,349,585.16	\$ -	\$ 4,849,585.16	9.21%	\$ (62,575.54)	\$ 5,287,009.62	8.13%
	10	\$ 1,375,457.73	\$ -	\$ 875,457.73	1.66%	\$ (11,296.27)	\$ 1,364,161.46	2.10%
	11	\$ 6,115,645.98	\$ -	\$ 5,615,645.98	10.66%	\$ (72,460.24)	\$ 6,043,185.74	9.30%
	12	\$ 895,107.83	\$ -	\$ 395,107.83	0.75%	\$ (5,098.19)	\$ 890,009.64	1.37%
	13	\$ 2,502,855.43	\$ -	\$ 2,002,855.43	3.80%	\$ (25,843.40)	\$ 2,477,012.03	3.81%
		Subtotal	\$ 56,612,327.35	\$ -	\$ 50,112,327.35	95.13%	\$ (646,613.24)	\$ 55,965,714.11
Non-MSA Counties and Counties with Only Rural Places	1	\$ 711,035.06	\$ -	\$ 211,035.06	0.40%	\$ (2,723.04)	\$ 708,312.01	1.09%
	2	\$ 491,969.23	\$ 8,030.77	\$ -	0.00%	\$ 8,030.77	\$ 500,000.00	0.77%
	3	\$ 603,258.19	\$ -	\$ 103,258.19	0.20%	\$ (1,332.37)	\$ 601,925.82	0.93%
	4	\$ 1,571,557.63	\$ -	\$ 1,071,557.63	2.03%	\$ (13,826.60)	\$ 1,557,731.03	2.40%
	5	\$ 997,589.42	\$ -	\$ 497,589.42	0.94%	\$ (6,420.53)	\$ 991,168.88	1.52%
	6	\$ 461,084.28	\$ 38,915.72	\$ -	0.00%	\$ 38,915.72	\$ 500,000.00	0.77%
	7	\$ 413,154.34	\$ 86,845.66	\$ -	0.00%	\$ 86,845.66	\$ 500,000.00	0.77%
	8	\$ 638,871.86	\$ -	\$ 138,871.86	0.26%	\$ (1,791.90)	\$ 637,079.95	0.98%
	9	\$ 496,503.86	\$ 3,496.14	\$ -	0.00%	\$ 3,496.14	\$ 500,000.00	0.77%
	10	\$ 631,239.59	\$ -	\$ 131,239.59	0.25%	\$ (1,693.42)	\$ 629,546.17	0.97%
	11	\$ 913,862.20	\$ -	\$ 413,862.20	0.79%	\$ (5,340.18)	\$ 908,522.02	1.40%
	12	\$ 405,659.25	\$ 94,340.75	\$ -	0.00%	\$ 94,340.75	\$ 500,000.00	0.77%
	13	\$ 51,887.74	\$ 448,112.26	\$ -	0.00%	\$ 448,112.26	\$ 500,000.00	0.77%
		Subtotal	\$ 8,387,672.65	\$ 679,741.29	\$ 2,567,413.94	4.87%	\$ 646,613.24	\$ 9,034,285.89
	Total	\$ 65,000,000.00	\$ 679,741.29	\$ 52,679,741.29	100.00%	\$ -	\$ 65,000,000.00	100.00%

Subregion Allocation Floor: \$500,000.00

Texas Department of Housing and Community Affairs
Draft Example 2019 HOME MF Regional Allocation Formula

Table 1 - Raw Data

	Region	Individuals at or Below 200% Poverty	HH at or Below 200% Poverty	Cost-Burdened Renters	Overcrowded Renters	Vacant Units For Rent
MSA Counties with Urban Places	1	29,020	10,218	3,233	532	680
	2	17,689	6,229	1,685	142	497
	3	479,987	169,010	78,902	10,129	10,998
	4	108,717	38,281	12,345	1,519	2,191
	5	60,739	21,387	6,791	736	1,648
	6	125,832	44,307	17,391	2,030	3,560
	7	230,395	81,125	44,096	5,188	5,670
	8	133,986	47,178	19,109	2,269	5,180
	9	90,925	32,016	11,644	1,830	2,399
	10	81,508	28,700	10,272	2,335	2,380
	11	113,095	39,822	5,330	3,034	2,862
	12	56,925	20,044	8,332	2,528	1,189
	13	92,350	32,518	4,567	1,415	580
	Subtotal	1,621,168	570,834	223,697	33,687	39,834
Non-MSA Counties and Counties with Only Rural Places	1	127,694	44,963	9,559	2,704	3,114
	2	99,330	34,975	8,192	1,145	2,942
	3	95,934	33,780	11,850	1,580	2,418
	4	259,236	91,280	23,340	3,666	5,532
	5	158,920	55,958	16,542	2,019	3,406
	6	71,324	25,114	8,979	953	1,675
	7	66,691	23,483	6,278	942	1,384
	8	105,582	37,177	9,064	1,259	2,144
	9	75,885	26,720	6,744	1,634	1,363
	10	96,505	33,981	9,534	2,283	1,929
	11	152,795	53,801	8,194	3,207	2,609
	12	62,243	21,917	4,990	1,077	998
	13	11,953	4,209	1,018	170	431
	Subtotal	1,384,092	487,356	124,284	22,639	29,945
Total	3,005,260	1,058,190	347,981	56,326	69,779	

Variables from Participating Jurisdictions (PJs) are not counted for HOME Program RAFs.

Texas Average HH Size: 2.84

Texas Department of Housing and Community Affairs
Draft Example 2019 HOME MF Regional Allocation Formula

Table 2 - Weights

	Region	Total Need Variables	% of Total Need Variables	Weighted	Total Availability Variable	% of Total Availability Variable	Weighted	Final Subregion Allocation	% of Total Award
MSA Counties with Urban Places	1	13,983	1.0%	\$ 179,274	680	1.0%	\$ (60,907)	\$ 118,366.98	0.95%
	2	8,056	0.6%	\$ 103,276	497	0.7%	\$ (44,516)	\$ 58,760.57	0.47%
	3	258,041	17.6%	\$ 3,308,218	10,998	15.8%	\$ (985,074)	\$ 2,323,143.79	18.59%
	4	52,145	3.6%	\$ 668,522	2,191	3.1%	\$ (196,245)	\$ 472,277.68	3.78%
	5	28,914	2.0%	\$ 370,693	1,648	2.4%	\$ (147,609)	\$ 223,083.79	1.78%
	6	63,728	4.4%	\$ 817,028	3,560	5.1%	\$ (318,864)	\$ 498,163.94	3.99%
	7	130,409	8.9%	\$ 1,671,914	5,670	8.1%	\$ (507,853)	\$ 1,164,060.16	9.31%
	8	68,556	4.7%	\$ 878,927	5,180	7.4%	\$ (463,965)	\$ 414,962.16	3.32%
	9	45,490	3.1%	\$ 583,204	2,399	3.4%	\$ (214,875)	\$ 368,329.46	2.95%
	10	41,307	2.8%	\$ 529,578	2,380	3.4%	\$ (213,173)	\$ 316,404.94	2.53%
	11	48,186	3.3%	\$ 617,773	2,862	4.1%	\$ (256,345)	\$ 361,427.75	2.89%
	12	30,904	2.1%	\$ 396,206	1,189	1.7%	\$ (106,497)	\$ 289,709.14	2.32%
	13	38,500	2.6%	\$ 493,586	580	0.8%	\$ (51,950)	\$ 441,635.93	3.53%
	Subtotal	828,218	56.6%	\$ 10,618,198	39,834	57.1%	\$ (3,567,871)	\$ 7,050,326.29	56.40%
Non-MSA Counties and Counties with Only Rural Places	1	57,226	3.9%	\$ 733,664	3,114	4.5%	\$ (278,916)	\$ 454,747.65	3.64%
	2	44,312	3.0%	\$ 568,108	2,942	4.2%	\$ (263,511)	\$ 304,597.68	2.44%
	3	47,210	3.2%	\$ 605,252	2,418	3.5%	\$ (216,577)	\$ 388,675.56	3.11%
	4	118,286	8.1%	\$ 1,516,494	5,532	7.9%	\$ (495,493)	\$ 1,021,000.84	8.17%
	5	74,519	5.1%	\$ 955,370	3,406	4.9%	\$ (305,070)	\$ 650,300.12	5.20%
	6	35,046	2.4%	\$ 449,310	1,675	2.4%	\$ (150,027)	\$ 299,282.43	2.39%
	7	30,703	2.1%	\$ 393,626	1,384	2.0%	\$ (123,963)	\$ 269,662.93	2.16%
	8	47,500	3.2%	\$ 608,972	2,144	3.1%	\$ (192,035)	\$ 416,937.63	3.34%
	9	35,098	2.4%	\$ 449,976	1,363	2.0%	\$ (122,082)	\$ 327,894.28	2.62%
	10	45,798	3.1%	\$ 587,150	1,929	2.8%	\$ (172,778)	\$ 414,372.67	3.31%
	11	65,202	4.5%	\$ 835,925	2,609	3.7%	\$ (233,684)	\$ 602,241.23	4.82%
	12	27,984	1.9%	\$ 358,764	998	1.4%	\$ (89,389)	\$ 269,374.80	2.15%
	13	5,397	0.4%	\$ 69,190	431	0.6%	\$ (38,604)	\$ 30,585.89	0.24%
	Subtotal	634,279	43.4%	\$ 8,131,802	29,945	42.9%	\$ (2,682,129)	\$ 5,449,673.71	43.60%
Total	1,462,497	100%	\$ 18,750,000	69,779	100%	\$ (6,250,000)	\$ 12,500,000.00	100.00%	

Variables from Participating Jurisdictions (PJs) are not counted for HOME Program RAFs.

Total Sample Allocation: \$12,500,000
Weight of Need Variables: 150%
Weight of Availability Variables: -50%

Texas Department of Housing and Community Affairs
Draft Example 2019 SHTF Regional Allocation Formula

Table 1 - Raw Data

	Region	Individuals at or Below 200% Poverty	HH at or Below 200% Poverty	Cost-Burdened Owners	Cost-Burdened Renters	Over-crowded Owners	Over-crowded Renters	Total Units Lacking Plumbing	Total Units Lacking Kitchen	Vacant Units For Sale	Vacant Units For Rent	Land Area	Total Population	Inverse Population Density
MSA Counties with Urban Places	1	202,603	71,339	15,909	37,697	2,979	4,207	3,652	7,223	1,825	7,602	2,716	545,168	0.005
	2	103,106	36,305	7,626	17,976	1,067	1,492	4,700	5,746	1,678	4,373	2,472	287,326	0.009
	3	2,301,829	810,503	265,443	443,579	39,247	76,356	27,166	56,854	18,111	78,072	9,603	7,018,464	0.001
	4	187,699	66,091	15,077	27,968	3,148	2,662	5,928	7,950	2,605	5,771	2,663	476,806	0.006
	5	139,863	49,248	11,207	20,497	2,116	1,673	6,777	6,215	1,698	4,739	2,101	392,368	0.005
	6	2,194,388	772,672	229,351	400,064	40,675	70,609	37,129	55,387	19,968	76,386	7,612	6,453,485	0.001
	7	529,552	186,462	76,234	136,749	8,139	18,840	5,447	10,643	5,797	17,291	3,332	1,864,329	0.002
	8	339,161	119,423	26,269	66,956	3,653	5,894	6,845	12,073	3,975	15,281	4,438	880,216	0.005
	9	796,872	280,589	77,418	129,581	12,888	18,785	14,329	22,609	7,171	23,163	4,498	2,217,176	0.002
	10	198,757	69,985	16,097	32,946	3,913	5,613	6,829	10,246	1,865	5,664	2,666	538,091	0.005
	11	886,586	312,178	45,613	66,416	28,697	25,237	20,346	15,599	4,305	12,034	5,823	1,513,125	0.004
	12	127,971	45,060	11,681	20,853	3,294	4,155	4,668	5,886	1,097	3,591	4,235	430,709	0.010
	13	409,531	144,201	29,537	45,218	7,194	8,090	3,342	7,444	3,117	10,306	1,013	833,592	0.001
		Subtotal	8,417,918	2,964,056	827,462	1,446,500	157,010	243,613	147,158	223,875	73,212	264,273	53,171	23,450,855
Non-MSA Counties and Counties with Only Rural Places	1	127,694	44,963	6,256	9,559	2,822	2,704	8,256	11,868	1,405	3,114	36,633	317,381	0.115
	2	99,330	34,975	6,897	8,192	1,372	1,145	10,752	11,627	2,037	2,942	24,831	262,672	0.095
	3	95,934	33,780	8,357	11,850	1,908	1,580	3,837	5,952	2,363	2,418	5,417	252,265	0.021
	4	259,746	91,460	21,019	23,420	4,661	3,666	12,378	16,395	3,710	5,558	12,756	651,131	0.020
	5	158,920	55,958	9,914	16,542	2,521	2,019	10,442	11,517	2,627	3,406	9,910	379,907	0.026
	6	71,324	25,114	4,802	8,979	1,526	953	4,299	3,783	972	1,675	4,577	197,921	0.023
	7	66,691	23,483	8,441	6,278	1,423	942	3,529	4,976	1,351	1,384	5,105	195,075	0.026
	8	105,582	37,177	8,450	9,064	2,306	1,259	8,119	9,309	2,168	2,144	12,672	282,933	0.045
	9	75,885	26,720	7,251	6,744	2,298	1,634	4,324	4,946	1,504	1,363	6,857	224,932	0.030
	10	96,505	33,981	4,850	9,534	2,783	2,283	7,552	7,455	856	1,929	14,905	249,946	0.060
	11	152,795	53,801	5,883	8,194	4,600	3,207	7,232	6,387	846	2,609	18,214	276,474	0.066
	12	62,243	21,917	2,999	4,990	1,369	1,077	5,517	6,327	943	998	35,496	190,650	0.186
	13	11,953	4,209	524	1,018	284	170	1,070	1,359	295	431	20,687	24,293	0.852
		Subtotal	1,384,602	487,536	95,643	124,364	29,873	22,639	87,307	101,901	21,077	29,971	208,060	3,505,580
	Total	9,802,520	3,451,592	923,105	1,570,864	186,883	266,252	234,465	325,776	94,289	294,244	261,232	26,956,435	1.621

Texas Average HH Size: 2.84

Texas Department of Housing and Community Affairs
Draft Example 2019 SHTF Regional Allocation Formula

Table 2 - Weights

	Region	Total Need Variables	% of Total Need Variables	Weighted	Total Availability Variables	% of Total Availability Variables	Weighted	Regional Coverage Factor	% of Total Regional Coverage Factor	Weighted	Final Subregion Allocation	% of Total Award
MSA Counties with Urban Places	1	143,006	2.1%	\$ 61,650	9,427	2.4%	\$ (14,558)	0.005	0.3%	\$ 1,844	\$ 48,936	1.63%
	2	74,912	1.1%	\$ 32,295	6,051	1.6%	\$ (9,344)	0.009	0.5%	\$ 3,185	\$ 26,135	0.87%
	3	1,719,148	24.7%	\$ 741,125	96,183	24.8%	\$ (148,533)	0.001	0.1%	\$ 507	\$ 593,099	19.77%
	4	128,824	1.9%	\$ 55,536	8,376	2.2%	\$ (12,935)	0.006	0.3%	\$ 2,067	\$ 44,669	1.49%
	5	97,733	1.4%	\$ 42,133	6,437	1.7%	\$ (9,940)	0.005	0.3%	\$ 1,982	\$ 34,174	1.14%
	6	1,605,887	23.1%	\$ 692,298	96,354	24.8%	\$ (148,797)	0.001	0.1%	\$ 437	\$ 543,938	18.13%
	7	442,514	6.4%	\$ 190,768	23,088	5.9%	\$ (35,654)	0.002	0.1%	\$ 662	\$ 155,775	5.19%
	8	241,113	3.5%	\$ 103,944	19,256	5.0%	\$ (29,736)	0.005	0.3%	\$ 1,867	\$ 76,074	2.54%
	9	556,199	8.0%	\$ 239,777	30,334	7.8%	\$ (46,844)	0.002	0.1%	\$ 751	\$ 193,685	6.46%
	10	145,629	2.1%	\$ 62,781	7,529	1.9%	\$ (11,627)	0.005	0.3%	\$ 1,834	\$ 52,988	1.77%
	11	514,086	7.4%	\$ 221,623	16,339	4.2%	\$ (25,232)	0.004	0.2%	\$ 1,425	\$ 197,816	6.59%
	12	95,597	1.4%	\$ 41,212	4,688	1.2%	\$ (7,240)	0.010	0.6%	\$ 3,640	\$ 37,612	1.25%
	13	245,026	3.5%	\$ 105,631	13,423	3.5%	\$ (20,729)	0.001	0.1%	\$ 450	\$ 85,352	2.85%
	Subtotal	6,009,674	86.4%	\$ 2,590,772	337,485	86.9%	\$ (521,168)	0.056	3.4%	\$ 20,650	\$ 2,090,254	69.68%
Non-MSA Counties and Counties with Only Rural Places	1	86,428	1.2%	\$ 37,259	4,519	1.2%	\$ (6,979)	0.115	7.1%	\$ 42,730	\$ 73,010	2.43%
	2	74,960	1.1%	\$ 32,315	4,979	1.3%	\$ (7,689)	0.095	5.8%	\$ 34,996	\$ 59,623	1.99%
	3	67,264	1.0%	\$ 28,997	4,781	1.2%	\$ (7,383)	0.021	1.3%	\$ 7,950	\$ 29,564	0.99%
	4	172,999	2.5%	\$ 74,580	9,268	2.4%	\$ (14,312)	0.020	1.2%	\$ 7,253	\$ 67,520	2.25%
	5	108,913	1.6%	\$ 46,952	6,033	1.6%	\$ (9,317)	0.026	1.6%	\$ 9,657	\$ 47,292	1.58%
	6	49,456	0.7%	\$ 21,321	2,647	0.7%	\$ (4,088)	0.023	1.4%	\$ 8,562	\$ 25,795	0.86%
	7	49,072	0.7%	\$ 21,155	2,735	0.7%	\$ (4,224)	0.026	1.6%	\$ 9,688	\$ 26,619	0.89%
	8	75,684	1.1%	\$ 32,627	4,312	1.1%	\$ (6,659)	0.045	2.8%	\$ 16,581	\$ 42,549	1.42%
	9	53,917	0.8%	\$ 23,244	2,867	0.7%	\$ (4,427)	0.030	1.9%	\$ 11,285	\$ 30,102	1.00%
	10	68,438	1.0%	\$ 29,503	2,785	0.7%	\$ (4,301)	0.060	3.7%	\$ 22,076	\$ 47,279	1.58%
	11	89,304	1.3%	\$ 38,499	3,455	0.9%	\$ (5,335)	0.066	4.1%	\$ 24,389	\$ 57,553	1.92%
	12	44,196	0.6%	\$ 19,053	1,941	0.5%	\$ (2,997)	0.186	11.5%	\$ 68,926	\$ 84,982	2.83%
	13	8,634	0.1%	\$ 3,722	726	0.2%	\$ (1,121)	0.852	52.5%	\$ 315,258	\$ 317,858	10.60%
	Subtotal	949,263	13.6%	\$ 409,228	51,048	13.1%	\$ (78,832)	1.565	96.6%	\$ 579,350	\$ 909,746	30.32%
	Total	6,958,937	100%	\$ 3,000,000	388,533	100%	\$ (600,000)	1.621	200.0%	\$ 600,000	\$ 3,000,000	100.00%

Total Sample Allocation: \$3,000,000

Weight of Need Variables: 100%

Weight of Availability Variables: -20%

Weight of Regional Coverage Factor: 20%

Texas Department of Housing and Community Affairs
Draft Example 2019 HOME SF Regional Allocation Formula

Table 1 - Raw Data

	Region	Individuals at or Below 200% Poverty	HH at or Below 200% Poverty	Cost-Burdened Owners	Cost-Burdened Renters	Over-crowded Owners	Over-crowded Renters	Total Units Lacking Plumbing	Total Units Lacking Kitchen	Vacant Units For Sale	Vacant Units For Rent	Land Area	Total Population	Inverse Population Density
MSA Counties with Urban Places	1	29,020	10,218	2,757	3,233	401	532	1,134	1,601	324	680	2,494	103,091	0.024
	2	17,689	6,229	1,976	1,685	229	142	1,710	1,827	435	497	2,293	59,701	0.038
	3	479,987	169,010	86,106	78,902	8,956	10,129	9,472	18,301	5,830	10,998	7,665	2,062,220	0.004
	4	108,717	38,281	9,975	12,345	1,876	1,519	5,272	5,928	1,554	2,191	2,557	295,211	0.009
	5	60,739	21,387	6,453	6,791	1,104	736	3,235	3,155	963	1,648	1,941	219,726	0.009
	6	125,832	44,307	14,219	17,391	2,772	2,030	3,923	4,435	2,066	3,560	2,606	428,761	0.006
	7	230,395	81,125	44,118	44,096	4,693	5,188	2,636	5,327	3,925	5,670	3,034	956,550	0.003
	8	133,986	47,178	12,668	19,109	1,799	2,269	3,955	7,086	2,002	5,180	4,202	425,576	0.010
	9	90,925	32,016	13,884	11,644	1,957	1,830	2,697	3,459	1,064	2,399	3,258	358,410	0.009
	10	81,508	28,700	6,351	10,272	1,656	2,335	3,816	5,321	734	2,380	2,508	218,041	0.012
	11	113,095	39,822	4,715	5,330	3,819	3,034	4,085	2,762	632	2,862	3,991	185,376	0.022
	12	56,925	20,044	6,222	8,332	1,859	2,528	2,384	2,964	539	1,189	4,136	217,757	0.019
	13	92,350	32,518	5,544	4,567	2,739	1,415	1,074	1,856	492	580	757	155,534	0.005
	Subtotal	1,621,168	570,834	214,988	223,697	33,860	33,687	45,393	64,022	20,560	39,834	41,442	5,685,954	0.169
Non-MSA Counties and Counties with Only Rural Places	1	127,694	44,963	6,256	9,559	2,822	2,704	8,256	11,868	1,405	3,114	36,633	317,381	0.115
	2	99,330	34,975	6,897	8,192	1,372	1,145	10,752	11,627	2,037	2,942	24,831	262,672	0.095
	3	95,934	33,780	8,357	11,850	1,908	1,580	3,837	5,952	2,363	2,418	5,417	252,265	0.021
	4	259,236	91,280	20,963	23,340	4,661	3,666	12,353	16,370	3,710	5,532	12,753	648,596	0.020
	5	158,920	55,958	9,914	16,542	2,521	2,019	10,442	11,517	2,627	3,406	9,910	379,907	0.026
	6	71,324	25,114	4,802	8,979	1,526	953	4,299	3,783	972	1,675	4,577	197,921	0.023
	7	66,691	23,483	8,441	6,278	1,423	942	3,529	4,976	1,351	1,384	5,105	195,075	0.026
	8	105,582	37,177	8,450	9,064	2,306	1,259	8,119	9,309	2,168	2,144	12,672	282,933	0.045
	9	75,885	26,720	7,251	6,744	2,298	1,634	4,324	4,946	1,504	1,363	6,857	224,932	0.030
	10	96,505	33,981	4,850	9,534	2,783	2,283	7,552	7,455	856	1,929	14,903	249,946	0.060
	11	152,795	53,801	5,883	8,194	4,600	3,207	7,232	6,387	846	2,609	18,214	276,474	0.066
	12	62,243	21,917	2,999	4,990	1,369	1,077	5,517	6,327	943	998	35,496	190,650	0.186
	13	11,953	4,209	524	1,018	284	170	1,070	1,359	295	431	20,687	24,293	0.852
	Subtotal	1,384,092	487,356	95,587	124,284	29,873	22,639	87,282	101,876	21,077	29,945	208,054	3,503,045	1.565
	Total	3,005,260	1,058,190	310,575	347,981	63,733	56,326	132,675	165,898	41,637	69,779	249,496	9,188,999	1.734

Variables from Participating Jurisdictions (PJs) are not counted for HOME Program RAFs.

Texas Average HH Size: 2.84

Texas Department of Housing and Community Affairs
Draft Example 2019 HOME SF Regional Allocation Formula

Table 2 - Weights

	Region	Total Need Variables	% of Total Need Variables	Weighted	Total Availability Variables	% of Total Availability Variables	Weighted	Regional Coverage Factor	% of Total Regional Coverage Factor	Weighted	Initial Subregion Allocation	% of Total Award
MSA Counties with Urban Places	1	19,876	0.9%	\$ 139,621	1,004	0.9%	\$ (27,034)	0.024	1.4%	\$ 41,851	\$ 154,438	1.03%
	2	13,798	0.6%	\$ 96,921	932	0.8%	\$ (25,095)	0.038	2.2%	\$ 66,451	\$ 138,277	0.92%
	3	380,876	17.8%	\$ 2,675,466	16,828	15.1%	\$ (453,113)	0.004	0.2%	\$ 6,431	\$ 2,228,785	14.86%
	4	75,196	3.5%	\$ 528,213	3,745	3.4%	\$ (100,838)	0.009	0.5%	\$ 14,984	\$ 442,358	2.95%
	5	42,861	2.0%	\$ 301,078	2,611	2.3%	\$ (70,304)	0.009	0.5%	\$ 15,283	\$ 246,056	1.64%
	6	89,077	4.2%	\$ 625,723	5,626	5.0%	\$ (151,486)	0.006	0.4%	\$ 10,516	\$ 484,753	3.23%
	7	187,183	8.8%	\$ 1,314,870	9,595	8.6%	\$ (258,356)	0.003	0.2%	\$ 5,488	\$ 1,062,002	7.08%
	8	94,064	4.4%	\$ 660,755	7,182	6.4%	\$ (193,383)	0.010	0.6%	\$ 17,084	\$ 484,456	3.23%
	9	67,487	3.2%	\$ 474,062	3,463	3.1%	\$ (93,245)	0.009	0.5%	\$ 15,729	\$ 396,546	2.64%
	10	58,451	2.7%	\$ 410,590	3,114	2.8%	\$ (83,848)	0.012	0.7%	\$ 19,901	\$ 346,643	2.31%
	11	63,567	3.0%	\$ 446,529	3,494	3.1%	\$ (94,080)	0.022	1.2%	\$ 37,253	\$ 389,702	2.60%
	12	44,333	2.1%	\$ 311,418	1,728	1.6%	\$ (46,528)	0.019	1.1%	\$ 32,863	\$ 297,753	1.99%
	13	49,713	2.3%	\$ 349,207	1,072	1.0%	\$ (28,865)	0.005	0.3%	\$ 8,426	\$ 328,768	2.19%
	Subtotal	1,186,481	55.6%	\$ 8,334,455	60,394	54.2%	\$ (1,626,176)	0.169	9.7%	\$ 292,258	\$ 7,000,537	46.67%
Non-MSA Counties and Counties with Only Rural Places	1	86,428	4.0%	\$ 607,113	4,519	4.1%	\$ (121,679)	0.115	6.7%	\$ 199,701	\$ 685,135	4.57%
	2	74,960	3.5%	\$ 526,560	4,979	4.5%	\$ (134,065)	0.095	5.5%	\$ 163,557	\$ 556,052	3.71%
	3	67,264	3.1%	\$ 472,494	4,781	4.3%	\$ (128,734)	0.021	1.2%	\$ 37,154	\$ 380,915	2.54%
	4	172,633	8.1%	\$ 1,212,665	9,242	8.3%	\$ (248,851)	0.020	1.1%	\$ 34,019	\$ 997,833	6.65%
	5	108,913	5.1%	\$ 765,059	6,033	5.4%	\$ (162,445)	0.026	1.5%	\$ 45,132	\$ 647,746	4.32%
	6	49,456	2.3%	\$ 347,405	2,647	2.4%	\$ (71,273)	0.023	1.3%	\$ 40,014	\$ 316,146	2.11%
	7	49,072	2.3%	\$ 344,705	2,735	2.5%	\$ (73,643)	0.026	1.5%	\$ 45,275	\$ 316,338	2.11%
	8	75,684	3.5%	\$ 531,642	4,312	3.9%	\$ (116,105)	0.045	2.6%	\$ 77,492	\$ 493,028	3.29%
	9	53,917	2.5%	\$ 378,741	2,867	2.6%	\$ (77,197)	0.030	1.8%	\$ 52,743	\$ 354,287	2.36%
	10	68,438	3.2%	\$ 480,741	2,785	2.5%	\$ (74,989)	0.060	3.4%	\$ 103,159	\$ 508,911	3.39%
	11	89,304	4.2%	\$ 627,318	3,455	3.1%	\$ (93,030)	0.066	3.8%	\$ 113,986	\$ 648,274	4.32%
	12	44,196	2.1%	\$ 310,452	1,941	1.7%	\$ (52,264)	0.186	10.7%	\$ 322,132	\$ 580,321	3.87%
	13	8,634	0.4%	\$ 60,648	726	0.7%	\$ (19,548)	0.852	49.1%	\$ 1,473,379	\$ 1,514,479	10.10%
	Subtotal	948,897	44.4%	\$ 6,665,545	51,022	45.8%	\$ (1,373,824)	1.565	90.3%	\$ 2,707,742	\$ 7,999,463	53.33%
	Total	2,135,378	100%	\$ 15,000,000	111,416	100%	\$ (3,000,000)	1.734	200.0%	\$ 3,000,000	\$ 15,000,000	100.00%

Variables from Participating Jurisdictions (PJs) are not counted for HOME Program RAFs.

Total Sample Allocation: \$15,000,000
Weight of Need Variables: 100%
Weight of Availability Variables: -20%
Weight of Regional Coverage Factor: 20%

Texas Department of Housing and Community Affairs
Draft Example 2019 HOME SF Regional Allocation Formula

Table 3 - Supplemental Allocation

	Region	Initial Subregion Amount	Supplemental Amount Needed to Reach Subregion Floor	Final Subregion Allocation	% of Total Award
MSA Counties with Urban Places	1	\$ 154,438.31	\$ -	\$ 154,438.31	1.03%
	2	\$ 138,277.23	\$ -	\$ 138,277.23	0.92%
	3	\$ 2,228,784.52	\$ -	\$ 2,228,784.52	14.86%
	4	\$ 442,358.40	\$ -	\$ 442,358.40	2.95%
	5	\$ 246,056.14	\$ -	\$ 246,056.14	1.64%
	6	\$ 484,753.37	\$ -	\$ 484,753.37	3.23%
	7	\$ 1,062,001.62	\$ -	\$ 1,062,001.62	7.08%
	8	\$ 484,455.53	\$ -	\$ 484,455.53	3.23%
	9	\$ 396,546.15	\$ -	\$ 396,546.15	2.64%
	10	\$ 346,642.64	\$ -	\$ 346,642.64	2.31%
	11	\$ 389,701.72	\$ -	\$ 389,701.72	2.60%
	12	\$ 297,752.80	\$ -	\$ 297,752.80	1.99%
	13	\$ 328,768.31	\$ -	\$ 328,768.31	2.19%
	Subtotal	\$ 7,000,536.73	\$ -	\$ 7,000,536.73	46.67%
Non-MSA Counties and Counties with Only Rural Places	1	\$ 685,134.52	\$ -	\$ 685,134.52	4.57%
	2	\$ 556,051.94	\$ -	\$ 556,051.94	3.71%
	3	\$ 380,914.65	\$ -	\$ 380,914.65	2.54%
	4	\$ 997,833.03	\$ -	\$ 997,833.03	6.65%
	5	\$ 647,745.72	\$ -	\$ 647,745.72	4.32%
	6	\$ 316,146.08	\$ -	\$ 316,146.08	2.11%
	7	\$ 316,337.73	\$ -	\$ 316,337.73	2.11%
	8	\$ 493,028.35	\$ -	\$ 493,028.35	3.29%
	9	\$ 354,287.03	\$ -	\$ 354,287.03	2.36%
	10	\$ 508,910.80	\$ -	\$ 508,910.80	3.39%
	11	\$ 648,273.83	\$ -	\$ 648,273.83	4.32%
	12	\$ 580,321.07	\$ -	\$ 580,321.07	3.87%
	13	\$ 1,514,478.52	\$ -	\$ 1,514,478.52	10.10%
	Subtotal	\$ 7,999,463.27	\$ -	\$ 7,999,463.27	53.33%
Total	\$ 15,000,000.00	\$ -	\$ 15,000,000.00	100.00%	

Variables from Participating Jurisdictions (PJs) are not counted for HOME Program RAFs.

Subregion Allocation Floor: \$100,000.00

1f

BOARD ACTION REQUEST

BOND FINANCE DIVISION

MAY 24, 2018

Presentation, discussion, and possible action on Resolution No. 18-020 authorizing the filing of one or more applications for reservation with the Texas Bond Review Board with respect to qualified mortgage bonds; authorizing state debt application; approving an underwriting team; and containing other provisions relating to the subject

RECOMMENDED ACTION

Approve the attached resolution.

BACKGROUND

Historically, single family mortgage revenue bonds ("MRBs") have been the primary financing method for providing homeownership opportunities through the Department's first-time homebuyer program. Since the collapse of the housing market in 2008, the economics of traditional MRBs have been difficult at best; costs have been high and the resulting mortgage rates unattractive. Recently however, many housing finance authorities, including the Department, have included MRBs in their overall financing plan, taking advantage of specialized and targeted structures and investor appetite for higher yielding bonds. The Department successfully issued MRBs in October 2015, February 2016, and June 2017.

Staff has been working with the Department's Financial Advisor and Bond Counsel to evaluate market conditions and various structure options for a new money single family mortgage revenue bond program. Based on current market conditions, staff is requesting Board authorization to begin moving forward with the issuance of MRBs. The preliminary structure includes a tax-exempt series not to exceed \$150 million (the "2018A Bonds") and a taxable series not to exceed \$50 million (the "2018B Bonds").

In order to begin the issuance of tax exempt single family MRBs, the Department must submit an application to the Texas Bond Review Board to draw down private activity bond authority known as volume cap. Staff is requesting authorization to apply for an amount not-to-exceed \$150 million in single family private activity bond authority for the 2018A Bonds. The 2018B Bonds require no private activity bond authority.

At this time, staff is not seeking nor is the Board granting, final approval of a bond issue with respect to the financing structure, target mortgage rates, timing, and/or size of the issue. Staff will return to the Board with those specifics, and with substantially final documents, at a later date for final Board approval before pricing and selling the Bonds.

Staff recommends RBC Capital Markets as the Senior and Book-Running Manager, Jefferies as Co-Senior Manager, and J.P. Morgan and Fidelity Capital Markets as Co-Managers for this transaction. Exhibit A lists the current members of the Department's underwriting team, and Exhibit B details the recent history of underwriter roles for the Department's SFMRBs.

Key dates for this transaction are preliminary and subject to change:

06/21/2018	Board Books for the meeting to be held June 28, 2018, are posted and include substantially final documents
06/27/2018	Exempt Issuer – State Debt Notice of Intent and Application is filed with the Texas Bond Review Board
06/28/2018	Board meeting to grant final approval for the bond issue, including approval of substantially final documents
07/19/2018*	BRB approval is received
07/19/2018	Preliminary Official Statement is distributed
08/01/2018	Bonds (and Guaranteed Investment Contract if applicable) are priced and the Bond Purchase Agreement is executed
08/08/2018	Official Statement is distributed
09/12/2018	Bond issue closes

*Approval is expected prior to the BRB meeting on July 19, 2018.

Exhibit A

Texas Department of Housing and Community Affairs Current Underwriting Team

<u>Underwriter</u>	<u>Eligible Role</u>
Fidelity Capital Markets	Co Manager
J.P. Morgan	Senior or Co Manager
Jefferies	Senior or Co Manager
Piper Jaffray & Co.	Co Manager
Ramirez & Co., Inc.	Senior or Co Manager
RBC Capital Markets	Senior or Co Manager

The term of the current Underwriting Team expires August 31, 2018, and may be extended in one year increments until August 31, 2020.

Exhibit B

Texas Department of Housing and Community Affairs
Underwriting Roles, Recent History

Prior Underwriting Team				Current Underwriting Team	
Total Par Amount		\$53,695,000	\$91,245,000	Total Par Amount \$133,700,952	
Series and Description	2015 Series A Taxable Refunding and 2015 Series B Tax-Exempt New Money	2016 Series A Tax-Exempt New Money and 2016 Series B Taxable Refunding		Series and Description	2017 Series A Tax-Exempt New Money and 2017 Series B Taxable Refunding and 2017 Series C Taxable New Money
Date Issued	10/29/2015	2/24/2016		Date Issued	6/22/2017
Underwriter	Eligible Role	Role on Transaction	Role on Transaction	Eligible Role	Role on Transaction
Estrada Hinojosa & Co., Inc.	Co Manager	Co Manager	N/A	Not on UW Team	Not on UW Team
Fidelity Capital Markets	Not on UW Team	Not on UW Team	Not on UW Team	Co Manager	N/A
J.P. Morgan	Senior or Co Manager	N/A	Senior Manager	Senior or Co Manager	N/A
Jefferies	Not on UW Team	Not on UW Team	Not on UW Team	Senior or Co Manager	Co Manager
Loop Capital Markets	Co Manager	N/A	N/A	Not on UW Team	Not on UW Team
Morgan Stanley & Co.	Senior or Co Manager	Senior Manager	Co Manager	Not on UW Team	Not on UW Team
Piper Jaffray & Co.	Not on UW Team	Not on UW Team	Not on UW Team	Co Manager	N/A
Ramirez & Co., Inc.	Senior or Co Manager	Co Manager	Co Manager	Senior or Co Manager	Senior Manager
Raymond James & Associates	Co Manager	N/A	N/A	Not on UW Team	Not on UW Team
RBC Capital Markets	Co Manager	Co Manager	Co Manager	Senior or Co Manager	Co Manager

RESOLUTION NO. 18-020

RESOLUTION AUTHORIZING THE FILING OF ONE OR MORE APPLICATIONS FOR RESERVATION WITH THE TEXAS BOND REVIEW BOARD WITH RESPECT TO QUALIFIED MORTGAGE BONDS; AUTHORIZING STATE DEBT APPLICATION; APPROVING AN UNDERWRITING TEAM; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the Texas Department of Housing and Community Affairs (the "Department") has been duly created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as amended from time to time (the "Act"), for the purpose, among others, of providing a means of financing the costs of residential ownership, development and rehabilitation that will provide decent, safe, and affordable living environments for persons and families of low and very low income (as defined in the Act) and families of moderate income (as described in the Act and determined by the Governing Board of the Department (the "Board") from time to time) at prices they can afford; and

WHEREAS, the Act authorizes the Department: (a) to make, acquire and finance, and to enter into advance commitments to make, acquire and finance, mortgage loans and participating interests therein, secured by mortgages on residential housing in the State of Texas (the "State"); (b) to issue its bonds, for the purpose, among others, of obtaining funds to acquire or finance such mortgage loans, to establish necessary reserve funds and to pay administrative and other costs incurred in connection with the issuance of such bonds; and (c) to pledge all or any part of the revenues, receipts or resources of the Department, including the revenues and receipts to be received by the Department from such single family mortgage loans or participating interests, and to mortgage, pledge or grant security interests in such mortgages or participating interests, mortgage loans or other property of the Department, to secure the payment of the principal or redemption price of and interest on such bonds; and (d) to issue its revenue bonds for the purpose of refunding any bonds theretofore issued by the Department; and

WHEREAS, Section 103 and Section 143 of the Internal Revenue Code of 1986, as amended (the "Code"), provide that the interest on obligations issued by or on behalf of a state or a political subdivision thereof the proceeds of which are to be used to finance owner-occupied residences will be excludable from gross income of the owners thereof for federal income tax purposes if such issue meets certain requirements set forth in Section 143 of the Code; and

WHEREAS, Section 146(a) of the Code requires that certain "private activity bonds" (as defined in Section 141(a) of the Code) must come within the issuing authority's private activity bond limit for the applicable calendar year in order to be treated as obligations the interest on which is excludable from the gross income of the holders thereof for federal income tax purposes; and

WHEREAS, the private activity bond "State ceiling" (as defined in Section 146(d) of the Code) applicable to the State is subject to allocation, in the manner authorized by Section 146(e) of the Code, pursuant to Chapter 1372, Texas Government Code, as amended (the "Allocation Act"); and

WHEREAS, the Allocation Act requires the Department, in order to reserve a portion of the State ceiling for qualified mortgage bonds (the "Reservation") and satisfy the requirements of Section 146(a) of the Code, to file an application for reservation (the "Application for Reservation") with the Texas Bond Review Board (the "Bond Review Board"), stating the maximum amount of the bonds requiring an allocation, the purpose of the bonds and the section of the Code applicable to the bonds; and

WHEREAS, the Allocation Act and the rules promulgated thereunder by the Bond Review Board (the "Allocation Rules") require that the Application for Reservation be accompanied by a certified copy of the resolution of the issuer authorizing the filing of the Application for Reservation; and

WHEREAS, the Board has determined to authorize the filing of one or more Applications for Reservation in the maximum aggregate amount of \$150,000,000 with respect to qualified mortgage bonds; and

WHEREAS, the Board further desires to approve an application to the Bond Review Board for approval of state bonds; and

WHEREAS, the Board further desires to approve an underwriting team for the qualified mortgage bonds referenced in this Resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS THAT:

ARTICLE 1

APPROVAL OF CERTAIN ACTIONS

Section 1.1 Applications for Reservation. The Board hereby authorizes Bracewell LLP, as Bond Counsel to the Department, to file on its behalf with the Bond Review Board one or more Applications for Reservation in the maximum aggregate amount of \$150,000,000 with respect to qualified mortgage bonds, together with any other documents and opinions required by the Bond Review Board as a condition to the granting of one or more Reservations.

Section 1.2 State Debt Application. The Board hereby authorizes and approves the submission of the application for approval of state bonds to the Bond Review Board on behalf of the Department in accordance with Chapter 1231, Texas Government Code.

Section 1.3 Authorization of Certain Actions. The Authorized Representatives of the Department named in this Resolution are hereby authorized to take such actions on behalf of the Department as may be necessary to carry out the purposes of this Resolution, including the submission of any carryforward designation requests for such Reservations.

Section 1.4 Underwriting Team. From the approved current pool of underwriters, the Board designates RBC Capital Markets as the senior and book-running manager, Jeffries as co-senior manager and J.P. Morgan and Fidelity Capital Markets as the co-managers.

Section 1.5 Authorized Representatives. The following persons are hereby named as authorized representatives of the Department for purposes of executing, attesting, affixing the Department's seal to, and delivering the documents and instruments and taking the other actions referred to in this Article 1: the Chair or Vice Chair of the Board, the Executive Director of the Department, the Deputy Executive Directors of the Department, the Chief Financial Officer of the Department, the Chief Investment Officer of the Department, the Director of Texas Homeownership of the Department, the Director of Multifamily Finance of the Department, and the Secretary or any Assistant Secretary to the Board. Such persons are referred to herein collectively as the "Authorized Representatives." Any one of the Authorized Representatives is authorized to act individually as set forth in this Resolution.

ARTICLE 2

GENERAL PROVISIONS

Section 2.1 Notice of Meeting. This Resolution was considered and adopted at a meeting of the Board that was noticed, convened, and conducted in full compliance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, and with §2306.032 of the Texas Government Code, regarding meetings of the Board.

Section 2.2 Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

PASSED AND APPROVED this 24th day of May, 2018.

Chair, Governing Board

ATTEST:

Secretary to the Governing Board

(SEAL)

1g

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
MAY 24, 2018

Presentation, discussion, and possible action on a Determination Notice for Housing Tax Credits with another Issuer (#18401 Pathways at Chalmers Courts South, Austin)

RECOMMENDED ACTION

WHEREAS, an application for 4% Housing Tax Credits for Pathways at Chalmers Courts South, sponsored by the Housing Authority of the City of Austin, Austin Affordable Housing Corporation, and Carleton Development, Ltd. was submitted on December 8, 2017;

WHEREAS, the Certification of Reservation from the Texas Bond Review Board was issued on May 11, 2018, and will expire on October 8, 2018;

WHEREAS, the proposed issuer of the bonds is the Austin Affordable PFC, Inc.;

WHEREAS, pursuant to 10 TAC §10.101(a)(3) of the Uniform Multifamily Rules related to Undesirable Neighborhood Characteristics, applicants are required to disclose to the Department the presence of certain characteristics of a proposed development site;

WHEREAS, the applicant has disclosed the presence of such characteristic, specifically the proposed Development is located within the attendance zone of a middle school that did not achieve the Met Standard rating by the Texas Education Agency (“TEA”) for 2017;

WHEREAS, staff has conducted a further review of the proposed development site and surrounding neighborhood and based on the mitigation provided, which includes a letter from the Superintendent for the Austin Independent School District (“AISD”), and the conclusions noted therein, staff recommends the proposed site be found eligible under 10 TAC §10.101(a)(3)(C)(vii) of the Uniform Multifamily Rules; and

WHEREAS, in accordance with 10 TAC §1.301(d)(1), the compliance history is designated as a Category 3 and deemed acceptable by Executive Award and Review Advisory Committee (“EARAC”) after review and discussion;

NOW, therefore, it is hereby

RESOLVED, that the site for Pathways at Chalmers Courts South is hereby found to be eligible; and

FURTHER RESOLVED, that the issuance of a Determination Notice of \$656,951 in 4% Housing Tax Credits, subject to underwriting conditions that may be applicable as found in the Real Estate Analysis report posted to the Department’s website for Pathways at Chalmers Courts South, is hereby approved as presented to this meeting.

BACKGROUND

General Information: Pathways at Chalmers Courts South is the proposed new construction of 86 units to be located at the southwest corner of East 3rd Street and Chalmers Avenue in Austin, Travis County. The proposed development will be part of the Housing Authority of the City of Austin's existing public housing development, Chalmers Courts, which will be reconstructed. The proposed development will be available new construction housing for these residents during the reconstruction. All of the units will be rent and income restricted at 60% of Area Median Family Income ("AMFI"). The site will serve a general population, and the site was recently re-zoned in order to conform to current zoning requirements. The census tract (0009.02) has a median household income of \$38,042, is in the fourth quartile, and has a poverty rate of 26.6%.

Site Analysis: The applicant disclosed that Pathways at Chalmers Courts South site violates 10 TAC §10.101(a)(3)(B)(iv) of the Uniform Multifamily Rules. The proposed Development Site is located within the attendance zone of Martin Middle School, which received an Improvement Requirement rating for 2017 and 2015. The middle school did achieve a Met Standard rating for the 2016 school year. The school failed to achieve the target score under Index 2 (relating to Student Progress) by one point, resulting in the Improvement Required rating. The Department received a letter from Paul Cruz, PhD., Superintendent for AISD, stating that AISD is confident that the middle school will achieve a Met Standard rating by the date the proposed Development is anticipated to be available for occupancy. Moreover, the Superintendent outlined current progress being made to meet the goals and performance objectives identified in the Campus Improvement Plan for Martin Middle School, along with a summarization of efforts being made to increase student performance.

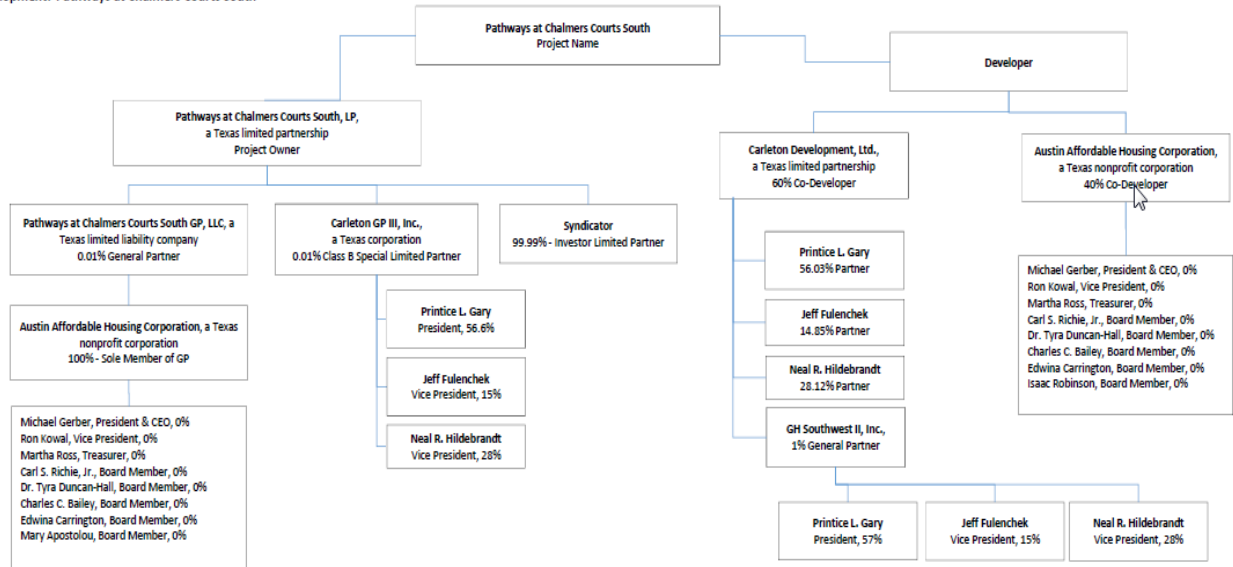
Staff believes the one year Improvement Required rating is not of such a nature or severity that should render the proposed Development ineligible based on the assessment and mitigation provided and believes that the application should be found eligible pursuant to 10 TAC §10.101(a)(3) of the Uniform Multifamily Rules.

Organizational Structure and Previous Participation: The Borrower is Pathways at Chalmers Courts South, LP and includes the entities and principals as illustrated in Exhibit A. The applicant's portfolio is considered a Category 3, and the previous participation was deemed acceptable by EARAC without further review or discussion. EARAC also reviewed the proposed financing and the underwriting report, and recommends issuance of a Determination Notice.

Public Comment: There have been no letters of support or opposition submitted to the Department.

EXHIBIT A

Organizational Chart
Development: Pathways at Chalmers Courts South



Guarantors:
Austin Affordable Housing Corporation
Carleton Development, Ltd.

18401 Pathways at Chalmers Courts South - Application Summary

PROPERTY IDENTIFICATION	
Application #	18401
Development	Pathways at Chalmers Courts South
City / County	Austin / Travis
Region/Area	7 / Urban
Population	General
Set-Aside	General
Activity	New Construction

RECOMMENDATION					
TDHCA Program	Request	Recommended			
LIHTC (4% Credit)	\$666,396	\$656,951	\$7,639/Unit	\$0.95	

KEY PRINCIPAL / SPONSOR		
Austin Affordable Housing Corporation Suzanne Schwertner Ron Kowal Will Henderson		
Related Parties	Contractor - Yes	Seller - Yes

TYPICAL BUILDING ELEVATION/PHOTO

Notes:

- Roof pitch to be 1/4" per foot
- All other sides of building are similar composition to the East elevation

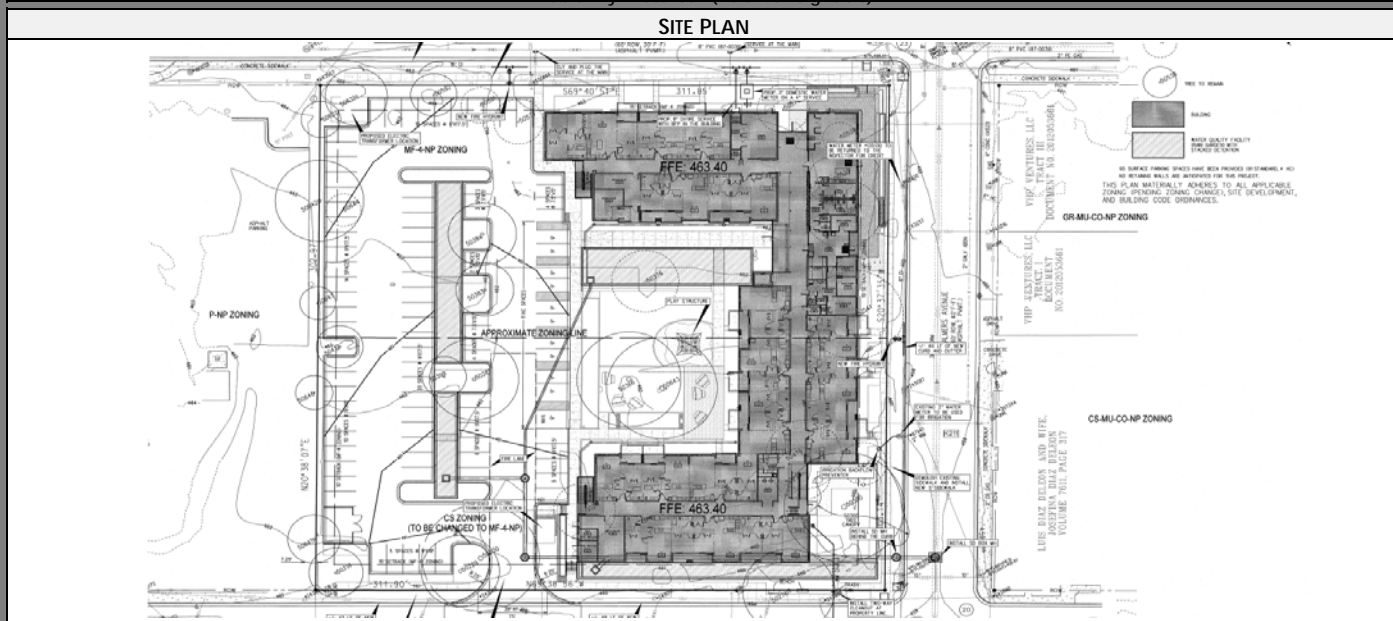
Building Skin Material Approximate Percentages:

Stucco/Brick:	60%
Fiber Cement Siding:	22%
Glazing:	18%

UNIT DISTRIBUTION			INCOME DISTRIBUTION		
# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0%	30%	-	0%
1	44	51%	40%	-	0%
2	32	37%	50%	-	0%
3	6	7%	60%	86	100%
4	4	5%	MR	-	✓
TOTAL	86	100%	TOTAL	86	100%

PRO FORMA FEASIBILITY INDICATORS

Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	✓ 1.21	Expense Ratio	✓ 45.5%
Breakeven Occ.	✓ 83.9%	Breakeven Rent	\$873
Average Rent	\$964	B/E Rent Margin	✓ \$90
Property Taxes	Exempt	Exemption/PILOT	100%
Total Expense	\$4,922/unit	Controllable	\$3,615/unit



MARKET FEASIBILITY INDICATORS

Gross Capture Rate (10% Maximum)	✓ 3.9%
Highest Unit Capture Rate	19% 2 BR/60% 32
Dominant Unit Cap. Rate	14% 1 BR/60% 44
Premiums (↑60% Rents)	No N/A
Rent Assisted Units	N/A

DEVELOPMENT COST SUMMARY

Costs Underwritten		Applicant's Costs	
Avg. Unit Size	846 SF	Density	39.6/acre
Acquisition	\$00K/unit		\$2K
Building Cost	\$103.53/SF	\$88K/unit	\$7,531K
Hard Cost		\$107K/unit	\$9,201K
Total Cost		\$187K/unit	\$16,101K
Developer Fee	\$1,976K	(30% Deferred)	Paid Year: 6
Contractor Fee	\$1,288K	30% Boost	Yes

DEBT (Must Pay)					CASH FLOW DEBT / GRANT FUNDS					EQUITY / DEFERRED FEES	
Source	Term/Amort	Rate	Amount	DCR	Source	Term	Rate	Amount	DCR	Source	Amount
Chase	20.5/35	4.99%	\$6,940,000	1.21	AAHC Cash Flow Loan	50/0	0.00%	\$2,337,502	1.21	National Equity Fund	\$6,239,785
										AAHC and Carleton Development, Ltd.	\$583,669
TOTAL DEBT (Must Pay)			\$6,940,000		CASH FLOW DEBT / GRANTS			\$2,337,502		TOTAL EQUITY SOURCES	\$6,823,454
										TOTAL DEBT SOURCES	\$9,277,502
										TOTAL CAPITALIZATION	\$16,100,956

CONDITIONS

- Receipt and acceptance by Cost Certification:
 - Certification that testing for asbestos was performed on the existing structures prior to demolition, and if necessary, a certification that any appropriate abatement procedures were implemented by a qualified abatement company.

Should any terms of the proposed capital structure change or if there are material changes to the overall development plan or costs, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted.

BOND RESERVATION / ISSUER

Issuer	Austin Affordable PFC, Inc.
Expiration Date	10/8/2018
Bond Amount	\$15,000,000
BRB Priority	Priority 3
Close Date	TBD
Bond Structure	Private Placement

AERIAL PHOTOGRAPH(S)



RISK PROFILE

STRENGTHS/MITIGATING FACTORS

- Location
- Developer experience
- Housing Authority involvement
- Healthy Expense to Income Ratio (45.5%)
- Green initiatives

WEAKNESSES/RISKS

- Low parking to unit ratio
- Feasibility dependent on property tax exemption



1h

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
MAY 24, 2018

Presentation, discussion, and possible action regarding a modification to the Subordinate Promissory Note for Houston DMA Housing, LLC

RECOMMENDED ACTION

WHEREAS, the Department awarded TCAP Repayment Funds (“TCAP RF”) under the 2015-1 Multifamily Development Program Notice of Funding Availability to Houston DMA Housing, LLC (“the Development Owner”) for the construction of Altura Heights on July 30, 2015;

WHEREAS, the Development Owner closed on the TCAP RF loan on August 10, 2016, and a Subordinate Promissory Note (“Note”), which identified a TCAP RF loan amount of \$800,000, was executed the same day;

WHEREAS, \$720,000 in TCAP RF has been disbursed to the Development Owner as reimbursement for construction costs;

WHEREAS, construction was completed in October 2017 and the Department issued a Final Construction Inspection Letter noting several deficiencies on December 19, 2017;

WHEREAS, the Development Owner has requested that the stated principal amount of the TCAP RF loan be reduced to the amount drawn – \$720,000 – since the deal has slightly more sources among debt and principal equity than there are uses; and

WHEREAS, 10 TAC §13.13(b) requires Board approval for a modification to the Direct Loan amount post-closing;

NOW, therefore, it is hereby

RESOLVED, that the Executive Director or his designee be and each of them hereby are authorized, empowered, and directed, for and on behalf of this Board to modify the Note to reflect a principal amount of \$720,000 while maintaining the monthly payment amount, interest rate, amortization, and term.

BACKGROUND

The TCAP RF loan for \$800,000 to Houston DMA Housing, LLC closed on August 10, 2016. Construction commenced soon thereafter and was completed in October 2017. Over the course of construction, \$720,000 in TCAP RF was drawn for construction costs. While \$80,000 remains

available, the Development Owner indicated that they would prefer not to draw those funds since the deal is slightly oversourced, and would prefer to reduce the principal amount of the TCAP RF loan as a result. The alternative to reducing the principal amount of the TCAP RF loan would be to reduce the housing tax credit allocation.

While the principal amount of the loan would be modified to reflect the amount drawn, the monthly principal and interest payments of \$3,372.83, interest rate of 3.0%, amortization of thirty years, and term of fifteen years will be maintained. As a result of this modification, the balloon payment in year 15 will be reduced. Additionally, the Department's projected Match as a result of the net present value of the yield foregone on the below market interest rate loan sourced with non-federal funds (TCAP RF) will decrease by approximately \$11,188.

The Department has historically not reduced the principal amounts of Direct Loans on tax credit layered deals that are oversourced at cost certification due to the commitment and expenditure deadlines associated with traditional Direct Loan sources such as HOME; preferring to cut credits instead. However, because the source of the Direct Loan for Houston DMA Housing, LLC is TCAP RF, which does not have any commitment and expenditure deadlines, staff is more willing to recommend approval of the request to reduce the principal amount.

Once the Note has been modified, the Department will de-obligate \$80,000 from Houston DMA Housing, LLC's TCAP RF Contract in the Housing Contract System, which will then become available in a future Direct Loan Notice of Funding Availability.

Andrew Sinnott

From: Valentin DeLeon [Valentind@dmacompanies.com]
Sent: Thursday, April 12, 2018 1:20 PM
To: Andrew Sinnott
Cc: Lucy Trevino
Subject: RE: Altura Heights - TCAP - TDHCA# 15306

Andrew,

You are correct. Let me know if you have any other questions. Our cost certification should be submitted by COB today and will include our final sources and uses.

Thanks again for all of your help.

Valentin DeLeon
Project Manager
DMA Development Company, LLC
4101 Parkstone Heights Drive, Suite 310
Austin, Texas 78746
Office: 512-328-3232 ext. 4514
Mobile:512-417-0985



From: Andrew Sinnott <andrew.sinnott@tdhca.state.tx.us>
Sent: Thursday, April 12, 2018 1:13 PM
To: Valentin DeLeon <Valentind@dmacompanies.com>
Cc: Lucy Trevino <lucy.trevino@tdhca.state.tx.us>
Subject: RE: Altura Heights - TCAP - TDHCA# 15306

Hi Valentin,

I think you had told me on the phone that the primary reason for this request was that this deal was slightly oversourced and you would prefer that the reduction come from the principal amount of the TCAP RF loan (while maintaining the planned monthly payment amounts) rather than from the credits, is that correct? Regardless of the reason, I believe a reduction in the principal amount of the TCAP RF loan should be possible since TCAP RF does not have any commitment or expenditure deadlines associated with it.

Once I get a response, we will route this Note Modification request through Multifamily, Asset Management, and Legal and let you know if we need anything else.

Thanks,

Andrew Sinnott
Multifamily Loan Programs Administrator
512.475.0538

Any person receiving guidance from TDHCA staff should be mindful that, as set forth in 10 TAC Section 11.1(b), there are important limitations and caveats (Also see 10 TAC §10.2(b)).

From: Valentin DeLeon [<mailto:Valentind@dmacompanies.com>]
Sent: Thursday, April 12, 2018 10:16 AM

To: Andrew Sinnott
Cc: Lucy Trevino; Valentin DeLeon
Subject: Altura Heights - TCAP - TDHCA# 15306

Andrew,

Pursuant to our conversation earlier this week, please accept this email as our formal request to modify our TCAP loan amount from \$800,000 to \$720,000. As we discussed, we acknowledge that our debt service will remain at \$40,474.

Our close out documentation will be submitted under separate cover later this week. Please confirm receipt, and let me know what other documentation you may need from me to get started.

Regards,

Valentin DeLeon
Project Manager
DMA Development Company, LLC
4101 Parkstone Heights Drive, Suite 310
Austin, Texas 78746
Office: 512-328-3232 ext. 4514
Mobile:512-417-0985



1i

BOARD ACTION ITEM
MULTIFAMILY FINANCE DIVISION
MAY 25, 2018

Presentation, discussion, and possible action regarding determinations of eligibility under 10 TAC 10.201(1)(m) related to Ineligible Applicants and Applications

18033	The Miramonte	Fifth Street CDP
18047	Miramonte Single Living	Fifth Street CDP
18052	Nacogdoches Lofts	San Antonio
18053	Alazan Lofts	San Antonio
18054	Piedmont Lofts	San Antonio
18086	Village at Overlook	San Antonio
18096	Patriot Park Family	Plano
18106	Hallsville Estates	Hallsville
18109	The Trails at San Angelo	San Angelo
18186	Avanti at Greenwood	Corpus Christi
18188	Avanti at Sienna Palms	Weslaco
18204	Cielo at Mountain Creek	Dallas
18219	Cypress Creek Apartment Homes at Park South View	Houston
18250	Sweetbriar Hills	Jasper
18298	Heritage at Wylie	Wylie
18306	Campanile on Commerce	Houston
18320	Seaside Lodge Chesapeake	Seabrook
18327	Scott Street Lofts	Houston
18331	Greens at Mission Bend	Houston
18333	Fulton Lofts	Houston
18357	Capella	Brownsville
18358	Ovation Sr Living	Brownsville

RECOMMENDED ACTION

WHEREAS, Applicants are required by 10 TAC §10.202(1)(m) to disclose any other affordable housing transaction that has terminated voluntarily or involuntarily in the ten years preceding submission of the Application, or plans or negotiation to terminate their relationship with an affordable housing development in the future;

WHEREAS, the Applicants for 2018 Competitive Housing Tax Credits listed herein have disclosed terminations in their Applications, and provided the required information; and

WHEREAS, Staff has reviewed the disclosures and recommends that the Applicants be found eligible under this section;

NOW, therefore, it is hereby

RESOLVED, that the Applicants described herein are found eligible under 10 TAC §10.202(1)(m) related to Ineligible Applicants and Applications.

BACKGROUND

10 TAC §10.202(1)(m) requires that Applicants for all Multifamily Programs disclose the termination of any other affordable housing transaction in the 10 years prior to submission of their Application, regardless of the cause. They are also required to disclose plans or negotiations to terminate affordable housing transactions in the future. Disclosure must include the identification of the other parties involved, the development and other Principals, and a narrative description of the circumstances that led to the termination.

Staff reviews the information provided and makes a recommendation to the Board regarding eligibility. Factors to be considered in making the recommendation are included in the rule:

- (i) The amount of resources in a development and the amount of the benefit received from the development;
- (ii) the legal and practical ability to address issues that may have precipitated the termination or proposed termination of the relationship;
- (iii) the role of the person in causing or materially contributing to any problems with the success of the development;
- (iv) the person’s compliance history, including compliance history on other developments; and
- (v) any other facts or circumstances that have a material bearing on the question of the person’s ability to be a compliant and effective participant in their proposed role as described in the Application.

Staff has completed a review of the disclosures provided under 10 TAC §10.202(1)(m) related to Ineligible Applicants and Applications, and based on that review recommends that the Applicants for 2018 Competitive Housing Tax Credits listed below be found eligible.

18033	The Miramonte	Fifth Street CDP
18047	Miramonte Single Living	Fifth Street CDP
18052	Nacogdoches Lofts	San Antonio
18053	Alazan Lofts	San Antonio
18054	Piedmont Lofts	San Antonio
18086	Village at Overlook	San Antonio
18096	Patriot Park Family	Plano
18106	Hallsville Estates	Hallsville
18109	The Trails at San Angelo	San Angelo
18186	Avanti at Greenwood	Corpus Christi
18188	Avanti at Sienna Palms	Weslaco
18204	Cielo at Mountain Creek	Dallas
18219	Cypress Creek Apartment Homes at Park South View	Houston
18250	Sweetbriar Hills	Jasper
18298	Heritage at Wylie	Wylie
18306	Campanile on Commerce	Houston
18320	Seaside Lodge Chesapeake	Seabrook

18327	Scott Street Lofts	Houston
18331	Greens at Mission Bend	Houston
18333	Fulton Lofts	Houston
18357	Capella	Brownsville
18358	Ovation Sr Living	Brownsville

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BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
APRIL 26, 2018

Presentation, discussion and possible action on staff determinations regarding Application disclosures under 10 TAC §10.101(a)(3) related to Applicant Disclosure of Undesirable Neighborhood Characteristics

18015	Cambrian East Riverside	Austin
18018	Columbia Renaissance Square II	Fort Worth
18081	Pathways at Chalmers Court	Austin
18084	Artisan at Ruiz	San Antonio
18243	2222 Cleburne	Houston
18267	Avenue Sycamore	Fort Worth
18269	2400 Bryan	Dallas
18289	Village at Roosevelt	San Antonio
18306	Campanile on Commerce	Houston
18323	Talavera Lofts	Austin
18327	Scott Street Lofts	Houston
18337	Fulton on the Rail	Houston
18338	The Greenery	Houston

RECOMMENDED ACTION

WHEREAS, pursuant to 10 TAC §10.101(a)(3) of the 2018 Uniform Multifamily Rules related to Undesirable Neighborhood Characteristics, if a Development Site has any of the characteristics described in subparagraph B of the subsection, the Applicant must disclose the presence of each such characteristic to the Department at the time the Application is submitted to the Department;

WHEREAS, Applicants have disclosed the presence of Undesirable Neighborhood Characteristics and provided documentation of mitigating factors; and

WHEREAS, pursuant to 10 TAC §10.101(a)(3)(A), staff has conducted a further review of the proposed sites and the surrounding neighborhoods and prepared a summary for the Board with recommendations with respect to the eligibility of each of the sites;

NOW, therefore, it is hereby,

RESOLVED, that the Board accepts staff recommendation, and finds the sites for the following Applications eligible in satisfaction of the requirements of 10 TAC §10.101(a)(3) of the Uniform Multifamily Rules.

18015	Cambrian East Riverside	Austin
18018	Columbia Renaissance Square II	Fort Worth
18081	Pathways at Chalmers Court	Austin
18084	Artisan at Ruiz	San Antonio

18243	2222 Cleburne	Houston
18267	Avenue Sycamore	Fort Worth
18269	2400 Bryan	Dallas
18289	Village at Roosevelt	San Antonio
18306	Campanile on Commerce	Houston
18323	Talavera Lofts	Austin
18327	Scott Street Lofts	Houston
18337	Fulton on the Rail	Houston
18338	The Greenery	Houston

BACKGROUND

The following tables describe the staff reviews and recommendations for 2018 Competitive Housing Tax Credit (“HTC”) applications that included disclosures regarding §10.101(a)(3) of the 2018 Uniform Multifamily Rules (the “Rules”), related to Undesirable Neighborhood Characteristics. Pursuant to the rule, such disclosures are required if one or more of the undesirable neighborhood characteristics exists where the proposed Development Site is located. Applicants are required to provide an Undesirable Neighborhood Characteristics Report ("UNCR"), which includes information regarding mitigating factors and general description of the site and surrounding area.

Each entry identifies the HTC development/application identification number (TDHCA ID#), the name of the development, the city, the region, and the application review status, along with staff’s recommendation with respect to eligibility of the site. Included in the entry are staff determinations of eligibility or ineligibility for the undesirable neighborhood characteristic in question. For characteristics not applicable to the Application under consideration, “N/A” has been written. A brief summary of each disclosure has been included and is followed by Department staff’s analysis of that disclosure for the Site.

Where staff is recommending in this report that a site be found eligible, the Department’s Governing Board has final decision making authority in making an affirmative determination or finding the Site ineligible. Pursuant to 10 TAC §10.101(a)(3), should the Board make the determination that a Development Site is ineligible based on this report, the termination of the Application resulting from such Board action is not subject to appeal.

TDHCA ID#	18015	Development Name:		Cambrian East Riverside	
City:	Austin	Region:	7	Review Status:	Under Review
Staff recommendation:	Site is eligible under §10.101(a)(3)				
Staff Analysis	Poverty	Eligible	Blight	Eligible	
	Crime	N/A	Schools	N/A	

Review of the Development Site indicates that the densely populated area is predominately urban, with a mix of single family and multifamily residential development. Median household income for the census tract is \$27,275, which places the census tract in the fourth quartile. The poverty rate is 58.2% and the Applicant reports that there are blighted structures within 1,000 feet of the Development Site. The New Construction Development will serve the general population, with 65 one, two, three, and four bedroom units. The Development Site is approximately 1,000 feet west of Montopolis Drive and just north of Riverside Drive in Austin. The site is bordered by Clubview Avenue to the east, the Grove Place Apartments (#03005) to the north, a Dollar General store and Riverside Drive to the south, and a vacant lot to the west. The Development Site is located in a census tract that has more than 20% Housing Tax Credit Units per total households, and the Application included a resolution from the City of Austin allowing the construction of the Development.

Summary of Disclosure: The Development Site is located within a census tract that has a poverty rate above 40 percent for individuals (or 55 percent for Developments in regions 11 and 13).

Analysis: The proposed Development Site is located in a census tract with a median household income of \$27,275, which qualifies as a fourth quartile tract. The census tract has a poverty rate of 58.2%.

The Undesirable Neighborhoods Characteristics Report (“UNCR”) indicates that the Development Site is in the area covered by the East Riverside Corridor Master Plan. Per the Executive Summary of this plan:

“Affordable Housing

The East Riverside Corridor has traditionally provided more affordable housing options than other parts of the City, but maintaining affordability in the area will be a challenge as Austin continues to grow and the demand for housing in Austin’s urban core increases, increasing the cost of land.

Preservation and creation of affordable housing in the corridor will be vital to provide housing options for households that wish to remain in the corridor as well as to provide a variety of housing options for future residents. Housing should accommodate a variety of household sizes, including families with children”

The plan includes as one of its goals:

“Maintaining a mix of housing options in the area for a range of incomes, including options for low- and mid-income populations.”

In the UNCR, the Applicant points to opportunities for residents that exist in the area of the proposed development:

“The City of Austin is employing a variety of strategies to help reduce poverty and create economic opportunity for underserved households near the development site. One such strategy is the Montopolis Neighborhood Center, which is located one quarter of a mile from Cambrian East Riverside’s proposed location. The Neighborhood Center offers crisis services, such as a food pantry and clothing assistance, as well as longer term guidance for employment information, referrals for community resources, and case management.

Between the Austin Community College Riverside Campus on Grove Boulevard, the variety of potential employment opportunities at newly developed commercial spaces, and the proximity of the Building Team Solutions Main Office, which helps connect people looking for work with potential employers, the current residents and the future tenants of Cambrian East Riverside have the tools to become more financial stable and to improve their economic well-being. Neighborhood Scout indicates that residents at Cambrian East Riverside will be within 15 minutes of over 118,000 high-paying jobs, which are jobs with an annual salary of \$75,000 or more.

The Austin Community College Riverside Campus is located just half a mile away, or a 13-minute walk from the development site. This places residents in close proximity of several degree programs offering degrees such as an Association of Arts in Sociology, an Associate of Arts in Social Work, or an Associate of Applied Science in Electronics and Advanced Technologies with over 20 concentrations.”

The Applicant stresses the rate of change in the census tract, including increases in development and home values, and the lack of affordable housing in the census tract. Per the Applicant:

“The Primary Market Area (PMA) for Cambrian East Riverside has been established through a market study conducted by Apartment Market Data in 2018. The PMA covers 9.99 square miles and 13 Census Tracts. According to TDCHA’s inventory there are almost 3,000 affordable housing tax credit units within the PMA. U.S. Census Data indicates that of the 25,700 households living in the PMA in 2015, just over forty percent of households earn below 50% of the Area Median Income (\$63,437) and would qualify to live in tax credit housing. This means that over 11,000 households are relying on only 3,000 affordable housing tax credit units in the PMA. As a point of reference, about 14,700 households, or 57% of households in the PMA, have incomes equal to or greater than the median household income for the Austin-Round Rock MSA. In other words, over half of the households in the PMA have incomes that exceed the Area Median Income. While these relatively higher incomes indicate economic opportunity, there is still an unmet need for affordable housing in the PMA.”

The UNCR included data regarding poverty in the census tract as reported by the U.S. Census Bureau with the 2011-2015 American Community Survey (“ACS”). The data shows that residents in the census tract spend 45% of their household income on rent. Upward pressure on rents is demonstrated by the fact that, from 2011-2015, more than 1,500 housing units were developed along the East Riverside Corridor.

Staff Determination: Pursuant to §10.101(a)(3), in order to be considered as an eligible Site despite the presence of such undesirable neighborhood characteristic, an Applicant must demonstrate actions being taken that would lead a reader to conclude that there is a high probability and reasonable expectation the undesirable characteristic will be sufficiently mitigated or significantly improved within a reasonable time, typically prior to placement in service, and that the undesirable characteristic demonstrates a positive trend

and continued improvement. Many of these new units are “luxury” apartment developments. Using the most recent 2016 ACS data (which became available after the cut-off date for which data would be used for the 2018 competitive housing tax credit round), the 1-year estimates tentatively suggest that the poverty rate now stands at 49.2%, or 9.0% lower than the figure reflected in the 5-year estimate from 2015.

Staff recognizes the ongoing local, state, and federal resources that have been expended to improve the East Riverside neighborhood. Staff also recognizes the fast-changing demographics of the neighborhood, with more market rate developments being built in an area that includes several longstanding lower to middle income single family neighborhoods. It is apparent that resources continue to be applied, including bond and property tax revenue from the City of Austin, and that, based on preliminary and the most recent data, poverty rates have precipitously fallen because of sudden gentrification. Based on the variety and depth of resources in the neighborhood, it is reasonable to conclude that the poverty rate will continue to improve such that the Undesirable Characteristic will be mitigated very soon.

Given obvious trends in demographic data, community resources for low income residents, and the Development’s location relative to major real estate developments and jobs, it is reasonable to conclude that the poverty rate will continue to decrease.

Summary of Disclosure: The Development Site is located within 1,000 feet of multiple vacant structures that have fallen into such significant disrepair, overgrowth, and/or vandalism that they would commonly be regarded as blighted or abandoned.

Analysis: Pursuant to §10.101(a)(3), if the Development Site has any of the characteristics described in subparagraph (B) of this paragraph, the Applicant must disclose the presence of such characteristics in the Application submitted to the Department.

The Applicant disclosed that the Development Site is located within 1,000 feet of a vacant building that was once a church and an unkempt auto repair facility. Staff visited the area of the Development Site and determined that the two structures that are the subject of the disclosure are the only blighted structures within 1,000 feet of the Development Site. The vacant church building has become a target for graffiti but is otherwise in good condition. The auto repair shop fronts Riverside Drive and has piled wooden pallets against a dilapidated fence at the rear of its property, which runs along Kasper Street. Kasper Street is dominated by single family homes and the dilapidated fence would be visible to persons accessing the site via Kasper Street.

Staff Determination: Staff has determined that the level of blight represented does not rise to a level that would cause the Development Site to be found ineligible.

Staff Recommendation: Based on the variety and depth of resources in the neighborhood and the area’s proximity to market rate development projects and downtown Austin, it is reasonable to conclude that the poverty rate will continue to improve. The two reported incidences of blight do not rise to a level that requires remediation. Staff recommends that the site be found eligible.

TDHCA ID#	18018	Development Name:		Columbia Renaissance Square II Senior	
City:	Fort Worth	Region:	3	Review Status:	Under Review
Staff recommendation:	Site is eligible under §10.101(a)(3)				
Staff Analysis	Poverty	N/A	Blight	N/A	
	Crime	N/A	Schools	Eligible	

The proposed Development is the second residential phase of a 200-acre master planned community known as Renaissance Square. The neighborhood is defined as the area bound by Renaissance Drive to the north, Vaughn Boulevard and then Wichita Street to the east, the residential property lines north of North Glen Garden Drive to the south, and Mitchell Boulevard to the west. It is located in a census tract with a median income of \$27,829, which falls within the fourth quartile relative to the region. The poverty rate is 39.3%. The census tract has more than 20% Housing Tax Credit Units per total households and the Application includes a resolution from the City of Fort Worth supporting the Development. The Development is located within the boundaries of the East Berry Renaissance Tax Increment Finance #12.

Summary of Disclosure: The Development Site is located within the attendance zones of an elementary school, a middle school or a high school that does not have a Met Standard rating by the Texas Education Agency.

Analysis: The Undesirable Neighborhoods Characteristics Report (“UNCR”) indicates that Mitchell Boulevard Elementary School had an accountability rating of “Improvement Required” in 2015, 2016, and 2017. Mitchell Boulevard Elementary School attained a Met Standard rating in 2014. Pursuant to §10.101(a)(3):

Any school in the attendance zone that has not achieved Met Standard for three consecutive years and has failed by at least one point in the most recent year, unless there is a clear trend indicating imminent compliance, shall be unable to mitigate due to the potential for school closure as an administrative remedy pursuant to Chapter 39 of the Texas Education Code.

The Applicant recounts that,

“The Campus Educational Improvement Plan (CEIP) identifies implementation action steps that will increase student achievement and enhance family and community engagement, with a particular focus on improving Kindergarten Readiness and 3rd Grade Reading. An additional \$237,500 in funding has been allocated from the district’s Title I and Focus/Priority Funding programs to help achieve the goals outlines in the CEIP. As a result, the campus has seen an increase in the Student Achievement Index 1 score from 2016 to 2017.

Fort Worth ISD offers an after-school program that operates four days a week on-site at the elementary school. Students who participate receive programming in academic enrichment, homework help, tutoring, recreation, service learning and community service, and technology tools and skills.”

The Applicant also shares that there is a public charter school 500 feet from the proposed Development, and that children and adults will “have access to the programs and services offered by the brand-new Renaissance Heights YMCA Branch that is under construction immediately to the west of the site.” The YMCA will offer various programs that serve children, including afterschool care, pre-school childcare and summer camps.

The Undesirable Neighborhood Characteristics Report includes a letter from Karen Molinar, Chief of Elementary Schools for the Fort Worth Independent School District. In her letter, Ms. Molinar recounts that the campus turnaround plan for Mitchell Boulevard Elementary School “identified teacher turnover (lack of experience) and instructional practices as two of the systematic causes for low student performance.” In response, the school “hired a new staff of highly qualified teachers that receive financial incentives for their long-term commitment to the campus.” Furthermore, the school now offers extended childcare until 6:00pm, and serves breakfast, lunch, and dinner to students, which has improved parental involvement and campus culture. Ms. Molinar states that, in her judgment, Mitchell Boulevard Elementary will achieve a Met Standard rating by the time the proposed Development is placed in service.

Staff Determination: Between 2016 and 2017, Mitchell Boulevard Elementary School’s scores increased on three indices—student achievement, student progress, and closing performance gaps. In 2017, the school missed the Index 1 target score by 7 points, having missed it by 12 points in 2016; it missed the Index 3 target score by 2 points, having missed it by 4 points in 2016. These scores demonstrate “a clear trend indicating imminent compliance.” These positive trends more than likely stem from the steps taken at the school, as described by Ms. Molinar, and will only be bolstered by the services offered at the YMCA, which will be located in the Renaissance Square master-planned community.

Staff Recommendation: Given the above factors, staff is recommending that the Board find the Development Site eligible.

TDHCA ID#	18081	Development Name:		Pathways at Chalmers Court	
City:	Austin	Region:	6	Review Status:	Under Review
Staff recommendation:	Site is eligible under §10.101(a)(3)				
Staff Analysis	Poverty	N/A		Blight	N/A
	Crime	N/A		Schools	Eligible

The proposed New Construction Development, which will serve the general population with 156 units, is located just east of downtown Austin. Land uses in the neighborhood consist of a variety of commercial and residential land uses. The poverty rate for the census tract in which the Development will be located is 26.6%, and the tract’s median income of \$38,042 makes it a fourth quartile tract relative to the region. The neighborhood has experienced a significant decrease in poverty rates, a significant increase in median incomes, and a prodigious expansion of private investment since 2014.

Summary of Disclosure: The Development Site is located within the attendance zones of an elementary school, a middle school or a high school that does not have a Met Standard rating by the Texas Education Agency.

Analysis: Undesirable Neighborhoods Characteristics Report (“UNCR”) indicates that Martin Middle School had an Improvement Required rating for 2017.

Per the requirements of 10 TAC §10.101(a)(3)(D)(iv):

Evidence of mitigation for all of the schools in the attendance zone that have not achieved Met Standard will include documentation from a school official with oversight of the school in question that indicates current progress towards meeting the goals and performance objectives identified in the Campus Improvement Plan.

AISD Executive Director for Middle Schools, Rey Garcia, shares that Martin Middle School is well on its way to attaining a Met Standard rating. Current benchmark data for the current school year, he says, evidences that the school’s efforts are already having a positive impact. He and AISD are “confident that improvement efforts underway will result in the achievement of a Met Standard rating by the date of the next phase of redevelopment, Pathways at Chalmers Courts East, is anticipated to be available for occupancy, and before Pathways at Chalmers Courts West is completed.”

In addition to AISD’s Campus Improvement Plan for Martin Middle School, the Applicant provides the following as sources of mitigation:

- The “development owner’s affiliate, the Housing Authority of the City of Austin (HACA), will provide tenant services that will facilitate and augment classroom performance.”
- HACA will continue to provide its Youth Educational Success (“YES”) program at Chalmers Court. The YES program includes partnerships with the Boys and Girls Club of Central Texas, Communities In School (a case management provider for AISD students), HUD (who has awarded HACA a grant that set asides funds for YES programming), educational providers who implement various summer camps, and unique partnerships with local corporations, such as DropBox.

Staff Determination: While the middle school had an Improvement Required rating in 2017, it appears that the Austin Independent School District has a plan in place for meeting the needs of the current students and achieving a Met Standard rating. The Applicant also seems prepared to offer tenant supportive services that bolster student performance.

Staff Recommendation: Staff is recommends that the Board find the Development Site eligible.

TDHCA ID#	18084	Development Name:		Artisan at Ruiz	
City:	San Antonio	Region:	9	Review Status:	Under Review
Staff recommendation:	Site is eligible under §10.101(a)(3)				
Staff Analysis	Poverty	Eligible	Blight	Eligible	
	Crime	N/A	Schools	Eligible	

The proposed Development, which will be scattered site New Construction and will serve the general population with 102 units, is located in a neighborhood primarily consisting of residences, but also retail and commercial development. The median household income for the census tract is \$18,310, which places it in the fourth quartile for the region. The poverty rate is 50.4%. The proposed Scattered Site Development is New Construction and will serve the General population. In addition to a high poverty rate, the proposed Development falls within the attendance zone of a school that does not have a Met Standard rating.

Summary of Disclosure: Development Site is located in a census tract that has poverty rate above 40% for individuals (or 55% for Developments in regions 11 and 13).

Analysis: The Undesirable Neighborhoods Characteristics Report (“UNCR”) indicates that the poverty rate has been decreasing year after year, and incomes have been increasing. If the most recent ACS data is included in the analysis, the poverty rate dropped from 50.4% in 2015 to 41.6% in 2016. The six neighboring census tracts have poverty rates below 40%. Other positive trends regarding poverty for the census tract and area include the following:

- From 2012 to 2016, household incomes increased by 24.7%, compared to a 6.7% increase for the entire San Antonio MSA.
- The number of households in the census tract who have incomes higher than the MSA average nearly doubled between 2012 and 2016.
- One of the neighboring census tracts has a poverty rate less than 20%.
- The proposed Development Site is located within the University Park West/Blueridge Revitalization area, “which is experiencing rapid investment through infrastructure, home repairs and rebuilding, new construction, homebuyer assistance, and commercial investment,” according to the Applicant.
- The proposed Development Site also appears to fall within the boundaries of the Westside Tax Increment Reinvestment Zone No. 30

Staff Determination Pursuant to §10.101(a)(3), in order to be considered as an eligible Site despite the presence of such undesirable neighborhood characteristic, an Applicant must demonstrate actions being taken that would lead a reader to conclude that there is a high probability and reasonable expectation the undesirable characteristic will be sufficiently mitigated or significantly improved within a reasonable time, typically prior to placement in service, and that the undesirable characteristic demonstrates a positive trend and continued improvement.

Staff believes that the Applicant has demonstrated positive trends regarding poverty and income. One may assume that the continued reinvestment and redevelopment activities will further the trajectory of these positive trends.

Summary of Disclosure: The Development Site is located within the attendance zones of an elementary school, a middle school or a high school that does not have a Met Standard rating by the Texas Education Agency.

Analysis: The Undesirable Neighborhoods Characteristics Report (“UNCR”) indicates that Irving Middle School was and is Improvement Required for 2015, 2016, and 2017. Because of this consecutive status, “Irving Middle School is being transitioned to a charter dual language academy that will serve students through 8th grade,” according to the Applicant. The school will therefore cease to operate by the 2019-2020 school year. To compensate for those lost grades, Crockett Elementary School will add grades 7 and 8, thereby becoming a PK-8th grade academy.

The Applicant states that by the time Artisan at Ruiz is placed in service students will be zoned to Crockett for grades PK-8 and Lanier High for grades 9-12.

David Crockett Elementary attained Met Standard in 2017 and 2016. In 2015, the school had an Improvement Required rating, having scored 47 on Index 1, Student Achievement. Crockett meet all standards in 2016, and only did not meet standard on Student Achievement by 1 point in 2017.

These plans for the elementary and middle schools were explained thoroughly in a letter from Assistant Superintendent for Bilingual/ESL & Migrant, Dr. Olivia Hernandez.

Staff Determination: While the middle school has faced an Improvement Required rating for three consecutive years, it appears that the San Antonio Independent School District has a plan in place for meeting the needs of any potential students who may live at the proposed Development. Crockett Elementary School’s expansion to include 7th and 8th grades going forward ensures that middle school students will remain at an institution that has a demonstrated history of meeting standards.

This Application was the subject of a Third Party Request for Administrative Deficiency. The requester stated that the school in question is being closed for its current function and the students are being transferred. The request states that the replacement school, Crockett elementary School, failed to achieve Met Standard from 2013 to 2015. Documents in submitted in the RFAD indicate that Crockett Elementary School achieved a Met Standard rating with two distinctions in 2016, and a Met Standard rating with one distinction in 2017.

In response to the RFAD, the Applicant confirmed that the students will attend Crockett elementary School and states that,

“we are unsure whether an Undesirable Neighborhood Characteristic actually still exists for this Development because mitigation has already been implemented by the SAISD.

The school district has essentially already mitigated the issue with the underperforming Irving Middle School, by converting it to a dual language Charter school beginning in 2018, and moving the students to a Met Standard school. The conversion/transfer of existing students to the better performing campus will be complete by the time that the development places in service.”

Summary of Disclosure: The Development Site is located within 1,000 feet of multiple vacant structures that have fallen into such significant disrepair, overgrowth, and/or vandalism that they would commonly be regarded as blighted or abandoned.

Analysis: Pursuant to §10.101(a)(3), if the Development Site has any of the characteristics described in subparagraph (B) of this paragraph, the Applicant must disclose the presence of such characteristics in the Application submitted to the Department.

The Applicant disclosed that the Development Site is located within 1,000 feet of what the Applicant recounts is blight; however, the blighted structures have been removed since they occupied the lots designated for this Development.

Staff Determination: Staff has confirmed that the blighted structures are no longer present, and therefore do not meet the requirement for a characteristic requiring disclosure.

Staff Recommendation: Staff is recommending that the Board find the Development Site eligible.

TDHCA ID#	18243	Development Name:		2222 Cleburne	
City:	Houston	Region:	6	Review Status:	Under Review
Staff recommendation:	Site is eligible under §10.101(a)(3)				
Staff Analysis	Poverty	N/A	Blight	N/A	
	Crime	Eligible	Schools	Eligible	

The neighborhood borders the campuses of Texas Southern University and University of Houston. The northern neighborhood boundary is Elgin Street, the southern is Blodgett Street and the western is South Freeway/HWY 288. The neighborhood is a part of the Greater Third Ward Super Neighborhood. The predominant land use of the neighborhood is single-family residences, which comprises about 61 percent of the housing in the two census tracts. The immediate area of the neighborhood also has commercial and multi-family residential developments. The median household income for the census tract is \$46,125, which places it in the third quartile for the region. The poverty rate is 26.7%. The proposed Development is New Construction, and has voluntarily agreed to serve only a population that is aged 62 or more. The Development will consist of 112 units. The Development Site is located within the boundaries of Tax Increment Reinvestment Zone Number 7 (TIRZ #7), City of Houston, TX, an area of the City of Houston generally referred to as the Old Spanish Trail/Almeda Corridor.

Summary of Disclosure: The Development Site is located in a census tract or within 1,000 feet of any census tract in an Urban Area and the rate of Part I violent crime is greater than 18 per 1,000 persons annually.

Analysis: The Part 1 violent crime rate for the census tract in which the proposed Development will be located is 21.53 instances per 1,000 persons annually. The Development Site is also located within 1,000 feet on a census tract where the Part I violent crime rate is 46.6 instances per 1,000 persons annually.

The Applicant claims that several trends and initiatives provide mitigation against these crime statistics.

- “The Development Site is located in an area with intense community engagement and significant ongoing revitalization efforts by the City of Houston, and local residents, businesses and community leaders.”
- The City of Houston has identified Third Ward as a “Complete Community” priority area, meaning that there will be a strong focus on enhanced access to quality affordable housing, jobs, well-maintained parks and greenspace, improved streets and sidewalks, grocery stores and other retail, good schools and transit options.” The \$14 million set aside for this program will be split among a total of five neighborhoods, with Third Ward being one of the neighborhoods.
- According to Kinder Institute analysis, the area is undergoing gentrification.
- The proposed Development falls within the boundaries of the OST/Almeda Tax Increment Reinvestment Zone #7.
- A consortium of public, private, and educational partners have launched a “Main Street” plan under the aegis of the Emancipation Economic Development Council (“EEDC”). The Council’s goal is to spur redevelopment along Emancipation Avenue. The EEDC has also worked with the Northern Third Ward Consortium to implement revitalization along Northern Emancipation Avenue.

- The EEDC continues to organize monthly pop-up neighborhood markets, “featuring family-friendly fun with shopping, food and live music,” according to the Applicant.
- The municipal transportation department will continue to make improvements to the area, and the future Blue Line light rail will purportedly run alongside the Development Site, according to the Applicant.
- Pulling data from the Houston Police Department, the Applicant states that there has been a significant decrease in violent crimes from 2016 to 2017. The Applicant also states that the location of much of this crime (64%) is more than half a mile away from the proposed Development Site.

The Applicant claims that the Part I Violent Crime rates for the Development Site’s census tract and the neighboring census tracts are inflated due to a mistake in NeighborhoodScout’s methodology—namely, Applicant believes that the population counts for each census tract are too low. Using the same crime counts provided by NeighborhoodScout but dividing by the population estimates provided by the American Community Survey in its 2016 5-year estimates, the Applicant derives lower crime rates.

Staff Determination: It is worth noting that, statistically speaking, for every 100 residents who are to live in the proposed Development, 2 will become a victim of a Part I violent crime (rape, assault, or murder). NeighborhoodScout ranks all census tracts in the United States on a scale of 0 to 100 for specific types of crime, with 100 being the safest. The census tract in which 2222 Cleburne will be located scores a “4” on the murder index and assault index, a “16” on the rape index, and a “1” on the robbery index. Overall, the census tract receives a score of “2.” The neighboring census tract—3124.00—fares worse, with nearly 5 per 100 residents likely to become a victim of a violent crime, and with an overall total crime index score of “1.”

The most relevant data regarding mitigation provided by the Applicant are the actual instances of violent crime for the neighborhood for 2016 and 2017. The Applicant mapped the instances of violent crime in the two census tracts that together comprise the neighborhood, using Houston Police Department data from 2016 and 2017. Using the most recent 5-year estimates from American Community Survey (“ACS”) to determine the 2016 resident population, the Applicant determines the 2017 population by assuming a small population growth rate. The results suggest that the Part I Violent Crime rate in 2016 was 17.28 per 1,000, and the crime rate in 2017 was 16.39 per 1,000. The neighboring census tract with the higher crime rate—312.400—had a crime rate of 38.46 per 1,000 in 2016, but a 25.24 per 1,000 crime rate in 2017. If that same rate of decrease can carry forward to 2018, the crime rate could drop to 16.56 per 1,000 for the neighboring census tract.

These are positive trends and the data do indeed suggest improving crime statistics.

Summary of Disclosure: The Development Site is located within the attendance zones of an elementary school, a middle school or a high school that does not have a Met Standard rating by the Texas Education Agency.

Analysis: Undesirable Neighborhoods Characteristics Report (“UNCR”) indicates that Cullen Middle School did not achieve a Met Standard rating in 2015, 2016, and 2017, and Yates High School did not achieve a Met Standard rating in 2017.

Staff Determination: Because 2222 Cleburne is an Elderly Limitation Development, this Undesirable Neighborhood Characteristic does not affect the proposed Development Site’s eligibility, as stipulated in

§10.101(a)(3)(B)(iv)—“Development Sites subject to an Elderly Limitation is considered exempt and does not have to disclose the presence of this characteristic.”

Staff Recommendation: Staff recommends that the Board find the Development Site eligible.

TDHCA ID#	18267	Development Name:		Avenue Sycamore	
City:	Fort Worth	Region:	3	Review Status:	Under Review
Staff recommendation:	Site is eligible under §10.101(a)(3)				
Staff Analysis	Poverty	N/A	Blight	N/A	
	Crime	N/A	Schools	Eligible	

The Development Site is located in a census tract with a median household income of \$27,418, which qualifies it as a fourth quartile income tract. The poverty rate is 37.3%. The census tract is a Qualified Census Tract. The New Construction Development will serve the general population with 127 units. The neighborhood surrounding the Development consists primarily of single family residences with some public and retail uses along major arterials.

Summary of Disclosure: The Development Site is located within the attendance zones of an elementary school, a middle school or a high school that does not have a Met Standard rating by the Texas Education Agency.

Analysis: Undesirable Neighborhoods Characteristics Report (“UNCR”) indicates that Polytechnic High School had an Improvement Required rating for 2017.

Per the requirements of 10 TAC §10.101(a)(3)(D)(iv):

Evidence of mitigation for all of the schools in the attendance zone that have not achieved Met Standard will include documentation from a school official with oversight of the school in question that indicates current progress towards meeting the goals and performance objectives identified in the Campus Improvement Plan.

Polytechnic High School did achieve Met Standard ratings in 2015 and 2016. In 2017, its index 1 score missed the benchmark score of 60 by 4 points. The school achieved Met Standard on two indices but missed the Met Standard rating on the other two indices.

Nick Torres, principal of Polytechnic High School, provided a letter outlining the school’s path towards improvement. Mr. Torres recounts how “Poly high” is unique with its course offerings in culinary, engineering, and business programs. The school is “scheduled to offer two programs of choice (POC) next year, one will be an automotive program and the other will be our teaching program.” Mr. Torres also notes how the high school has partnerships with Tarrant County Community Colleges and Texas Wesleyan University. Mr. Torres highlights that 20% of the school’s student body is comprised of students who transfer to the school, which reflects the school’s reputation among parents. Lastly, Mr. Torres expresses his confidence in the “detailed plans in place to improve in the area of academics and school culture.”

Staff Determination: While the high school had an Improvement Required rating in 2017, it appears that the Fort Worth Independent School District has a plan in place for meeting the needs of the current students and achieving a Met Standard rating.

Staff Recommendation: Staff recommends that the Board find the Development Site eligible.

TDHCA ID#	18269	Development Name:		2400 Bryan	
City:	Dallas	Region:	3	Review Status:	Under Review
Staff recommendation:	Site is eligible under §10.101(a)(3)				
Staff Analysis	Poverty	N/A		Blight	N/A
	Crime	Eligible		Schools	N/A

2400 Bryan is slated to be a mixed use, mixed income project near the renovated Dallas High School office redevelopment. The Development is located in the central business district of downtown Dallas. The census tract has a poverty rate of 4.9%. The median household income of \$102,153 places it within the first quartile relative to the region. The New Construction Development, which will serve the general population, aims to build 212 units, with about half reserved for low-income residents.

Summary of Disclosure: The Development Site is located in a census tract or within 1,000 feet of any census tract in an Urban Area and the rate of Part I violent crime is greater than 18 per 1,000 persons annually.

Analysis: The Part 1 violent crime rate for the census tract in which the proposed Development will be located is 13.33 instances per 1,000 persons annually, according to NeighborhoodScout. However, the development site is located within 1,000 feet of two census tracts (48113001600 and 48113002100) where the Part I violent crime rate exceeds the threshold, at 23.00 per 1,000 persons annually and 22.59 per 1,000 persons annually, respectively, according to NeighborhoodScout.

The Applicant challenges NeighborhoodScout’s crime statistics by pulling police beat data from the applicable neighborhoods and calculating differing crime Part I violent crime statistics based on population assumptions. The Applicant overlays census tract boundaries upon police beat boundaries, calculating a proportion of overlap. That proportion is multiplied by the intersecting census tract’s population estimate, which has been adjusted to a 2017 projected population figure based on recorded 2015-2016 growth rates. The Applicant tallies these proportional populations to estimate the population of each police beat, and then calculates the corresponding Part I violent crime rate using data provided by the Dallas Police Department.

Staff Determination: Staff has concerns with the methodology used by the Applicant. Ideally, the Police Department would know the exact population count in each police beat so that accurate crime rates can be calculated. The Applicant’s permutation assumes that populations are evenly distributed throughout a geographic area, which is sometimes reality, but not always. The permutation also assumes an unverifiable rate of population increase. Admittedly, the rule does not clearly specify how Applicants are to calculate population estimates when they resort to using police beat crime data.

That said, the Applicant, in making this permutation, seems to have mixed up the census tracts used to calculate the Part I violent crime rates. Based on the maps provided by the Applicant, Police Beat 132 should calculate its population using census tracts 48113001701 and 48113002100, and Police Beat 154 should calculate its population using census tracts 48113001600 and 48113002200. The Applicant did the opposite. Making the correction on behalf of the Applicant, the crime estimates are as follows (relying on Applicant’s data and methodology):

Part I Violent Crime Rates	2016	2017
Police Beat 132	30.31	26.58
Police Beat 154	21.39	8.28

Thus, using data provided by the Applicant, it now appears that the Part I violent crime rate for the police beat in which the Development is located exceeds the threshold of 18 instances per 1,000 people, annually, and the neighboring police beat’s crime rate, which exceeded the threshold in 2016, now falls under the threshold.

Regarding mitigation, 10 TAC §10.101(a)(3)(D)(ii) requires:

Evidence that crime rates are decreasing, based on violent crime data from the city’s police department or county sheriff’s department, for the police beat or patrol area within which the Development Site is located, based on the population of the police beat or patrol area that would yield a crime rate below the threshold indicated in this section. ...”

It is apparent that crime rates are indeed decreasing, but the Part I violent crime rate for the police beat in which the Development is located remains above the threshold, at 26.58 per 1,000, though it did decrease from 30.31 per 1,000 in 2016. The Applicant claims that:

“... the project will employ security under contract, primarily in the evenings and on weekends. At a similar project (The Belleview, 164 units) the owner retained RHI Management as a “courtesy patrol” to offer a physical presence to deter unwanted activity. RHI enjoys a close relationship with the Dallas Police Department staff and is quick to call for assistance where warranted. Additionally, the property may install cameras at entry locations and potential “hot spots” (garage, community rooms, business center, etc.) as a deterrent.”

Staff Determination: Staff believes that the Development’s location within the central business district must be taken into account, as crime in CDBs defers from crime in, for example, stressed and disinvested neighborhoods. The census tract is obviously a high opportunity area, given the low poverty rate and high median income, and it is near hundreds of thousands of jobs. The crime that does occur here is more than likely not systemic to the area and its conditions, but rather opportunistic in nature. With increased development, one may reasonably expect crime rates to fall in an area like this. Using local police beat data, it is apparent that the crime rates are indeed decreasing. Furthermore, a letter from the Executive Assistant Chief of the Dallas Police Department, David Pughes, shares that the “proposed project is not in an area identified as crime focus area identified in our Targeted Area Action Grid,” meaning that it is deemed relatively safe compared to other areas in Dallas. Mr. Pughes reports a 33% reduction in crime in the Development’s immediate area between 2016 and 2017.

Staff Recommendation: Staff recommends that the Board find the Development Site eligible.

TDHCA ID#	18289	Development Name:		Village at Roosevelt	
City:	San Antonio	Region:	9	Review Status:	Under Review
Staff recommendation:	Site is eligible under §10.101(a)(3)				
Staff Analysis	Poverty	N/A		Blight	Eligible
	Crime	N/A		Schools	Eligible

The Development is located in San Antonio and will be a 57-unit development that serves the general population. It lies approximately 2.5 miles south from downtown San Antonio, to be located at 1507 Roosevelt Avenue. The Site currently contains a building that will be demolished to make way for the proposed Development. The Development Site is located in census tract with a poverty rate of 28.7%. With a median income of \$29,575, the tract falls within the fourth quartile for income, relative to its region.

Summary of Disclosure: The Development Site is located within 1,000 feet of multiple vacant structures that have fallen into such significant disrepair, overgrowth, and/or vandalism that they would commonly be regarded as blighted or abandoned.

Analysis: Pursuant to §10.101(a)(3), if the Development Site has any of the characteristics described in subparagraph (B) of this paragraph, the Applicant must disclose the presence of such characteristics in the Application submitted to the Department.

The Applicant disclosed that the Development Site is located within 1,000 feet of what the Applicant recounts are “four questionable structures ... requiring furthering analysis relating to blight.”

The Applicant recounts that Bexar County tax records suggest significant increases in the values of residential properties surrounding the Development Site. One property considered to be blight, despite that condition, has seen its appraisal increase from \$41,290 to \$81,150 in a span of just three years. Three of the four questionable properties have had title transfers in the past two years, reinforcing current trends of investors purchasing properties, rehabilitating them, and then reselling.

Staff Determination: Staff visited the proposed Development Site and concurs with the Applicant that “the neighborhood of older homes surrounding the site is well-maintained, neighbors are actively enjoying the sidewalks and outside environment, [and] there are many well-maintained commercial facilities nearby.” Staff has determined that the presence of these structures does not meet the requirement for a characteristic requiring disclosure.

Summary of Disclosure: The Development Site is located within the attendance zones of an elementary school, a middle school or a high school that does not have a Met Standard rating by the Texas Education Agency.

Analysis: The Undesirable Neighborhoods Characteristics Report (“UNCR”) indicates that Page Middle School has had an Improvement Required rating for two consecutive years, 2016 and 2017. While Page Middle School had a Met Standard rating in 2015, its Index 1 Student Achievement score missed the target score of 60 by 16 points in 2016 and by 20 points in 2017, suggesting a downward trend in performance. Per the requirements of 10 TAC §10.101(a)(3)(D)(iv):

Evidence of mitigation for all of the schools in the attendance zone that have not achieved Met Standard will include documentation from a school official with oversight of the school in question that indicates current progress towards meeting the goals and performance objectives identified in the Campus Improvement Plan. For schools that have not achieved Met Standard for two consecutive years, a letter from the superintendent, member of the school board or a member of the transformation team that has direct experience, knowledge and oversight of the specific school must also be submitted.

Mr. Mohammed Choudhury, San Antonio Independent School District Chief Innovation Officer, provides that required letter. In his letter, Mr. Choudhury explains that the long-term plan for Page Middle School is gradually to close the school while simultaneously expanding the grades offered at Riverside Park Elementary School, which will soon serve grades PreK-8. Riverside Park currently has a Met Standard rating, and has maintained this standard since 2013. The phase-out of Page Middle School and expansion of Riverside Park Elementary School will be completed prior to the proposed Development's Placed in Service date.

In their letter explaining how mitigation will be provided, the Applicant also states that Prospera Housing Community Services ("Prospera") will provide youth education and development services through multiple programs to its residents. Sample programs include the After School Program, homework assistances, enrichment activities, educational field trips, and many other services. The afterschool services will be available from 3:30 pm to 5:00 pm, and the Applicant states that all families and individuals living on the property can benefit from these programs with no cost.

Lastly, the Applicant points to an auxiliary, nearby program that families at the proposed Development can possibly access. The Presa Community Center, purportedly within walking distance of the Development, has partnered with United Way to offer a Family School Community Partnership program, whose aim is "to increase student academic success by involving parents in unique and meaningful ways."

Staff Determination: While the middle school has faced an Improvement Required rating for two consecutive years, it appears that the San Antonio Independent School District has a plan in place for meeting the needs of any potential students who may live at the proposed Development. Riverside Park Elementary School's expansion to include 7th and 8th grades going forward ensures that middle school students will remain at an institution that has a demonstrated history of meeting standards.

Staff Recommendation: Staff recommends that the Board find the Development Site eligible.

TDHCA ID#	18306	Development Name:		Campanile on Commerce	
City:	Houston	Region:	3	Review Status:	Under Review
Staff recommendation:	Site is eligible under §10.101(a)(3)				
Staff Analysis	Poverty	Eligible	Blight	Eligible	
	Crime	Eligible	Schools	Eligible	

The proposed New Construction Development is located in the city of Houston and will serve the Elderly Limitation population with 120 units. Development Site is located in a census tract with a poverty rate of 42.1%, and a median income of \$37,102, placing it within the fourth quartile relative to the region. It is located about 1 mile from downtown. The neighborhood traditionally consists of old industrial buildings but it is quickly becoming a popular residential area of multifamily and townhome developments, given its close proximity to the “EaDo” district and downtown Houston.

Summary of Disclosure: The Development Site is located within a census tract that has a poverty rate above 40 percent for individuals (or 55 percent for Developments in regions 11 and 13).

Analysis: The census tract in which the Development Site is located has a poverty rate of 42.1%—slightly above the threshold limit of 40%. The rules regarding mitigation state that:

Evidence that the poverty rate within the census tract has decreased over the five-year period preceding the date of Application, or that the census tract is contiguous to a census tract with a poverty rate below 20% and there are no physical barriers between them such as highways or rivers which our be reasonably considered as separating or dividing the neighborhood containing the proposed Development from the low poverty area must be submitted.

The Applicant reasons that mitigation is attained because of the low poverty of a neighboring census tract. According to the Applicant:

The site sits in CT 48201310100, which is part of Houston's Downtown and Second Ward super neighborhoods. Houston's Downtown super neighborhood also contains CT 48201310200 which the CT containing the site is contiguous to with no barrier such as highways, rivers, or other physical barriers. According to site demographics the poverty rate for the contiguous CT is 9.3%, thus mitigating the 42.1% poverty rate of the site containing the site.

Staff Determination: Staff would like to note that the neighboring census tract’s median household income falls within the first quartile, which only reinforces the beneficial aspects of its low poverty rate. That said, while the census tracts themselves are not separated by a physical barrier, the census tract itself in which the Development is located is bifurcated by a wide berth of railroad tracks, measuring over 400 feet wide in some areas. Census tract 48201310200 has the hallmark indicators of gentrification. Recent development activity appears to have “jumped the tracks” into census tract 48201310100—where the Development is to be located—suggesting that even if these railroad tracks were a significant barrier in the past, they no longer may be so today.

Summary of Disclosure: The Development Site is located in a census tract or within 1,000 feet of any census tract in an Urban Area and the rate of Part I violent crime is greater than 18 per 1,000 persons annually.

Analysis: The Part 1 violent crime rate for the census tract in which the proposed Development will be located is 18.26 incidents per 1,000 people, according to NeighborhoodScout. Regarding mitigation, 10 TAC §10.101(a)(3)(D)(ii) requires:

Evidence that crime rates are decreasing, based on violent crime data from the city's police department or county sheriff's department, for the police beat or patrol area within which the Development Site is located, based on the population of the police beat or patrol area that would yield a crime rate below the threshold indicated in this section. ...

The Applicant challenges NeighborhoodScout's crime statistics by pulling police beat data from Houston Police Department's Beat 10H10, in which the proposed Development is located. The Applicant sums the Part I violent crime statistics recorded in this beat and then calculates the population of this beat by tallying the population totals of the census blocks that intersect with the beat. This methodology tends to be more reliable than proportionally allocating the population of intersecting census tracts, given the more granular size of census blocks.

Staff Determination: Based on the Applicant's calculations, the Part I Violent Crime rate is actually 9.10 instances per 1,000 for 2016 and 8.27 instances per 1,000 instances for 2017. Not only do these rates indicate a downward trend, but both are well below the threshold requirement of 18 instances per 1,000 persons, annually. While staff noticed that the crime data pulled from the Houston Police Department for 2017 conspicuously lacked any reported crimes in December, the stated rate is low enough to assume, reasonably, that the annual rate still remained below the threshold.

Staff defers to the Applicant's proposed methodology for assessing the Part I Violent Crime rate for the census tract in which the proposed Development will be located, and believes that the crime rate is well below the threshold of 18 instances per 1,000 people, annually.

Summary of Disclosure: The Development Site is located within 1,000 feet of multiple vacant structures that have fallen into such significant disrepair, overgrowth, and/or vandalism that they would commonly be regarded as blighted or abandoned.

Analysis: Pursuant to §10.101(a)(3), if the Development Site has any of the characteristics described in subparagraph (B) of this paragraph, the Applicant must disclose the presence of such characteristics in the Application submitted to the Department.

The Applicant disclosed that the Development Site is located within 1,000 feet of three questionable properties that may be considered blight. The Applicant thoroughly documented the presence of these structures and explained reasonable mitigating circumstances, especially regarding redevelopment pressures within the neighborhood. Furthermore, this area is located within the Harrisburg TIRZ #23, which, according to the Applicant, will aid revitalization efforts.

Staff Determination: Staff visited the proposed Development Site. Most notable is a warehouse that, while vacant, appears to be in relatively good condition. There are also several single family homes in the area that are considered dilapidated. Where there is blight, there is often relatively high-end residential

development right across the street. One could reasonably assume that the remaining vacant structures will soon be either rehabilitated or replaced. The area shows all the signs of a gentrifying urban neighborhood, and these structures will not survive the progress being made.

Summary of Disclosure: The Development Site is located within the attendance zones of an elementary school, a middle school or a high school that does not have a Met Standard rating by the Texas Education Agency.

Analysis: The Applicant indicates that Wheatley High School did not achieve a Met Standard rating in 2015, 2016, and 2017.

Staff Determination: Because Campanile on Commerce is an Elderly Limitation Development, this Undesirable Neighborhood Characteristic does not affect the proposed Development Site's eligibility, as stipulated in §10.101(a)(3)(B)(iv)—“Development Sites subject to an Elderly Limitation is considered exempt and does not have to disclose the presence of this characteristic.”

Staff Recommendation: Staff is therefore recommending that the Board find the Development Site eligible.

TDHCA ID#	18323	Development Name:		Talavera Lofts	
City:	Austin	Region:	7	Review Status:	Under Review
Staff recommendation:	Site is eligible under §10.101(a)(3)				
Staff Analysis	Poverty	N/A	Blight	N/A	
	Crime	N/A	Schools	Eligible	

Talavera Lofts is a New Construction, 92-unit affordable housing community for the general population, and will be located east of downtown Austin as part of the larger Plaza Saltillo Redevelopment Area. The neighborhood is heterogeneous in its uses and its residents, with a mixture of older, new, and rehabbed residential properties. The census tract in which the proposed Development will be located has a poverty rate of 26.6% and a median income that falls within the fourth quartile, relative to the region. The poverty rate for the neighborhood around the Development Site has decreased 29% since 2014.

Summary of Disclosure: The Development Site is located within the attendance zones of an elementary school, a middle school or a high school that does not have a Met Standard rating by the Texas Education Agency.

Analysis: Undesirable Neighborhoods Characteristics Report (“UNCR”) indicates that Martin Middle School had an Improvement Required rating for 2017. Martin Middle School had a Met Standard rating in 2016. Per the requirements of 10 TAC §10.101(a)(3)(D)(iv):

Evidence of mitigation for all of the schools in the attendance zone that have not achieved Met Standard will include documentation from a school official with oversight of the school in question that indicates current progress towards meeting the goals and performance objectives identified in the Campus Improvement Plan.

The Applicant states that Austin Independent School District (“AISD”) is “engaged in active measures pursuant to its improvement plans to achieve a Met Standard rating for Martin Middle School.” AISD Executive Director for Middle Schools, Rey Garcia, echoes that sentiment and explains in his letter the school’s progress towards correcting its Improvement Required rating. Current benchmark data for the current school year, he says, evidences that the school’s efforts are already having a positive impact. He and AISD are “confident that improvement requirements underway will result in the achievement of a Met Standard rating by the date Talavera Lofts will be available for occupancy in 2020.”

The Applicant also states that it is prepared to “explore partnerships with various Austin area nonprofits to help the children who reside at Talavera Lofts succeed in school by providing after-school enrichment programs.”

Staff Determination: While the middle school had an Improvement Required rating in 2017, it appears that the Austin Independent School District has a plan in place for meeting the needs of the current students and achieving a Met Standard rating. The Applicant also seems prepared to offer tenant supportive services that bolster student performance.

Staff Recommendation: Staff recommends that the Board find the Development Site eligible.

TDHCA ID#	18327	Development Name:		Scott Street Lofts	
City:	Houston	Region:	6	Review Status:	Under Review
Staff recommendation:	Site is eligible under §10.101(a)(3)				
Staff Analysis	Poverty	N/A		Blight	Eligible
	Crime	Eligible		Schools	N/A

The proposed Development, New Construction and serving the General population, will be located in the city of Houston, in an area commonly referred to as East Downtown, or “EaDo.” It will contain 80 units. The census tract in which the Development will be located has a poverty rate of 9.3% and a median income in the first quartile, relative to the region. The area was once home to an active industrial and warehouse district but, through revitalization efforts, has quickly become a primarily residential and entertainment district, with low poverty rates and high incomes. The neighborhood is within a mile of downtown Houston, lying on the other side of Interstate Highway 69.

Summary of Disclosure: The Development Site is located in a census tract or within 1,000 feet of any census tract in an Urban Area and the rate of Part I violent crime is greater than 18 per 1,000 persons annually.

Analysis: The Part 1 violent crime rate for the census tract in which the proposed Development will be located is 10.16 incidents per 1,000 people, according to NeighborhoodScout. However, the Development Site is located just at 1,000 feet from another census tract that has a Part I Violent Crime rate of 26.65 per 1,000, according to NeighborhoodScout. The Applicant has disclosed this crime rate, despite the census tract possibly lying outside 1,000 feet, “out of caution.”

Appealing to the evidence provided by the Applicant, it does appear that the Development Site does not lie within 1,000 of the neighboring census tract that has a Part I Violent Crime Rate of 26.65 per 1,000. Even if it did intersect, it would be only by a relatively short length, with the intersecting land from that neighboring census tract being industrial sites and vacant land. One could reason that the low poverty and relatively high median income of the census tract (\$101,875) in which the Development will be located mitigates the neighboring census tract’s crime rate, if it indeed the 1,000 foot radius intersected with it.

The Applicant adds that the two census tracts are “completely different neighborhoods in the City of Houston and separated by extensive railroad tracks, a physical barrier,” reinforcing their argument that, ultimately, the neighboring census tract’s crime rate should not be deemed an undesirable neighborhood characteristic for the purposes of this Development.

Staff Determination: Staff does not believe the reported issue rises to a level that should cause concern.

Summary of Disclosure: The Development Site is located within 1,000 feet of multiple vacant structures that have fallen into such significant disrepair, overgrowth, and/or vandalism that they would commonly be regarded as blighted or abandoned.

Analysis: Pursuant to §10.101(a)(3), if the Development Site has any of the characteristics described in subparagraph (B) of this paragraph, the Applicant must disclose the presence of such characteristics in the Application submitted to the Department.

The Applicant disclosed that the Development Site is located within 1,000 feet of a few structures that could be classified as blighted. The Applicant states that the presence of “these blighted structures are heavily outweighed by evidence of revitalization and new construction in the area.” Having once been an area of primarily industrial and warehouse usage, the neighborhood is now a low-poverty, high-income area just minutes from downtown Houston.

Staff Determination: Staff visited the proposed Development Site. Where there is blight, there is often relatively high-end residential development right across the street. One could reasonably assume that the remaining vacant structures will soon be either rehabilitated or replaced. The area shows all the signs of a gentrifying urban neighborhood, and these structures will not survive the progress being made.

Staff Recommendation: Staff recommends that the Board find the Development Site eligible.

TDHCA ID#	18337	Development Name:		Fulton on the Rail	
City:	Houston	Region:	6	Review Status:	Under Review
Staff recommendation:	Site is eligible under §10.101(a)(3)				
Staff Analysis	Poverty	N/A		Blight	Eligible
	Crime	N/A		Schools	N/A

The proposed Development, New Construction and serving the general population, is located in the city of Houston’s Near Northside community, north of downtown. It is slated to have 146 units. The neighborhood is generally bounded by I-10 to the south, I-45 to the west, and Hardy Street to the east, while extending a number of blocks north of I-610. It is an area of mixed-uses, including single family and multifamily residential, commercial, industrial, and public. The census tract in which the Development Site is located has a poverty rate of 19.2% and a median income of \$48,026, which qualifies as a third quartile, relative to the region.

Summary of Disclosure: The Development Site is located within 1,000 feet of multiple vacant structures that have fallen into such significant disrepair, overgrowth, and/or vandalism that they would commonly be regarded as blighted or abandoned.

Analysis: Pursuant to §10.101(a)(3), if the Development Site has any of the characteristics described in subparagraph (B) of this paragraph, the Applicant must disclose the presence of such characteristics in the Application submitted to the Department. Per the requirements for mitigation,

Evidence of mitigation efforts to address blight or abandonment may include new construction in the area already underway that evidences public and/or private investment.

The Applicant disclosed that the Development Site is located within 1,000 feet of a multiple blighted structures. As mitigation, the Applicant recounts that the neighborhood in which the proposed Development is to be located is subject to a concerted revitalization plan and that gentrification is rapidly transforming the area. The Applicant provides evidence of small, new single family communities being developed on underutilized lots in the area; with many homes have price targets in the mid \$300,000s. A recently completed Metrorail transit line passes in front of the Development Site. While there had not been any market rate multifamily construction for nearly 40 years in the neighborhood, one project was just recently completed and other projects are planned—most notably, the Hardy Rail Yard redevelopment project, a 45-acres brownfield that will become a mixed-use development.

Staff Determination: Staff visited the proposed Development Site. This area does not have quite as much new development as some of the other Houston neighborhoods, but one can still see pockets of new construction in close proximity to blighted structures. The area shows all the signs of a gentrifying urban neighborhood, and staff agrees with the Applicant that the proximity of the Metrorail along with single-family development will eventually push the blighted structures out.

Staff Recommendation: Staff recommends that the Board find the Development Site eligible.

TDHCA ID#	18338	Development Name:		The Greenery	
City:	Houston	Region:	6	Review Status:	Under Review
Staff recommendation:	Site is eligible under §10.101(a)(3)				
Staff Analysis	Poverty	Eligible	Blight	N/A	
	Crime	Eligible	Schools	N/A	

The Development Site, New Construction and serving the General population, is located within the city of Houston. The Development will consist of 120 units. The census tract in which the proposed Development will be located has a poverty rate of 43.4% and a median income of \$24,059, which qualifies as a fourth quartile tract, relative to the region. The neighborhood consists of five census tracts that are west of East Hardy Toll Road, North of Beltway 8, East of IH 45, and South of Richey Road. The neighborhood hosts various mixed-uses, including single-family and multifamily residential, retail, services, and commercial. The neighborhood is located within the City of Houston’s Tax Increment Reinvestment Zone #11 (“TIRZ 11”).

Summary of Disclosure: The Development Site is located within a census tract that has a poverty rate above 40 percent for individuals (or 55 percent for Developments in regions 11 and 13).

Analysis: The census tract in which the Development Site is located has a poverty rate of 42.1%--slightly above the threshold limit of 40%. The rules regarding mitigation state that:

Evidence that the poverty rate within the census tract has decreased over the five-year period preceding the date of Application, or that the census tract is contiguous to a census tract with a poverty rate below 20% and there are no physical barriers between them such as highways or rivers which our be reasonably considered as separating or dividing the neighborhood containing the proposed Development from the low poverty area must be submitted.

The Applicant reasons that mitigation will be provided through the construction of “high quality affordable housing units that are subject to federal rent or income instructions” and that the poverty rate is “not of such a nature or severity that should render the Development Site ineligible.” The Applicant claims that the area is under jurisdiction of a successful tax increment finance district, which has brought private investment into the area and has reduced the crime rate.

The Applicant purports to demonstrate that poverty rates have dropped and incomes have risen in the neighborhood that would contain the Development. As an example, the Applicant provided the following table that tracks incomes in the census tracts that comprise the neighborhood. The bolded census tract is the one in which the Development will be located.

Median Income 2011 - 2015						
Census Tract	2015	2014	2013	2012	2011	Percentage Δ 14’ – 18’
48201240702	\$54,964	\$53,816	\$53,572	\$52,062	\$51,800	6.11%
48201240600	\$24,059	\$24,082	\$23,671	\$22,484	\$22,384	7.48%

48201240100	\$24,866	\$23,695	\$24,072	\$25,690	\$25,880	-3.92%
48201240501	\$25,101	\$24,712	\$29,732	\$29,546	\$26,606	-5.66%
48201240502	\$19,893	\$22,321	\$25,146	\$26,039	\$25,502	-21.99%

Of the five census tracts that comprise the neighborhood, three saw incomes drop over a five year period. The average for the five census tracts is an actual reduction of 3.6%. One census tract saw a reduction of nearly 22%. Even for the two census tracts that saw income growth over the five year period, the numbers presented appear not to take into account inflation and, furthermore, are within the margin of error for American Community Survey estimates.

Thus, from staff's perspective, incomes are lower today than they were in 2014 in the neighborhood. The poverty rate for the census tract in which the Development will be located, however, seems to have improved slightly. The Applicant pulls poverty rate data from previous years' Site Demographics and Characteristics Reports. Poverty rates for 2011 – 2015 are presented below for census tract 48201240600, in which the Development is to be located.

Poverty Rates 2011 - 2015						
Census Tract	2015	2014	2013	2012	2011	Percentage Δ 12' – 16'
48201240600	43.4%	45.9%	46.7%	54.3%	45.9%	5.76%

Over the past five years, the census tract in which the Development would be located has seen its poverty rate decrease by 5.76%. However, for four years since 2014, the poverty rate actually increased or stayed the same, depending on the year. Only in the 2015 5-year dataset from the American Community Survey does the poverty rate decrease. In the time since the above data was utilized, the 2016 5-year dataset has become available, and in referencing it, staff would like to record that the poverty rate has since dropped to 40.7%, suggesting a positive trend of decreasing poverty rates.

The Applicant notes that the census tract in question is adjacent to census tract 48201240702, whose median income falls within the second quartile, relative to the region, and whose poverty rate is 17.2%. Per the rule's stipulation regarding mitigation,

Evidence that the poverty rate within the census tract has decreased over the five-year period preceding the data of Application, or that the census tract is contiguous to a census tract with a poverty rate below 20% and there are no physical barriers between them such as highways or rivers which would be reasonably considered as separating or dividing the neighborhood containing the proposed Development from the low poverty area must be submitted. (emphasis added)

The two census tracts are not separated by any major barrier, as the shared line is a minor road.

Staff Determination: While the data suggest that incomes and poverty rates have not improved in the neighborhood, the census tract in which the proposed Development will be located borders another census tract whose poverty rate falls below 20%. There is some evidence of new development in the area, which can help to lower the poverty rate.

Summary of Disclosure: The Development Site is located in a census tract or within 1,000 feet of any census tract in an Urban Area and the rate of Part I violent crime is greater than 18 per 1,000 persons annually.

Analysis: The Part 1 violent crime rate for the census tract in which the proposed Development will be located is 18.02 incidents per 1,000 people, according to NeighborhoodScout. Regarding mitigation, 10 TAC §10.101(a)(3)(D)(ii) requires:

Evidence that crime rates are decreasing, based on violent crime data from the city's police department or county sheriff's department, for the police beat or patrol area within which the Development Site is located, based on the population of the police beat or patrol area that would yield a crime rate below the threshold indicated in this section. ...

The Applicant notes that the crime rate published by NeighborhoodScout is less than 1% over the limit of 18/1,000. To be exact, it is one one-hundredth over the limit, which one could reasonably argue is negligible. The Applicant further recounts that the census tract is directly adjacent to another census tract that has a crime rate of 8.84 per 1,000 residents—less than half the limit of the Department's rules.

The Applicant shares the following neighborhood efforts to address crime rates in the area:

- The North Houston District is funding the lease for the new Houston Police Department North Belt Division, which will provide an additional 100 officers into the local beat.
- The North Houston District also launched the Harris County Sheriff's Office Task Force in 2016. The program increases police visibility and targets specific community concerns. In addition, deputies work to educate the community on crime prevention strategies.
- The North Houston District employs several off-duty officers and deputies to routinely patrol businesses, retail, and multi-family properties.
- The North Houston District Parks Patrol is additional security provided by the district that provides high visibility patrols in the Greenspoint parks and trails.
- The North Houston District hosts community events where residents work with law enforcement, firefighters, and members of the military to engage in interactive community events such as Hoops & Heroes and National Night Out.

Staff Determination: Given the insignificant difference between the census tracts' crime rate and the rule's limit of 18 instances of Part I violent crime per 1,000 residents (0.01), and given the crime reduction efforts underway, staff sees little concern with the area's crime rates.

Staff Recommendation: Staff is recommending that the Board find the Development Site eligible.

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BOARD ACTION REQUEST

EXECUTIVE

MAY 24, 2018

Report on required Housing Tax Credit notifications made under 10 TAC §11.8(b)(2)(B) with a department-provided template, and possible action to accept notifications made using a superseded version of the template as satisfying the current rule

RECOMMENDED ACTION

Accept without change the handling of this matter as set forth in the Background section, below. An absence of any specific action on this item will be deemed to constitute acceptance.

BACKGROUND

Staff prepared and made available on the Department's website a template to be used in providing required notifications. Staff identified that the posted form of template did not track all of the requirements set forth in the rule and posted a corrected template on the Department's website and sent a listserv notification of this change at 2:03 on the afternoon of the day applications were due, January 9, 2018. As provided for in 10 TAC §10.3(a)(134) templates are deemed to satisfy the requirements of the applicable rule:

(134) Uniform Multifamily Application Templates--The collection of sample resolutions and form letters, produced by the Department, as may be required under this chapter, Chapter 11, 12 or 13 of this title that may be used, (but are not required to be used), to satisfy the requirements of the applicable rule.

The changes to the template did not involve any statutorily required elements, and notifications provided using the old template met the requirements of the statute requiring notifications. At the time the revision to the template was posted a significant number of notifications had already been given using the old template. Notifications provided using either the old template or the new template and otherwise properly and timely given will be deemed acceptable.

11

BOARD ACTION REQUEST
COMMUNITY AFFAIRS DIVISION
MAY 24, 2018

Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC §2.203 Termination and Reduction of Funding for CSBG Eligible Entities; an order proposing new 10 TAC §2.203 Termination and Reduction of Funding for CSBG Eligible Entities; an order proposing the repeal of 10 TAC §2.204, Contents of a Quality Improvement Plan; an order proposing new 10 TAC §2.204, Contents of a Quality Improvement Plan; an order proposing the repeal of 10 TAC Chapter 6 Community Affairs Programs: §6.1 Purpose and Goals, §6.2 Definitions, §6.3 Subrecipient Contract, §6.7 Subrecipient Reporting Requirements, §6.8 Applicant/Customer Denials and Appeal Rights; §6.205 Limitations on Use of Funds, §6.206 CSBG Needs Assessment, Community Action Plan, and Strategic Plan, §6.207 Subrecipient Requirements, §6.213 Board Responsibility, §6.214 Board Meeting Requirements; §6.301 Background and Definitions, §6.304 Deobligation and Reobligation of CEAP Funds, §6.307 Subrecipient Requirements for Customer Eligibility Criteria and Establishing Priority for Eligible Households, §6.309 Types of Assistance and Benefit Levels, §6.312 Payments to Subcontractors and Vendors; §6.403 Definitions, §6.405 Deobligation and Reobligation of Awarded Funds, §6.406 Subrecipient Requirements for Establishing Priority for Eligible Households and Customer Eligibility Criteria, §6.407 Program Requirements, §6.412 Mold-Like Substances, §6.414 Eligibility for Multifamily Dwelling Units and §6.415 Health and Safety and Unit Deferral; and an order proposing new 10 TAC Chapter 6 Community Affairs Programs: §6.1 Purpose and Goals, §6.2 Definitions, §6.3 Subrecipient Contract, §6.7 Subrecipient Reporting Requirements, §6.8 Applicant/Customer Denials and Appeal Rights; §6.205 Limitations on Use of Funds, §6.206 CSBG Assessment, Community Action Plan, and Strategic Plan, §6.207 Subrecipient Requirements, §6.213 Board Responsibility, §6.214 Board Meeting Requirements; §6.301 Background and Definitions, §6.304 Deobligation and Reobligation of CEAP Funds, §6.307 Subrecipient Requirements for Customer Eligibility Criteria and Establishing Priority for Eligible Households, §6.309 Types of Assistance and Benefit Levels, §6.312 Payments to Subcontractors and Vendors; §6.403 Definitions, §6.405 Deobligation and Reobligation of Awarded Funds, §6.406 Subrecipient Requirements for Establishing Priority for Eligible Households and Customer Eligibility Criteria, §6.407 Program Requirements, §6.412 Mold-Like Substances, §6.414 Eligibility for Multifamily Dwelling Units and §6.415 Health and Safety and Unit Deferral; and directing that they be published for public comment in the Texas Register

RECOMMENDED ACTION

WHEREAS, pursuant to Tex. Gov't Code §2306.053, the Department is authorized to adopt rules governing the administration of the Department and its programs;

WHEREAS, the Department and Subrecipients of Community Affairs programs have identified several areas for revision within 10 TAC Chapters 2 and 6 to improve clarity, to remedy discrepancies between rules, to correct identified areas of concern, and to provide changes needed to address findings identified by the U.S. Department of Health and Human Services ("HHS");

WHEREAS, revisions are therefore proposed to these Chapters and it is the Department's intent that the applicable rules be clear and understandable to Subrecipients and compliant with federal rules and guidelines; and

WHEREAS, upon authorization of this item, these proposed actions will be published in the Texas Register for public comment from June 8, 2018, through July 8, 2018;

NOW, therefore, it is hereby

RESOLVED, that the Executive Director and his designees be and each of them hereby are authorized, empowered, and directed, for and on behalf of the Department, to cause the proposed actions herein in the form presented to this meeting, to be published in the Texas Register for public comment, and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing; and

FURTHER RESOLVED, that if the Department receives no substantive comment on the proposed actions that the Department will adopt the actions without returning to the Board for further approval.

BACKGROUND

Staff has developed revisions within 10 TAC Chapters 2 and 6 to improve clarity, to remedy discrepancies between rules, to correct identified areas of concern, and to provide changes needed to address findings identified by HHS. It should be noted that not all sections of Chapters 2 and 6 are being proposed for repeal and replacement. Only those sections shown in this item are being proposed for repeal and subsequent replacement reflecting changes; those not proposed for changes in this BAR will not be released for public comment and may not be able to be revised even if comment is received relating to those sections. While the proposed rule attached reflects changes as blackline revisions to the current rule, the changes will be submitted to the Texas Register as proposed repeals and proposed new rules.

To get stakeholder input prior to bringing a draft to the Board, on April 23, 2018, staff released a list of the possible changes being proposed to the network of Community Affairs subrecipients, and hosted a conference call on May 1, 2018, to gather input to the released list and to answer any questions that might have arisen from the list of proposed changes. Staff will, upon action by the Board, publish the proposed rules in the Texas Register for public comment from June 8, 2018, through July 9, 2018. Staff anticipates returning for final adoption of these rules at the July 26, 2018, Board meeting, and estimates the rules becoming effective in late August 2018. Below is a general description of the changes proposed.

Summarized List of Proposed Rule Changes

- §2.203(f) and (g)
 - Makes non-substantive changes in wording regarding the 60 day period for the Quality Improvement Plan (“QIP”) process, adds the term Governing regarding the Board, and specifies days as calendar days.
 - Adds language indicating that a QIP may not be appropriate in some instances (for example, in the case of fraud). Adds language that before the Department will request a hearing with the State Office of Administrative Hearings (“SOAH”) when initiating proceedings to terminate under the Community Services Block Grant (“CSBG”)

Information Memorandum (“IM”)-116 process, staff will first have the Department’s Governing Board authorize the SOAH referral. This makes the rule more clear on the timing of when in the IM-116 process the Subrecipient will have the issue heard by the Department’s Governing Board.

- §2.204
 - Revises an incorrect citation and revises an incorrect reference to the location of another cite.
- §6.1(d)
 - Adds language to allow the Department programmatic flexibility in the case of a disaster, as authorized by CSBG IM-154.
- §6.2
 - Adds definitions for Qualified Alien, Unqualified Alien, and Mixed Status Household to provide terms needed to support revisions added in §6.307(f) and §309(d), as requested by HHS.
- §6.2(21)
 - Revises the definition for Expenditure in response to feedback from HHS’ recent monitoring of the Department’s Low Income Home Energy Assistance Program (“LIHEAP”).
- §6.2(31)
 - Adds a definition for Obligation in response to feedback from HHS’ recent monitoring of the Department’s LIHEAP program.
 - Subsequent renumbering of definitions.
- §6.3(e)(1)
 - Removes two clauses that restricted when contract amendments could be executed. They were removed because they limit effective solutions for achieving greater funding expenditure. The two clauses - proposed below for removal - said that amendments would not be granted if certain situations applied.
- §6.7(a)
 - Adds that Subrecipients are responsible for uploading information into the Department’s designated database.
- §6.7(h)
 - Adds that a Subrecipient is able to refer a contractor to the Department for debarment is moved to this new section (h) from §6.407(b) because this ability is not limited to only DOE, but pertains to all programs.
- §6.8
 - Adds “Potential Applicant” to the title to reflect added language in 6.8(a).
- §6.8(a)
 - Adds language to require Subrecipients to have a procedure for the handling of client

denials when the client is behaving in a threatening or abusive manner.

- §6.8(e) (as renumbered)
 - Adds a reference to §1.13 as it provides additional information on SOAH hearings.
- §6.205(b) and (c)
 - Deletes a redundancy related to voter registration, adds several more specific examples from CSBG Act, and specifies days as “calendar” days.
- §6.206
 - Removes the word “Need” now calling the assessment the Community Assessment; this change is made in the title and throughout the section.
 - Adds language to establish the specific process to be used when a Subrecipient wants to amend their Community Assessment or Community Action Plan.
- §6.207(i)(3)
 - Clarifies that the required case management evaluation system and survey are not part of the provision of case management, but are requirements of the program assessing case management. Also reorders the listed items.
- §6.213(d)
 - Removes language allowing a waiver to the requirement that Board members reside within the CSBG area because the CSBG Act does not allow for such a waiver.
- §6.214(a)
 - Adds language that Eligible Entities must have a quorum for their board meetings to count for purposes of meeting the rule requirements relating to frequency of meetings. Conceivably an agency could have five meetings per annum but not have quorum at those meetings.
- §6.301(4)
 - Adds a definition for “Nearly Out of Fuel” in response to feedback from HHS’ recent monitoring of the Department’s LIHEAP program.
- §6.301(5)
 - Adds a definition for Vendor Refund in response to feedback from HHS’ recent monitoring of the Department’s LIHEAP program.
- §6.304(a) and (b)
 - In consultation with a group of Subrecipients the Department has revised the deobligation process for CEAP. As requested by Subrecipients, a clause has been removed that limited deobligations to only the bottom 10% of Subrecipients not meeting identified benchmarks, meaning that now all Subrecipients who miss the benchmark will be prompted for the deobligation process. Revisions also now split out the deobligation “test” into two phases: a test to obligate 45% of funds by the May reporting deadline, and a test to obligate 70% of funds by the July reporting deadline. An opportunity to also avoid deobligation in the initial May test was added that requires training/technical assistance and submission of a plan to improve obligations.

- §6.307(f)
 - Adds language describing the methods that Subrecipients may use to confirm that no unqualified aliens are receiving CEAP benefits. This revision is made in response to feedback from HHS' recent monitoring of the Department's LIHEAP program.

- 6.309(c) and (d)
 - Adds whether a Household has Unqualified Aliens to the list of what items are considered in determining benefit calculation, provides the method of calculation for Mixed Status Households, clarifies how Vulnerable Population and priority designation should be established in Mixed Status Households, and specifies the reporting requirements for Mixed Status Households. Renumbers appropriately.

- 6.309(g)(4)
 - Adds language to indicate that water, waste water, and solid waste shall not be paid for using LIHEAP funds. This revision is made in response to feedback from HHS' recent monitoring of the Department's LIHEAP program.

- 6.309(g)(11)
 - Edits i.e. to e.g.

- 6.312(f)
 - Revises to address the proper process for handling the refund of utility deposits as program income.

- 6.312(g)
 - Revises to address the proper process for the handling of vendor refunds. This revision is made in response to feedback from HHS' recent monitoring of the Department's LIHEAP program.

- 6.403(j)
 - Adds definition of "Significant Energy Savings" to correlate with the Department of Energy ("DOE") State Plan and DOE Weatherization Program Notice ("WPN") 16-5. A Savings to Investment Ratio ("SIR") of 1.0 is used as that is generally accepted standard among states.

- 6.405(l)(2)
 - Revises to apply the rule of having at least one unit weatherized by the third reporting deadline to both LIHEAP WAP and DOE WAP.

- 6.406(e)
 - Adds language describing the methods that Subrecipients may use to confirm that no Unqualified Aliens are receiving WAP benefits. Adds whether a Household has Unqualified Aliens to the list of what items are considered in determining benefit calculation, provides the method of calculation for Mixed Status Households, clarifies how Vulnerable Population and priority designation should be established in Mixed Status Households, and specifies the reporting requirements for Mixed Status Households. This revision is made in response to feedback from HHS' recent monitoring of the Department's LIHEAP program, and to ensure compliance with

DOE Guidance WPN 00-1.

- 6.407(e)
 - Removes the clause regarding referring contractors for debarment as it has been moved to Chapter 1 because this rule is not only pertinent to WAP, but to all Community Affairs programs.

- 6.412(b)
 - Revises language to require Subrecipients to relay in writing the proper state agency for a Household to contact about the discovery of the presence of mold-like substances in one's house.

- 6.414(b)
 - Revises language regarding the weatherization of multifamily buildings to reflect the latest DOE Guidance in WPN 16-5.

- 6.415(a)
 - Changes the DOE WAP Health and Safety expenditure cap from 20% to 15% at the direction of DOE.

- 6.415(c)
 - Removes the maximum acceptable Carbon Monoxide parameters from the rules referring instead to the Standard Work Specifications.

- General: Other minor technical corrections are made throughout the rules including revising the plural use of Subrecipient in instances, renumbering, ensuring referential accuracy, etc.

Attachment 1: Preamble for proposed repeal of 10 TAC §2.203, Termination and Reduction of Funding for CSBG Eligible Entities

The Texas Department of Housing and Community Affairs (the "Department") proposes the repeal of §2.203 Termination and Reduction of Funding for CSBG Eligible Entities. The proposed repeal is to eliminate the rule which warrants revisions while adopting a new updated rule under separate action.

FISCAL NOTE. Timothy K. Irvine, Executive Director, has determined that for each year of the first five years the repealed section is in effect, enforcing or administering the repealed section does not have any foreseeable implications related to costs or revenues of the state or local governments.

GOVERNMENT GROWTH IMPACT STATEMENT. Mr. Irvine also has determined that, for the first five years the repeal would be in effect:

1. The proposed repeal will not create or eliminate a government program;
2. The proposed repeal will not require a change in the number of employees of the Department;
3. The proposed repeal will not require additional future legislative appropriations;
4. The proposed repeal will result in neither an increase nor a decrease in fees paid to the Department;
5. The proposed repeal will not create a new regulation;
6. The proposed action will repeal an existing regulation, however that regulation is being simultaneously recommended for a new rule;
7. The proposed repeal will not increase nor decrease the number of individuals subject to the rule's applicability; and
8. The proposed repeal will neither positively nor negatively affect this state's economy.

PUBLIC BENEFIT/COST NOTE. Mr. Irvine also has determined that, for each year of the first five years the repeal are in effect, the public benefit anticipated as a result of the repealed section will be clarity of program requirements. There will be no economic cost to any individuals required to comply with the repeal.

ADVERSE IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES. The Department has determined that there will be no economic effect on small or micro-businesses or rural communities.

REQUEST FOR PUBLIC COMMENT. The public comment period for the proposed repeal will be from June 8, 2018, to July 9, 2018. Written comments may be mailed to the Texas Department of Housing and Community Affairs, Gavin Reid, Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941, by fax to (512) 475-3935; or email to gavin.reid@tdhca.state.tx.us.

ALL COMMENTS MUST BE RECEIVED BY 5:00 P.M Austin local time, July 9, 2018.

STATUTORY AUTHORITY. The proposed repeal is proposed pursuant to Texas Government Code §2306.053, which authorizes the Department to adopt rules, and Chapter 2306, Subchapter E, which specifically authorizes the Department to administer community affairs programs. Except as described herein the proposed repeal affects no other code, article, or statute.

§2.203. Termination and Reduction of Funding for CSBG Eligible Entities

Attachment 2: Preamble for proposed new of 10 TAC §2.203 Termination and Reduction of Funding for CSBG Eligible Entities.

The Texas Department of Housing and Community Affairs (the "Department") proposes new 10 TAC §2.203 Termination and Reduction of Funding for CSBG Eligible Entities. The purpose of the proposed new section is to provide greater clarity in the process described in the rule.

FISCAL NOTE. Timothy K. Irvine, Executive Director, has determined that, for each year of the first five years the new section is in effect, enforcing or administering the new section does not have any foreseeable implications related to costs or revenues of the state or local governments.

GOVERNMENT GROWH IMPACT STATEMENT. Mr. Irvine also has determined that, for the first five years the rule would be in effect:

1. The proposed rule does not create or eliminate a government program;
2. The proposed rule will not require a change in the number of employees of the Department;
3. The proposed rule will not require additional future legislative appropriations;
4. The proposed rule will result in neither an increase nor a decrease in fees paid to the Department;
5. The proposed rule will not create a new regulation, except that it is replacing a rule being repealed simultaneously to provide for the updating and improved clarity of that rule;
6. The proposed rule will not expand an existing regulation;
7. The proposed rule will not increase the number of individuals subject to the rule's applicability; and
8. The proposed rule will neither positively nor negatively affect this state's economy.

PUBLIC BENEFIT/COST NOTE. Mr. Irvine also has determined that, for each year of the first five years the new section is in effect, the public benefit anticipated as a result of the new section will be improved clarity in the process described in the rule. There will not be any economic cost to any individuals required to comply with the new section, because the processes described by the rule have been in place through the rule found at this section being repealed.

ADVERSE IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES. The Department has determined that there will be no economic effect on small or micro-businesses or rural communities.

REQUEST FOR PUBLIC COMMENT. The public comment period for the proposed rule will be from June 8, 2018, to July9, 2018. Written comments may be mailed to the Texas Department of Housing and Community Affairs, Gavin Reid, Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941, by fax to (512) 475-3935; or email to gavin.reid@tdhca.state.tx.us.

ALL COMMENTS MUST BE RECEIVED BY 5:00 P.M Austin local time, July 9, 2018.

STATUTORY AUTHORITY. The proposed rule is proposed pursuant to Texas Government Code §2306.053, which authorizes the Department to adopt rules, and Chapter 2306, Subchapter E, which specifically authorizes the Department to administer community affairs programs. Except as described herein the proposed rule affects no other code, article, or statute.

[Note that this rule is shown in blackline form below for the purpose of the posting of Board materials but will be shown as clean proposed new language when submitted to the Texas Register.]

§2.203. Termination and Reduction of Funding for CSBG Eligible Entities

(a) This section describes the Department's process for implementing HHS Information Memorandum 116 (Corrective Action, Termination, or Reduction of Funding) ("IM 116") and 42 U.S.C. 9915.

(b) Deficiencies may be identified through failure to resolve issues identified in an onsite monitoring review, a review of the Subrecipient's Single Audit, a review prompted by a complaint, through the Department's procedures for reviewing performance and expenditure reports, or in any other review under 42 U.S.C. §9914(a)(1)-(4).

(c) If a Deficiency is identified, the Department will review the training and technical assistance that has been provided to the Eligible Entity and determine if further training and technical assistance is warranted. If so, concurrent with the notification of the Deficiency, the Eligible Entity will be offered additional training and technical assistance that specifically focuses on the Deficiencies. After training and technical assistance has been delivered, the Eligible Entity will be provided the opportunity to submit corrective action or a plan for correction.

(d) If an entity does not respond, does not resolve the Deficiency, or does not propose a reasonable corrective action plan, the uncorrected Deficiency (or Deficiencies) will be considered a final decision in a review pursuant to the CSBG Act and cause for proceedings to terminate Eligible Entity status or reduce funding in accordance with IM 116 and 42 U.S.C. §§9908(b)(8) and 9915; such a determination will be issued in a final determination letter from the Department.

(e) If the Department determines that the development and implementation of a QIP is an appropriate requirement and/or that additional training and technical assistance are needed, that requirement will be stated in the final determination letter. The Eligible Entity will be provided 20 calendar days to submit an acceptable QIP compliant with §2.204 of this Subchapter, indicating that steps are under way and identifying dates for correction. Within 30 calendar days from the date it receives the proposed QIP, the Department will review the QIP and either approve it or specify the reasons it cannot be approved.

(f) The CSBG Act requires that a QIP be implemented not later than 60 calendar days following the notification in the final determination letter. That requirement precludes a process of extended review and feedback and iterative QIP submissions (unless the QIP has been submitted sufficiently early to allow time for such Department review); a QIP that cannot be approved within the timeframe that allows for the implementation not later than the 60 calendar day deadline will generally serve to trigger the commencement of formal legal proceedings to terminate Eligible Entity status.

(g) If it is determined and/or documented that training and technical assistance is not appropriate, that the QIP is not appropriate, the QIP has not been approved, or the processes described in subsection (d) of this section have failed to resolve the Deficiency, the Department will contact all members of the Subrecipient's Board, and request that the Department's Governing Board at the next scheduled meeting authorize staff to pursue a hearing with and the Department will arrange and set a date for a hearing with the State Office of Administrative Hearings ("SOAH"). If approved by the Department's Governing Board, the Department will arrange and set a date for a hearing with SOAH. If the Eligible Entity does not respond or appear for the SOAH hearing, the consideration of termination of the Eligible Entity's status will be heard at the next regularly scheduled meeting of the Department's Governing Board. An entity receiving notice of the initiation of a contested case before SOAH is reminded that they will need to read and comply with SOAH's requirements in the way they handle and respond to the matter.

(h) SOAH will issue a proposal for decision to the TDHCA Governing Board recommending whether there is cause, as defined by the CSBG Act, 42 U.S.C. §9908(c), to terminate or reduce

| funding to the Subrecipient. The TDHCA Governing Board will be provided the proposal for decision and it will be considered as part of any final order by the Board in the matter.

| (i) If the TDHCA Governing Board determines that there is cause to terminate or reduce funding, pursuant to 42 U.S.C. §9915, the Department will notify the Subrecipient that it has the right under 42 U.S.C. §9915 to seek review of the decision by the HHS. If HHS does not overturn the decision, or if the Subrecipient does not seek HHS review, the entity's status as an Eligible Entity under the CSBG Act, and all active CSBG Contracts will be terminated on the 90th calendar day after the Board decision.

(j) Any right or remedy given to the Department by this Chapter does not preclude the existence of any other right or remedy, nor shall any action or lack of action by the Department in the exercise of any right or remedy be deemed a waiver of any other right or remedy.

Attachment 3: Preamble for proposed repeal of 10 TAC §2.204, Contents of a Quality Improvement Plan

The Texas Department of Housing and Community Affairs (the "Department") proposes the repeal of §2.204, Contents of a Quality Improvement Plan. The proposed repeal is to eliminate the rule which warrants revisions while adopting a new updated rule under separate action.

FISCAL NOTE. Timothy K. Irvine, Executive Director, has determined that for each year of the first five years the repealed section is in effect, enforcing or administering the repealed section does not have any foreseeable implications related to costs or revenues of the state or local governments.

GOVERNMENT GROWTH IMPACT STATEMENT. Mr. Irvine also has determined that, for the first five years the repeal would be in effect:

1. The proposed repeal will not create or eliminate a government program;
2. The proposed repeal will not require a change in the number of employees of the Department;
3. The proposed repeal will not require additional future legislative appropriations;
4. The proposed repeal will result in neither an increase nor a decrease in fees paid to the Department;
5. The proposed repeal will not create a new regulation;
6. The proposed action will repeal an existing regulation, however that regulation is being simultaneously recommended for a new rule;
7. The proposed repeal will not increase nor decrease the number of individuals subject to the rule's applicability; and
8. The proposed repeal will neither positively nor negatively affect this state's economy.

PUBLIC BENEFIT/COST NOTE. Mr. Irvine also has determined that, for each year of the first five years the repeal are in effect, the public benefit anticipated as a result of the repealed section will be clarity of program requirements. There will be no economic cost to any individuals required to comply with the repeal.

ADVERSE IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES. The Department has determined that there will be no economic effect on small or micro-businesses or rural communities.

REQUEST FOR PUBLIC COMMENT. The public comment period for the proposed repeal will be from June 8, 2018, to July 9, 2018. Written comments may be mailed to the Texas Department of Housing and Community Affairs, Gavin Reid, Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941, by fax to (512) 475-3935; or email to gavin.reid@tdhca.state.tx.us.

ALL COMMENTS MUST BE RECEIVED BY 5:00 P.M Austin local time, July 9, 2018.

STATUTORY AUTHORITY. The proposed repeal is proposed pursuant to Texas Government Code §2306.053, which authorizes the Department to adopt rules, and Chapter 2306, Subchapter E, which specifically authorizes the Department to administer community affairs programs. Except as described herein the proposed repeal affects no other code, article, or statute.

§2.204, Contents of a Quality Improvement Plan

Attachment 4: Preamble for proposed new of 10 TAC §2.204, Contents of a Quality Improvement Plan.

The Texas Department of Housing and Community Affairs (the "Department") proposes new §2.204, Contents of a Quality Improvement Plan. The purpose of the proposed new section is to correct several incorrect citations in the rule.

FISCAL NOTE. Timothy K. Irvine, Executive Director, has determined that, for each year of the first five years the new section is in effect, enforcing or administering the new section does not have any foreseeable implications related to costs or revenues of the state or local governments.

GOVERNMENT GROWH IMPACT STATEMENT. Mr. Irvine also has determined that, for the first five years the rule would be in effect:

1. The proposed rule does not create or eliminate a government program;
2. The proposed rule will not require a change in the number of employees of the Department;
3. The proposed rule will not require additional future legislative appropriations;
4. The proposed rule will result in neither an increase nor a decrease in fees paid to the Department;
5. The proposed rule will not create a new regulation, except that it is replacing a rule being repealed simultaneously to provide for the updating and improved clarity of that rule;
6. The proposed rule will not expand an existing regulation;
7. The proposed rule will not increase the number of individuals subject to the rule's applicability; and
8. The proposed rule will neither positively nor negatively affect this state's economy.

PUBLIC BENEFIT/COST NOTE. Mr. Irvine also has determined that, for each year of the first five years the new section is in effect, the public benefit anticipated as a result of the new section will be improved clarity in the process described in the rule. There will not be any economic cost to any individuals required to comply with the new section, because the processes described by the rule have been in place through the rule found at this section being repealed.

ADVERSE IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES. The Department has determined that there will be no economic effect on small or micro-businesses or rural communities.

REQUEST FOR PUBLIC COMMENT. The public comment period for the proposed rule will be from June 8, 2018, to July 9, 2018. Written comments may be mailed to the Texas Department of Housing and Community Affairs, Gavin Reid, Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941, by fax to (512) 475-3935; or email to gavin.reid@tdhca.state.tx.us.

ALL COMMENTS MUST BE RECEIVED BY 5:00 P.M Austin local time, July 9, 2018.

STATUTORY AUTHORITY. The proposed rule is proposed pursuant to Texas Government Code §2306.053, which authorizes the Department to adopt rules, and Chapter 2306, Subchapter E, which specifically authorizes the Department to administer community affairs programs. Except as described herein the proposed rule affects no other code, article, or statute.

[Note that this rule is shown in blackline form below for the purpose of the posting of Board materials but will be shown as clean proposed new language when submitted to the Texas Register.]

§2.204, Contents of a Quality Improvement Plan

If a QIP is required of a Subrecipient under §2.203(~~e~~) of this Subchapter, it must be developed compliant with the guidance in this section. While each QIP developed by a Subrecipient is unique and must be responsive to the specific Deficiencies identified, all of the items below, at a minimum, must be addressed.

(1) A QIP must initially provide a clear and explicit acknowledgement of each of the Deficiencies that have prompted the need for such a plan, and must be described in sufficient detail to affirm that the Subrecipient's board and management have a solid grasp of the needed improvement.

(2) Although commencement of the implementation of a QIP is specified in statute (42 USC §9915(a)(4)) the timeline for completion is important. The QIP must set forth an aggressive but achievable timeline that plans for implementation of the planned remedies to be actively underway not later than the sixtieth day after the day on which the Department notified the Subrecipient of a final determination consistent with §2.203(c) of this Subchapter~~above~~. The timeline should take into account the possible impact on achievement of benchmarks, plans, and other objectives. As a general rule the Subrecipient should not expect to receive an extension of any timeframes described herein.

(3) The QIP must be specific. A general statement, such as "the Subrecipient will ensure it has a compliant tripartite board" or "the Subrecipient will obtain a compliant Single Audit" will not suffice. Many such matters involve multiple steps from analysis and planning at the management level, to board presentation and approval, to procurement, to contracting, to execution under the Contract, often with follow-on requirements. If any of the steps will also require expenditure of funds, it may also be necessary to review and update the budget and possibly other matters, such as plans. Specificity must include at a minimum addressing the following questions:

(A) Whom within the Subrecipient's staff will do what specific steps/tasks, when will they do it, and what resources will they need?

(B) If staff is to be redirected or released from existing duties, how will those duties be covered?

(C) How will the agency ensure the Deficiency does not reoccur?

Attachment 5: Preamble for proposed repeal of 10 TAC Chapter 6 Community Affairs Programs: §6.1 Purpose and Goals, §6.2 Definitions, §6.3 Subrecipient Contract, §6.7 Subrecipient Reporting Requirements, §6.8 Applicant/Customer Denials and Appeal Rights, §6.205 Limitations on Use of Funds, §6.206 CSBG Needs Assessment, Community Action Plan, and Strategic Plan, §6.207 Subrecipient Requirements, §6.213 Board Responsibility, §6.214 Board Meeting Requirements, §6.301 Background and Definitions, §6.304 Deobligation and Reobligation of CEAP Funds, §6.307 Subrecipient Requirements for Customer Eligibility Criteria and Establishing Priority for Eligible Households, §6.309 Types of Assistance and Benefit Levels, §6.312 Payments to Subcontractors and Vendors, §6.403 Definitions, §6.405 Deobligation and Reobligation of Awarded Funds, §6.406 Subrecipient Requirements for Establishing Priority for Eligible Households and Customer Eligibility Criteria, §6.407 Program Requirements, §6.412 Mold-Like Substances, §6.414 Eligibility for Multifamily Dwelling Units, and §6.415 Health and Safety and Unit Deferral

The Texas Department of Housing and Community Affairs (the "Department") proposes the repeal of 10 TAC Chapter 6 Community Affairs Programs: §6.1 Purpose and Goals, §6.2 Definitions, §6.3 Subrecipient Contract, §6.7 Subrecipient Reporting Requirements, §6.8 Applicant/Customer Denials and Appeal Rights, §6.205 Limitations on Use of Funds, §6.206 CSBG Needs Assessment, Community Action Plan, and Strategic Plan, §6.207 Subrecipient Requirements, §6.213 Board Responsibility, §6.214 Board Meeting Requirements, §6.301 Background and Definitions, §6.304 Deobligation and Reobligation of CEAP Funds, §6.307 Subrecipient Requirements for Customer Eligibility Criteria and Establishing Priority for Eligible Households, §6.309 Types of Assistance and Benefit Levels, §6.312 Payments to Subcontractors and Vendors, §6.403 Definitions, §6.405 Deobligation and Reobligation of Awarded Funds, §6.406 Subrecipient Requirements for Establishing Priority for Eligible Households and Customer Eligibility Criteria, §6.407 Program Requirements, §6.412 Mold-Like Substances, §6.414 Eligibility for Multifamily Dwelling Units, and §6.415 Health and Safety and Unit Deferral. The proposed repeal is to eliminate portions of the rule that warrant revisions while adopting new updated rules under separate action.

FISCAL NOTE. Timothy K. Irvine, Executive Director, has determined that for each year of the first five years the repealed sections are in effect, enforcing or administering the repealed sections do not have any foreseeable implications related to costs or revenues of the state or local governments.

GOVERNMENT GROWTH IMPACT STATEMENT. Mr. Irvine also has determined that, for the first five years the repeals would be in effect:

1. The proposed repeals will not create or eliminate a government program;
2. The proposed repeals will not require a change in the number of employees of the Department;
3. The proposed repeals will not require additional future legislative appropriations;
4. The proposed repeals will result in neither an increase nor a decrease in fees paid to the Department;
5. The proposed repeals will not create a new regulation;
6. The proposed action will repeal existing regulations, however those regulation are being simultaneously recommended for new rules;
7. The proposed repeals will not increase nor decrease the number of individuals subject to the rule's applicability; and
8. The proposed repeals will neither positively nor negatively affect this state's economy.

PUBLIC BENEFIT/COST NOTE. Mr. Irvine also has determined that, for each year of the first five years the repeals are in effect, the public benefit anticipated as a result of the repealed sections will be clarity of program requirements. There will be no economic cost to any individuals required to comply with the repeals.

ADVERSE IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES. The Department has determined that there will be no economic effect on small or micro-businesses or rural communities.

REQUEST FOR PUBLIC COMMENT. The public comment period for the proposed repeal will be from June 8, 2018, to July 9, 2018. Written comments may be mailed to the Texas Department of Housing and Community Affairs, Gavin Reid, Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941, by fax to (512) 475-3935; or email to gavin.reid@tdhca.state.tx.us.

ALL COMMENTS MUST BE RECEIVED BY 5:00 P.M Austin local time, July 9, 2018.

STATUTORY AUTHORITY. The proposed repeal is proposed pursuant to Texas Government Code §2306.053, which authorizes the Department to adopt rules, and Chapter 2306, Subchapter E, which specifically authorizes the Department to administer community affairs programs. Except as described herein the proposed repeal affects no other code, article, or statute.

§6.1 Purpose and Goals

§6.2 Definitions

§6.3 Subrecipient Contract

§6.7 Subrecipient Reporting Requirements

§6.8 Applicant/Customer Denials and Appeal Rights

§6.205 Limitations on Use of Funds

§6.206 CSBG Needs Assessment, Community Action Plan, and Strategic Plan

§6.207 Subrecipient Requirements

§6.213 Board Responsibility

§6.214 Board Meeting Requirements

§6.301 Background and Definitions

§6.304 Deobligation and Reobligation of CEAP Funds

§6.307 Subrecipient Requirements for Customer Eligibility Criteria and Establishing Priority for Eligible Households

§6.309 Types of Assistance and Benefit Levels

§6.312 Payments to Subcontractors and Vendors

§6.403 Definitions

§6.405 Deobligation and Reobligation of Awarded Funds

§6.406 Subrecipient Requirements for Establishing Priority for Eligible Households and Customer Eligibility Criteria

§6.407 Program Requirements

§6.412 Mold-Like Substances

§6.414 Eligibility for Multifamily Dwelling Units

§6.415 Health and Safety and Unit Deferral

Attachment 6: Preamble for proposed new 10 TAC Chapter 6 Community Affairs Programs: §6.1 Purpose and Goals, §6.2 Definitions, §6.3 Subrecipient Contract, §6.7 Subrecipient Reporting Requirements, §6.8 Applicant/Customer Denials and Appeal Rights, §6.205 Limitations on Use of Funds, §6.206 CSBG Assessment, Community Action Plan, and Strategic Plan, §6.207 Subrecipient Requirements, §6.213 Board Responsibility, §6.214 Board Meeting Requirements, §6.301 Background and Definitions, §6.304 Deobligation and Reobligation of CEAP Funds, §6.307 Subrecipient Requirements for Customer Eligibility Criteria and Establishing Priority for Eligible Households, §6.309 Types of Assistance and Benefit Levels, §6.312 Payments to Subcontractors and Vendors, §6.403 Definitions, §6.405 Deobligation and Reobligation of Awarded Funds, §6.406 Subrecipient Requirements for Establishing Priority for Eligible Households and Customer Eligibility Criteria, §6.407 Program Requirements, §6.412 Mold-Like Substances, §6.414 Eligibility for Multifamily Dwelling Units, and §6.415 Health and Safety and Unit Deferral

The Texas Department of Housing and Community Affairs (the "Department") proposes new 10 TAC Chapter 6 Community Affairs Programs: §6.1 Purpose and Goals, §6.2 Definitions, §6.3 Subrecipient Contract, §6.7 Subrecipient Reporting Requirements, §6.8 Applicant/Customer Denials and Appeal Rights, §6.205 Limitations on Use of Funds, §6.206 CSBG Assessment, Community Action Plan, and Strategic Plan, §6.207 Subrecipient Requirements, §6.213 Board Responsibility, §6.214 Board Meeting Requirements, §6.301 Background and Definitions, §6.304 Deobligation and Reobligation of CEAP Funds, §6.307 Subrecipient Requirements for Customer Eligibility Criteria and Establishing Priority for Eligible Households, §6.309 Types of Assistance and Benefit Levels, §6.312 Payments to Subcontractors and Vendors, §6.403 Definitions, §6.405 Deobligation and Reobligation of Awarded Funds, §6.406 Subrecipient Requirements for Establishing Priority for Eligible Households and Customer Eligibility Criteria, §6.407 Program Requirements, §6.412 Mold-Like Substances, §6.414 Eligibility for Multifamily Dwelling Units, and §6.415 Health and Safety and Unit Deferral. The purpose of the proposed new sections is to improve clarity, to remedy discrepancies between rules, to correct identified areas of concern, and to provide changes needed to address findings identified by the U.S. Department of Health and Human Services ("HHS").

FISCAL NOTE. Timothy K. Irvine, Executive Director, has determined that, for each year of the first five years the new sections are in effect, enforcing or administering the new sections does not have any foreseeable implications related to costs or revenues of the state or local governments.

GOVERNMENT GROWTH IMPACT STATEMENT. Mr. Irvine also has determined that, for the first five years the rule would be in effect:

1. The proposed rules do not create or eliminate a government program;
2. The proposed rules will not require a change in the number of employees of the Department;
3. The proposed rules will not require additional future legislative appropriations;
4. The proposed rules will result in neither an increase nor a decrease in fees paid to the Department;
5. The proposed rules will not create new regulations, except that they are replacing rules being repealed simultaneously to provide for the updating and improved clarity of those rules;
6. The proposed rules will not expand an existing regulation;
7. The proposed rules will not increase the number of individuals subject to the rule's applicability; and

8. The proposed rules will neither positively nor negatively affect this state's economy.

PUBLIC BENEFIT/COST NOTE. Mr. Irvine also has determined that, for each year of the first five years the new sections are in effect, the public benefit anticipated as a result of the new sections will be improved clarity in the processes described in the rule, resolution of discrepancies between rules, correction to identified areas of concern, and changes needed to address findings identified by HHS. There will not be any economic cost to any individuals required to comply with the new sections, because the processes described by the rules have been in place through the rules found at the sections being repealed.

ADVERSE IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES. The Department has determined that there will be no economic effect on small or micro-businesses or rural communities.

REQUEST FOR PUBLIC COMMENT. The public comment period for the proposed rules will be from June 8, 2018, to July 9, 2018. Written comments may be mailed to the Texas Department of Housing and Community Affairs, Gavin Reid, Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941, by fax to (512) 475-3935; or email to gavin.reid@tdhca.state.tx.us.

ALL COMMENTS MUST BE RECEIVED BY 5:00 P.M Austin local time, July 9, 2018.

STATUTORY AUTHORITY. The proposed rule is proposed pursuant to Texas Government Code §2306.053, which authorizes the Department to adopt rules, and Chapter 2306, Subchapter E, which specifically authorizes the Department to administer community affairs programs. Except as described herein the proposed rule affects no other code, article, or statute.

[Note that this rule is shown in blackline form below for the purpose of the posting of Board materials but will be shown as clean proposed new language when submitted to the Texas Register.]

§6.1. Purpose and Goals

(a) The rules established herein are for CSBG, LIHEAP, and DOE-WAP. Additional program specific requirements are contained within each program subchapter and Chapters 1 and 2 of this Title.

(b) Programs administered by the Community Affairs ("CA") Division of the Texas Department of Housing and Community Affairs (the "Department") support the Department's statutorily assigned mission.

(c) The Department accomplishes its mission chiefly by acting as a conduit for federal grant funds and other assistance for housing and community affairs programs. Ensuring program compliance with the state and federal laws that govern the CA programs is another important part of the Department's mission. Oversight and program mandates ensure state and federal resources are expended in an efficient and effective manner.

(d) In instances of a disaster, the Department may pursue waivers or explore flexibilities as addressed in CSBG IM -154 (and any other subsequent guidance or similar guidance for LIHEAP or DOE WAP) through HHS or DOE within the CA programs in order to serve low income Texans.

§6.2. Definitions

(a) To ensure a clear understanding of the terminology used in the context of the CSBG, LIHEAP, and DOE-WAP programs of the Community Affairs Division, a list of terms and definitions has been compiled as a reference.

(b) The words and terms in this chapter shall have the meanings described in this subsection unless the context clearly indicates otherwise. Refer to Subchapters B, C, and D of this chapter for program specific definitions.

(1) Affiliate--An entity related to an Applicant that controls by contract or by operation of law the Applicant or has the power to control the Applicant or a third entity that controls, or has the power to control both the Applicant and the entity. Examples include but are not limited to entities submitting under a common application, or instrumentalities of a unit of government. This term also includes any entity that is required to be reported as a component entity under Generally Accepted Accounting Standards, is required to be part of the same Single Audit as the Applicant, is reported on the same IRS Form 990, or is using the same federally approved indirect cost rate.

(2) Awarded Funds--The amount of funds or proportional share of funds committed by the Department's Board to a Subrecipient or service area.

(3) Categorical Eligible/Eligibility--A method where a Subrecipient must deem a Household to be eligible for benefits if that Household includes at least one member that receives:

(A) SSI payments from the Social Security Administration; or

(B) Means Tested Veterans Program payments. See §6.2(b)(30).

(4) Child--Household member not exceeding eighteen (18) years of age.

(5) Code of Federal Regulations ("CFR")--The codification of the general and permanent rules and regulations of the federal government as adopted and published in the Federal Register.

(6) Community Action Agencies ("CAAs")--Private Nonprofit Organizations and Public Organizations that carry out the Community Action Program, which was established by the 1964 Economic Opportunity Act to fight poverty by empowering the poor in the United States.

(7) Community Services Block Grant ("CSBG")--An HHS-funded program which provides funding for CAAs and other Eligible Entities that seek to address poverty at the community level.

(8) Comprehensive Energy Assistance Program ("CEAP")--A LIHEAP-funded program to assist low-income Households, in meeting their immediate home energy needs.

(9) Concern--A policy, practice or procedure that has not yet resulted in a Finding or Deficiency but if not changed will or may result in Findings, Deficiencies and/or disallowed costs.

(10) Contract--The executed written Agreement between the Department and a Subrecipient performing an Activity related to a program that describes performance requirements and responsibilities assigned by the document, for which the first day of the Contract term period is the point at which programs funds may be considered by a Subrecipient for Expenditure, unless otherwise directed in writing by the Department.

(11) Contracted Funds--The gross amount of funds Obligated by the Department to a Subrecipient as reflected in a Contract.

(12) Cost Reimbursement--A Contract sanction whereby reimbursement of costs incurred by the Subrecipient is made only after the Department has conducted such review as it deems appropriate, which may be complete or limited, such as on a sampling basis, and approved backup documentation provided by the Subrecipient to support such costs. Such a review and approval does not serve as a final approval and all uses of advanced funds remain subject to review in connection with future or pending reviews, monitoring, or audits.

(13) Declaration of Income Statement ("DIS")--A Department-approved form used only when it is not possible for an applicant to obtain third party or firsthand verification of income.

(14) Deficiency--Consistent with the CSBG Act, a Deficiency exists when an Eligible Entity has failed to comply with the terms of an agreement or a State plan, or to meet a State requirement. The Departments determination of a Deficiency may be based on the Eligible Entity's failure to provide CSBG services, or to meet appropriate standards, goals, and other requirements established by the State, including performance objectives. A Finding, Observation, or Concern that is not corrected, or is repeated, may become a Deficiency.

(15) Deobligate/Deobligation--The partial or full removal of Contracted Funds from a Subrecipient. Partial Deobligation is the removal of some portion of the full Contracted Funds from a Subrecipient, leaving some remaining balance of Contracted Funds to be administered by the Subrecipient. Full Deobligation is the removal of the full amount of Contracted Funds from a Subrecipient. This definition does not apply to CSBG non-discretionary funds.

(16) Department of Energy ("DOE")--Federal department that provides funding for a weatherization assistance program.

(17) Department of Health and Human Services ("HHS")--Federal department that provides funding for CSBG and LIHEAP energy assistance and weatherization.

(18) Dwelling Unit--A house, including a stationary mobile home, an apartment, a group of rooms, or a single room occupied as separate living quarters.

(19) Elderly Person--

(A) for CSBG, a person who is 55 years of age or older; and

(B) for CEAP and WAP, a person who is 60 years of age or older.

(20) Emergency--defined as:

(A) a natural disaster;

(B) a significant home energy supply shortage or disruption;

(C) significant increase in the cost of home energy, as determined by the Secretary of HHS;

(D) a significant increase in home energy disconnections reported by a utility, a state regulatory agency, or another agency with necessary data;

(E) a significant increase in participation in a public benefit program such as the food stamp program carried out under the Food Stamp Act of 1977 (7 U.S.C. §§2011, et seq.), the national program to provide supplemental security income carried out under Title XVI of the Social Security Act (42 U.S.C. §§1381, et seq.) or the state temporary assistance for needy families program carried out under Part A of Title IV of the Social Security Act (42 U.S.C. §§601, et seq.), as determined by the head of the appropriate federal agency;

(F) a significant increase in unemployment, layoffs, or the number of Households with an individual applying for unemployment benefits, as determined by the Secretary of Labor; or

(G) an event meeting such criteria as the Secretary of HHS, at the discretion of the Secretary of HHS, may determine to be appropriate.

(21) Expenditure--Funds that have been accrued or remitted for purposes of the award, or in the case of CEAP, funds that have been pledged. ~~An amount of money spent.~~

(22) Families with Young Children--A Household that includes a Child age five or younger. For LIHEAP WAP only, a Family with Young Children also includes a Household that has a pregnant woman.

(23) Finding--A Subrecipient's material failure to comply with rules, regulations, the terms of the Contract or to provide services under each program to meet appropriate standards, goals, and other requirements established by the Department or funding source (including performance objectives). A Finding impacts the organizations ability to achieve the goals of the program and jeopardizes continued operations of the Subrecipient. Findings include the identification of an action or failure to act that results in disallowed costs.

(24) High Energy Burden--Households with energy burden which exceeds 11% of annual gross income (as defined by the applicable program), determined by dividing a Household's annual home energy costs by the Household's annual gross income.

(25) High Energy Consumption--A Household that is billed more than \$1000 annually for related fuel costs for heating and cooling their Dwelling Unit.

(26) Household--Any individual or group of individuals, excluding unborn children, who are living together as one economic unit. For DOE WAP this includes all persons living in the Dwelling Unit. For CSBG/LIHEAP these persons customarily purchase residential energy in common or make

- undesigned payments for energy. In CSBG/LIHEAP a live-in aide, or a Renter with a separate lease that includes a separate bill for utilities would not be considered a Household member.
- (27) Inverse Ratio of Population Density Factor--The number of square miles of a county divided by the number of poverty Households of that county.
- (28) Low Income Household--defined as:
- (A) For DOE WAP, a Household whose total combined annual income is at or below 200% of the HHS Poverty Income guidelines, or a Household who is Categorically Eligible;
- (B) For CEAP and LIHEAP WAP, a Household whose total combined annual income is at or below 150% of the HHS Poverty Income guidelines, or a Household who is Categorically Eligible; and
- (C) For CSBG, a Household whose total combined annual income is at or below 125% of the HHS Poverty Income guidelines.
- (29) Low Income Home Energy Assistance Program ("LIHEAP")--An HHS-funded program which serves low income Households who seek assistance for their home energy bills and/or weatherization services.
- (30) Means Tested Veterans Program--A program whereby applicants receive payments under §§415, 521, 541, or 542 of title 38, United States Code, or under §306 of the Veterans' and Survivors' Pension Improvement Act of 1978.
- (31) Mixed Status Household--A Household that contains one or more members that are U.S. Citizens, U.S. Nationals, or Qualified Aliens, and one or more members that are Unqualified Aliens.
- (32) Obligation--Funds become obligated upon approval of an award to Subrecipient by the Department's Governing Board, unless the Department does not receive sufficient funding from the cognizant federal entity.
- ~~(33)~~ Observation--A notable policy, practice or procedure observed though the course of monitoring.
- ~~(34)~~ Office of Management and Budget ("OMB")--Office within the Executive Office of the President of the United States that oversees the performance of federal agencies and administers the federal budget.
- ~~(35)~~ OMB Circulars--Instructions and information issued by OMB to Federal agencies that set forth principles and standards for determining costs for federal awards and establish consistency in the management of grants for federal funds. Uniform cost principles and administrative requirements for local governments and for nonprofit organizations, as well as audit standards for governmental organizations and other organizations expending federal funds are set forth in 2 CFR Part 200, unless different provisions are required by statute or approved by OMB.
- ~~(36)~~ Outreach--The method that attempts to identify customers who are in need of services, alerts these customers to service provisions and benefits, and helps them use the services that are available. Outreach is utilized to locate, contact and engage potential customers.
- ~~(37)~~ Performance Statement--A document which identifies the services to be provided by a Subrecipient.
- ~~(38)~~ Persons with Disabilities--Any individual who is:
- (A) an individual described in 29 U.S.C. §701 or has a disability under 42 U.S.C. §§12131 - 12134;
- (B) disabled as defined in 42 U.S.C. 1382(a)(3)(A), 42 U.S.C. §423, or in 42 U.S.C. §15001; or
- (C) receiving benefits under 38 U.S.C. Chapter 11 or 15.
- ~~(39)~~ Population Density--The number of persons residing within a given geographic area of the state.
- ~~(40)~~ Poverty Income Guidelines--The official poverty income guidelines as issued by HHS annually.
- ~~(41)~~ Private Nonprofit Organization--An organization described in §501(c) of the Internal Revenue Code (the "Code") of 1986 and which is exempt from taxation under subtitle A of the Code and that is not a Public Organization.

- (420) Production Schedule--The estimated monthly and quarterly performance targets and expenditures for a Contract period. The Production schedule must be signed by the applicable approved signatory and approved by the Department in writing.
- (434) Program Year--January 1 through December 31 of each calendar year for CSBG and LIHEAP and July 1 through June 30 of each calendar year for DOE WAP.
- (442) Public Organization--A unit of government, as established by the Legislature of the State of Texas. Includes, but may not be limited to, cities, counties, and councils of governments.
- (45) Qualified Alien--A person that is not a U.S. Citizen or a U.S. National and is described at 8 U.S.C. §1641(b).
- (463) Referral--The documented process of providing information to a customer Household about an agency, program, or professional person that can provide the service(s) needed by the customer.
- (474) Reobligation--The reallocation of ~~d~~Deobligated funds to other Subrecipients.
- (485) Single Audit--The audit required by Office of Management and Budget (OMB), 2 CFR Part 200, Subpart F, or Tex. Gov't Code, Chapter 738, Uniform Grant and Contract Management, as reflected in an audit report.
- (496) State--The State of Texas or the Department, as indicated by context.
- (5047) Subcontractor--A person or an organization with whom the Subrecipient contracts with to provide services.
- (5148) Subgrant--An award of financial assistance in the form of money, made under a grant by a Subrecipient to an eligible Subgrantee. The term includes financial assistance when provided by contractual legal agreement, but does not include procurement purchases.
- (5249) Subgrantee--The legal entity to which a Subgrant is awarded and which is accountable to the Subrecipient for the use of the funds provided.
- (530) Subrecipient--An organization that receives federal funds passed through the Department to operate the CSBG, CEAP, DOE WAP and/or LIHEAP program(s).
- (544) Supplemental Security Income (SSI)--A means tested program run by the Social Security Administration.
- (552) System for Award Management ("SAM")--Combined federal database that includes the Excluded Parties List System ("EPLS").
- (563) Systematic Alien Verification for Entitlements ("SAVE")--Automated intergovernmental database that allows authorized users to verify the immigration status of applicants.
- (574) Texas Administrative Code ("TAC")--A compilation of all state agency rules in Texas.
- (585) Uniform Grant Management Standards ("UGMS")--The standardized set of financial management procedures and definitions established by Tex. Gov't Code Chapter 783 to promote the efficient use of public funds by requiring consistency among grantor agencies in their dealings with grantees, and by ensuring accountability for the expenditure of public funds. State agencies are required to adhere to these standards when administering grants and other financial assistance agreements with cities, counties and other political subdivisions of the state. This includes all Public Organizations. In addition, Tex. Gov't Code Chapter 2105, subjects Subrecipients of federal block grants (as defined therein) to the Uniform Grant and Contract Management Standards.
- (596) United States Code ("U.S.C.")--A consolidation and codification by subject matter of the general and permanent laws of the United States.
- (60) Unqualified Alien--A person that is not a U.S. Citizen, U.S. National, or a Qualified Alien.
- (6157) Vendor Agreement--An agreement between the Subrecipient and energy vendors that contains assurances regarding fair billing practices, delivery procedures, and pricing for business transactions involving LIHEAP beneficiaries.
- (6258) Vulnerable Populations--Elderly persons, Persons with a Disability, and Households with a Child at or below the age of five.

(6359) Weatherization Assistance Program ("WAP")--DOE and LIHEAP funded program designed to reduce the energy cost burden of Low Income Households through the installation of energy efficient weatherization materials and education in energy use.

§6.3. Subrecipient Contract

(a) Subject to prior Board approval, the Department and a Subrecipient shall enter into and execute a Contract for the disbursement of program funds. The Department, acting by and through its Executive Director or his/her designee, may authorize, execute, and deliver authorized modifications and/or amendments to the contract, as allowed by state and federal laws and rules.

(b) The governing body of the Subrecipient must pass a resolution authorizing its Executive Director or his/her designee to have signature authority to enter into contracts, sign amendments, and review and approve reports. All Contract actions including extensions, amendments or revisions must be ratified by the governing body at the next regularly scheduled meeting. Minutes relating to this resolution must be on file at the Subrecipient level.

(c) Within 45 calendar days following the conclusion of a Contract issued by the Department, the Subrecipient shall provide a final expenditure and final performance report regarding funds expended under the terms of the Contract.

(d) A performance statement and budget are attachments to the Contract between the Subrecipient and the Department. Execution of the Contract enables the Subrecipient to access funds through the Department's Community Affairs contract system.

(e) Amendments and Extensions to Contracts.

(1) Except for quarterly amendments to non-discretionary CSBG Contracts to add funds as they are received from HHS, and excluding amendments that move funds within budget categories but do not extend time or add funds, amendments and extension requests must be submitted in writing by the Subrecipient and will not be granted if any of the following circumstances exist:

(A) if the award for the Contract was competitively awarded and the amendment would materially change the scope of Contract performance;

~~(B) if the funds associated with the Contract will reach their federal expiration date within 45 calendar days of the request;~~

~~(B)~~ if the Subrecipient is delinquent in the submission of their Single Audit or the Single Audit Certification form required by §1.403, relating to Single Audit Requirements, in Chapter 1 of this Title;

~~(C)~~ if the Subrecipient owes the Department disallowed amounts in excess of \$1,000 and a Department-approved repayment plan is not in place or has been violated;

~~(D)~~ for amendments adding funds (not applicable to amendments for extending time) if the Department has cited the Subrecipient for violations within §6.10 of this Subchapter (related to Compliance Monitoring) and the corrective action period has expired without correction of the issue or a satisfactory plan for correction of the issue; or

~~(F) the Contract has expired; or~~

~~(E)~~ a member of the Subrecipient's board has been debarred and has not been removed.

(2) Within 30 calendar days of a Subrecipient's request for a Contract amendment or extension request the request will be processed or denied in writing. If denied, the applicable reason from this subsection (e) or other applicable reason will be cited. The Subrecipient may appeal the decision to the Executive Director consistent with Chapter 1, §1.7, of this Title.

§6.7. Subrecipient Reporting Requirements

(a) Subrecipients must submit a monthly performance and expenditure report through the Community Affairs Contract System not later than the fifteenth (15th) day of each month following the reported month of the contract period. Reports are required even if a fund reimbursement or

advance is not being requested. It is the responsibility of the Subrecipient to upload information into the Department's designated database.

(b) Subrecipient shall reconcile their expenditures with their performance on at least a monthly basis before seeking a request for funds for the following month. If the Subrecipient is unable to reconcile on a month-to-month basis, the Subrecipient must provide at the request of the Department, a written explanation for the variance and take appropriate measures to reconcile the subsequent month. It is the responsibility of a Subrecipient to ensure that it has documented the compliant use of all funds provided prior to receipt of additional funds, or if this cannot be done to address the repayment of such funds.

(c) Subrecipient shall electronically submit to the Department no later than 45 days after the end of the Subrecipient Contract term a final expenditure or reimbursement and programmatic report utilizing the expenditure report and the performance report.

(d) If the Department has provided funds to a Subrecipient in excess of the amount of reported expenditures in the ensuing month's report, no additional funds will be released until those excess funds have been expended. For example, in January a Subrecipient requests and is advanced \$50,000. In February, if the Subrecipient reports \$10,000 in Expenditures and an anticipated need for \$30,000, no funds will be released.

(e) CSBG Annual Report and National Survey. Federal requirements mandate all states to participate in the preparation of an annual performance measurement report. To comply with the requirements of 42 U.S.C. §9917, all CSBG Eligible Entities and other organizations receiving CSBG funds are required to participate.

(f) The Subrecipient shall submit other reports, data, and information on the performance of the DOE and LIHEAP-WAP program activities as required by DOE pursuant to 10 CFR §440.25 or by the Department.

(g) Subrecipient shall submit other reports, data, and information on the performance of the federal program activities as required by the Department.

(h) A Subrecipient may refer a contractor to the Department for debarment consistent with §2.401, regarding Debarment from Participation in Programs Administered by the Department, of this Part.

§6.8. Potential Applicant/Applicant/Customer Denials and Appeal Rights

(a) Subrecipient shall establish a written procedure for the handling of denials of service when the denial involves an individual inquiring or applying for services/assistance whom is communicating or behaving in a threatening or abusive manner.

(a**b**) Subrecipient shall establish a denial of service complaint procedure to address written complaints from program applicants/customers. At a minimum, the procedures described in paragraphs (a**b**)(1) - (8) of this subsection shall be included:

(1) Subrecipients shall provide a written denial of assistance notice to applicant within ten (10) calendar days of the determination. Such a determination is defined as a denial of assistance, but does not include a level of assistance lower than the possible program limits or a reduction in assistance, as long as such process is in accordance with the Subrecipient's written policy. This notification shall include written notice of the right of a hearing and specific reasons for the denial by program. The applicant wishing to appeal a decision must provide written notice to Subrecipient within twenty (20) calendar days of receipt of the denial notice.

(2) A Subrecipient must establish an appeals committee composed of at least three persons. Subrecipient shall maintain documentation of appeals in their customer files.

(3) Subrecipients shall hold a private appeal hearing (unless otherwise required by law) by phone or in person in an accessible location within ten (10) business days after the Subrecipient received the appeal request from the applicant and must provide the applicant notice in writing of the time/location of the hearing at least seven (7) calendar days before the appeal hearing.

(4) Subrecipient shall record the hearing.

(5) The hearing shall allow time for a statement by Subrecipient staff with knowledge of the case.

(6) The hearing shall allow the applicant at least equal time, if requested, to present relevant information contesting the decision.

(7) Subrecipient shall notify applicant of the decision in writing. The Subrecipient shall mail the notification by close of business on the third calendar day following the decision (three day turn-around).

(8) If the denial is solely based on income eligibility, the provisions described in paragraphs (2) - (7) of this subsection do not apply, and the applicant may request a recertification of income eligibility based on initial documentation provided at the time of the original application. The recertification will be an analysis of the initial calculation based on the documentation received with the initial application for services and will be performed by an individual other than the person who performed the initial determination. If the recertification upholds the denial based on income eligibility documents provided at the initial application, the applicant is notified in writing.

~~(c)~~ If the applicant is not satisfied, the applicant may further appeal the decision in writing to the Department within ten (10) calendar days of notification of an adverse decision.

~~(d)~~ Applicants/customers who allege that the Subrecipient has denied all or part of a service or benefit in a manner that is unjust, violates discrimination laws, or without reasonable basis in law or fact, may request a contested hearing under Tex. Gov't Code, Chapter 2001.

~~(e)~~ The hearing under subsection ~~(d)~~ shall be conducted by the State Office of Administrative Hearings on behalf of the Department in the locality served by the Subrecipient, for which the procedures are further described in §1.13, relating to Contested Case Hearing Procedures, of this Part.

~~(f)~~ If the applicant/customer appeals to the Department, the funds should remain encumbered until the Department completes its decision.

Chapter 6, Subchapter B

§6.205. Limitations on Use of Funds

(a) Construction of Facilities. CSBG funds may not be used for the purchase, construction or improvement of land, or facilities as described in (42 U.S.C. §9918(a)).

(b) The CSBG Act prohibits the use of ~~program~~ funds for partisan or nonpartisan political activity; any political activity associated with a candidate, contending faction, or group in an election for public or party office; transportation to the polls or similar assistance with an election; or voter registration activity, ~~or voter registration~~ (for example, contacting a congressional office to advocate for a change to any law is a prohibited activity).

(c) Utility and rent deposit refunds from ~~v~~ vendors must be reimbursed to the Subrecipient and not the customer. Refunds must be treated as program income, and returned to the Department within ten calendar days of receipt.

§6.206. CSBG ~~Needs~~ Community Assessment, Community Action Plan, and Strategic Plan

(a) In accordance with the CSBG Act each Eligible Entity must submit a Community Action Plan on an annual basis. The Community Action Plan is required to be submitted to the Department by a date directed by the Department, for approval prior to execution of a Contract.

(b) Consistent with organizational standards relating to Data Analysis and Performance, the Eligible Entity must present to its governing board for review or action, at least every twelve months, an analysis of the agency's outcomes and any operational or strategic program adjustments and improvements identified as necessary; and the organization must submit its annual CSBG Information Survey data report which reflects customer demographics and organization-wide outcomes.

(c) Every three (3) years each Eligible Entity shall complete a Community ~~Needs~~-Assessment (may also be called "Community Needs Assessment" or "CNA"), upon which the annual Community Action Plan will be based. Guidance on the content and requirements of the Community Needs Assessment will be released by the Department. Information related to the Community Needs Assessment shall be submitted to the Department on or before a date specified by the Department in the previous year's Contract. The ~~Needs~~Community Assessment will require, among other things, that the top five needs of the service area are identified.

(d) Services to Poverty Population. Eligible Entities administering services to customers in one or more CSBG service area counties shall ensure that such services are rendered reasonably and in an equitable manner to ensure fairness among all potential applicants eligible for services. Services rendered must reflect the poverty population ratios in the service area and services should be distributed based on the proportionate representation of the poverty population within a county. A variance of greater than plus or minus 20% may constitute a Deficiency. Eligible Entities with a service area of a single county shall demonstrate marketing and outreach efforts to make available direct services to a reasonable percentage of the county's eligible population based on the most recent census or American Community Survey data, as directed by the Department. Services should also be distributed based on the proportionate representation of the poverty population within a county. Other CSBG-funded organizations shall ensure that services are rendered in accordance with requirements of the CSBG contract.

(e) The Community Action Plan shall be derived from the ~~Needs~~ Community Assessment and at a minimum include a budget, a description of the delivery of case management services, in accordance with the National Performance Indicators, and include a performance statement that describes the services, programs, activities, and planned outcomes to be delivered by the organization.

(f) The Community Action Plan must take into consideration the outcomes expected by previous Community Action Plan(s). If past outcomes were not achieved as reported in the CA contract system, or outcomes exceed the targeted goals, the Subrecipient must assess the reasons for the variance in outcomes, determine what will be done differently if continuing to include those outcome goals, and identify how any of issues or obstacles will be mitigated or addressed. An effective CAP should be constantly monitored and adjusted to optimize achievement of results consistent with CSBG Act goals.

(g) The Community ~~Needs~~-Assessment and the CAP both require Department approval; those that do not meet the Department's requirements as articulated in these rules or in Department actions described and contemplated in these rules will be required to be revised until they meet the Department's satisfaction.

(h) If circumstances warrant amendments to the Community ~~Needs~~-Assessment or the CAP, a Subrecipient must provide a written request to the Department identifying the specific requested change(s) to the document with a justification for each change. †The Department will ~~must~~ approve or deny amendments requests in writing.

~~(i)~~ Hearing. In conjunction with the submission of the CAP, the Eligible Entity must submit to the Department a certification from its board that a public hearing was conducted on the proposed use of funds.

(j) Every five (5) years each Eligible Entity shall complete a strategic plan, with which the annual Community Action Plan should be consistent. Information related to the strategic plan shall be submitted to the Department on or before a date specified by the Department in the previous year's Contract.

(k) Each CSBG Subrecipient must develop a performance statement which identifies the services, programs, and activities to be administered by that organization.

§6.207. Subrecipient Requirements

(a) Eligible Entities shall submit information regarding the planned use of funds as part of the CAP as described in §6.206 of this Subchapter.

(b) HHS issues terms and conditions for receipt of funds under the CSBG. Subrecipients will comply with the requirements of the terms and conditions of the CSBG award.

(c) CSBG Eligible Entities, and other CSBG organizations where applicable, are required to coordinate CSBG funds and form partnerships and other linkages with other public and private resources and coordinate and establish linkages between governmental and other social service programs to assure the effective delivery of services and avoid duplication of services.

(d) CSBG Eligible Entities will provide, on an emergency basis, the provision of supplies and services, nutritious foods, and related services as may be necessary to counteract the conditions of starvation and malnutrition among low-income individuals. The nutritional needs may be met through a referral source that has resources available to meet the immediate needs.

(e) CSBG Eligible Entities and other CSBG organizations are required to coordinate for the provision of employment and training activities through local workforce investment systems under the Workforce Innovation and Opportunity Act, as applicable.

(f) CSBG Eligible Entities are required to inform custodial parents in single-parent families that participate in programs, activities, or services about the resources available through the Texas Attorney General's Office with respect to the collection of child support payments and refer eligible parents to the Texas Attorney General's Office of Child Support Services Division.

(g) Documentation of Services. Subrecipients must maintain a record of referrals and services provided.

(h) Intake Form. To fulfill the requirements of 42 U.S.C. §9917, CSBG Subrecipients must complete and maintain an intake form that screens for income, assesses customer needs, and captures the demographic and household characteristic data required for the monthly performance and expenditure report, referenced in Subchapter A of this chapter (relating to General Provisions), for all Households receiving a community action service. CSBG Subrecipients must complete and maintain a manual or electronic intake form for all customers for each program year.

(i) Case Management.

(1) Subrecipients are required to provide integrated case management services. Subrecipients are required to identify and set goals for households they serve through the case management process. Subrecipients are required to evaluate and assess the effect their case management system has on the short-term (less than three months) and long-term (greater than three months) impact on customers, such as enabling the customer to move from poverty to self-sufficiency, to maintain stability. CSBG funds may be used for short term case management to meet immediate needs. In addition, CSBG funds may be used to provide long-term case management to persons working to transition out of poverty and achieve self-sufficiency.

(2) Subrecipients must have and maintain documentation of case management services provided.

(3) Eligible Entities are each assigned a minimum TOP goal by the Department. Eligible Entities must provide ongoing case management services for these transitioning out of poverty "TOP" households. The case management services must include the components described in subparagraphs (A) - (L) of this paragraph. Subrecipients must also provide case management clients with a Customer Satisfaction Survey, item (M), for the client to complete anonymously. And, at least annually, Subrecipients must evaluate the effectiveness of their case management services, item (N) of this paragraph. The forms or systems utilized for each component may be manual or electronic forms provided by the Department or manual or electronic forms created by the Eligible Entity that at minimum contain the same information as the Department-issued form, including but not limited to:

(A) Self-Sufficiency Customer Questionnaire to assess a customer's status in the areas of employment, job skills, education, income, housing, food, utilities, child care, child and family development, transportation, healthcare, and health insurance;

(B) Self-Sufficiency Outcomes Matrix to assess the customer's status in the self-sufficiency domains noted in subparagraph (A) of this paragraph;

(C) Case Management Screening Questions to assess the customer's willingness to participate in case management services on an ongoing basis;

(D) For customers who are willing to engage in long term case management services, a Case Management Agreement between Subrecipient and customer;

(E) Release of Information Form;

(F) Case Management Service Plan to document planned goals agreed upon by the case manager and customer along with steps and timeline to achieve goals;

(G) Case management follow-up - A system to document customer progress at completing steps and achieving goals. Case management follow-up should occur, at a minimum, every 30 days, either through a meeting, phone call or e-mail. In person meetings should occur, at a minimum, once a quarter;

(H) A record of referral resources and documentation of the results;

(I) A system to document services received and to collect and report NPI data;

(J) A system to document case closure for persons that have exited case management;

(K) A system to document income for persons that have maintained an income level above 125% of the Poverty Income Guidelines for 90 days;

(L) A system to document and notify customers of termination of case management services~~Customer Satisfaction Survey;~~

(M) Customer Satisfaction Survey~~A system to document and notify customers of termination of case management services; and~~

(N) Evaluation System. On an annual basis, Eligible Entities should determine the effectiveness of their case management services and identify strategies for improvement, including identification of reasons for customer terminations and strategies to limit their occurrence.

(j) Effective January 1, 2016, Eligible Entities shall meet the CSBG Organizational Standards as issued by HHS in Information Memorandum #138 (as revised), except that where the word bylaws is used the Department has modified the standards to read Certificate of Formation/Articles of Incorporation and bylaws; also, Eligible Entities must follow the requirements in UGMS including State of Texas Single Audit Circular. Failure to meet the CSBG Organizational Standards may result in HHS Information Memorandum #116 proceedings as described in Chapter 2 of this Title.

§6.213. Board Responsibility

(a) Tripartite boards have a fiduciary responsibility for the overall operation of the Eligible Entity. Members are expected to carry out their duties as any reasonably prudent person would do.

(b) At a minimum, board members are expected to:

(1) Maintain regular attendance of board and committee meetings;

(2) Develop thorough familiarity with core agency information as appropriate, such as the agency's bylaws, Certificate of Formation/Articles of Incorporation, sources of funding, agency goals and programs, federal and state CSBG statutes;

(3) Exercise careful review of materials provided to the board;

(4) Make decisions based on sufficient information;

(5) Ensure that proper fiscal systems and controls, as well as a legal compliance system, are in place;

(6) Maintain knowledge of all major actions taken by the agency; and

(7) Receive regular reports that include:

(A) Review and approval of all funding requests (including budgets);

(B) Review of reports on the organization's financial situation;

(C) Regular reports on the progress of goals specified in the performance statement or program proposal;

(D) Regular reports addressing the rate of expenditures as compared to those projected in the budget;

(E) Updated modifications to policies and procedures concerning employee's and fiscal operations; and

(F) Updated information on community conditions that affect the programs and services of the organization.

(c) Individuals that agree to participate on a tripartite governing board, accept the responsibility to assure that the agency they represent continues to:

(1) assess and respond to the causes and conditions of poverty in their community;

(2) achieve anticipated family and community outcomes; and

(3) remains administratively and fiscally sound.

(4) Excessive absenteeism of board members compromises the mission and intent of the program.

(d) Residence Requirement. All board members shall reside within the Subrecipient's CSBG service area designated by the CSBG ~~eContract~~, ~~unless otherwise approved in advance by the Department in writing~~. Board members ~~must~~ ~~should~~ be selected so as to provide representation for all geographic areas within the designated service area; however, greater representation may be given on the board to areas with greater low-income population. Low-income representatives must reside in the area that they represent.

(e) Improperly Constituted Board. If the Department determines that a board of an Eligible Entity is improperly constituted, the Department shall prescribe the necessary remedial action, a timeline for implementation and possible sanctions which may include:

(1) ~~eCost~~ ~~Reimbursement method of payment~~;

(2) withholding of funds;

(3) Contract suspension; or

(4) termination of funding.

§6.214. Board Meeting Requirements

(a) ~~A Boards of an Eligible Entities-Entity~~ must meet and have a quorum at least once per calendar quarter, and at a minimum five (5) times per year and, must give each Board member a notice of meeting five (5) calendar days in advance of the meeting.

(b) Tex. Gov't Code, Chapter 551, Texas Open Meetings Act, addresses specific requirements regarding meetings and meeting notices. Tex. Gov't Code, §551.001(3)(J), includes in the definition of a governmental body and of a nonprofit corporation that is eligible to receive funds under the federal CSBG program and that is authorized by the state to serve a geographic area of the state. All Eligible Entities must follow the requirements of the Texas Open Meetings Act. As set forth in that law, there is the potential for individual criminal liability for violations.

(c) Tex. Gov't Code, §551.005 requires elected or appointed officials to receive training in Texas Open Government laws. The Department requires that all board members receive training in Texas Open Government laws, according to the requirements of §551.005.

(d) A copy of the attendance roster for all Board trainings shall be maintained at the Subrecipient level.

(e) The minimum number of members required to meet quorum is three unless the Subrecipient's Certification of Formation/Articles of Incorporation, Bylaws, or the Texas Open Meetings Act requires a greater number.

Chapter 6, Subchapter C

§6.301. Background and Definitions

(a) The Comprehensive Energy Assistance Program ("CEAP") is funded through the Low Income Home Energy Assistance Act of 1981 (Title XXVI of the Omnibus Budget Reconciliation Act of

1981, Public Law 97-35, as amended). LIHEAP has been in existence since 1982. LIHEAP is a federally funded block grant program that is implemented to serve low income Households who seek assistance for their home energy bills. LIHEAP is not an entitlement program, and there are not sufficient funds to serve all eligible customers or to provide the maximum benefit for which a customer may qualify.

(b) Definitions.

(1) Extreme Weather Conditions--For winter months (November, December, January, and February), extreme weather conditions will exist when the temperature has been at least 2 degrees below the lowest winter month's temperature or below 32 degrees, for at least three days during the client's billing cycle. For summer months (June, July, August, and September), when the temperature is at least 2 degrees above the highest summer month's temperature for at least three days during the client's billing cycle. Extreme weather conditions will be based on either data for "1981-2010 Normals" temperatures recorded by National Centers for Environmental Information of the National Oceanic and Atmospheric Administration ("NOAA") and available at <http://www.ncdc.noaa.gov/cdo-web/datatools/normals>, or on data determined by the Subrecipient, and approved by the Department in writing. Subrecipients must maintain documentation of local temperatures and reflect their standard for extreme weather conditions in their Service Delivery Plan.

(2) Household Crisis--A bona fide Household Crisis exists when extraordinary events or situations resulting from extreme weather conditions and/or fuel supply shortages have depleted or will deplete Household financial resources and/or have created problems in meeting basic Household expenses, particularly bills for energy so as to constitute a threat to the well-being of the Households, particularly Vulnerable Population Households.

(3) Life Threatening Crisis--A life threatening crisis exists when at least one person in the applicant Household would be adversely affected without the Subrecipient's utility assistance, because there is a shut-off notice or a delivered fuel source is below a ten (10) day supply (by customer report) to the degree that, in the opinion of a reasonable person, the effect could cause loss of life. Examples of life-sustaining equipment include, but are not limited to, kidney dialysis machines, oxygen concentrators, cardiac monitors, and in some cases heating and air conditioning when ambient temperature control is prescribed by a medical professional. Documentation must not be requested about the medical condition of the applicant/customer but must state that such a device is required in the Dwelling Unit to sustain life.

(4) Low on Fuel--A reference to propane tanks which are below 20% supply (according to customer).

(5) Vendor Refund--A sum of money refunded by a utility company or supplier due to a credit on the account or due to a deposit. See §6.312 of this Subchapter for more information.

§6.304. Deobligation and Reobligation of CEAP Funds

(a) The Department may determine to ~~Deobligate~~ funds from all budget categories from Subrecipients those Subrecipients who fall within the lowest 10% of Subrecipients based on combined expenditures and obligations whose combined Expenditures and customer Obligations are less than 45% as of the May 15 report and whose combined expenditures and obligations are less than 80%, unless an exception is approved by the Department in writing for extenuating circumstances. Subrecipients that request training and/or technical assistance may avoid deobligation at this phase if they request such assistance on or before the filing of the May 15 report. Once such assistance has been delivered, as determined by the Department, the Subrecipient must submit a clear specific plan for improving utility obligations and that plan must be approved by the Department in writing.

(b) The Department may deobligate funds from all budget categories from a Subrecipient whose combined Expenditures and customer Obligations are less than 70% as of the July 15 report, unless an exception is approved by the Department in writing for extenuating circumstances.

(c) The cumulative amount of ~~d~~Deobligated funds will be allocated proportionally by formula amongst all Subrecipients that did not have any funds ~~d~~Deobligated.

(~~d~~e) A Subrecipients which ~~has~~have had funds ~~d~~Deobligated under option (a) or (b) above that fully expends the reduced amount of ~~its~~their Contract, will have access to the full amount of their following Program Year CEAP allocation. A Subrecipients which ~~has~~have had funds deobligated under option (a) or (b) above that fail to fully expend the reduced amount of ~~its~~their Contract will automatically have their following Program Year CEAP allocation ~~d~~Deobligated by the lesser of 24.99%, or the proportional amount that had been ~~d~~Deobligated in the prior year.

(~~e~~f) The cumulative balance of the funds made available through subsection (~~d~~e) above will be allocated proportionally by formula to the Subrecipients not having funds reduced under that subsection.

(~~e~~f) In no event will ~~involuntary D~~deobligations that occur through any of the clauses above exceed 24.99% of the Subrecipient's Program Year CEAP ~~formula allocation~~ Contracted Funds, without a hearing as required by Tex. Gov't Code, Chapter 2105.

§6.307. Subrecipient Requirements for Customer Eligibility Criteria and Establishing Priority for Eligible Households

(a) The customer income eligibility level is at or below 150% of the federal poverty level in effect at the time the customer makes an application for services.

(b) A complete application is required for all Households. Subrecipients shall determine customer income using the definition of income and process described in §6.4 (relating to income). Household income documentation must be collected by the Subrecipient for the purposes of determining the Household's benefit level.

(c) Social security numbers are not required for applicants for CEAP.

(d) Subrecipients must establish a written procedure to serve Households that have a Vulnerable Population Household member, Households with High Energy Burden, and Households with High Energy Consumption. High Energy Burden shall be the highest rated item in sliding scale priority determinations. The Subrecipient must maintain documentation of the use of the criteria.

(e) A Household Dwelling uUnit cannot be served if the meter is utilized by another Household that is not a part of the application for assistance. In instances where separate structures share a meter and the applicant is otherwise eligible for assistance, Subrecipient must provide services if:

(1) the members of the separate structures that share a meter meet the definition of a Household per §6.2 of this Chapter;

(2) the members of the separate structures that share a meter submit one application as one Household; and

(3) all persons and applicable income from each structure are counted when determining eligibility.

(f) United States Citizen, United States National, or Qualified Alien. Except for items described in 10 TAC §6.310(e)(4) and (6), Unqualified Aliens are not eligible to receive CEAP benefits. Mixed Status Households shall not be denied CEAP assistance based solely on the presence of a non-qualified member, except if the member is the sole member of the Household. A Subrecipient other than a Public Organization may utilize a method of its choosing, and may opt to use the Systematic Alien Verification for Entitlements ("SAVE") program, but is not required to do so. A Public Organization must verify U.S. Citizen, U.S. National, or Qualified Alien status using SAVE.

§6.309. Types of Assistance and Benefit Levels

(a) Allowable CEAP expenditures include customer education, utility payment assistance; repair of existing heating and cooling units, and crisis-related purchase of portable heating and cooling units.

(b) Total maximum possible annual Household benefit (all allowable benefits combined) shall not exceed \$5,400 during a Program Year.

(c) Benefit determinations are based on the Household's income (even if the Household is Categorically Eligible), the Household size, Vulnerable Populations in the Household, plus other priority status, whether a Household has one or more Unqualified Aliens for which calculation adjustments must be made as described in paragraphs (1) – (2) of this clause, and the availability of funds;

(1) Count income for all Household members eighteen years of age and older, including Unqualified Aliens; and

(2) Adjust the Household size for determining eligibility and benefit assistance level to exclude all Unqualified Aliens.

(d) For purposes of determining Categorical Eligibility or Vulnerable Populations (i.e. priority status), the Household is not considered to satisfy the definition of having Categorical Eligibility or Vulnerable Population if the only individual(s) in the Household with that Categorical Eligibility or Vulnerable Population status are Unqualified Aliens. For purposes of reporting, all individuals in the Households should be reported.

~~(e)~~ Benefit determinations for the Utility Payment Assistance Component and the Household Crisis Component cannot exceed the sliding scale described in paragraphs (1) - (3) of this paragraph:

(1) Households with Incomes of 0 to 50% of Federal Poverty Guidelines may receive an amount not to exceed \$1,200 per Component;

(2) Households with Incomes of 51% to 75% of Federal Poverty Guidelines may receive an amount not to exceed \$1,100 per Component; and

(3) Households with Incomes of 76% to at or below 150% of Federal Poverty Guidelines may receive an amount not to exceed \$1,000 per Component; and

~~(f)~~ Service and Repair of existing heating and cooling units: Households may receive up to \$3,000 for service and repair of existing heating and cooling units when the Household has an inoperable heating or cooling system based on requirements in §6.310, Relating to Household Crisis Component.

~~(g)~~ Assistance with service and repair or purchase of portable air conditioning/evaporative coolers and heating units not to exceed \$3,000 for Households that include a Vulnerable Population member, when the Household does not have an operable or non-existing heating or cooling system, regardless of weather conditions.

~~(h)~~ Subrecipients shall provide only the types of assistance described in paragraphs (1) - (11) of this subsection with funds from CEAP:

(1) Payment to vendors and suppliers of fuel/utilities, goods, and other services, such as past due or current bills related to the procurement of energy for heating and cooling needs of the residence, not to include security lights and other items unrelated to energy assistance as follows:

(A) Subrecipients may make utility payments on behalf of Households based on the previous twelve (12) month's home energy consumption history, including allowances for cost inflation. If a twelve (12) month's home energy consumption history is unavailable, Subrecipient may base payments on current Program Year's bill or utilize a Department-approved alternative method. Subrecipients will note such exceptions in customer files. Benefit amounts exceeding the actual bill shall be treated as a credit for the customer with the utility company.

(B) Vulnerable Households can receive benefits to cover up to the eight highest remaining bills within the Program Year, as long as the cost does not exceed the maximum annual benefit.

(C) Households that do not contain a Vulnerable Population member can receive benefits to cover up to the six highest remaining bills within the Program Year as long as the cost does not exceed the maximum annual benefit.

(2) Payment to vendors--only one energy bill payment per month;

(3) Needs assessment and energy conservation tips, coordination of resources, and referrals to other programs;

~~(4) Payment of water, bills--waste water and solid waste charges are not an allowable LIHEAP expense even in cases where those charges are only when such costs include expenses from operating an evaporative water cooler unit or when the water bill is an inseparable part of a utility bill, and documented in the Vendor Agreement. As a part of the intake process, outreach, and coordination, the Subrecipient shall confirm that a customer owns an operational evaporative cooler and has used it to cool the dwelling within 60 days prior to application. Payment of other utility charges such as wastewater and waste removal are allowable only if these charges are an inseparable part of a utility bill and documented in the Vendor Agreement. Documentation from vendor is required. Whenever possible, Subrecipient shall negotiate with the utility providers to pay only the "home energy" (heating and cooling) portion of the bill or utilize other funds to pay for the water related charges;~~

(5) Energy bills already paid may not be reimbursed by the program;

(6) Payment of reconnection fees in line with the registered tariff filed with the Public Utility Commission and/or Texas Railroad Commission. Payment cannot exceed that stated tariff cost. Subrecipient shall negotiate to reduce the costs to cover the actual labor and material and to ensure that the utility does not assess a penalty for delinquency in payments;

(7) Payment of security deposits only when state law requires such a payment, or if the Public Utility Commission or Texas Railroad Commission has listed such a payment as an approved cost, and where required by law, tariff, regulation, or a deferred payment agreement includes such a payment. Subrecipients shall not pay such security deposits that the energy provider will eventually return to the customer;

(8) While rates and repair charges may vary from vendor to vendor, Subrecipient shall negotiate for the lowest possible payment. Prior to making any payments to an energy vendor a Subrecipient shall have a signed vendor agreement on file from the energy vendor receiving direct CEAP payments from the Subrecipient;

(9) Subrecipient may make payments to landlords on behalf of eligible renters who pay their utility and/or fuel bills indirectly. Subrecipient shall notify each participating Household of the amount of assistance paid on its behalf. Subrecipient shall document this notification. Subrecipient shall maintain proof of utility or fuel bill payment. Subrecipient shall ensure that amount of assistance paid on behalf of customer is deducted from customer's rent;

(10) In lieu of deposit required by an energy vendor, Subrecipient may make advance payments. The Department does not allow CEAP expenditures to pay deposits, except as noted in paragraph (7) of this subsection. Advance payments may not exceed an estimated two months' billings; and

(11) Funds for the CEAP shall not be used to weatherize dwelling units, for medicine, food, transportation assistance (e.g.i.e., vehicle fuel), income assistance, or to pay for penalties or fines assessed to customers.

§6.312. Payments to Subcontractors and Vendors

(a) A bi-annual ~~v~~Vendor ~~a~~Agreement is required to be implemented by the Subrecipient and shall contain assurances as to fair billing practices, delivery procedures, and pricing procedures for business transactions involving CEAP beneficiaries. The Subrecipient must use the Department's current Vendor Agreement template, found on the CEAP Program Guidance page of the

Department's website. These agreements are subject to monitoring procedures performed by the Department staff.

(b) Subrecipient shall maintain proof of payment to Subcontractors and vendors as required by Chapter 1, Subchapter D, of this Title.

(c) Subrecipient shall notify each participating Household of the amount of assistance paid on its behalf. Subrecipient shall document this notification.

(d) Subrecipients shall use the ~~v~~Vendor ~~p~~Payment method for CEAP components. Subrecipient shall not make cash payments directly to eligible Household for any of the CEAP components.

(e) Payments to ~~v~~Vendors for which a valid Vendor Agreement is not in place may be subject to disallowed costs unless prior written approval is obtained from the Department.

(f) A Vendor Refund is program income and must be reimbursed to the Subrecipient, and not the customer.

(g) When a Vendor Refund is issued, Subrecipient shall determine which TDHCA Contract the payment(s) was charged to, the Household associated to the payment and if the Contract remains open.

(1) If the Contract remains open, Subrecipient must enter the amount into the Contract System in the appropriate budget line item into the adjustment column in the next monthly report, and make the appropriate note in the system. This will credit back the Vendor Refund for the Subrecipient to expend on eligible expenses.

(2) If the Contract is closed, Subrecipient must return the Vendor Refund(s) to the Department within ten calendar days of receipt. The payment must contain the Contract number and appropriate budget line item associated with the refund.

Chapter 6, Subchapter D

§6.403. Definitions

(a) Department of Housing and Urban Development ("HUD")--Federal department that provides funding for certain housing and community development activities.

(b) Electric Base-Load Measure--Weatherization measures which address the energy efficiency and energy usage of lighting and appliances.

(c) Energy Audit--The energy audit software and procedures used to determine the cost effectiveness of Weatherization measures to be installed in a Dwelling Unit. The Energy Audit shall be used for any Dwelling Unit weatherized utilizing DOE funds.

(d) Energy Repairs--Weatherization-related repairs necessary to protect or complete regular Weatherization energy efficiency measures.

(e) Multifamily Dwelling Unit--A structure containing more than one Dwelling Unit.

(f) Rental Unit--A Dwelling Unit occupied by a person who pays rent for the use of the Dwelling Unit.

(g) Renter--A person who pays rent for the use of the Dwelling Unit.

(h) Reweathering--Consistent with 10 CFR §440.18(e)(2), if a Dwelling Unit has been damaged by fire, flood, or act of God and repair of the damage to Weatherization materials is not paid for by insurance; or if a Dwelling Unit was partially weatherized under a federal program during the period September 30, 1975, through September 30, 1994, the Dwelling Unit may receive further financial assistance for Reweathering.

(i) Shelter-- a Dwelling Unit or Units whose principal purpose is to house on a temporary basis individuals who may or may not be related to one another and who are not living in nursing homes, prisons, or similar institutional care facilities.

(j) Significant Energy Savings--A Savings to Investment Ratio (SIR) of 1.0 or greater.

(j) Single Family Dwelling Unit--A structure containing no more than one Dwelling Unit.

(k) Weatherization Assistance Program Policy Advisory Council ("WAP PAC")--The WAP PAC was established by the Department in accordance with 10 CFR §440.17 to provide advisory services in regards to the DOE WAP program.

(~~lm~~) Weatherization Material--The material listed in Appendix A of 10 CFR Part 440.

(~~mn~~) Weatherization --A program conducted to reduce heating and cooling demand of Dwelling Units that are energy inefficient.

§6.405. Deobligation and Reobligation of Awarded Funds

(a) At any time that a Subrecipient believes they may be at risk of meeting one of the criteria noted in subsection (l) of this section relating to criteria for ~~d~~Seobligation of funds, notification must be provided to the Department unless excepted under subsection (m) of this section.

(b) A written 'Notification of Possible Deobligation' will be sent to the Executive Director of the Subrecipient by the Department as soon as a criterion listed in subsection (l) of this section is at risk of being met. Written notice will be sent electronically and/or by mail. The notice will include an explanation of the criteria met. A copy of the written notice will be sent to the Board of Directors of the Subrecipient by the Department within seven (7) business days after the notice to the Executive Director has been released. A Notification will not be sent, and the steps in this section not triggered, if an Amendment increasing funds by at least 20% has been provided to the Subrecipient in the prior 90 calendar days.

(c) Within fifteen (15) days of the date of the 'Notification of Possible Deobligation' referenced in subsection (b) of this section, a Mitigation Action Plan must be submitted to the Department by the Subrecipient in the format prescribed by the Department unless excepted under subsection (m) of this section.

(d) A Mitigation Action Plan is not limited to but must include:

(1) Explanation of why the identified criteria under this section occurred setting out all fully relevant facts.

(2) Explanation of how the criteria will be immediately, permanently, and adequately mitigated such that funds are expended during the Contract Period. For example, if production or expenditures appear insufficient to complete the Contract timely, the explanation would need to address how production or expenditures will be increased in the short- and long-term to restore projected full and timely execution of the contract.

(3) If applicable because of failure to produce Unit Production or Expenditure targets under the existing Production Schedule, a detailed narrative of how the Production Schedule will be adjusted, going forward, to assure achievement of sufficient, achievable Unit Production and Expenditures to ensure timely and compliant full utilization of all funds.

(4) An explanation of how the other criteria under this section will be mitigated. For example, if Unit Production criteria for a time period were not met, then the explanation will need to include how the other criteria will not be triggered.

(5) If relating to a Unit Production or Expenditure criteria, a description of activities currently being undertaken including an accurate description of the number of units in progress, broken down by number of units in each of these categories: units that have been qualified, audited, assessed, contracted, inspected, and invoiced and as reflected in an updated Production Schedule.

(6) Provide any request for a reduction in Contracted Funds, reasons for the request, desired Contracted Funds and revised Production Schedule reflecting the reduced Contracted Funds.

(e) At any time after sending a Notification of Deobligation, the Department or a third-party assigned by the Department may monitor, conduct onsite visits or other assessments or engage in any other oversight of the Subrecipient that is determined appropriate by the Department under the facts and circumstances.

(f) The Department or a third-party assigned by the Department will review the Mitigation Action Plan, and where applicable, assess the Subrecipient's ability to meet the revised Production Schedule or remedy other concern.

(g) After the Department's receipt of the Mitigation Action Plan, the Department will provide the Subrecipient a written Corrective Action Notice which may include one or more of the criteria identified in this section (relating to deobligation and other mitigating actions) or other acceptable solutions or remedies.

(h) The Subrecipient has seven (7) calendar days from the date of the Corrective Action Notice to appeal the Corrective Action Notice to the Executive Director. Appeals may include:

(1) Request to retain for the full Fund Award if Partial Deobligation was indicated;

(2) Request for only partial Deobligation of the full Contracted Fund if full Deobligation was indicated in the Corrective Action Notice;

(3) Request for other lawful action consistent with the timely and full completion of the contract and Production Schedule for all Contracted Funds.

(i) In the event that an appeal is submitted to the Executive Director, the Executive Director may grant extensions or forbearance of targets included in the Production Schedule, continued operation of a Contract, authorize Deobligation, or take other lawful action that is designed to ensure the timely and full completion of the Contract for all Contracted Funds.

(j) In the event the Executive Director denies an appeal, the Subrecipient will have the opportunity to have their appeal presented at the next meeting of the Department's governing board for which the matter may be posted in accordance with law and submitted for final determination by the Board.

(k) In the event an appeal is not submitted within seven (7) calendar days from the date of the Corrective Action Notice, the Corrective Action Notice will automatically become final without need of any further action or notice by the Department, and the Department will amend/terminate the contract with the Subrecipient to effectuate the Corrective Action Notice.

(l) The criteria noted in this subsection will prompt the Deobligation process under this rule. If the criteria are met, then notification and ensuing processes discussed elsewhere in this subchapter will apply.

(1) Subrecipient fails to provide the Department with a Production Schedule for their current Contract within 30 calendar days of receipt of the draft Contract. The Production Schedule must be signed by the Subrecipient Executive Director/Chief Executive Officer and approved by the Department in writing;

(2) By the third program reporting deadline, ~~for DOE units, Subrecipient must report at least one unit weatherized for each Weatherization contract and inspected by a certified Quality Control Inspector ("QCI");~~

(3) By the fifth program reporting deadline, less than 25% of total expected unit production has occurred based on the Production Schedule, or less than 20% of total Awarded Funds have been expended;

(4) By the seventh program reporting deadline, less than 50% of total expected unit production has occurred based on the Production Schedule, or less than 50% of total Awarded Funds have been expended;

(5) The Subrecipient fails to submit a required monthly report explaining any variances between the Production Schedule and actual results on Production Schedule criteria;

(m) Notification of deobligation will not be required to be sent to a Subrecipient, and a Mitigation Action Plan will not be required to be provided to the Department, if any one or more of the following are satisfied:

(1) The total cumulative unit production for the Subrecipient, based on the monthly report as reported in the Community Affairs contract system, is at least 75% of the total cumulative number of units to be completed as of the end of the month according to the Subrecipient's forecast unit

production within the Production Schedule for the time period applicable (i.e. cumulative through the month for which reporting has been made).

(2) The total cumulative expenditures for the Subrecipient, based on the monthly report as reported in the Community Affairs contract system, is at least 75% of the total cumulative estimated expenditures to be expended as of the end of the month according to the Subrecipient's forecast expenditures within the Production Schedule for the time period applicable (i.e., cumulative through the month for which reporting has been made).

(3) The Subrecipient's monthly reports as reported in the Community Affairs contract system, for the prior two months, as required under the Contract, reflects unit production that is 80% or more of the expected unit production amount to be completed as of the end of the month according to the Subrecipient's forecast unit production within the Production Schedule.

(n) ~~A Subrecipients that which has have funds deobligated under this section but that fully expends the reduced amount of their Contract, will have access to the full amount of their following Program Year WAP allocation. A Subrecipients which has have had funds deobligated under this section that fails to fully expend the reduced amount of its Contract will automatically have their following Program Year WAP allocation Deobligated by the lesser of 24.99% or the proportional amount that had been Deobligated in the prior year.~~

§6.406. Subrecipient Requirements for Establishing Priority for Eligible Households and Customer Eligibility Criteria

(a) Subrecipients shall establish eligibility and priority criteria to increase the energy efficiency of dwellings owned or occupied by Low Income persons who are particularly vulnerable such as the Elderly, Persons with Disabilities, Families with Young Children, Households with High Energy Burden, and Households with High Energy Consumption.

(b) Subrecipients shall follow the Department rules and established state and federal guidelines for determining eligibility for Multifamily Dwelling Units as referenced in §6.414 of this Chapter (relating to Eligibility for Multifamily Dwelling Units).

(c) Subrecipient shall determine applicant income eligibility in compliance with §6.4 of this Chapter (relating to Income Determination).

(d) Social Security numbers are not required for applicants.

(e) U.S. Citizen, U.S. National or Qualified Alien. Unqualified Aliens are not eligible to receive WAP benefits. Mixed Status Households shall not be denied WAP assistance based solely on the presence of a non-qualified member, except if the member is the sole member of the Household. A Subrecipient other than a Public Organization may utilize an application method of its choosing, and may opt to use the Systematic Alien Verification for Entitlements ("SAVE") program, but is not required to do so. A Public Organization must verify U.S. Citizen, U.S. National, or Qualified Alien status using SAVE. Assistance shall be determined as follows:

(1) Count income for all Household members eighteen years of age and older, including Unqualified Aliens; and

(2) Adjust the Household size for determining eligibility and benefit assistance level to exclude all Unqualified Aliens.

(f) For purposes of determining Categorical Eligibility or Vulnerable Populations (e.g. priority status) the Household is not considered to satisfy the definition of having Categorical Eligibility or Vulnerable Population if the only individual(s) in the Household with Categorical Eligibility or Vulnerable Population status is an Unqualified Alien. For purposes of reporting, all individuals in the Household should be reported.

§6.407. Program Requirements

(a) Each Dwelling Unit weatherized requires completion of a written whole house assessment. Subrecipients must perform the whole house assessment then let that assessment guide whether the

Dwelling Unit is best served through DOE funds using the audit, ~~or through LIHEAP WAP funds using the priority list, or a combination of DOE and LIHEAP funds.~~

(b) Any Dwelling Unit that is weatherized using DOE funds must use the audit as a guide for installed measures. ~~A Subrecipient Subgrantee combining DOE funds with LIHEAP WAP funds may not mix the use of the audit and the priority list.~~

(c) Any Dwelling Unit that is weatherized using LIHEAP only must be completed using the priority list as a guide for installed measures. Failure to complete a written whole house assessment as indicated in §6.416 of this Subchapter prior to Weatherization may lead to unit failure during quality control inspection.

(d) If a Subrecipient's Weatherization work does not consistently meet DOE Standard Work Specifications Weatherization standards, the Department may proceed with the removal of the programs from the Subrecipient.

~~(e) A Subrecipient may refer a contractor to the Department for debarment consistent with Chapter 1 of this Part.~~

§6.412. Mold-like Substances

(a) If the Subrecipient's energy auditor discovers the presence of mold-like substances that the Weatherization Subcontractor cannot adequately address, then the Dwelling Unit shall be referred to the Texas Department of State Health Services or its successor agency.

(b) The Subrecipient shall provide the applicant written notification that their home cannot, at this time, be weatherized and why. ~~Subrecipient They shall should also be informed the applicant in writing that of which agency they should contact the Texas Department of Licensing and Regulation, or successor agency, to report the presence of mold-like substances.~~ The applicant should be advised that when the issue is resolved they may reapply for Weatherization. Should the applicant reapply for Weatherization, the Subrecipient must obtain written documentation of resolution of the issue from the applicant prior to proceeding with any Weatherization work.

(c) If the energy auditor determines that the mold-like substance is treatable and covers less than the 25 contiguous square feet limit allowed to be addressed by the Texas Department of State Health Services' guidelines, the Subrecipient shall notify the applicant of the existence of the mold-like substance and potential health hazards, the proposed action to eliminate the mold-like substance, and that no guarantee is offered that the mold-like substance will be eliminated and that the mold-like substance may return. The auditor must obtain written approval from the applicant to proceed with the Weatherization work and maintain the documentation in the customer file.

(d) Subrecipients shall be responsible for providing mold training to their employees and Weatherization Subcontractors.

§6.414. Eligibility for Multifamily Dwelling Units

(a) A Subrecipient may weatherize a building containing Rental Units if not less than 66% (50% for duplexes and four-unit buildings) of the Dwelling Units in the building are occupied by Low Income Households, or will become occupied by Low-income Households within 180 days under a Federal, State, or local government program for rehabilitating the building or making similar improvements to the building.

(b) In order to ~~w~~weatherize large multifamily buildings containing twenty-five or more Dwelling Units or those with shared central heating (~~e.g.~~, boilers) and/or shared cooling plants (~~i.e.~~, cooling towers that use water as the coolant) regardless of the number of Dwelling Units, Subrecipients shall submit in writing to the Department a request for approval along with evidence which clearly shows that an investment of funds would result in Significant Energy Savings because of upgrades to equipment, energy systems, common space, or the building shell. ~~from the Department.~~ When necessary, the Department will seek approval from DOE. Approvals from the Department in

| ~~writing DOE~~ must be received prior to the installation of any Weatherization measures in this type of structure.

| (c) In order to weatherize Shelters, Subrecipients shall submit a written request for approval from the Department. Written approval from the Department must be received prior to the installation of any Weatherization measures.

(d) If roof repair is to be considered as part of repair cost under the Weatherization process, the expenses must be shared equally by all eligible Dwelling Units weatherized under the same roof. If multiple storied buildings are weatherized, eligible ground floor units must be allocated a portion of the roof cost as well as the eligible top floor units. All Weatherization measures installed in multifamily units must meet the standards set in 10 CFR §440.18(d)(9) and (15) and Appendix A- Standards for Weatherization Materials.

(e) WAP Subrecipients shall establish a multifamily master file for each multifamily project in addition to the individual unit requirements found in the record keeping requirement section of the contract. The multifamily master file must include, at a minimum, the forms listed in paragraphs (1) - (6) of this subsection: (Forms available on the Departments website.)

(1) Multifamily Pre-Project Checklist Form;

(2) Multifamily Post-Project Checklist Form;

(3) Permission to Perform an Assessment for Multifamily Project Form;

(4) Landlord Agreement Form;

(5) Landlord Financial Participation Form; and

(6) Significant Data Required in all Multifamily Projects.

(f) For DOE WAP, if a public housing, assisted multi-family or Low Income Housing Tax Credit (LIHTC) building is identified by the HUD and included on a list published by DOE, that building meets certain income eligibility and may meet other WAP requirements without the need for further evaluation or verification. A public housing, assisted housing, and LIHTC building that does not appear on the list using HUD records may still qualify for the WAP. Income eligibility can be made on an individual basis by the Subrecipient based on information supplied by property owners and the Households in accordance with subsection (a) of this section.

(g) For any Dwelling Unit that is weatherized using funding provided under DOE WAP, all Weatherization measures installed must be entered into an approved Energy Audit. Weatherization measures installed shall begin with repair items, then continue with those measures having the greatest SIR and proceed in descending order to the measures with the smallest SIR or until the maximum allowable per unit expenditures are achieved, and finishing with Health and Safety measures.

§6.415. Health and Safety and Unit Deferral

| (a) Health and Safety expenditures with DOE WAP may not exceed ~~15~~20% of total expenditures for Materials, Labor, Program Support, and Health and Safety at the end of the ~~C~~contract term. Health and Safety expenditures with LIHEAP WAP may not exceed 20% of total expenditures for Materials, Labor, Program Support, and Health and Safety at the end of the Contract term.

| (b) Subrecipients shall provide Weatherization services with the primary goal of energy efficiency. The Department considers establishing a healthy and safe home environment to be important to ensuring that energy savings result from Weatherization work.

| (c) Subrecipients must test for high carbon monoxide ("CO") levels and bring CO levels to acceptable levels before Weatherization work can start. The Department has defined maximum acceptable CO readings ~~in its Standard Work Specifications as follows:~~

| ~~(1) if flame impingement exists in cook stove burners, must do clean and tune;~~

| ~~(2) 200 parts per million for vented combustion appliance;~~

| ~~(3) 200 parts per million for cook stove ovens;~~

| ~~(4) Primary Unvented Space Heater must be removed;~~

~~–(5) if ambient CO level is 35 ppm, must shut off appliance, open a window and notify customer; and~~

~~–(6) if ambient CO level is 70 ppm, open a window, notify customer and request customer exit the unit, must cease work, turn off gas and notify gas provider.~~

(d) A Dwelling Unit shall not be weatherized when there is a potentially harmful situation that may adversely affect the occupants or the Subrecipient's Weatherization crew and staff, or when a Dwelling Unit is found to have structural concerns that render the Dwelling Unit unable to benefit from Weatherization. The Subrecipient must declare their intent to defer Weatherization on an eligible unit on the assessment form. The assessment form should include the customer's name and address, dates of the assessment, and the date on which the customer was informed of the issue in writing. The written notice to the customer must include a clear description of the problem, conditions under which Weatherization could continue, the responsibility of all parties involved, and any rights or options the customer has. A copy of the notice must be given to the customer, and a signed copy placed in the customer application file. Only after the issue has been corrected to the satisfaction of the Subrecipient shall Weatherization work begin.

(e) If structural concerns or health and safety issues identified (which would be exacerbated by any Weatherization work performed) on an individual unit cannot be abated within program rules or within the allowable WAP limits, the Dwelling Unit exceeds the scope of this program.

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BOARD ACTION REQUEST
HOUSING RESOURCE CENTER
MAY 24, 2018

Presentation, discussion, and possible action on an order proposing the readoption, without changes, of 10 TAC §1.11, Definition of Service-Enriched Housing, and directing its publication for public comment in the Texas Register.

RECOMMENDED ACTION

WHEREAS, pursuant to Tex. Gov't Code §2306.053, the Texas Department of Housing and Community Affairs (the "Department") is authorized to adopt rules governing the administration of the Department and its programs;

WHEREAS, pursuant to Tex. Gov't Code §2001.039, state agencies are required to review a rule every four years to assess whether the reasons for initially adopting the rule continue to exist and based on the assessment of the rule determine if the rule should be readopted as is, readopted with amendments, or repealed;

WHEREAS, Tex. Gov't Code §2306.1091(b), requires the Department, with the advice and assistance of the Housing and Health Services Coordination Council ("Council"), to define Service-Enriched Housing which it does through 10 TAC §1.11, Definition of Service-Enriched Housing;

WHEREAS, on May 4, 2018, the Council provided input to staff that they supported the readoption of the rule without changes, and staff therefore is recommending that the rule be readopted without changes; and

WHEREAS, such proposed readoption will be published in the Texas Register for public comment;

NOW, therefore, it is hereby

RESOLVED, that the Department has determined during its assessment of 10 TAC §1.11 Definition of Service-Enriched Housing, that as provided for in §2001.039, there is a continuing need for this rule and staff proposes its readoption without changes;

FURTHER RESOLVED, that the Executive Director and his designees, be and each of them hereby are authorized, empowered, and directed, for and on behalf of the Department to cause the proposed readoption without changes of 10 TAC §1.11 Definition of Service-Enriched Housing, in the form presented to this meeting, to be published in the Texas Register and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing, including the preparation of the subchapter specific preambles; and

FURTHER RESOLVED, that if the Department receives no substantive comment on the proposed readoption, then the Department will readopt 10 TAC §1.11 Definition of Service-Enriched Housing, without returning to the Board for further approval.

BACKGROUND

Rule Review Overview

Tex. Gov't Code, §2001.039 requires that state agencies review a rule every four years to assess whether the reasons for initially adopting the rule continue to exist; based on the assessment the rule can then be readopted as is, readopted with amendments, or repealed. Even rules that have been amended within the last four years require this review if the amendment did not specifically state that it included this review step. Several of the Department's rules exceed this four year review period and a project has been initiated to evaluate all rules and bring them into compliance with these timelines. One of the results of such a review is that the rule is determined to be necessary, but that there are significant enough revisions to warrant repeal and proposal of a new rule in its place. This type of action also is an acceptable response to the four year review requirement and "resets the clock" on that review period.

This rule review initiative also includes a management-wide evaluation of whether a rule is:

- Statutorily required, and if not, evaluating its necessity;
- Setting policy beyond those established in state or federal authorizing statute or regulation, and if so, affirming the purpose and need for that policy; and
- In harmony with the direction and policy of the Executive Director and the Board.

Upon approval in draft form by the Board, rules under review will be released for public comment in the Texas Register and if comment is received, returned to the Board for final direction and adoption.

10 TAC §1.11 Definition of Service-Enriched Housing

Authority: The Housing and Health Services Coordination Council ("HHSCC" or the "Council") is codified in Tex. Gov't Code §2306.1091. The purpose of the Council is to increase state efforts to offer service-enriched housing through increased coordination of housing and health services. In accordance with Tex. Gov't Code §2306.1091(b): "With the advice and assistance of the council, the department by rule shall define 'service-enriched housing' for the purposes of this subchapter." In January 2010, the Department, with the advice and assistance of the Council, developed the definition of Service-Enriched Housing. The definition was brought before stakeholders at four statewide public forums in order to receive additional opinions and feedback. After receiving feedback a revised definition was approved by Council at its March 2010 meeting. The TDHCA Governing Board adopted a final rule using the approved definition on May 12, 2010, and effective in the Texas Register in June 2010.

Department Policy: While Tex. Gov't Code §2306.1091 does require that the Department adopt a definition for the term Service-Enriched Housing, the statute does not specify what that definition must be. Therefore, this rule does set policy, from the Department and the Council, not provided for in state statute or federal regulations, for how the term is defined.

Consistency with Executive Direction and Proposed Changes: Staff recommends that this rule be retained without changes. This action allows the Department to continue to ensure compliance with Tex. Gov't Code §2306.1091, and continue to have a required definition for Service-Enriched Housing.

Upon Board approval, the proposed rule review will be published in the Texas Register and released for public comment from June 4, 2018, through July 3, 2018. It is anticipated that the final readopted rule or proposed rule amendments will be presented for approval at the Board meeting of July 26, 2018. However, if no comments are received, staff will proceed with adoption without returning to the Board.

Attachment A: Preamble and proposed re-adoption of 10 TAC Chapter 1, §1.11

The Texas Department of Housing and Community Affairs (the "Department") proposes the re-adoption, without changes, to §1.11 Definition of Service-Enriched Housing. After review of this rule in compliance with Tex. Gov't Code, §2001.039, the Department has assessed this rule and determined that there is a continuing need for this rule and that no changes are warranted.

FISCAL NOTE. Timothy K. Irvine, Executive Director, has determined that, for each year of the first five years the re-adopted rule is in effect, enforcing or administering the rule does not have any foreseeable implications related to costs or revenues of the state or local governments.

GOVERNMENT GROWTH IMPACT STATEMENT. Mr. Irvine also has determined that, for the first five years the re-adopted rule would be in effect:

1. The proposed re-adopted rule will not create or eliminate a government program;
2. The proposed re-adopted rule will not require a change in the number of employees of the Department;
3. The proposed re-adopted rule will not require additional future legislative appropriations;
4. The proposed re-adopted rule will result in neither an increase nor a decrease in fees paid to the Department;
5. The proposed re-adopted rule will not create a new regulation;
6. The proposed action will not repeal an existing regulation;
7. The proposed re-adopted rule will not increase or decrease the number of individuals subject to the rule's applicability; and
8. The proposed re-adopted rule will neither positively nor negatively affect this state's economy.

PUBLIC BENEFIT/COST NOTE. Mr. Irvine also has determined that, for each year of the first five years the re-adopted rule is in effect, the public benefit anticipated as a result of the action will be the elimination of unnecessary regulations. There will not be any economic cost to any individuals required to comply with the repealed section.

ADVERSE IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES. The Department has determined that there will be no economic effect on small or micro-businesses or rural communities.

REQUEST FOR PUBLIC COMMENT. All comments or questions in response to this notice of rule review may be submitted in writing from June 4, 2018, through July 3, 2018. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Housing Resource Center, P.O. Box 13941, Austin, Texas 78711-3941, by fax to (512) 475-0070, or email info@tdhca.state.tx.us. ALL COMMENTS MUST BE RECEIVED BY 5:00 pm Austin local time, July 3, 2018.

STATUTORY AUTHORITY. The proposed action is made pursuant to Tex. Gov't Code, §2306.053, which authorizes the Department to adopt rules. Except as described herein the proposed repealed sections affect no other code, article, or statute.

§1.11. Definition of Service-Enriched Housing.

(a) Purpose. It is the purpose of this section to define service-enriched housing for the Housing and Health Services Coordination Council.

(b) Definition. For the purpose of directing the work of the Housing and Health Services Coordination Council and its work products, including the biennial plan, Service-Enriched Housing is defined as integrated, affordable, and accessible housing that provides residents with the opportunity to receive on-site or off-site health-related and other services and supports that foster independence in living and decision-making for individuals with disabilities and persons who are elderly.

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BOARD ACTION REQUEST
HOUSING RESOURCE CENTER
MAY 24, 2018

Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC §1.15, Integrated Housing Rule, and an order proposing new 10 TAC §1.15, Integrated Housing Rule, and directing their publication for public comment in the Texas Register

RECOMMENDED ACTION

WHEREAS, pursuant to Tex. Gov't Code §2306.053, the Texas Department of Housing and Community Affairs (the "Department") is authorized to adopt rules governing the administration of the Department and its programs;

WHEREAS, pursuant to Tex. Gov't Code §2001.039, state agencies are required to review a rule every four years to assess whether the reasons for initially adopting the rule continue to exist;

WHEREAS, the provision of integrated housing through the Department's programs is authorized by Tex. Gov't Code §2306.111(g) which directs that the Department's funding priorities should provide that funds are awarded, when feasible, based on a project's ability to provide integrated affordable housing;

WHEREAS, the Department recommends to the Board that there is a continuing need for this rule to exist, which is to provide for ongoing assurance that the properties and programs funded by the Department produce integrated housing opportunities;

WHEREAS, this rule was last acted upon in December 2003, and is in need of changes to remove definitions now provided elsewhere in rule, update the definition for Persons with Disabilities, improve readability, remove several exceptions to the rule that are no longer recommended, and revise the integrated housing cap; and

WHEREAS, such proposed rulemaking will be published in the Texas Register for public comment;

NOW, therefore, it is hereby

RESOLVED, that the proposed repeal of 10 TAC §1.15, Integrated Housing Rule, and proposed new 10 TAC, §1.15, Integrated Housing Rule, are approved for publication in the Texas Register for public comment; and

FURTHER RESOLVED, that the Executive Director and his designees, be and each of them hereby are authorized, empowered, and directed, for and on behalf of the Department to cause the proposed repeal of 10 TAC §1.15, Integrated Housing Rule, and proposed new 10 TAC §1.15, Integrated Housing Rule, in the form presented to this meeting, to be published in the Texas Register and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing, including the preparation of the subchapter specific preambles; and

FURTHER RESOLVED, that if the Department receives no substantive comment on the proposed repeal and proposed adoption of this rule that the Department will repeal 10 TAC §1.15, Integrated Housing Rule, and adopt new 10 TAC §1.15, Integrated Housing Rule without returning to the Board for further approval.

BACKGROUND

Rule Review Overview

Tex. Gov't Code §2001.039 requires that state agencies review a rule every four years to assess whether the reasons for initially adopting the rule continue to exist; based on the assessment the rule can then be readopted as is, readopted with amendments, or repealed. Even rules that have been amended within the last four years require this review if the amendment did not specifically state that it included this review step. Several of the Department's rules exceed this four year review period and a project has been initiated to evaluate all rules and bring them into compliance with these timelines. One of the results of such a review is that the rule is determined to be necessary but that there are significant enough revisions to warrant repeal and proposal of a new rule in its place. This type of action also is an acceptable response to the four year review requirement and "resets the clock" on that review period.

This rule review initiative also includes a management-wide evaluation of whether a rule is:

- Statutorily required, and if not, evaluating its necessity;
- Setting policy beyond those established in state or federal authorizing statute or regulation, and if so, affirming the purpose and need for that policy; and
- In harmony with the direction and policy of the Executive Director and the Board.

Upon approval in draft form by the Board, rules under review will be released for public comment in the Texas Register and if comment is received, returned to the Board for final direction and adoption.

10 TAC §1.15 Integrated Housing Rule

Authority: The authority for this rule is Tex. Gov't Code §2306.111(g) which directs that the Department's funding priorities should provide that funds are awarded, when feasible, based on a project's ability to provide integrated affordable housing.

Department Policy: While Tex. Gov't Code §2306.111(g) does promote integrated housing, the statute does not specify how that concept must be applied to the Department's programs. Therefore, this rule does set Department policy, not provided for in state statute or federal regulations, for how the Department ensures integration in its programs. This rule was originally established in 2003 in collaboration with disability advocates and program participants. The rule ensures that housing developments that are subject to the rule do not restrict occupancy solely to households with disabilities, with a maximum integration limit dependent on the size of the housing development. As proposed, the maximum set-aside is 25% for developments with 50 or more units and 36% for developments with less than 50 units.

Prior to this rule being proposed to the Board today, the proposed rule changes were discussed with the Department's Disability Advisory Workgroup twice, and with the Housing and Health Services Coordination Council and the QAP Roundtable. Additionally, an Online Survey and Online Forum were conducted April 26, 2018, through May 7, 2018. Staff believes the policy presented herein is a balanced proposal.

Consistency with Executive Direction and Proposed Changes: Staff recommends that this rule be retained but done so through repeal and proposal of a new rule. This action allows the Department to continue to ensure compliance with Tex. Gov't Code §2306.111(g) and provide a transparent process for participants in the Department's programs of what integration standards will apply to their program activity. The new proposed rule reflects changes that include: remove definitions now provided elsewhere in rule, update the definitions for 'Household with Disabilities' and 'Integrated Housing', improve readability, remove previous exceptions to the rule for elderly and special needs populations, clarify that the marketing only to Households with Disabilities is not permitted, revises the integrated housing cap for large properties from 18 to 25, and revising the waiver language.

As would be expected, the rule presented for the Board's consideration today differs from the version originally posted to the Online Survey and Online Forum as the rule proposed herein reflects adjustments made in response to

comment. To facilitate a review for persons having evaluated that prior “discussion-version” of the rule, staff has noted below the changes that have been made since the forum posting:

- A previously discussed possible exception to the rule for Chronically Homeless is not included in the final version.
- A previously discussed removal of an exception for scattered site properties was clarified so that the rule will not apply in the case of scattered site single family development only.
- Additional language has been added on the standards of the Board’s consideration of a waiver.
- Additional language has been added clarifying that units exclusively set aside or containing a preference for persons with disabilities must be dispersed throughout a Development.

Behind the proposed preamble for the proposed new action a draft of the rule is shown in its clean new form. However, to assist reviewers with understanding what has changed from the current version of the rule, a blacklined version is also provided.

Attachment 1: Preamble for proposed repeal of 10 TAC §1.15, Integrated Housing Rule

The Texas Department of Housing and Community Affairs (the "Department") proposes the repeal of 10 TAC §1.15, Integrated Housing Rule. The purpose of the proposed repeal is to eliminate an outdated rule while adopting a new updated rule under separate action.

FISCAL NOTE. Timothy K. Irvine, Executive Director, has determined that, for each year of the first five years the repealed section is in effect, enforcing or administering the repealed section does not have any foreseeable implications related to costs or revenues of the state or local governments.

GOVERNMENT GROWTH IMPACT STATEMENT. Mr. Irvine also has determined that, for the first five years the repeal would be in effect:

1. The proposed repeal will not create or eliminate a government program;
2. The proposed repeal will not require a change in the number of employees of the Department;
3. The proposed repeal will not require additional future legislative appropriations;
4. The proposed repeal will result in neither an increase nor a decrease in fees paid to the Department;
5. The proposed repeal will not create a new regulation;
6. The proposed action will repeal an existing regulation, however that regulation is being simultaneously recommended for a new rule;
7. The proposed repeal will not increase nor decrease the number of individuals subject to the rule's applicability; and
8. The proposed repeal will neither positively nor negatively affect this state's economy.

PUBLIC BENEFIT/COST NOTE. Mr. Irvine also has determined that, for each year of the first five years the repeal is in effect, the public benefit anticipated as a result of the repealed section will be an updated and more clear regulation. There will not be any economic cost to any individuals required to comply with the repealed section because additional requirements are not added through this repeal.

ADVERSE IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES. The Department has determined that there will be no economic effect on small or micro-businesses or rural communities.

REQUEST FOR PUBLIC COMMENT. The public comment period will be held June 11, 2018, to July 11, 2018, to receive input on the repealed section. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Brooke Boston, Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941, by fax to (512) 475-0220, or email brooke.boston@tdhca.state.tx.us. ALL COMMENTS MUST BE RECEIVED BY 5:00 P.M. Austin local time JULY 11, 2018.

STATUTORY AUTHORITY. The proposed repeal is made pursuant to Tex. Gov't Code, §2306.053, which authorizes the Department to adopt rules. Except as described herein the proposed repealed sections affect no other code, article, or statute.

10 TAC §1.15, Integrated Housing Rule

Attachment B: Preamble for proposed new 10 TAC §1.15 Integrated Housing Rule

The Texas Department of Housing and Community Affairs (the "Department") proposes new 10 TAC §1.15, Integrated Housing Rule. The purpose of the proposed new rule is to make changes that include: removing definitions now provided elsewhere in rule, updating the definitions for 'Household with Disabilities' and 'Integrated Housing', improving readability, removing previous exceptions to the rule for elderly and special needs populations, clarifying that marketing only to Households with Disabilities is not permitted, revising the integrated housing cap for large properties from 18 to 25, and revising the waiver language.

FISCAL NOTE. Timothy K. Irvine, Executive Director, has determined that for each year of the first five years the new section is in effect, enforcing or administering the new section does not have any foreseeable implications related to costs or revenues of the state or local governments.

GOVERNMENT GROWTH IMPACT STATEMENT. Mr. Irvine also has determined that, for the first five years a rule would be in effect:

1. The proposed rule does not create or eliminate a government program;
2. The proposed rule will not require a change in the number of employees of the Department;
3. The proposed rule will not require additional future legislative appropriations;
4. The proposed rule will result in neither an increase nor a decrease in fees paid to the Department;
5. The proposed rule will not create a new regulation, except that it is replacing a rule being repealed simultaneously to provide for revisions;
6. The proposed rule will not expand an existing regulation;
7. The proposed rule will not increase the number of individuals subject to the rule's applicability; and
8. The proposed rule will neither positively nor negatively affect this state's economy.

PUBLIC BENEFIT/COST NOTE. Mr. Irvine also has determined that, for each year of the first five years the new section is in effect, the public benefit anticipated as a result of the new section will be an updated and more germane rule. There will not be any economic cost to any individuals required to comply with the new section because the processes described by the rule have already been in place through the rule found at this section being repealed.

ADVERSE IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES. The Department has determined that there will be no economic effect on small or micro-businesses or rural communities.

REQUEST FOR PUBLIC COMMENT. The public comment period will be held June 11, 2018, to July 11, 2018, to receive input on the new section. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Brooke Boston, Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941, by fax to (512) 475-0220, or email brooke.boston@tdhca.state.tx.us. ALL COMMENTS MUST BE RECEIVED BY 5:00 P.M. Austin local time JULY 11, 2018.

STATUTORY AUTHORITY. The new sections are proposed pursuant to Texas Government Code, §2306.053, which authorizes the Department to adopt rules. Except as described herein the proposed new sections affect no other code, article, or statute.

§1.15 Integrated Housing Rule

(a) Purpose. It is the purpose of this section to provide a standard by which Developments funded by the Department offer an integrated housing opportunity for Households with Disabilities. This rule is authorized by Tex. Gov't Code, §2306.111(g) promotes projects that provide integrated affordable housing.

(b) Definitions. The following words and terms, when used in this section, shall have the following meanings, unless the context clearly indicates otherwise.

(1) Capitalized words used herein have the meaning assigned in the specific Chapters and Rules of this Part that govern the program associated with the funded or awarded Development, or assigned by federal or state law.

(2) Integrated housing--Living arrangements typical of the general population. Integration is achieved when Households with Disabilities have the option to choose housing units that are located among units that are not reserved or set aside for Households with Disabilities. Integrated housing is distinctly different from assisted living facilities/arrangements.

(3) Households with Disabilities--A Household composed of one or more persons, at least one of whom is an individual who is determined to have a physical or mental impairment that substantially limits one or more major life activities; or having a record of such an impairment; or being regarded as having such an impairment. Included in this meaning is the term handicap as defined in the Fair Housing Act or disability as defined by other applicable federal or state law.

(c) Applicability. This rule applies to:

(1) All Multifamily Developments subject to Chapter 10 of this Title, Uniform Multifamily Rules, with the exclusion of Transitional Housing Developments;

(2) Single Family Developments subject to Chapter 23, Subchapter G, of this Title, relating to HOME Program Single Family Developments, or done with Neighborhood Stabilization Program funds, with the exclusion of Scattered-site developments, meaning one to four family dwellings located on sites that are on non-adjacent lots, with no more than four units on any one site; and

(3) Only the restrictions or set asides placed on Units through a Contract, LURA, or financing source that limits occupancy to Persons with Disabilities. This rule does not prohibit a Development from having a higher percentage of actual occupants who are Persons with Disabilities.

(4) Previously awarded Multifamily Developments that would no longer be compliant with this rule are not considered to be in violation of the percentages described in (d)(2) or (d)(3) of this rule if the award is made prior to September 1, 2018, and the restrictions or set asides were already on the Development or proposed in the Application for the Development.

(d) Integrated Housing Standard. Units exclusively set aside or containing a preference for Households with Disabilities must be dispersed throughout a Development.

(1) A Development may not market or restrict occupancy solely to Households with Disabilities unless required by a federal funding source.

(2) Developments with 50 or more Units shall not exclusively set aside more than 25 percent of the total Units in the Development for Households with Disabilities.

(3) Developments with fewer than 50 Units shall not exclusively set aside more than 36 percent of the Units in the Development for Households with Disabilities.

(e) Board Waiver. The Board may waive the requirements of this rule if the Board can affirm that the waiver of the rule is necessary to serve a population or subpopulation that would not be adequately served without the waiver, and that the Development, even with the waiver, does not substantially deviate from the principle of Integrated Housing.

TITLE 10 COMMUNITY DEVELOPMENT
PART 1 TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
CHAPTER 1 ADMINISTRATION
SUBCHAPTER A GENERAL POLICIES AND PROCEDURES
RULE §1.15 Integrated Housing Rule

(a) Purpose. It is the purpose of this section to ~~outline~~ provide a standard by which Developments funded by the Department offer an integrated housing opportunity for Households with Disabilities. This rule is authorized by Tex. Gov't Code, §2306.111(g) promotes projects that provide integrated affordable housing. ~~the guidelines related to the provision of integrated housing as it relates to the Department's programs.~~

(b) Definitions. The following words and terms, when used in this subsection, shall have the following meanings, unless the context clearly indicates otherwise.

(1) Capitalized words used herein have the meaning assigned in the specific Chapters and Rules of this Part that govern the program associated with the funded or awarded Development, or assigned by federal or state law.

~~(1) Board—means the governing board of the department.~~

~~(2) Colonia—A geographic area located in a county some part of which is within 150 miles of the international border of this state 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 §17.921, Water Code; or~~

~~—(B) has the physical and economic characteristics of a colonia, as determined by the Texas Water Development Board.~~

~~(3) Department—the Texas Department of Housing and Community Affairs.~~

~~(4) General population—Not segregated by type of disability or special needs status.~~

~~(5) Housing development—Property or work or a project, building, structure, facility, or undertaking, whether existing, new construction, remodeling, improvement, or rehabilitation, that meets or is designed to meet minimum property standards required by the department and that is financed under the provisions of this chapter for the primary purpose of providing sanitary, decent, and safe dwelling accommodations for rent, lease, use, or purchase by individuals and families of low and very low income and families of moderate income in need of housing. The term includes:~~

~~—(A) buildings, structures, land, equipment, facilities, or other real or personal properties that are necessary, convenient, or desirable appurtenances, including streets, water, sewers, utilities, parks, site preparation, landscaping, stores, offices, and other non-housing facilities, such as administrative, community, and recreational facilities the department determines to be necessary, convenient, or desirable appurtenances; and~~

~~—(B) single and multifamily dwellings in rural and urban areas.~~

(26) Integrated housing—~~Normal, ordinary~~ Living arrangements typical of the general population. Integration is achieved when individuals ~~Households with Disabilities~~ have the option to choose ordinary, typical housing units that are located among units that are not reserved or set aside for individuals ~~Households who do not have~~ with Disabilities or other special needs. Regular, ~~Integrated~~ housing is distinctly different from assisted living facilities/arrangements.

~~(7) Large housing development—Single or multifamily housing development that has 50 or more units.~~

~~(8) Multifamily housing development—A project that contains five or more housing units.~~

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~~(39) Persons–Households with Disabilities--A Household composed of one or more persons, at least one of whom is an individual who is determined to ~~(A) Have a physical or mental impairment that substantially limits one or more major life activities; or having a record of such an impairment; or being regarded as having such an impairment. Included in this meaning is the term handicap as defined in the Fair Housing Act or disability as defined by other applicable federal or state law.~~ physical, mental, or emotional impairment that:~~

~~—(i) Is expected to be of long continued and indefinite duration;~~

~~—(ii) Substantially impedes his or her ability to live independently; and~~

~~—(iii) Is of such a nature that the disability could be improved by more suitable housing conditions; or~~

~~—(B) Have a developmental disability, as defined in §102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001–6007); or~~

~~—(C) Be the surviving member or members of any family that had been living in an assisted unit with the deceased member of the family who had a disability at the time of his or her death; or~~

~~—(D) Be legally responsible for caring for an individual described by subparagraphs (A) or (B) of this paragraph.~~

~~(10) Scattered Site—One to four family dwellings located on sites that are on non-adjacent lots, with no more than four units on any one site.~~

~~(11) Small housing development—a single or multifamily housing development that has less than 50 units.~~

~~(12) Special Needs Populations—Persons who:~~

~~—(A) are considered to be disabled under state or federal law,~~

~~—(B) are elderly, meaning 60 years of age or older or of an age specified by an applicable federal program,~~

~~—(C) are designated by the Board as experiencing a unique need for decent, safe housing that is not being met adequately by private enterprise (these include: persons with alcohol and/or drug addictions, colonia residents, persons with disabilities, victims of domestic violence, persons with HIV/AIDS, homeless populations, and migrant farmworkers), or~~

~~—(D) are legally responsible for caring for an individual described by subparagraphs (A), (B), or (C) of this paragraph and meet the income guidelines established by the Board.~~

~~(13) Tenant Based Rental Assistance—A form of rental assistance in which the assisted tenant may move from a dwelling unit with a right to continued assistance. The assistance is provided for the tenant, not for the project.~~

~~(14) Tenant Services—Social services, including child care, transportation, and basic adult education, that are provided to individuals residing in low income housing under Title IV–A, Social Security Act (42 U.S.C. §601 et seq.), and other similar services. Tenant participation in services cannot be required.~~

~~(15) Transitional housing—A project that has as its purpose facilitating the movement of homeless individuals and families to permanent housing within a reasonable amount of time (usually 24 months). Transitional housing includes but is not limited to housing primarily designed to serve deinstitutionalized homeless individuals and other homeless individuals with mental or physical disabilities, homeless families with children, and victims of domestic violence.~~

~~(16) Unit—Any residential rental unit in a housing development consisting of an accommodation including a single room used as an accommodation on a non-transient basis, that contains complete physical facilities and fixtures for living, sleeping, eating, cooking and sanitation.~~

(c) Applicability. This rule applies to:

(1) All Multifamily Developments subject to Chapter 10 of this Title, Uniform Multifamily Rules, with the exclusion of Transitional Housing Developments;

(2) Single Family Developments subject to Chapter 23, Subchapter G, of this Title, relating to HOME Program Single Family Developments, or done with Neighborhood Stabilization Program funds, with the exclusion of Scattered-site developments, meaning one to four family dwellings located on sites that are on non-adjacent lots, with no more than four units on any one site; and

(3) Only the restrictions or set asides placed on Units through a Contract, LURA, or financing source that limits occupancy to Persons with Disabilities. This rule does not prohibit a Development from having a higher percentage of actual occupants who are Persons with Disabilities.

(4) Previously awarded Multifamily Developments that would no longer be compliant with this rule are not considered to be in violation of the percentages described in (d)(2) or (d)(3) of this rule if the award is made prior to September 1, 2018, and the restrictions or set asides were already on the Development or proposed in the Application for the Development.

(de) Integrated Housing Standard. Units exclusively set aside or containing a preference for Households with Disabilities must be dispersed throughout a Development.~~Procedures.~~

~~(1) A housing Development may not market or restrict occupancy solely to people Households with Disabilities unless required by a federal funding source or people with disabilities in combination with other special needs populations.~~

~~(2) —(A) Large housing Developments with 50 or more Units shall provide not exclusively set aside no more than 18-25 percent of the total Units in of the Development set aside exclusively for people Households with Disabilities.~~

~~(3) The units must be dispersed throughout the development. —(B) Small housing Developments with fewer than 50 Units shall provide not exclusively set aside more than 36 percent of the Units in of the Development set aside exclusively for people Households with Disabilities. These units must be dispersed throughout the development.~~

~~(2) Set aside percentages outlined in subparagraphs (A) and (B) of paragraph (1) of this subsection refer only to the units that are to be solely restricted for person with disabilities. This section does not prohibit a property from having a higher percentage of occupants that are disabled.~~

~~(3) Property owners may not market a housing development entirely, nor limit occupancy to, persons with disabilities.~~

~~(d) Exceptions.~~

~~(1) Scattered site development and tenant based rental assistance is exempt from the requirements of this section.~~

~~(2) Transitional housing is exempt from the requirements of this section, but must be time limited, with a clear and convincing plan for permanent integrated housing upon exit from the transitional situation.~~

~~(3) This section does not apply to housing developments designed exclusively for the elderly. —~~

~~(4) This section does not apply to housing developments designed for other special needs populations.~~

(e) Board Waiver. The Board may waive the requirements of this rule to further the purposes or policies of Chapter 2306, Texas Government Code, or for other good cause, if the Board can affirm that the waiver of the rule is necessary to serve a population or subpopulation that would not be adequately served without the waiver, and that the Development, even with the waiver, does not substantially deviate from the principle of Integrated Housing.

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BOARD ACTION REQUEST

EXECUTIVE DIVISION

MAY 24, 2018

Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC §1.1, Reasonable Accommodation Requests, and an order proposing new 10 TAC §1.1, Reasonable Accommodation Requests to the Department, and directing their publication for public comment in the Texas Register.

RECOMMENDED ACTION

WHEREAS, pursuant to Tex. Gov't Code, §2306.053, the Texas Department of Housing and Community Affairs (the "Department") is authorized to adopt rules governing the administration of the Department and its programs;

WHEREAS, pursuant to Tex. Gov't Code, §2001.039, state agencies are required to review a rule every four years to assess whether the reasons for initially adopting the rule continue to exist;

WHEREAS, the Department recommends to the Board that there is a continuing need for this rule to exist, which is to provide for compliance with Tex. Gov't Code §2306.066(e), which requires the Executive Director to prepare a written plan to provide persons with disabilities an opportunity to participate in the Department's programs, and to provide for compliance with the Fair Housing Act and other federal and state laws;

WHEREAS, this rule was last acted upon in April 2014, and is in need of updating to make minor changes to the description of the process, to add the Department's Fair Housing Manager in accommodation request decision-making, to reflect that accommodation requests do not have to be in writing, to revise the title to make it clear these are only requests to the Department (not to its subrecipients), and to provide the statutory authority and purpose of the rule; and

WHEREAS, such proposed rulemaking will be published in the Texas Register for public comment;

NOW, therefore, it is hereby

RESOLVED, that the proposed repeal of 10 TAC §1.1, Reasonable Accommodation Requests, and proposed new 10 TAC §1.1, Reasonable Accommodation Requests to the Department, are approved for publication in the Texas Register for public comment;

FURTHER RESOLVED, that the Executive Director and his designees, be and each of them hereby are authorized, empowered, and directed, for and on behalf of the Department to cause the proposed repeal of 10 TAC §1.1, Reasonable Accommodation Requests, and proposed new 10 TAC §1.1, Reasonable Accommodation Requests to the Department, in the form presented to this meeting, to be published in the Texas Register and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing, including the preparation of the subchapter specific preambles; and

FURTHER RESOLVED, that if the Department receives no substantive comment on the proposed repeal and proposed adoption of this rule that the Department will repeal 10 TAC §1.1, Reasonable Accommodation Requests, and adopt new 10 TAC §1.1, Reasonable

Accommodation Requests to the Department without returning to the Board for further approval.

BACKGROUND

Rule Review Overview

Tex. Gov't Code, §2001.039 requires that state agencies review a rule every four years to assess whether the reasons for initially adopting the rule continue to exist; based on the assessment the rule can then be readopted as is, readopted with amendments, or repealed. Even rules that have been amended within the last four years require this review if the amendment did not specifically state that it included this review step. Several of the Department's rules exceed this four year review period and a project has been initiated to evaluate all rules and bring them into compliance with these timelines. One of the results of such a review is that the rule is determined to be necessary but that there are significant enough revisions to warrant repeal and proposal of a new rule in its place. This type of action also is an acceptable response to the four year review requirement and "resets the clock" on that review period.

This rule review initiative also includes a management-wide evaluation of whether a rule is:

- Statutorily required, and if not, evaluating its necessity;
- Setting policy beyond those established in state or federal authorizing statute or regulation, and if so, affirming the purpose and need for that policy; and
- In harmony with the direction and policy of the Executive Director and the Board.

Upon approval in draft form by the Board, rules under review will be released for public comment in the Texas Register and if comment is received, returned to the Board for final direction and adoption.

10 TAC §1.1, Reasonable Accommodation Requests

Authority: The authority for this rule is provided by Tex. Gov't Code, §2306.066(e), which requires the Executive Director to prepare a written plan to provide persons with disabilities an opportunity to participate in the Department's programs. This rule also provides for compliance with the Fair Housing Act and other federal and state civil rights laws. One type of disability discrimination is the refusal to make reasonable accommodations in rules, policies, practices, or services when such accommodations are necessary to afford a person with a disability the equal opportunity to use and enjoy a dwelling or program/activity. This rule provides for how an individual who is seeking an accommodation request directly from the Department can pursue such a request.

Department Policy: This rule provides the public notice for how a reasonable accommodation request can be made to the Department, and the procedures the Department will use in handling that request. Beyond the policy already established under the Authority above, no further policy is established by the Department; the rule merely lays out procedures for implementing that policy.

Consistency with Executive Direction and Proposed Changes: Staff recommends that this rule be retained but done so through repeal and proposal of a new rule. This action allows the Department to continue to ensure compliance with the applicable state and federal requirements and provide a transparent process for persons that may want to make a reasonable accommodation request. The new proposed rule reflects changes that include: minor changes to the description of the process, adding the Department's Fair Housing Manager in accommodation request decision-making, reflecting that accommodation requests do not have to be in writing, revising the title to make it clear these are only requests to the Department (not to our subrecipients), and providing the statutory authority and purpose of the rule.

Behind the proposed preamble for the proposed new action a draft of the rule is shown in its clean new form. However, to assist reviewers with understanding what has changed from the current version of the rule, a blacklined version is also provided.

Attachment 1: Preamble for proposed repeal of 10 TAC §1.1, Reasonable Accommodation Requests

The Texas Department of Housing and Community Affairs (the "Department") proposes the repeal of 10 TAC §1.1, Reasonable Accommodation Requests. The purpose of the proposed repeal is to eliminate an outdated rule while adopting a new updated rule under separate action.

FISCAL NOTE. Timothy K. Irvine, Executive Director, has determined that, for each year of the first five years the repealed section is in effect, enforcing or administering the repealed section does not have any foreseeable implications related to costs or revenues of the state or local governments.

GOVERNMENT GROWTH IMPACT STATEMENT. Mr. Irvine also has determined that, for the first five years the repeal would be in effect:

1. The proposed repeal will not create or eliminate a government program;
2. The proposed repeal will not require a change in the number of employees of the Department;
3. The proposed repeal will not require additional future legislative appropriations;
4. The proposed repeal will result in neither an increase nor a decrease in fees paid to the Department;
5. The proposed repeal will not create a new regulation;
6. The proposed action will repeal an existing regulation, however that regulation is being simultaneously recommended for a new rule;
7. The proposed repeal will not increase nor decrease the number of individuals subject to the rule's applicability; and
8. The proposed repeal will neither positively nor negatively affect this state's economy.

PUBLIC BENEFIT/COST NOTE. Mr. Irvine also has determined that, for each year of the first five years the repeal is in effect, the public benefit anticipated as a result of the repealed section will be an updated and more clear regulation. There will not be any economic cost to any individuals required to comply with the repealed section because additional requirements are not added through this repeal.

ADVERSE IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES. The Department has determined that there will be no economic effect on small or micro-businesses or rural communities.

REQUEST FOR PUBLIC COMMENT. The public comment period will be held June 11, 2018, to July 11, 2018, to receive input on the repealed section. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Brooke Boston, Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941, by fax to (512) 475-0220, or email brooke.boston@tdhca.state.tx.us. ALL COMMENTS MUST BE RECEIVED BY 5:00 P.M. Austin local time JULY 11, 2018.

STATUTORY AUTHORITY. The proposed repeal is made pursuant to TEX. GOV'T CODE, §2306.053, which authorizes the Department to adopt rules. Except as described herein the proposed repealed sections affect no other code, article, or statute.

§1.1, Reasonable Accommodation Requests

Attachment 2: Preamble for proposed new of 10 TAC §1.1, Reasonable Accommodation Requests to the Department

The Texas Department of Housing and Community Affairs (the "Department") proposes new §1.1, Reasonable Accommodation Requests to the Department. The purpose of the proposed new section is to make changes that include: minor changes to the description of the process, adding the Department's Fair Housing Manager in accommodation request decision-making, reflecting that accommodation requests do not have to be in writing, revising the title to make it clear these are only requests to the Department (not to our subrecipients), and providing the statutory authority and purpose of the rule.

FISCAL NOTE. Timothy K. Irvine, Executive Director, has determined that, for each year of the first five years the new section is in effect, enforcing or administering the new section does not have any foreseeable implications related to costs or revenues of the state or local governments.

GOVERNMENT GROWTH IMPACT STATEMENT. Mr. Irvine also has determined that, for the first five years a rule would be in effect:

1. The proposed rule does not create or eliminate a government program;
2. The proposed rule will not require a change in the number of employees of the Department;
3. The proposed rule will not require additional future legislative appropriations;
4. The proposed rule will result in neither an increase nor a decrease in fees paid to the Department;
5. The proposed rule will not create a new regulation, except that it is replacing a rule being repealed simultaneously to provide for revisions;
6. The proposed rule will not expand an existing regulation;
7. The proposed rule will not increase the number of individuals subject to the rule's applicability; and
8. The proposed rule will neither positively nor negatively affect this state's economy.

PUBLIC BENEFIT/COST NOTE. Mr. Irvine also has determined that, for each year of the first five years the new section is in effect, the public benefit anticipated as a result of the new section will be improved compliance with Comptroller rules and increased clarity and organization. There will not be any economic cost to any individuals required to comply with the new section, because the processes described by the rule have been in place through the rule found at this section being repeal.

ADVERSE IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES. The Department has determined that there will be no economic effect on small or micro-businesses or rural communities.

REQUEST FOR PUBLIC COMMENT. The public comment period will be held June 11, 2018, to July 11, 2018, to receive input on the new section. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Brooke Boston, Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941, by fax to (512) 475-0220, or email brooke.boston@tdhca.state.tx.us. ALL COMMENTS MUST BE RECEIVED BY 5:00 P.M. Austin local time JULY 11, 2018.

STATUTORY AUTHORITY. The new sections are proposed pursuant to Texas Government Code, §2306.053, which authorizes the Department to adopt rules. Except as described herein the proposed new sections affect no other code, article, or statute.

§1.1, Reasonable Accommodation Requests to the Department

(a) Purpose. The purpose of this section is to establish the procedures by which a Requestor may ask that a Reasonable Accommodation is made by the Department. For rules governing the handling of reasonable accommodation requests and responsibilities of entities receiving funds or resources from the Department see Subchapter B, §1.204 of this Chapter. This rule is statutorily authorized by Tex. Gov't Code, 2306.066(e), which requires the Executive Director to prepare a written plan to provide persons with disabilities an opportunity to participate in the Department's programs, and in accordance with the Fair Housing Act, and other federal and state civil rights laws.

(b) Definitions. The following words and terms, when used in this section, shall have the following meanings, unless the context clearly indicates otherwise.

(1) Board--Texas Department of Housing and Community Affairs Governing Board.

(2) Division Manager or Director--Department staff member supervising the division or area of a division containing the program for which a Reasonable Accommodation is being requested.

(3) Disability--A physical or mental impairment that substantially limits one or more major life activities; or having a record of such an impairment; or being regarded as having such an impairment. Included in this meaning is the term handicap as defined in the Fair Housing Act, or as defined by other applicable federal or state law.

(4) Fair Housing Act--Fair Housing Act of 1968, also known as Title VIII of the Civil Rights Act of 1968.

(5) Reasonable Accommodation--An accommodation and/or modification that is an alteration, change, exception, or adjustment to a program, service, building, or dwelling unit, that will allow a qualified person with a Disability to:

(A) Participate fully in a program;

(B) Take advantage of a service;

(C) Live in a dwelling; or

(D) Use and enjoy a dwelling.

(6) Requestor--Includes applicants, members of the public, clients of Department programs, and program participants.

(7) Section 504--Section 504 of the Rehabilitation Act of 1973, as amended.

(c) Procedures.

(1) The Requestor of the Reasonable Accommodation shall submit a request to the Division Manager or Director. A request does not have to be in writing. A request can be made in a face-to-face conversation with a Division Manager or Director or using any other method of communication. A request is any communication in which an individual clearly asks or states that they need the Department to provide or to change something because of a Disability.

(2) The request, whether oral or written, must contain, at minimum:

(A) The Department program or procedure for which an accommodation is being requested;

(B) Household information to include name and address;

(C) Description of the Reasonable Accommodation being requested; and

(D) Reason the Reasonable Accommodation is necessary.

(E) In the case of oral requests, the Division Manager or Director will create a written summary of the request.

(3) The Division Director will coordinate with the Fair Housing Manager and the supervising Deputy Executive Director/Chief, if any, and may ask for additional information from the Requestor. Staff should address Reasonable Accommodations requests promptly. If making such a Reasonable Accommodation would involve incurring expense, staff should consult with their Division Manager or Director to ensure that they remain within their approved budget or, if additional measures beyond those within budget are required, that they are promptly considered and a compliant decision made. Upon having the applicable information, the Division Director or Manager and Fair Housing Manager will determine:

(A) If the proposed Reasonable Accommodation is covered under Section 504 and/or the Fair Housing Act, or any other federal or state law; and

(B) Whether to recommend to the Executive Director approval, an alternative Reasonable Accommodation, or denial.

(4) The request and recommendation, are then sent to the Executive Director or their designee, resulting in one of the following steps:

(A) The Executive Director determines Board action is not necessary and approves the request;

(B) The Executive Director proposes an alternative Reasonable Accommodation to the Requestor;

(C) The Executive Director determines Board action is necessary and presents the request and any proposed alternative Reasonable Accommodation at an ensuing Board meeting. The Executive Director can choose to include a recommendation for or against the request;

(D) The Executive Director refers the request to the Department's Dispute Resolution Coordinator for an Alternative Dispute Resolution procedure as outlined in 10 TAC §1.17; or

(E) The Executive Director denies the request. In the case of a denial, the Requestor can ask that their request be placed on the agenda for the next available Board meeting.

§1.1, Reasonable Accommodation Requests to the Department – Shown in Blackline from Current Rule

<u>TITLE 10</u>	COMMUNITY DEVELOPMENT
<u>PART 1</u>	TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
<u>CHAPTER 1</u>	ADMINISTRATION
<u>SUBCHAPTER A</u>	GENERAL POLICIES AND PROCEDURES
RULE §1.1	Reasonable Accommodation Requests <u>to the Department</u>

(a) Purpose. The purpose of this section is to establish the procedures by which a Requestor may ask that a Reasonable Accommodation is made by the Department. For rules governing the handling of reasonable accommodation requests, and responsibilities of entities receiving funds or resources from the Department see Subchapter B, §1.204 of this Chapter. This rule is statutorily authorized by Tex. Gov't Code, 2306.066(e), which requires the Executive Director to prepare a written plan to provide persons with disabilities an opportunity to participate in the Department's programs, and in accordance with the Fair Housing Act, and other federal and state civil rights laws.

(b) Definitions. The following words and terms, when used in this section, shall have the following meanings, unless the context clearly indicates otherwise.

(1) Board--Texas Department of Housing and Community Affairs Governing Board.

(2) Division Manager or Director--Department staff member supervising the division or area of a division containing the program for which a Reasonable Accommodation is being requested.

(3) Disability--A physical or mental impairment that substantially limits one or more major life activities; or having a record of such an impairment; or being regarded as having such an impairment. Included in this meaning is the term handicap as defined in the Fair Housing Act or as defined by other applicable federal or state law.

(4) Fair Housing Act--Fair Housing Act of 1968, also known as Title VIII of the Civil Rights Act of 1968.

(5) Reasonable Accommodation--An accommodation and/or modification that is an alteration, change, exception, or adjustment to a program, service, building, or dwelling unit, that will allow a qualified person with a Disability to:

(A) Participate fully in a program;

(B) Take advantage of a service;

(C) Live in a dwelling; or

(D) Use and enjoy a dwelling.

(6) Requestor--Includes applicants, members of the public, clients of Department programs, and program participants.

(7) Section 504--Section 504 of the Rehabilitation Act of 1973, as amended.

(c) Procedures.

(1) The Requestor of the Reasonable Accommodation shall submit a ~~written~~ request to the Division Manager or Director. A request does not have to be in writing. A request can be made in a face-to-face conversation with a Division Manager or Director or using any other method of

communication. A request is any communication in which an individual clearly asks or states that they need the Department to provide or to change something because of a Disability.

(2) The request, whether oral or written, will must contain, at minimum:

(A) The Department program or procedure for which an accommodation is being requested;

(B) Household information to include name and address;

~~—(i) name; and~~

~~—(ii) address;~~

(C) Description of the Reasonable Accommodation being requested; and

(D) Reason the Reasonable Accommodation is necessary.

(E) In the case of oral requests, the Division Manager or Director will create a written summary of the request.

(3) The Division Director will coordinate with the Fair Housing Manager and the supervising Deputy Executive Director/Chief, if any, and may ask for additional information from the Requestor. Staff should address Reasonable Accommodations requests promptly. If making such a Reasonable Accommodation would involve incurring expense, staff should consult with their Division Manager or Director to ensure that they remain within their approved budget or, if additional measures beyond those within budget are required, that they are promptly considered and a compliant decision made. Upon having the applicable information, the Division Director or Manager and Fair Housing Manager will ~~to~~ determine:

(A) If the proposed Reasonable Accommodation is covered under §Section 504 and/or the Fair Housing Act, or any other federal or state law; and

(B) Whether to recommend to the Executive Director they will recommend approval, ~~recommendation of~~ an alternative Reasonable Accommodation, or denial, ~~to the Executive Director.~~

(4) The request and recommendation isare then sent to the Executive Director or their designee, resulting in one of the following steps:

(A) The Executive Director determines Board action is not necessary and approves the request;

(B) The Executive Director proposes an alternative Reasonable Accommodation to the Requestor;

(C) The Executive Director determines Board action is necessary and presents the request and any proposed alternative Reasonable Accommodation at an ensuing Board meeting. The Executive Director can choose to include a recommendation for or against the request;

(D) The Executive Director refers the request to the Department's Dispute Resolution Coordinator for an Alternative Dispute Resolution procedure as outlined in 10 TAC §1.17; or

(E) The Executive Director denies the request. In the case of a denial, Tthe Requestor can ask that their request be placed on the agenda for the next available Board meeting.

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BOARD ACTION REQUEST

EXECUTIVE DIVISION

MAY 24, 2018

Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC §1.2, Department Complaint System, and an order proposing new 10 TAC §1.2, Department Complaint System, and directing their publication for public comment in the Texas Register.

RECOMMENDED ACTION

WHEREAS, pursuant to Tex. Gov't Code §2306.053, the Texas Department of Housing and Community Affairs (the "Department") is authorized to adopt rules governing the administration of the Department and its programs;

WHEREAS, pursuant to Tex. Gov't Code §2001.039, state agencies are required to review a rule every four years to assess whether the reasons for initially adopting the rule continue to exist;

WHEREAS, the Department recommends to the Board that there is a continuing need for this rule to exist, which is to provide for compliance with Tex. Gov't Code §2306.066, Information and Complaints, Tex. Gov't Code, Chapter 2105, Subchapter C, "Complaints," and 24 CFR §91.115(h), which requires as part of its Citizen Participation Plan that the Department have a complaint policy, and all of which require that the Department have information prepared that describes the function and procedures by which complaints are filed and resolved, and that the state statutes provide how the information is made available to the public, and this rule serves as that procedure and the means by which it is made public;

WHEREAS, this rule was last acted upon in April 2014, and is in need of updating to: bring the rule into greater conformity with the statutes and regulation, clarify procedural steps and add staff roles and systems now used in the handling of complaints, provide for the provision of complaint-related documents to the person making the complaint, and provide the statutory and regulatory authorities and purposes of the rule; and

WHEREAS, such proposed rulemaking will be published in the Texas Register for public comment;

NOW, therefore, it is hereby

RESOLVED, that the proposed repeal of 10 TAC §1.2, Department Complaint System, and proposed new 10 TAC §1.2, Department Complaint System, are approved for publication in the Texas Register for public comment;

FURTHER RESOLVED, that the Executive Director and his designees, be and each of them hereby are authorized, empowered, and directed, for and on behalf of the Department to cause the proposed repeal of 10 TAC §1.2, Department Complaint System, and proposed new 10 TAC §1.2, Department Complaint System, in the form presented to this meeting, to be published in the Texas Register and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing, including the preparation of the subchapter specific preambles; and

FURTHER RESOLVED, that if the Department receives no substantive comment on the proposed repeal and proposed adoption of this rule that the Department will repeal 10 TAC §1.2, Department Complaint System, and adopt new 10 TAC §1.2, Department Complaint System without returning to the Board for further approval.

BACKGROUND

Rule Review Overview

Tex. Gov't Code §2001.039 requires that state agencies review a rule every four years to assess whether the reasons for initially adopting the rule continue to exist; based on the assessment the rule can then be readopted as is, readopted with amendments, or repealed. Even rules that have been amended within the last four years require this review if the amendment did not specifically state that it included this review step. Several of the Department's rules exceed this four year review period and a project has been initiated to evaluate all rules and bring them into compliance with these timelines. One of the results of such a review is that the rule is determined to be necessary but that there are significant enough revisions to warrant repeal and proposal of a new rule in its place. This type of action also is an acceptable response to the four year review requirement and "resets the clock" on that review period.

This rule review initiative also includes a management-wide evaluation of whether a rule is:

- Statutorily required, and if not, evaluating its necessity;
- Setting policy beyond those established in state or federal authorizing statute or regulation, and if so, affirming the purpose and need for that policy; and
- In harmony with the direction and policy of the Executive Director and the Board.

Upon approval in draft form by the Board, rules under review will be released for public comment in the Texas Register and if comment is received, returned to the Board for final direction and adoption.

10 TAC §1.2, Department Complaint System

Authority: The authority for this rule is provided by Tex. Gov't Code §2306.066, Information and Complaints, Tex. Gov't Code, Chapter 2105, Subchapter C, "Complaints," and 24 CFR §91.115(h), which requires as part of its Citizen Participation Plan that the Department have a complaint policy. Both the federal regulation and the state statutes require that the Department have information prepared that describes the function and procedures by which complaints are filed and resolved, and the state statutes require that the information is made available to the public (unless another procedure is required by Federal law, such as the Violence Against Woman Act). This rule serves as that procedure and the means by which it is made public. The rule provides clear guidance for how complaints will be handled, what information will be retained, how a person is kept updated, and when the complaint process does not apply.

Department Policy: While 24 CFR §91.115(h), Tex. Gov't Code, Chapter 2105, Subchapter C and Tex. Gov't Code §2306.066 do require that the Department describe the function and procedures by which complaints are handled, the statute and regulations do not entirely specify what those procedures must be. Therefore, this rule does set Department policy, not specifically provided for in state statute or federal statute or regulation, for how complaints will be handled.

Consistency with Executive Direction and Proposed Changes: Staff recommends that this rule be retained but done so through repeal and proposal of a new rule. This action allows the Department to continue to ensure compliance with Tex. Gov't Code §2306.066, Information and Complaints Tex. Gov't Code, Chapter 2105, Subchapter C, "Complaints," and 24 CFR §91.115(h), as applicable and provides a transparent process for persons that may want to make a complaint. The new proposed rule reflects changes that include: bringing the rule into greater conformity with the statute, clarifying procedural steps and adding staff roles and systems now used in the handling of complaints, providing for the provision of complaint-related documents to the person making the complaint, and providing the statutory authority and purpose of the rule.

Behind the proposed preamble for the proposed new action a draft of the rule is shown in its clean new form. However, to assist reviewers with understanding what has changed from the current version of the rule, a blacklined version is also provided.

Attachment 1: Preamble for proposed repeal of 10 TAC §1.2, Department Complaint System

The Texas Department of Housing and Community Affairs (the "Department") proposes the repeal of 10 TAC §1.2, Department Complaint System. The purpose of the proposed repeal is to eliminate an outdated rule while adopting a new updated rule under separate action.

FISCAL NOTE. Timothy K. Irvine, Executive Director, has determined that, for each year of the first five years the repealed section is in effect, enforcing or administering the repealed section does not have any foreseeable implications related to costs or revenues of the state or local governments.

GOVERNMENT GROWTH IMPACT STATEMENT. Mr. Irvine also has determined that, for the first five years the repeal would be in effect:

1. The proposed repeal will not create or eliminate a government program;
2. The proposed repeal will not require a change in the number of employees of the Department;
3. The proposed repeal will not require additional future legislative appropriations;
4. The proposed repeal will result in neither an increase nor a decrease in fees paid to the Department;
5. The proposed repeal will not create a new regulation;
6. The proposed action will repeal an existing regulation, however that regulation is being simultaneously recommended for a new rule;
7. The proposed repeal will not increase nor decrease the number of individuals subject to the rule's applicability; and
8. The proposed repeal will neither positively nor negatively affect this state's economy.

PUBLIC BENEFIT/COST NOTE. Mr. Irvine also has determined that, for each year of the first five years the repeal is in effect, the public benefit anticipated as a result of the repealed section will be an updated and more clear regulation. There will not be any economic cost to any individuals required to comply with the repealed section because additional requirements are not added through this repeal.

ADVERSE IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES. The Department has determined that there will be no economic effect on small or micro-businesses or rural communities.

REQUEST FOR PUBLIC COMMENT. The public comment period will be held June 11, 2018, to July 11, 2018, to receive input on the repealed section. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Brooke Boston, Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941, by fax to (512) 475-0220, or email brooke.boston@tdhca.state.tx.us. **ALL COMMENTS MUST BE RECEIVED BY 5:00 P.M. Austin local time JULY 11, 2018.**

STATUTORY AUTHORITY. The proposed repeal is made pursuant to TEX. GOV'T CODE §2306.053, which authorizes the Department to adopt rules. Except as described herein the proposed repealed sections affect no other code, article, or statute.

§1.2, Department Complaint System

Attachment 2: Preamble for proposed new of 10 TAC §1.2, Department Complaint System

The Texas Department of Housing and Community Affairs (the "Department") proposes new §1.2, Department Complaint System. The purpose of the proposed new section is to make changes that include: bringing the rule into greater conformity with the statute, clarifying procedural steps and adding staff roles and systems now used in the handling of complaints, providing for the provision of complaint-related documents to the person making the complaint, and providing the statutory authority and purpose of the rule.

FISCAL NOTE. Timothy K. Irvine, Executive Director, has determined that, for each year of the first five years the new section is in effect, enforcing or administering the new section does not have any foreseeable implications related to costs or revenues of the state or local governments.

GOVERNMENT GROWTH IMPACT STATEMENT. Mr. Irvine also has determined that, for the first five years a rule would be in effect:

1. The proposed rule does not create or eliminate a government program;
2. The proposed rule will not require a change in the number of employees of the Department;
3. The proposed rule will not require additional future legislative appropriations;
4. The proposed rule will result in neither an increase nor a decrease in fees paid to the Department;
5. The proposed rule will not create a new regulation, except that it is replacing a rule being repealed simultaneously to provide for revisions;
6. The proposed rule will not expand an existing regulation;
7. The proposed rule will not increase the number of individuals subject to the rule's applicability; and
8. The proposed rule will neither positively nor negatively affect this state's economy.

PUBLIC BENEFIT/COST NOTE. Mr. Irvine also has determined that, for each year of the first five years the new section is in effect, the public benefit anticipated as a result of the new section will be a more accurate reflection of the process and improved clarity. There will not be any economic cost to any individuals required to comply with the new section, because the processes described by the rule have already been in place through the rule found at this section being repealed.

ADVERSE IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES. The Department has determined that there will be no economic effect on small or micro-businesses or rural communities.

REQUEST FOR PUBLIC COMMENT. The public comment period will be held June 11, 2018, to July 11, 2018, to receive input on the new section. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Brooke Boston, Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941, by fax to (512) 475-0220, or email brooke.boston@tdhca.state.tx.us. ALL COMMENTS MUST BE RECEIVED BY 5:00 P.M. Austin local time JULY 11, 2018.

STATUTORY AUTHORITY. The new sections are proposed pursuant to Texas Government Code, §2306.053, which authorizes the Department to adopt rules. Except as described herein the proposed new sections affect no other code, article, or statute.

§1.2, Department Complaint System to the Department

(a) Purpose. The purpose of this section is to establish the procedures by which complaints are filed with the Department and how the Department handles those complaints under Department jurisdiction in compliance with Tex.Gov't Code §2306.066, TEX. GOV'T CODE, Chapter 2105, Subchapter C, and 24 CFR §91.115(h), as applicable.

(b) Definitions. The following words and terms, when used in this section, shall have the following meanings, unless the context clearly indicates otherwise.

(1) Complaint--A complaint submitted to the Department in writing (via mailed letter, fax, email, or submitted online through the Department website) from a person that believes the Department has the authority to resolve the issue. This excludes consumer complaints relating to manufactured housing.

(2) Complaint Coordinator--Department employee designated by the Executive Director or his designee to monitor the Public Complaint System and coordinate activities related to complaints.

(3) Complaint Liaison--the Department employee(s) designated by each division to handle each division's complaint-related issues.

(4) Department--The Texas Department of Housing and Community Affairs.

(5) Person--Any individual, other than an employee of the Department, and any partnership, corporation, association, governmental subdivision, or public or private organization of any character.

(6) Public Complaint System--Department-created system used to track and process complaints received by the Department.

(c) Procedures. A person who has a Complaint may submit such Complaint to the Department for submission to a Complaint Coordinator. If an accommodation because of a disability is needed in relation to a Complaint, the Person interested in filing the Complaint should refer to 10 TAC §1.1, Reasonable Accommodation Requests; if assistance is needed for non-English speaking persons, the Person interested in filing the Complaint should access the Department's Language Assistance webpage (<https://www.tdca.state.tx.us/lap.htm>).

(1) A Complaint Coordinator shall enter the complaint in the Public Complaint System, review and process the complaint, and forward the complaint to the appropriate Complaint Liaison.

(2) A Complaint Liaison shall investigate and resolve or close the Complaint. A Complaint Liaison shall enter summaries of contact with the complainant and actions leading to complaint resolution in the Public Complaint System.

(3) The Complaint Coordinator will submit periodic summary reports or analysis to the Executive Director or designee.

(4) The Department shall provide to the Person filing the Complaint, and to each Person who is a subject of the Complaint, a copy of this rule, which serves as the Department's policy and procedures relating to complaint investigation and resolution.

(5) The Department shall either notify the complainant of the resolution of the Complaint within 15 business days after the date the Complaint was received by the Department, or notify the complainant, within such period, of the date the complainant can expect a response to the Complaint.

(6) The Department shall notify the complainant of the status of the Complaint at least quarterly and until the final disposition of the Complaint.

(7) An information file about each complaint shall be maintained. The file must include:

(A) the Complaint number;

(B) the name of the person who filed the Complaint;

(C) the date the Complaint was received by the Department;

(D) the subject matter of the Complaint;

(E) the name of each Person contacted in relation to the Complaint;

(F) a summary of the results of the review or investigation of the Complaint; and

(G) an explanation of the reason the file was closed, if the Department closed the file without taking action other than to investigate the Complaint.

(8) A Complaint may be withdrawn by the complainant at any time.

(9) A complainant may request and receive from the Department copies of any documentation or records collected by the Department with regard to the complaint subject to the Texas Public Information Act.

(10) Adherence to these procedures is not required by the Department if another procedure is required by law, or if the following a procedure above would jeopardize an undercover investigation.

<u>TITLE 10</u>	COMMUNITY DEVELOPMENT
<u>PART 1</u>	TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
<u>CHAPTER 1</u>	ADMINISTRATION
<u>SUBCHAPTER A</u>	GENERAL POLICIES AND PROCEDURES
RULE §1.2	Department Complaint System

(a) Purpose. The purpose of this section is to establish the procedures by which complaints are filed with the Department and how that the dDepartment handles those complaints under Department jurisdiction in compliance with Tex. Gov't Code 2306.066, Tex.Gov't Code, Chapter 2105, Subchapter C, and 24 CFR §91.115(h), as applicable. ~~has the authority to resolve are answered.~~

(b) Definitions. The following words and terms, when used in this section, shall have the following meanings, unless the context clearly indicates otherwise.

(1) Complaint--~~A written~~ complaint submitted to the Department in writing (via mailed letter, fax, email, or submitted online through the Department website) from that a person that believes the dDepartment has the authority to resolve the issue. This excludes, other than a complaint about the quality of services funded by a block grant administered by the department or consumer complaints relating to manufactured housing.

(2) Complaint Coordinator--Department employee designated by the Executive Director or his designee to monitor the Public Complaint System and coordinate activities related to complaints.

(3) Complaint Liaison--the Department employee(s) designated by each division to handle each division's complaint-related issues.

~~(4)~~ Department--The Texas Department of Housing and Community Affairs.

~~(5)~~ Person--Any individual, other than an employee of the dDepartment, and any partnership, corporation, association, governmental subdivision, or public or private organization of any character.

(6) Public Complaint System--Department-created system used to track and process complaints received by the Department.

~~(4) Complaint Coordinator~~Person designated by the Executive Director or his designee to monitor the database of complaints received by the agency and coordinate activities related to complaints.

~~(5) Complaint Liaison~~Person designated by each division director to handle each division's complaint related issues.

(c) Procedures. A person who has a ~~written e~~Complaint may submit such eComplaint to ~~any employee of the dDepartment~~ for submission to a Complaint Coordinator or Complaint Liaison. If an accommodation because of a disability is needed in relation to a Complaint, the Person interested in filing the Complaint should refer to 10 TAC §1.1, Reasonable Accommodation Requests; if assistance is needed for non-English speaking persons, the Person interested in filing the Complaint should access the Department's Language Assistance webpage (<https://www.tdhca.state.tx.us/lap.htm>).

~~(1) A The~~ Complaint Coordinator ~~or Complaint Liaison~~ shall ~~assign complaint number to the complaint, enter the Complaint in the Public Complaint System, reviews and process the~~

~~eComplaint, and forward the Complaint to the appropriate Complaint Liaison, and investigates, or causes an investigation to be completed~~

(2) A Complaint Liaison shall investigate and resolve or close the Complaint. A Complaint Liaison shall enter summaries of contact with the complainant and actions leading to complaint resolution in the Public Complaint System.

~~(32)~~ The Complaint Coordinator will submit periodic summary reports or analysis to the Executive Director or designee.

~~(43)~~ The Department shall provide to the ~~p~~Person filing the eComplaint, and to each ~~p~~Person who is a subject of the eComplaint, a copy of ~~the~~ this rule, which serves as the Department's policies and procedures relating to complaint investigation and resolution.

~~(54)~~ The Department shall either notify the complainant of the resolution of the eComplaint within 15 business days after the date the eComplaint was received by the Department~~number was assigned~~, or notify the complainant, within such period, of the date the complainant can expect a response to the Complaint. ~~complaint can be resolved.~~

~~(65)~~ The Department shall notify the complainant of the status of the eComplaint at least quarterly and until the final disposition of the eComplaint.

~~(76)~~ An information file about each complaint shall be maintained. The file must include:

(A) the eComplaint number;

(B) the name of the person who filed the eComplaint;

(C) the date the eComplaint was received by the Department;

(D) the subject matter of the eComplaint;

(E) the name of each ~~p~~Person contacted in relation to the eComplaint;

(F) a summary of the results of the review or investigation of the eComplaint; and

(G) an explanation of the reason the file was closed, if the Department closed the file without taking action other than to investigate the eComplaint.

(8) A Complaint may be withdrawn by the complainant at any time.

(9) A complainant may request and receive from the Department copies of any documentation or records collected by the Department with regard to the complaint subject to the Texas Public Information Act.

~~(107)~~ Adherence to these procedures is not required by the Department ~~This procedure will not be followed where~~ if another procedure is required by law, or if the following of this ~~a~~ procedure would jeopardize an undercover investigation.

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BOARD ACTION REQUEST

EXECUTIVE DIVISION

MAY 24, 2018

Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC §1.4, Protest Procedures for Contractors, and an order proposing new 10 TAC §1.4, Protest Procedures for Contractors, and directing their publication for public comment in the Texas Register.

RECOMMENDED ACTION

WHEREAS, pursuant to Tex. Gov't Code, §2306.053, the Texas Department of Housing and Community Affairs (the "Department") is authorized to adopt rules governing the administration of the Department and its programs;

WHEREAS, pursuant to Tex. Gov't Code, §2001.039, state agencies are required to review a rule every four years to assess whether the reasons for initially adopting the rule continue to exist;

WHEREAS, the Department recommends to the Board that there is a continuing need for this rule to exist, which is to provide for compliance with 34 TAC Chapter 20, Subchapter F, Division 3, the rules of the Texas Comptroller of Public Accounts (the "Comptroller") addressing procurement, which require state agencies to adopt protest procedures consistent with the Comptroller's procedures;

WHEREAS, this rule was last acted upon in 1998, and is in need of updating to bring it into compliance with changes to the Comptroller's rules and improve its organization; and

WHEREAS, such proposed rulemaking will be published in the Texas Register for public comment;

NOW, therefore, it is hereby

RESOLVED, that the proposed repeal of 10 TAC §1.4, Protest Procedures for Contractors, and proposed new 10 TAC §1.4, Protest Procedures for Contractors, are approved for publication in the Texas Register for public comment;

FURTHER RESOLVED, that the Executive Director and his designees, be and each of them hereby are authorized, empowered, and directed, for and on behalf of the Department to cause the proposed repeal of 10 TAC §1.4, Protest Procedures for Contractors, and proposed new 10 TAC §1.4, Protest Procedures for Contractors, in the form presented to this meeting, to be published in the Texas Register and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing, including the preparation of the subchapter specific preambles; and

FURTHER RESOLVED, that if the Department receives no substantive comment on the proposed repeal and proposed adoption of this rule that the Department will repeal 10 TAC §1.4, Protest Procedures for Contractors, and adopt new 10 TAC §1.4, Protest Procedures for Contractors without returning to the Board for further approval.

BACKGROUND

Rule Review Overview

Tex. Gov't Code, §2001.039 requires that state agencies review a rule every four years to assess whether the reasons for initially adopting the rule continue to exist; based on the assessment the rule can then be readopted as is, readopted with amendments, or repealed. Even rules that have been amended within the last four years require this review if the amendment did not specifically state that it included this review step.

Several of the Department's rules exceed this four year review period and a project has been initiated to evaluate all rules and bring them into compliance with these timelines. One of the results of such a review is that the rule is determined to be necessary but that there are significant enough revisions to warrant repeal and proposal of a new rule in its place. This type of action also is an acceptable response to the four year review requirement, and "resets the clock" on that review period.

This rule review initiative also includes a management-wide evaluation of whether a rule is:

- Statutorily required, and if not, evaluating its necessity;
- Setting policy beyond those established in state or federal authorizing statute or regulations, and if so, affirming the purpose and need for that policy; and
- In harmony with the direction and policy of the Executive Director and the Board.

Upon approval in draft form by the Board, rules under review will be released for public comment in the Texas Register and if comment is received, returned to the Board for final direction and adoption.

10 TAC §1.4, Protest Procedures for Contractors

Authority: The state authority for this rule is 34 TAC Chapter 20, Subchapter F, Division 3, of the Comptroller's Procurement Rules. While that rule does not specifically mandate that each agency have its procurement contractor protest procedures in rule, it does require that an agency have adopted procedures and that a copy of those adopted protest procedures be submitted to the Comptroller during the post-payment audit of the agency's purchasing documents or upon request by the Comptroller. It also requires that the procedures must be consistent with the Comptroller's procedures for protests (which are described in Division 3).

Department Policy: It should be noted that in this rule staff is recommending the continuation of a Department policy that exceeds the requirements of the Comptroller's rule. While the Comptroller's rule only requires that Protests be permitted for those who have responded to a solicitation, the Department's rule allows a Protest to be filed by someone even if they have not submitted in response to a solicitation. If they are a prospective bidder, offeror, or contractor they may also file a protest. Staff believes that allowing only bidders to submit a protest could result in legitimate concerns being missed. For example, an outside vendor feeling that they could not even respond due to some restrictive language or circumstance from the procurement documents that prohibited fair competition would not have a forum for voicing that concern.

Consistency with Executive Direction and Proposed Changes: Staff recommends that this rule be retained but done so through repeal and proposal of a new rule. This action allows the Department to continue to reflect its compliance with the Comptroller's requirements and provide a transparent process for contractors. The new proposed rule reflects changes that include: bringing the rule into consistency with the Comptroller sections noted above, which the Comptroller updated in January 2017, and improving organization of the rule.

Behind the proposed preamble for the proposed new action a draft of the rule is shown in its clean new form. However, to assist reviewers with understanding what has changed from the current version of the rule, a blacklined version is also provided.

Attachment 1: Preamble for proposed repeal of 10 TAC §1.4, Protest Procedures for Contractors

The Texas Department of Housing and Community Affairs (the "Department") proposes the repeal of 10 TAC §1.4, Protest Procedures for Contractors. The purpose of the proposed repeal is to eliminate an outdated rule while adopting a new updated rule under separate action.

FISCAL NOTE. Timothy K. Irvine, Executive Director, has determined that, for each year of the first five years the repealed section is in effect, enforcing or administering the repealed section does not have any foreseeable implications related to costs or revenues of the state or local governments.

GOVERNMENT GROWTH IMPACT STATEMENT. Mr. Irvine also has determined that, for the first five years the repeal would be in effect:

1. The proposed repeal will not create or eliminate a government program;
2. The proposed repeal will not require a change in the number of employees of the Department;
3. The proposed repeal will not require additional future legislative appropriations;
4. The proposed repeal will result in neither an increase nor a decrease in fees paid to the Department;
5. The proposed repeal will not create a new regulation;
6. The proposed action will repeal an existing regulation, however that regulation is being simultaneously recommended for a new rule;
7. The proposed repeal will not increase nor decrease the number of individuals subject to the rule's applicability; and
8. The proposed repeal will neither positively nor negatively affect this state's economy.

PUBLIC BENEFIT/COST NOTE. Mr. Irvine also has determined that, for each year of the first five years the repeal is in effect, the public benefit anticipated as a result of the repealed section will be an updated and more clear regulation. There will not be any economic cost to any individuals required to comply with the repealed section because additional requirements are not added through this repeal.

ADVERSE IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES. The Department has determined that there will be no economic effect on small or micro-businesses or rural communities.

REQUEST FOR PUBLIC COMMENT. The public comment period will be held June 11, 2018, to July 11, 2018, to receive input on the repealed section. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Brooke Boston, Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941, by fax to (512) 475-0220, or email brooke.boston@tdhca.state.tx.us. ALL COMMENTS MUST BE RECEIVED BY 5:00 P.M. Austin local time JULY 11, 2018.

STATUTORY AUTHORITY. The proposed repeal is made pursuant to TEX. GOV'T CODE, §2306.053, which authorizes the Department to adopt rules. Except as described herein the proposed repealed sections affect no other code, article, or statute.

§1.4 Protest Procedures for Contractors

Attachment 2: Preamble for proposed new of 10 TAC §1.4, Protest Procedures for Contractors

The Texas Department of Housing and Community Affairs (the "Department") proposes new 10 TAC §1.4, Protest Procedures for Contractors. The purpose of the proposed new section is to update the rule to reflect the most current Texas Comptroller of Public Account's (the "Comptroller") rules relating to procurement, found at 34 TAC Chapter 20, Subchapter F, Division 3, and provide improved organization and clarity in the rule.

FISCAL NOTE. Timothy K. Irvine, Executive Director, has determined that, for each year of the first five years the new section is in effect, enforcing or administering the new section does not have any foreseeable implications related to costs or revenues of the state or local governments.

GOVERNMENT GROWH IMPACT STATEMENT. Mr. Irvine also has determined that, for the first five years a rule would be in effect:

1. The proposed rule does not create or eliminate a government program;
2. The proposed rule will not require a change in the number of employees of the Department;
3. The proposed rule will not require additional future legislative appropriations;
4. The proposed rule will result in neither an increase nor a decrease in fees paid to the Department;
5. The proposed rule will not create a new regulation, except that it is replacing a rule being repealed simultaneously to provide for the updating and improved clarity of that rule;
6. The proposed rule will not expand an existing regulation;
7. The proposed rule will not increase the number of individuals subject to the rule's applicability; and
8. The proposed rule will neither positively nor negatively affect this state's economy.

PUBLIC BENEFIT/COST NOTE. Mr. Irvine also has determined that, for each year of the first five years the new section is in effect, the public benefit anticipated as a result of the new section will be improved compliance with Comptroller rules and increased clarity and organization. There will not be any economic cost to any individuals required to comply with the new section, because the processes described by the rule have been in place through the rule found at this section being repeal.

ADVERSE IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES. The Department has determined that there will be no economic effect on small or micro-businesses or rural communities.

REQUEST FOR PUBLIC COMMENT. The public comment period will be held June 11, 2018, to July 11, 2018, to receive input on the new section. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Brooke Boston, Rule Comments, P.O. Box 13941, Austin, Texas 8711-3941, by fax to (512) 475-0220, or email brooke.boston@tdhca.state.tx.us. ALL COMMENTS MUST BE RECEIVED BY 5:00 P.M. Austin local time JULY 11, 2018.

STATUTORY AUTHORITY. The new sections are proposed pursuant to Texas Government Code, §2306.053, which authorizes the Department to adopt rules. Except as described herein the proposed new sections affect no other code, article, or statute.

§1.4, Protest Procedures for Contractors

(a) Purpose. The purpose of this rule provides for the Department's compliance with 34 TAC Chapter 20, Subchapter F, Division 3, the rules of the Texas Comptroller of Public Accounts addressing procurement, which require state agencies to adopt protest procedures consistent with the Comptroller's procedures.

(b) Definitions. The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.

- (1) Board--The Governing Board of the Department.

(2) Department--The Texas Department of Housing and Community Affairs.

(3) Interested Parties--means all vendors who have submitted bids or proposals for the contract involved. A list of interested parties is available upon request from the Department.

(4) Protest--A written objection submitted to the Department by any actual or prospective bidder, offeror, or contractor who is aggrieved in connection with the solicitation, evaluation, or award of a procurement contract by the Department.

(c) These procedures are for Department procurements only. Any actual or prospective bidder, offeror, or contractor who is aggrieved in connection with a solicitation, evaluation, or award may formally protest to the Department's Purchasing Officer.

(d) To be considered timely, the Protest must be filed in accordance with the requirements of 34 TAC §20.535(b).

(e) To be considered complete, the Protest must be in writing, signed by an authorized representative, notarized, and contain:

(1) a specific identification of the statutory or regulatory provision(s) that the Person submitting the Protest alleges to have been violated;

(2) a specific description of each act made by the Department that the Person submitting the Protest alleges to have been violated specified in the statutory or regulatory provision(s) identified in paragraph (1) of this Subsection;

(3) a precise statement of the relevant facts including:

(A) sufficient documentation to establish that the Protest has been timely filed;

(B) a description of the adverse impact to the Department or the state; and

(C) a description of the resulting adverse impact to the protesting vendor;

(4) a statement of the argument and authorities that the Person submitting the Protest offers in support of the Protest;

(5) an explanation of the subsequent action the Person submitting the Protest is requesting; and

(6) except for a Protest that concerns the solicitation documents or actions associated with the publication of solicitation documents, a statement confirming that copies of the Protest have been mailed or delivered to other identifiable Interested Parties.

(f) The Purchasing Officer shall have the initial authority to settle and resolve the Dispute concerning the solicitation or award of a contract. The Purchasing Officer may dismiss the Protest if it is not timely filed or does not meet the requirements of this section. The Purchasing Officer may solicit written responses to the Protest from other Interested Parties.

(g) If the Protest is not resolved by mutual agreement, the Purchasing Officer will provide a written recommendation to the Department's Executive Director.

(h) The Executive Director shall issue a final written determination on the Protest within 15 calendar days after receipt of the Purchasing Officer's recommendation in accordance with the requirements of 34 TAC §20.537(c).

(i) In the alternative, the Executive Director may, in his or her discretion, refer the matter to the Department's Governing Board for their consideration at a regularly scheduled meeting. The decision of the Board shall be final.

(j) A protesting party may appeal the determination of the Executive Director under section (g) of this section to the Department's Governing Board. An appeal of the Executive Director's determination must be in writing and received by the Purchasing Officer not later than 10 calendar days after the date the Executive Director sent written notice of their determination. The scope of the appeal shall be limited to review of the Executive Director's determination. The protesting party must mail or deliver to all other interested parties a copy of the appeal, which must contain a certified statement that such copies have been provided.

(1) The appeal will be presented for consideration at the next regularly scheduled meeting of the Governing Board. The decision of the Governing Board shall be final.

(2) An appeal that is not filed timely shall not be considered unless good cause for delay is shown in writing relating to issues that are significant to agency procurement practices or procedures, or the Department's General Counsel makes such a determination.

(k) All documents collected by the Department as part of a solicitation, evaluation, and/or award of a contract shall be retained with the procurement file according to Department's Records Retention Schedule.

(l) The Department reserves all of its rights under 34 TAC §20.536. The Department may award a solicitation or award without delay, in spite of a timely filed Protest, to protect the best interests of the state.

§1.4, Protest Procedures for Contractors – Shown in Blackline from Current Rule

~~(a) Purpose. The purpose of this rule provides for the Department's compliance with 34 TAC Chapter 20, Subchapter F, Division 3, the rules of the Texas Comptroller of Public Accounts addressing procurement, which require state agencies to adopt protest procedures consistent with the Comptroller's procedures.~~

~~(b) Definitions. The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.~~

~~(1) Board--The Governing Board of ~~directors~~ the dDepartment.~~

~~(2) Department--The Texas Department of Housing and Community Affairs.~~

~~(3) Interested Parties--means all vendors who have submitted bids or proposals for the contract involved. A list of interested parties is available upon request from the Department.~~

~~(4) Protest--A written objection submitted to the dDepartment by any actual or prospective bidder, offeror, or contractor who is aggrieved in connection with the solicitation, evaluation, or award of a procurement contract by the Department.~~

~~(c) Procedures--These procedures are for Department procurements only. Any actual or prospective bidder, offeror, or contractor who is aggrieved in connection with the a solicitation, evaluation, or award may formally protest to the dDepartment's Purchasing Officer. ~~Such protests shall be in writing and received in the Purchasing Officer's office within ten working days after such aggrieved person knows, or should have known, of the occurrence of the action which is protested. Formal protests must conform to the requirements of this subsection and subsection (c) of this section, and shall be resolved in accordance with the procedure set forth in subsections (d) (g) of this section. Copies of the protest must be mailed or delivered by the protesting party to other interested parties. For the purposes of this section, "interested parties" means all vendors who have submitted bids or proposals for the contract involved. A list of these is available upon request from the department.~~~~

~~(d) To be considered timely, the Protest must be filed in accordance with the requirements of 34 TAC §20.535(b).~~

~~(e) A formal p~~To be considered complete, the Protest must be in writing, signed by an authorized representative, notarized, sworn~~ and contain:~~

~~(1) a specific identification of the statutory or regulatory provision(s) that the Person submitting the Protest action complained of is alleged to have been violated;~~

~~(2) a specific description of each act made by the Department that the Person submitting the Protest alleged to have been violated specified in the statutory or regulatory provision(s) identified in paragraph (1) of this subsection;~~

~~(3) a precise statement of the relevant facts including:~~

~~(C) sufficient documentation to establish that the Protest has been timely filed;~~

~~(D) a description of the adverse impact to the Department or the state; and~~

~~(C) a description of the resulting adverse impact to the protesting vendor;~~

~~-(4) an identification of the issue or issues to be resolved;~~

~~-(4) a statement of the argument and authorities that the Person submitting the Protest offers in support of the protest; and~~

(5) an explanation of the subsequent action the Person submitting the Protest is requesting; and
(6) except for a Protest that concerns the solicitation documents or actions associated with the publication of solicitation documents, a statement confirming that copies of the pProtest have been mailed or delivered to other identifiable iInterested pParties.

(f) The Purchasing Officer shall have the initial authority to settle and resolve the dDispute concerning the solicitation or award of a contract. The Purchasing Officer may dismiss the Protest if it is not timely filed or does not meet the requirements of this section. The Purchasing Officer may solicit written responses to the pProtest from other iInterested pParties.

(g) If the pProtest is not resolved by mutual agreement, the Purchasing Officer will provide a written recommendation to the Department's eExecutive dDirector.

(h) The eExecutive dDirector shall issue a final written determination on the pProtest within 15 calendar days after receipt of the Purchasing Officer's recommendation in accordance with the requirements of 34 TAC §20.537(c).

(i) In the alternative, the eExecutive dDirector may, in his or her discretion, refer the matter to the Department's Governing bBoard for their consideration at a regularly scheduled open-meeting. The decision of the bBoard, or of the executive director under subsection (f) of this section shall be final.

(j) A protesting party may appeal the determination of the Executive Director under section (g) of this section to the Department's Governing Board. An appeal of the Executive Director's determination must be in writing and received by the Purchasing Officer not later than 10 calendar days after the date the Executive Director sent written notice of their determination. The scope of the appeal shall be limited to review of the Executive Director's determination. The protesting party must mail or deliver to all other interested parties a copy of the appeal, which must contain a certified statement that such copies have been provided.

(1) The appeal will be presented for consideration at the next regularly scheduled meeting of the Governing Board. The decision of the Governing Board shall be final.

(2) An appeal that is not filed timely shall not be considered unless good cause for delay is shown in writing relating to issues that are significant to agency procurement practices or procedures, or the Department's General Counsel makes such a determination.

(k) All documents collected by the Department as part of a solicitation, evaluation, and/or award of a contract shall be retained with the procurement file according to Department's Records Retention Schedule, kept on file at the Department for a period of two years, and in remote storage for an additional one year.

(l) The Department reserves all of its rights under 34 TAC §20.536. The Department may award a solicitation or award without delay, in spite of a timely filed Protest, to protect the best interests of the state.

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BOARD ACTION REQUEST

EXECUTIVE DIVISION

MAY 24, 2018

Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC §1.6, Historically Underutilized Businesses, and an order proposing new 10 TAC §1.6, Historically Underutilized Businesses, and directing their publication for public comment in the Texas Register.

RECOMMENDED ACTION

WHEREAS, pursuant to Tex. Gov't Code, §2306.053, the Texas Department of Housing and Community Affairs ("the Department") is authorized to adopt rules governing the administration of the Department and its programs;

WHEREAS, pursuant to Tex. Gov't Code, §2001.039, state agencies are required to review a rule every four years to assess whether the reasons for initially adopting the rule continue to exist;

WHEREAS, the Department recommends to the Board that there is a continuing need for this rule to exist, which is to provide for compliance with Tex. Gov't Code, §2161.003 which requires that state agencies adopt the Comptroller's rules relating to Historically Underutilized Businesses ("HUBs") as the agency's own rules;

WHEREAS, this rule was last acted upon in 2012, and is in need of updating to bring it into compliance with the Comptroller's rules and to update citations; and

WHEREAS, such proposed rulemaking will be published in the Texas Register for public comment;

NOW, therefore, it is hereby

RESOLVED, that the proposed repeal of 10 TAC §1.6, Historically Underutilized Businesses, and proposed new 10 TAC §1.6, Historically Underutilized Businesses, are approved for publication in the Texas Register for public comment;

FURTHER RESOLVED, that the Executive Director and his designees, be and each of them hereby are authorized, empowered, and directed, for and on behalf of the Department to cause the proposed repeal of 10 TAC §1.6, Historically Underutilized Businesses, and proposed new 10 TAC §1.6, Historically Underutilized Businesses, in the form presented to this meeting, to be published in the Texas Register and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing, including the preparation of the subchapter specific preambles; and

FURTHER RESOLVED, that if the Department receives no substantive comment on the proposed repeal and proposed adoption of this rule that the Department will repeal 10 TAC §1.6, Historically Underutilized Businesses, and adopt new 10 TAC §1.6, Historically Underutilized Businesses without returning to the Board for further approval.

BACKGROUND

Rule Review Overview

TEX Tex. Gov't Code §2001.039 requires that state agencies review a rule every four years to assess whether the reasons for initially adopting the rule continue to exist; based on the assessment the rule can then be readopted as is, readopted with amendments, or repealed. Even rules that have been amended within the last

four years require this review if the amendment did not specifically state that it included this review step. Several of the Department's rules exceed this four year review period and a project has been initiated to evaluate all rules and bring them into compliance with these timelines. One of the results of such a review is that the rule is determined to be necessary but that there are significant enough revisions to warrant repeal and proposal of a new rule in its place. This type of action also is an acceptable response to the four year review requirement and "resets the clock" on that review period.

This rule review initiative also includes a management-wide evaluation of whether a rule is:

- Statutorily required, and if not, evaluating its necessity;
- Setting policy beyond those established in state or federal authorizing statute or regulation, and if so, affirming the purpose and need for that policy; and
- In harmony with the direction and policy of the Executive Director and the Board.

Upon approval in draft form by the Board, rules under review will be released for public comment in the Texas Register and if comment is received, returned to the Board for final direction and adoption.

10 TAC §1.6. Historically Underutilized Businesses

Authority: The state authority for this rule is Tex. Gov't Code, §2161.003 which requires that state agencies adopt the Comptroller's rules relating to Historically Underutilized Businesses ("HUBs") as the agency's own rules. Those rules for the Comptroller are found at 34 TAC Chapter 20, Subchapter D, Division 1, §§20.281 to 20.298.

Department Policy: No Department policy is established with this rule beyond those established through reference to the Comptroller's rules.

Consistency with Executive Direction and Proposed Changes: Staff recommends that this rule be retained but done so through repeal and proposal of a new rule. This action allows the Department to evidence compliance with Tex. Gov't Code, §2161.003. The new proposed rule reflects changes that include: bringing the rule into consistency with the Comptroller sections noted above, correcting citations, and making minor edits for readability.

Behind the proposed preamble for the proposed new action a draft of the rule is shown in its clean new form. However, to assist reviewers with understanding what has changed from the current version of the rule, a blacklined version is also provided.

Attachment 1: Preamble for proposed repeal of 10 TAC §1.6, Historically Underutilized Businesses

The Texas Department of Housing and Community Affairs (the "Department") proposes the repeal of 10 TAC §1.6, Historically Underutilized Businesses. The purpose of the proposed repeal is to eliminate an outdated rule while adopting a new updated rule under separate action.

FISCAL NOTE. Timothy K. Irvine, Executive Director, has determined that, for each year of the first five years the repealed section is in effect, enforcing or administering the repealed section does not have any foreseeable implications related to costs or revenues of the state or local governments.

GOVERNMENT GROWTH IMPACT STATEMENT. Mr. Irvine also has determined that, for the first five years the repeal would be in effect:

1. The proposed repeal will not create or eliminate a government program;
2. The proposed repeal will not require a change in the number of employees of the Department;
3. The proposed repeal will not require additional future legislative appropriations;
4. The proposed repeal will result in neither an increase nor a decrease in fees paid to the Department;
5. The proposed repeal will not create a new regulation;
6. The proposed action will repeal an existing regulation, however that regulation is being simultaneously recommended for a new rule;
7. The proposed repeal will not increase nor decrease the number of individuals subject to the rule's applicability; and
8. The proposed repeal will neither positively nor negatively affect this state's economy.

PUBLIC BENEFIT/COST NOTE. Mr. Irvine also has determined that, for each year of the first five years the repeal is in effect, the public benefit anticipated as a result of the repealed section will be an updated and more clear regulation. There will not be any economic cost to any individuals required to comply with the repealed section because additional requirements are not added through this repeal.

ADVERSE IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES. The Department has determined that there will be no economic effect on small or micro-businesses or rural communities.

REQUEST FOR PUBLIC COMMENT. The public comment period will be held June 11, 2018, to July 11, 2018, to receive input on the repealed section. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Brooke Boston, Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941, by fax to (512) 475-0220, or email brooke.boston@tdhca.state.tx.us. ALL COMMENTS MUST BE RECEIVED BY 5:00 P.M. Austin local time JULY 11, 2018.

STATUTORY AUTHORITY. The proposed repeal is made pursuant to TEX. GOV'T CODE, §2306.053, which authorizes the Department to adopt rules. Except as described herein the proposed repealed sections affect no other code, article, or statute.

§1.6 Historically Underutilized Businesses

Attachment 2: Preamble for proposed new of 10 TAC §1.6, Historically Underutilized Businesses

The Texas Department of Housing and Community Affairs (the "Department") proposes new 10 TAC §1.6, Historically Underutilized Businesses. The purpose of the proposed new section is to provide compliance with Tex. Gov't Code, §2161.003; to update the rule to provide consistency with the most current Texas Comptroller of Public Account's (the "Comptroller") rules relating to Historically Underutilized Businesses ("HUBs"), found at 34 TAC Chapter 20, Subchapter D, Division 1, §§20.281 to 20.298; and to make minor edits for readability and clarity.

FISCAL NOTE. Timothy K. Irvine, Executive Director, has determined that, for each year of the first five years the new section is in effect, enforcing or administering the new section does not have any foreseeable implications related to costs or revenues of the state or local governments.

GOVERNMENT GROWTH IMPACT STATEMENT. Mr. Irvine also has determined that, for the first five years a rule would be in effect:

1. The proposed rule does not create or eliminate a government program;
2. The proposed rule will not require a change in the number of employees of the Department;
3. The proposed rule will not require additional future legislative appropriations;
4. The proposed rule will result in neither an increase nor a decrease in fees paid to the Department;
5. The proposed rule will not create a new regulation, except that it is replacing a rule being repealed simultaneously to provide for the updating and improved clarity of that rule;
6. The proposed rule will not expand an existing regulation;
7. The proposed rule will not increase the number of individuals subject to the rule's applicability; and
8. The proposed rule will neither positively nor negatively affect this state's economy.

PUBLIC BENEFIT/COST NOTE. Mr. Irvine also has determined that, for each year of the first five years the new section is in effect, the public benefit anticipated as a result of the new section will be improved compliance with Comptroller rules and increased clarity and organization. There will not be any economic cost to any individuals required to comply with the new section, because the processes described by the rule have been in place through the rule found at this section being repeal.

ADVERSE IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES. The Department has determined that there will be no economic effect on small or micro-businesses or rural communities.

REQUEST FOR PUBLIC COMMENT. The public comment period will be held June 11, 2018, to July 11, 2018, to receive input on the new section. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Brooke Boston, Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941, by fax to (512) 475-0220, or email brooke.boston@tdhca.state.tx.us. ALL COMMENTS MUST BE RECEIVED BY 5:00 P.M. Austin local time JULY 11, 2018.

STATUTORY AUTHORITY. The new sections are proposed pursuant to Texas Government Code, §2306.053, which authorizes the Department to adopt rules. Except as described herein the proposed new sections affect no other code, article, or statute.

§1.6, Historically Underutilized Businesses

It is the policy of the Department to encourage the use of Historically Underutilized Businesses ("HUB") in the Department's procurement processes. The purpose of the HUB program is to promote full and equal business opportunities for all businesses in an effort to remedy disparity in state procurement and contracting in accordance with the HUB goals specified in the 2009 State of Texas Disparity Study. As required by Tex.

Gov't Code §2161.003, the Department adopts the Texas Comptroller of Public Accounts ("Comptroller") HUB Program rules at 34 TAC §§20.281 - 20.298 (relating to Historically Underutilized Business Program, and as may be amended by the Comptroller so far as the amendments are implementing Tex. Gov't Code §2161.003), which describe the minimum steps and requirements to be undertaken by the Comptroller and state agencies to fulfill the state's HUB policy, and attain aspirational goals identified in the Texas Disparity Study.

§1.6, Historically Underutilized Businesses – Shown in Blackline from Current Rule

<u>TITLE 10</u>	COMMUNITY DEVELOPMENT
<u>PART 1</u>	TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
<u>CHAPTER 1</u>	ADMINISTRATION
<u>SUBCHAPTER A</u>	GENERAL POLICIES AND PROCEDURES
RULE §1.6	Historically Underutilized Businesses

It is the policy of the Department to encourage the use of Historically Underutilized Businesses ("HUBs") in the Department's procurement processes. The purpose of the HUB program is to promote full and equal business opportunities for all businesses in an effort to remedy disparity in state procurement and contracting in accordance with the HUB goals specified in the 2009 State of Texas Disparity Study. As required by Tex. Gov't Code §2161.003, the Department adopts and all its programs comply with the Texas Comptroller of Public Accounts ("Comptroller") HUB Program rules at 34 TAC §§20.281~~40~~ - 20.298 (relating to Historically Underutilized Business Program, and as may be amended by the Comptroller so far as the amendments are implementing Tex. Gov't Code §2161.003) which describe the minimum steps and requirements to be undertaken by the Comptroller and state agencies to fulfill the state's HUB policy, and attain aspirational goals identified in~~recommended by~~ the Texas Disparity Study.

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BOARD ACTION REQUEST

EXECUTIVE DIVISION

MAY 24, 2018

Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC §1.9, Texas Public Information Act Training for Department Employees, and directing its publication for public comment in the Texas Register.

RECOMMENDED ACTION

WHEREAS, pursuant to Tex. Gov't Code, §2306.053, the Texas Department of Housing and Community Affairs (the "Department") is authorized to adopt rules governing the administration of the Department and its programs;

WHEREAS, pursuant to Tex. Gov't Code, §2001.039, state agencies are required to review a rule every four years to assess whether the reasons for initially adopting the rule continue to exist and based on the assessment of the rule determine if the rule should be readopted as is, readopted with amendments, or repealed;

WHEREAS, 10 TAC §1.9, Texas Public Information Act ("TPIA") Training for Department Employees, requires that all Department employees attend TPIA training and lays out certain procedures to be followed in the handling of a public information request;

WHEREAS, there is not a statutory requirement for all employees to have this training nor a requirement that the procedure for training be in rule, and staff therefore recommends that the rule relating to staff training be repealed, and instead be provided for in the Department's Personnel Policies and Procedures Manual (as applicable); and

WHEREAS, such proposed repeal will be published in the Texas Register for public comment;

NOW, therefore, it is hereby

RESOLVED, that the Department has determined during its assessment of 10 TAC §1.9, Texas Public Information Act ("TPIA") and the repeal Training for Department Employees, that as provided for in §2001.039, there is not a continuing need for this rule and staff proposes its repeal;

FURTHER RESOLVED, that the Executive Director and his designees, be and each of them hereby are authorized, empowered, and directed, for and on behalf of the Department to cause the proposed repeal of 10 TAC §1.9, Texas Public Information Act ("TPIA"), in the form presented to this meeting, to be published in the Texas Register and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing, including the preparation of the subchapter specific preambles; and

FURTHER RESOLVED, that if the Department receives no substantive comment on the proposed repeal then the Department will repeal 10 TAC §1.9, Texas Public Information Act ("TPIA") without returning to the Board for further approval.

BACKGROUND

Rule Review Overview

Tex. Gov't Code, §2001.039 requires that state agencies review a rule every four years to assess whether the reasons for initially adopting the rule continue to exist; based on the assessment the rule can then be readopted as is, readopted with amendments, or repealed. Even rules that have been amended within the last four years require this review if the amendment did not specifically state that it included this review step.

Several of the Department's rules exceed this four year review period and a project has been initiated to evaluate all rules and bring them into compliance with these timelines. One of the results of such a review is that the rule is determined to be necessary, but that there are significant enough revisions to warrant repeal and proposal of a new rule in its place. This type of action also is an acceptable response to the four year review requirement and "resets the clock" on that review period.

This rule review initiative also includes a management-wide evaluation of whether a rule is:

- Statutorily required, and if not, evaluating its necessity;
- Setting policy beyond those established in state or federal authorizing statute or regulation, and if so, affirming the purpose and need for that policy; and
- In harmony with the direction and policy of the Executive Director and the Board.

Upon approval in draft form by the Board, rules under review will be released for public comment in the Texas Register and if comment is received, returned to the Board for final direction and adoption.

10 TAC §1.9, Texas Public Information Act ("TPIA")

Authority: 10 TAC §1.9, Texas Public Information Act ("TPIA") Training for Department Employees, requires that all Department employees attend TPIA training and lays out certain procedures to be followed in the handling of a public information request. While there is a statutory requirement that Board members attend such training, there is not a requirement that all Department employees do so; nor is there a requirement that Department's procedures relating to the handling of public information requests be in rule.

Department Policy: Staff recommends that this rule be repealed. However, because of the importance of strict adherence to the TPIA by any and all employees that are involved in responding to and preparing public information requests, this policy will continue to exist within the Department's Personnel Policies and Procedures Manual.

Consistency with Executive Direction and Proposed Changes: The repeal of this rule is consistent with the streamlining of Department rules and removal of rules for which there is no statutory basis or clear public purpose. Ongoing commitment to TPIA requirements will continue through inclusion in the Department's personnel manual.

Below is the excerpted rule so the reader can see what is proposed for repeal. Attached is the proposed preamble for the repeal action.

10 TAC §1.9, Texas Public Information Act Training for Department Employees

(a) All employees of the Department shall receive training on the roles and responsibilities of state agency employees under the Texas Public Information Act (the "Act"). Training shall take place at the time of initial employment with the Department, and thereafter from time to time as determined by the Executive Director.

(b) Each division in the Department shall designate a public information liaison for the division and an alternate. In addition to the training received upon initial employment the public information liaisons and alternates shall receive additional specialized training on the requirements of the Public Information Act. Public information liaisons shall be responsible for locating and assembling division documents responsive to public information requests in a timely manner, coordinating public information requests with other divisions including Legal Services and tracking the request in the Department's log used for such purpose. Additional public information liaison training sessions may be required from time to time by the Executive Director.

Attachment 1: Preamble for proposed repeal of 10 TAC §1.9, Texas Public Information Act Training for Department Employees

The Texas Department of Housing and Community Affairs (the "Department") proposes the repeal of 10 TAC §1.9, Texas Public Information Act ("TPIA") Training for Department Employees. After review of this rule in compliance with Tex. Gov't Code, §2001.039, the Department has assessed this rule and determined that there is no longer a need for this rule.

FISCAL NOTE. Timothy K. Irvine, Executive Director, has determined that, for each year of the first five years the repealed section is in effect, enforcing or administering the repealed section does not have any foreseeable implications related to costs or revenues of the state or local governments.

GOVERNMENT GROWTH IMPACT STATEMENT. Mr. Irvine also has determined that, for the first five years the repeal would be in effect:

1. The proposed repeal will not create or eliminate a government program;
2. The proposed repeal will not require a change in the number of employees of the Department;
3. The proposed repeal will not require additional future legislative appropriations;
4. The proposed repeal will result in neither an increase nor a decrease in fees paid to the Department;
5. The proposed repeal will not create a new regulation;
6. The proposed action will repeal an existing regulation, as it is no longer necessary.
7. The proposed repeal will decrease the number of individuals subject to the rule's applicability; and
8. The proposed repeal will neither positively nor negatively affect this state's economy.

PUBLIC BENEFIT/COST NOTE. Mr. Irvine also has determined that, for each year of the first five years the repeal is in effect, the public benefit anticipated as a result of the repealed section will be the elimination of unnecessary regulations. There will not be any economic cost to any individuals required to comply with the repealed section.

ADVERSE IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES. The Department has determined that there will be no economic effect on small or micro-businesses or rural communities.

REQUEST FOR PUBLIC COMMENT. The public comment period will be held June 11, 2018, to July 11, 2018, to receive input on the repealed section. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Brooke Boston, Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941, by fax to (512) 475-0220, or email brooke.boston@tdhca.state.tx.us. ALL COMMENTS MUST BE RECEIVED BY 5:00 P.M. Austin local time JULY 11, 2018.

STATUTORY AUTHORITY. The proposed repeal is made pursuant to TEX. GOV'T CODE, §2306.053, which authorizes the Department to adopt rules. Except as described herein the proposed repealed sections affect no other code, article, or statute.

10 TAC §1.9, Texas Public Information Act ("TPIA") Training for Department Employees

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BOARD ACTION REQUEST

811 PRA PROGRAM

MAY 24, 2018

Presentation, discussion, and possible action on proposed amendments to 10 TAC §8.3, Participation as a Proposed Development, relating to the Section 811 Project Rental Assistance Program, and directing their publication for public comment in the Texas Register

RECOMMENDED ACTION

WHEREAS, pursuant to Tex. Gov't Code §2306.053, the Texas Department of Housing and Community Affairs (the "Department") is authorized to adopt rules governing the administration of the Department and its programs;

WHEREAS, the U.S. Department of Housing and Urban Development ("HUD") awarded the Department with two awards of Section 811 Project Rental Assistance Program ("811 PRA Program") funds, in 2013 and 2014 respectively, for a total award of \$24 million to provide rental assistance for approximately 681 units;

WHEREAS, the Department's Governing Board adopted 10 TAC Chapter 8, concerning the 811 PRA Program on November 9, 2017, and those rules became effective on January 23, 2018;

WHEREAS, this proposed amendment is seeking to harmonize requirements in this Chapter with the proposed new 10 TAC §1.15 regarding Integrated Housing; and

WHEREAS, such proposed rulemaking will be published in the Texas Register for public comment;

NOW, therefore, it is hereby

RESOLVED, that the Executive Director and his designees, be and each of them hereby are authorized, empowered, and directed, for and on behalf of the Department to cause the proposed amendments of 10 TAC §8.3, Participation as a Proposed Development, and directing that they be published for public comment in the Texas Register, and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing.

BACKGROUND

Originally, a possible rule change was broached during a public discussion about a different rule – the Department's Integrated Housing Rule found at 10 TAC §1.15. Staff had presented several proposed changes to the Integrated Housing Rule to the 2019 QAP Roundtable attendees on April 25, 2018. One of the suggested changes was the removal of several exceptions; previously several different types of developments had exceptions from the applicability of the Integrated Housing Rule, and staff (as well as input from disability advocates) did not feel that those exceptions were still justified. In general the

attendees of the Roundtable were supportive of the rule changes; however, there was concern voiced about one specific exception, for elderly properties, specifically as it related to the 811 PRA Program. Rather than provide a blanket exception for elderly properties in the Integrated Housing Rule, that would apply to all programs, staff proposed addressing the concern directly in the 811 PRA Program Rule, since that is the program for which the concern was raised. After reviewing, the current 811 PRA Program rule, 10 TAC §8.3(b) states that: "Failure for a Unit to meet these requirements does not make the entire Development ineligible, rather only these Units." It should be noted that §8.3, which is proposed for change addresses eligibility for Proposed Developments. However, this section also applies to Existing Developments because in §8.4 the requirements of §8.3 are incorporated as requirements that must be satisfied by Existing Developments. Staff believes the current language addresses the question at the QAP Roundtable, and has made no proposed changes to this part of the rule.

Staff also notes that this amendment, if adopted, only applies prospectively, and no changes will be made to the list of Qualified Existing Developments described at 10 TAC §8.5 at this time.

The proposed amendment is made to §8.3(c) and:

- removes a reference to "special needs housing" which is no longer a correct reference based on changes proposed to 10 TAC §1.15, the Integrated Housing Rule, and
- revises the integration limit from the previous standard of 18% for large properties and 25% for small properties, to 25% for all properties, which is the HUD integration standard for the 811 PRA Program. This revision brings this rule into consistency with changes proposed to the Integrated Housing Rule, and with HUD's integration rule.

Attachment 1: Preamble amendment of 10 TAC Chapter 8.3 Participation as a Proposed Development

The Texas Department of Housing and Community Affairs (the "Department") proposes amendments to 10 TAC §8.3, Participation as a Proposed Development. The purpose of the proposed amendments is to ensure consistency with federal guidelines and other Department rules, and provide clarity to program participants.

FISCAL NOTE. Timothy K. Irvine, Executive Director, has determined that, for each year of the first five years the amended section is in effect, enforcing or administering the amended section does not have any foreseeable implications related to costs or revenues for the state or local governments.

GOVERNMENT GROWTH IMPACT STATEMENT. Mr. Irvine also has determined that, for the first five years the amendments would be in effect:

1. The proposed amendments do not create or eliminate a government program;
2. The proposed amendments will not require a change in the number of employees of the Department;
3. The proposed amendments will not require additional future legislative appropriations;
4. The proposed amendments will result in neither an increase nor a decrease in fees paid to the Department;
5. The proposed amendments will not create a new regulation;
6. The proposed amendments will not expand, will not limit, or will not repeal an existing regulation;
7. The proposed amendments will not increase or will not decrease the number of individuals subject to the rule's applicability; and
8. The proposed amendments will neither positively nor negatively affect this state's economy.

PUBLIC BENEFIT/COST NOTE. Mr. Irvine also has determined that, for each year of the first five years the amended section is in effect, the public benefit anticipated as a result of the amended section will be improved clarity and consistency in guidance to enhance the efficiency and effectiveness of the Section 811 Program. There will not be any economic cost to any individuals required to comply with the amended sections. The amended sections may add some potential existing units for program consideration; but therefore there is no cost impact because of this amendment.

ADVERSE IMPACT ON SMALL OR MICRO-BUSINESSES. The Department has determined that there will be no economic effect on small or micro-businesses or rural communities.

REQUEST FOR PUBLIC COMMENT. The public comment period will be held June 11, 2018, to July 11, 2018, to receive input on the amended section. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Brooke Boston, Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941, by fax to (512) 475-3935 or by email to the following address: brooke.boston@tdhca.state.tx.us. ALL COMMENTS MUST BE RECEIVED BY 5:00 P.M. Austin local time on July 11, 2018. A copy of the amended section will be available on the Department's website at <http://www.tdhca.state.tx.us/public-comment.htm> under Items Open for Public Comment during the public comment period.

STATUTORY AUTHORITY. The amendment is proposed pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules. Except as described herein the proposed amendment affects no other code, article or statute.

8.3 Participation as a Proposed Development

(a) To the extent that Applications under Multifamily Rules allow for and/or require use of a Proposed Development to participate in the 811 PRA Program, the Proposed Development must satisfy the following criteria:

(1) Unless the Development is also proposing to use any federal funding or has received federal funding after 1978, the Development must not be originally constructed before 1978;

(2) The Development Site must be located in one of the following areas: Austin-Round Rock MSA, Brownsville-Harlingen MSA, Corpus Christi MSA; Dallas-Fort Worth-Arlington MSA; El Paso MSA; Houston-The Woodlands-Sugar Land MSA; McAllen-Edinburg-Mission MSA; or San Antonio-New Braunfels MSA; and

(3) No new construction of structures shall be located in the mapped 500-year floodplain or in the 100-year floodplain according to FEMA's Flood Insurance Rate Maps (FIRM). Rehabilitation Developments that have previously received HUD funding or obtained HUD insurance do not have to follow subparagraphs (A) - (C) of this paragraph. Except for sites located in coastal high hazard areas (V Zones) or regulatory floodways, existing structures are eligible in these areas, but must meet the following requirements:

(A) The existing structures must be flood-proofed or must have the lowest habitable floor and utilities elevated above both the 500-year floodplain and the 100-year floodplain.

(B) The project must have an early warning system and evacuation plan that includes evacuation routing to areas outside of the applicable floodplains.

(C) Existing structures in the 100-year floodplain must obtain flood insurance under the National Insurance Program. No activities or projects located within the 100-year floodplain may be assisted in a community that is not participating in or has been suspended from the National Flood Insurance Program.

(b) The following requirements must be satisfied for the Units that participate in the 811 PRA Program. Failure for a Unit to meet these requirements does not make the entire Development ineligible, rather only those Units.

(1) Units in the Development are not eligible for Section 811 assistance if they have an existing or proposed project-based or operating housing subsidy attached to them or if they have received any form of long-term operating subsidy within the last six months prior to receiving Section 811 Rental Assistance Payments.

(2) Units with an existing or proposed 62 or up age restriction are not eligible.

(3) Units with an existing or proposed limitation for persons with disabilities are not eligible. A Development having a preference for Persons with Disabilities, or a use restriction for Special Needs Populations, which could include but is not limited to Persons with Disabilities, is not a Unit limitation for purposes of this item.

(4) Units with an existing or proposed occupancy restriction for households at 30% or below are not eligible, unless there are no other Units at the Development.

(c) Developments cannot exceed the integration requirements of the Department and HUD. Properties that are exempt from the Department's Integrated Housing Rule at §1.15 of this Title (such as housing for special needs) are not exempt from HUD's Integration Requirement maximum of 25%. The maximum number of units a Development can set aside (restrict), or have an occupancy preference for persons with disabilities, including Section 811 PRA units is: 25%.

- ~~(1) 25% for Housing Developments with less than 50 Units, and~~
- ~~(2) 18% for Housing Developments with 50 or more Units or for Elderly Limitation Developments.~~

(d) Section 811 PRA units must be dispersed throughout the Development.

2a

TDHCA Outreach Activities, April - May 2018

A compilation of outreach and educational activities designed to enhance the awareness of TDHCA programs and services among key stakeholder groups and the general public.

Activity	Event	Date	Location	Division
Public Hearing	Public hearing for Riverside Townhomes and Oaks on Lamar	May 1, 2018	Austin, TX	Multifamily Finance
Meeting	Disability Advisory Workgroup meeting	May 2, 2018	Austin, TX	Housing Resource Center
Quarterly Meeting	Housing and Health Services Coordination Council meeting	May 4, 2018	Austin, TX	Housing Resource Center, MF Finance, Executive
Meeting	ADAPT of Texas regarding accessible, affordable, integrated housing	May 8, 2018	Austin, TX	Executive
Training	TDHCA HUD 4350.3 Income Determination	May 15, 2018	San Antonio, TX	Compliance
Training	Housing Tax Credit	May 16, 2018	San Antonio, TX	Compliance
Public Hearing	Draft 2018 Department of Energy Weatherization Assistance Program Health and Safety Plan	May 23, 2018	Austin, TX	Community Affairs
Roundtable	2019 QAP, Multifamily rules	May 23, 2018	Austin, TX	Multifamily Finance

Internet Postings of Note

A list of new or noteworthy postings to the Department's website.

Amy Young Barrier Removal Program

- Updated page to reflect the Phase 3 State Collapse, including amounts and deadlines for reservation system

Bond Finance

- Updated Investment and Interest Rate Swap Policies (2018)

Communications:

- Updated TDHCA homepage articles (Fair Housing, Customer Service Survey, TDHCA marks National Mobility Awareness Month)

Community Affairs:

- Updated Master List of Community Affairs subrecipients
- Replaced CSBG National Performance Indicators with new forms and modules

Compliance:

- Updated Income and Rent Limits Tool

Fair Housing

- Updated video/webinar series to reflect 2018 overview and included accompanying handouts

First Time Home Buyer Program

- Updated income and purchase price limits

HOME and Homeless:

- Added video and webinar handout, School Homeless Liaisons, to ESG Learning Opportunities
- Replaced Single Family Workbook form with updated document

Housing Resource Center:

- Created new forum, open for comments, Integrated Housing Rule Revisions

Multifamily:

- Replaced 2019 QAP Project Plan with updated document and date change
- Added related reports to 2018 4% HTC applications

NOFA:

- Added 2019 Amy Young Barrier Removal Program

Program Services:

- Added 4th Quarter for NSP1 Performance Reports

Public Comment:

- Draft 2018 Department of Energy Weatherization Assistance Program Health and Safety Plan
- Draft Federal Fiscal Year 2019 Low Income Home Energy Assistance Program State Plan
- Proposed Repeal of 10 TAC Chapter 7, Homelessness Programs, Subchapters A and B
- Proposed New 10 TAC Chapter 7, Homelessness Programs, Subchapter A, General Provisions
- Proposed New 10 TAC Chapter 7, Homelessness Programs, Subchapter B, Homeless Housing and Services Program
- Proposed Amendments 10 TAC Chapter 23, HOME Program, Subchapter F

Purchasing:

- Updated list of No-Bid contracts as required by state

Frequently Used Acronyms

AMFI	Area Median Family Income	LURA	Land Use Restriction Agreement
AYBR	Amy Young Barrier Removal Program	MF	Multifamily
CEAP	Comprehensive Energy Assistance Program	MFTH	My First Texas Home Program
CFD	Contract for Deed Program	MRB	Mortgage Revenue Bond Program
CFDC	Contract for Deed Conversion Assistance Grants	NHTF	National Housing Trust Fund
CHDO	Community Housing Development Organization	NOFA	Notice of Funding Availability
CMTS	Compliance Monitoring and Tracking System	NSP	Neighborhood Stabilization Program
CSBG	Community Services Block Grant Program	OIG	Office of Inspector General
ESG	Emergency Solutions Grants Program	QAP	Qualified Allocation Plan
		QCP	Quantifiable Community Participation
		REA	Real Estate Analysis
		RFA	Request for Applications
		RFO	Request for Offer
		RFP	Request for Proposals

FAQ	Frequently Asked Questions	RFQ	Request for Qualifications
HBA	Homebuyer Assistance Program	ROFR	Right of First Refusal
HHSCC	Housing and Health Services Coordination Council	SLIHP	State of Texas Low Income Housing Plan
HHSP	Homeless Housing and Services Program	TA	Technical Assistance
HRA	Homeowner Rehabilitation Assistance Program	TBRA	Tenant Based Rental Assistance Program
HRC	Housing Resource Center	TICH	Texas Interagency Council for the Homeless
HTC	Housing Tax Credit	TSHEP	Texas Statewide Homebuyer Education Program
HTF	Housing Trust Fund	TXMCC	Texas Mortgage Credit Certificate
HUD	US Department of Housing and Urban Development	VAWA	Violence Against Women Act
IFB	Invitation for Bid	WAP	Weatherization Assistance Program

2b

BOARD REPORT ITEM

EXTERNAL AFFAIRS

MAY 24, 2018

Report regarding The Report on Customer Service as required by Tex. Gov't Code Chapter 2114.002(c)

BACKGROUND

The Report on Customer Service (“Report”) is required by Tex. Gov’t Code Chapter 2114.002(c). This chapter requires state agencies to develop customer service standards and implement customer satisfaction assessment plans. The Report on Customer Service is due to the Legislative Budget Board (“LBB”) and the Governor’s Office of Budget, Planning, and Policy by June 1, 2018.

On April 4, 2018, the Texas Department of Housing and Community Affairs (“TDHCA” or “the Department”) publicized the release of the online 2018 TDHCA Customer Service Survey (“Survey”) through social media, email, the Department Web site, phone, and written announcements. The Department used web-based survey software called Survey Monkey (www.surveymonkey.com) to develop a short survey that specifically asked respondents about the seven customer service areas listed in the *Instructions for Preparing and Submitting Agency Strategic Plans - Fiscal Years 2019 to 2023* (staff; service timeliness; communications; Web site; printed information; facility; and complaint process) and an additional two areas added by TDHCA in order to better inform Department activities (reasonable accommodations and general satisfaction).

The Survey contained demographic questions: 16 statements for Households and 17 statements for Organizations asking the respondent to rate TDHCA on each statement using a Likert scale; one question to determine the medium through which the survey was taken and/or how the respondent learned about the survey; and a text field for the respondents to elaborate with additional comments, recognitions, or concerns. The survey was available in both English and Spanish in order to reach a broader base of customers, and was made available for completion until May 4, 2018.

There were 471 completed surveys. Out of 60,967 people who received the survey invitation, this represents a 0.77% response rate. The number of survey invitations increased by 6.3% from 2016 to 2018 (54,861 in 2016 and 60,967 in 2018), and the response rate increased by 0.40%.

The survey results were analyzed by customer type including (1) all survey respondents, (2) Household Respondents, and (3) Organization Respondents. Additionally, results were analyzed by type of business conducted with TDHCA: (4) Housing and Community Affairs Programs and (5) Manufactured Housing. Among all respondents, the survey indicated a positive overall satisfaction with TDHCA customer service. All five respondent types had the same statements with the highest two average ratings: “Communication is available in the appropriate language (for clients or applicants to TDHCA-funded programs),” and “TDHCA staff members were courteous.”

The Customer Service Survey identified successes as well as provided guidance to improve the Department’s customer service. The additional comments included by 188 respondents helped give specific direction to TDHCA as to what worked and what needs improvement. For 2020, the main

change TDHCA would make to the survey is to reach a more randomly-sampled and broader population, particularly with the Manufactured Housing Division customers. Of the 471 respondents, only 19.3% had contact with the Manufactured Housing Division. In addition, there is not currently a clear option in the survey for tenants of TDHCA-monitored multifamily properties, persons assisting Households in securing assistance (such as case workers or benefits coordinators), or individuals filing complaints with the Department regarding Housing or Community Affairs assistance.

Overall, 81.1% of respondents agreed that they were satisfied with their experiences at TDHCA, which was a slight increase from 79.0% in 2016. The customer service element category with the highest overall satisfaction rate was the staff category, with 88.4% of all respondents agreeing that TDHCA staff members are courteous, and 83.1% of respondents agreeing that TDHCA staff members demonstrate a willingness to assist.

The Department continues to promote several customer-service related activities such as:

Social Media: Establishment of the Department’s presence on Twitter and Facebook in late 2011, YouTube in September 2014, Flickr in October 2015, and the creation of a Manufactured Housing-specific YouTube in April 2017, has expanded communication opportunities beyond the Department’s historical communication routes to more broadly include current audiences as well as additional public members and potential stakeholders. The below table shows the increase in followers and subscribers to Department Social Media accounts since the 2016 Report on Customer Service.

Social Media Presence

Social Media Account Type	Followers or Subscribers May 2016	Followers or Subscribers May 2018	% Change Followers or Subscribers	Views May 2018
Facebook	903*	1,498	65.9%	N/A
Twitter	761	1,297	70.4%	N/A
YouTube	22	73	231.8%	4,470
Manufactured Housing YouTube	0**	16	-%	3,101
Flickr	0	1	-%	4,300

*TDHCA does not have a record of the number of followers from May, 2016. The number presented is the number of ‘likes’ the TDHCA Facebook page had in May, 2016, which was reported in the 2016 Report on Customer Service and has always been extremely close to (although slightly lower than) the number of followers. TDHCA’s Facebook page had 1,479 ‘likes’ in May, 2018.

**The Manufactured Housing-specific YouTube page was not created until April, 2017, after the 2016 Customer Service Survey had closed.

Online Forums: The Department continues to use online discussion forums, which enhance opportunities for stakeholders to participate in Department activities, such as rules and plan development, and general input. As of May 2018, the Department has 841 registered discussion forum members (a 14.6% increase over the number of members in May 2016).

Surveys: Beyond the biennial Customer Service Survey, many divisions within the Department actively survey their customer groups throughout the year. For example, the Multifamily Finance Division conducted a survey in 2017 of TDHCA-monitored multifamily property tenants in order to gather feedback on resident priorities, and help inform Department policies and rules.

Complaint-Handling Process: More respondents agreed that they understood how to file a complaint (73.9%) compared to the 2016 survey responses (63.7%). Approximately 76.8% of the respondents agreed that they believed the complaint would be addressed in a reasonable manner in 2018, compared to 62.3% in 2016.

TDHCA is acting upon the results found in the 2018 Survey. Once the results are compiled, each division at TDHCA will receive a summary of comments about their programs to determine successes, challenges, or any recommended follow-up.

2c

BOARD ACTION REPORT
MULTIFAMILY FINANCE DIVISION
MAY 24, 2018

2019 QAP Planning Project Report

Staff and stakeholders met on April 25, 2018, for the third roundtable of the 2019 Qualified Allocation Plan (“QAP”) and Uniform Multifamily Rules (“Rules”) planning process. The discussion at this meeting focused primarily on the proposed revisions to the Integrated Housing Rule and broad guidelines that could guide possible revisions to the rules regarding common and unit amenities, building standards, and tenant supportive services for affordable multifamily Developments.

Staff began with a brief overview of the Integrated Housing Rule, 10 TAC §1.15, and why changes are being proposed. Under this rule, there are hard ceilings for the percentage of a Development’s units that can be solely restricted for people with disabilities. Because this Departmental rule was last updated in 2003, it predates many other related rules that were added to the Texas Administrative Code since then. Furthermore, revising the rule allows staff to align the state integrated housing standards with recently updated federal rules.

The primary change to the Department’s Integrated Housing Rule is revising the percentage of units that can be set aside for households with disabilities. For Developments with 50 or more units, the maximum percentage shifts upward from 18% to 25%. This change directly affects the Section 811 Project Based Rental Assistance program (“Section 811 program”), which serves extremely low-income persons with disabilities linked with long term services. Because the Department’s QAP provides a scoring incentive for participation in the Section 811 program, whereby Applicants set aside units at previously awarded or proposed Developments for participation in the program, some of those Developments may, or already have, hit their maximum percentages. Increasing the percentage from 18% to 25% allows Developments potentially to set-aside more units for participation in the Section 811 program. The 25% ceiling aligns with the standard established by the Section 811 program’s enabling federal legislation.

Additional revisions include an update to the Definitions section of the rule and an elimination of some exceptions to the rule, including previous exemptions for special needs housing and Elderly.

Staff from the Housing Resource Center and Section 811 program has posted both the proposed rule revisions and a short survey on the TDHCA online forum, so that stakeholders can provide informal input. Multifamily Finance staff, Section 811 staff, and representatives from the Texas Health and Human Services Commission (“HHS”) will also add discussion of the Section 811 program to the agenda for May’s QAP and Rules roundtable. The updated Integrated Housing Rule is being presented to the Board on another agenda item at this May 24th Board meeting, to then be released for public comment.

Staff then began to discuss the general guidelines that would inform any possible revisions to the rules that together compose 10 TAC §10.101(b)—namely, mandatory development requirements, common amenities, unit and development construction features, and tenant supportive services.

A common theme emerged among developers and property managers during this conversation—flexibility. Because both residents’ preferences and residents themselves will change, Development owners strongly prefer the flexibility to adjust their amenity and service options in order to best meet their residents’ needs.

Other stakeholders welcomed looking closely at these Development requirements, as the list of items—whether mandatory or for scoring purposes—has simply been added to year after year, with limited focus on its cohesive purpose. These stakeholders asked staff to balance the requirements of these rules with the Department’s desire to increase the efficiency of housing tax credit allocations, as some amenities and services require greater costs.

A staff member of the Texas Historical Commission was present to help discuss the intersection of historic tax credits and low income housing tax credits. Staff is aware of the cross-cutting requirements of these differing programs, and will seek to ensure that the Department’s rules speak to possible overlap with other programs’ rules, especially as it pertains to preservation and adaptive reuse Developments. The latter also requires that staff consider how some amenities are more conducive to new construction than they are to rehabilitation, and the list of scoring items should reflect the diversity of Development types. For example, preservation deals respond better to amenities that require small footprints, as opposed to those that require large footprints, like swimming pools.

One stakeholder requested that staff and developers consider new sustainability measures that are not necessarily equated with Leadership in Energy and Environmental Design (“LEED”) certification. While LEED certification is a laudable goal for any Development, there are more targeted, and more affordable, amenities for which TDHCA could provide incentives through its rules to encourage sustainable Developments.

One developer expressed interest in having the option to suggest alternative amenities and services that are not codified in rule, and another developer wondered if older developments could switch to services or amenities codified in later years’ rules. Staff has confirmed that the latter is sometimes an option, per current rules.

Some stakeholders also noted that the Department’s rules might not reflect current technological trends regarding online services and amenities, and asked staff to consider how rules might welcome online services. They reiterated how, based on their experiences, some residents seem not to want to congregate in common areas for activities, and may prefer to access services privately from their rooms. Staff reiterated their desire to balance the growing need for digital literacy with many residents’ preference for physical spaces, especially among Elderly populations—a rapidly growing demographic in Texas.

One advocate spoke of the need for Developments to have functional space in common areas that could aid service providers. For example, a private room with storage, a sink, and an attached restroom would allow a healthcare team to provide care to residents. Another advocate from the persons with disabilities community noted that HHS has shifted its focus to a managed care model, which private healthcare space at a development reinforces.

To solicit more feedback on possible changes to these rules, several participants in the roundtable encouraged staff to reach out to resident coordinator agencies and similar stakeholders, as they are the ones most engaged with residents regarding supportive services and amenities. Staff shared that an online survey may be created that could be distributed among on-site managers and service providers.

Stakeholders from the supportive housing industry stated that, if the scoring structure of these rules pushes them to provide eight amenities or eight services, those amenities and services cannot be in-depth. If the scoring were amended to reflect the true cost and value of certain items, then property managers and owners could focus more intently on a few services and amenities, providing richer experiences to residents.

Lastly, the group discussed the importance of service coordinators. Having a knowledgeable person at-hand who can connect residents to needed services provided elsewhere in the community not only aids residents but also bolsters community well-being at the Development.

If staff were to propose revisions to these sections of the rules, those revisions would defer to a few guiding principles. First, the Department would like to balance the need for tenant services with providing popular common amenities and unit & development construction features. Second, the Department would like to explore the possibility of adding new scoring options for unit & development construction features and common amenities. These new options should reflect real market demand and preferences among residents, as confirmed by the recently completed TDHCA resident survey. Third, staff would like to categorize portions of the rules so as to simplify the range of options available to Development owners. And fourth, the Department believes that scoring options should be appropriately weighted to reflect the true cost of delivering certain features, amenities, and services.

Staff ended the roundtable with a brief overview of the remaining meetings currently scheduled for the 2019 QAP project plan. The audience in attendance strongly requested that staff find time to discuss the new minimum set-aside election option of income averaging (with the average being no greater than 60% Area Median Family Income, or “AMFI”) for Low Income Housing Tax Credit Developments. Staff has scheduled an additional roundtable for May 25, 2018, to discuss this policy.

2d

BOARD ACTION REPORT
MULTIFAMILY FINANCE DIVISION
MAY 24, 2018

Resident Survey Report

On April 25, 2018, the Qualified Allocation Plan and Multifamily Rules Committee of the Texas Department of Housing and Community Affairs (“TDHCA”) Governing Board held its meeting. Agenda item 1, Presentation and discussion of the Resident Survey, concerned the 2017 survey of residents who live in TDHCA properties across the state of Texas. The survey primarily focused on inviting residents to comment on the features of an ideal apartment unit, an ideal apartment community, and an ideal neighborhood. Since the completion of the survey, staff at TDHCA have been analyzing survey respondents’ opinions based on qualifying factors, such as whether or not children are present in the household.

At the Committee meeting, Chairman Leo Vasquez III asked staff to consider the differences in responses among those respondents who lived in rural areas versus those respondents who live in urban areas. Because staff is able to trace each survey response back to the Development at which the respondent lives, staff can differentiate between rural and urban survey-takers. Using the Department’s current methodology for determining urban and rural boundaries for purposes of the Regional Allocation Formula (“RAF”), staff takes “urban” to mean any location in a county that is part of a Metropolitan Statistical Area (“MSA”), and “rural” to mean any location in a county that is *not* a part of a MSA.

Staff evaluated responses to four questions based on this urban / rural frame: 1) residents’ evaluation of the importance of neighborhood features; 2) residents’ evaluation of the importance of Development features; 3) residents’ rank of tenant supportive services; and 4) residents’ preferences to stay in their current neighborhood or move to a “better” neighborhood. Staff evaluates the differing, or similar, responses to these questions below:

1. Respondents from both rural and urban counties largely agreed on the importance of certain neighborhood characteristics. For example, both rural and urban respondents had similar rates for stating the importance of being near grocery stores, pharmacies, health care providers, child care facilities, neighborhood organizations, and friends and family. However, urban residents were slightly more likely than rural residents to state the importance of being near employment opportunities, being near recreational facilities, like parks, and being near public transportation. Both types of residents expressed similar rates of importance for the safety and attractiveness of a neighborhood.
2. Regarding Development and Unit amenities and features, rural and urban residents also largely agreed on the importance of certain amenities, with very similar stated importance rates. For example, there was virtual unanimity on the importance of unit sizes, utility bills, noise levels, the attractiveness & physical condition of the Development, and landscaping & lighting. There were, though, differences on certain features. For example, rural residents were more likely to emphasize the importance of unit accessibility for persons with disabilities, whereas urban residents were much more likely to convey the importance of

Development amenities (clubhouse, pool, workout room) and fencing and gates around the property.

3. As was reported in the original Resident Survey Report, there was practically universal agreement on the rank of tenant supportive services. The only difference noticeable stemmed from households with children, who also ranked education services for children relatively high in importance. Residents from urban and rural counties agreed with other demographic cohorts—transportation services and health & wellness services are seen as the two most important tenant supportive services. The only difference between these two groups is that urban residents tend to lend more weight to transportation services, whereas rural residents tend to lend more weight to health & wellness services.
4. Lastly, staff can differentiate between rural and urban residents' responses to the series of questions that asked whether or not they preferred to move to the "best neighborhood" in their town or city, and whether that move was still worth it even if it meant paying more money in monthly rent. On the whole, rural residents were 10% more likely than urban residents to state that they prefer to remain in their current neighborhood, especially given the option of remaining in exchange for paying cheaper rent. Urban residents, however, were 11% more likely to state that they prefer to move to a different neighborhood, compared to rural residents. Even when presented with the option of staying in their current neighborhoods for cheaper rent versus moving to the "best neighborhood in your town or city" despite paying higher rent, urban residents were 12% more likely than rural residents to state that they prefer moving to the best neighborhood.

On April 26, 2018, when TDHCA held its Governing Board meeting, Governing Board Vice-Chair and fellow Committee member Ms. Leslie Bingham Escareño asked if staff were able to analyze responses to whether or not residents wished to move or stay based on the age of the respondent.

While staff is unable to ascertain the age of individual respondents, one question towards the end of the survey asked the person taking the survey if any of the following individuals lived in their household (including themselves): 1) children under the age of 18; 2) anyone aged 65 years or older; and/or 3) person(s) with disabilities. Staff assessed respondents' answers to the set of questions about whether or not they wish to move or remain where they are based on their response to this question about household member composition. Specifically, staff analyzed whether or not households with children were more likely to want to move to a different neighborhood than households with a member(s) aged 65 years or older.

When initially asked, "If you could have your dream home, would you keep your home in your current neighborhood or would you move your home to another part of town?" 67% of households with children (and no elderly) state that they prefer their current neighborhood versus 59% of households with a person aged 65 or older (and no children). So, initially, households with elderly members seem more predisposed to moving their "dream home" to a different geography.

Later in the survey, respondents are asked a similar question, but in a different way—"Imagine you can move to the best neighborhood in your town or city. Which would you prefer? 1) I would rather stay where I am and pay cheaper rent; or 2) I would pay a little more to live in the best neighborhood in my town or city." Interestingly, with this second question, more households with

children selected moving to the “best neighborhood in your town or city,” despite the higher rent, than households with persons aged 65 or older.

While this reversal may seem contradictory, it perhaps makes sense. Question 12 asks hypothetically where one would wish to place their dream home. Notice that the focus is on the *home*. Question 22, however, focuses more on the *finances* of renting and the aspects of the *neighborhood*. The question starts off with the words “Imagine you can move to the best neighborhood in your town or city.” A significantly higher percentage of households with children changed their minds between questions 12 and 22, switching from “same neighborhood” for where to locate their dream home to “best neighborhood” for where they wish to live ideally, despite higher rent. Assuming that the households with persons aged 65 and older are retired or working part-time, perhaps their concerns are more practical—what is the rent? With the intervening questions between questions 12 and 22 asking respondents to reflect on neighborhood aspects, like school quality and crime, perhaps households with children are thinking more about what goes on *outside* the home, in the neighborhood. Therefore, perhaps their concerns are more aspirational—what is the best environment for my children, even if it costs a little more?

ACTION ITEMS

3a

BOARD REPORT ITEM

FAIR HOUSING, DATA MANAGEMENT, & REPORTING

MAY 24, 2018

Report on Department's Outreach and Citizen/Community Participation Plan for the Analysis of Impediments to Fair Housing Choice

Prior to beginning the five-year Consolidated Plan for 2020-2024, all state agencies that receive Community Planning and Developments funds are required by HUD to undertake fair housing planning, which includes, as directed by HUD, completing an Analysis of Impediments ("AI") to fair housing choice, working to reduce impediments, and keeping records of efforts made. The State's AI is due to HUD on May 7, 2019.

The General Land Office ("GLO"), Department of State Health Services ("DSHS"), Texas Department of Agriculture ("TDA"), and Texas Department of Housing and Community Affairs ("TDHCA") as state recipients who disburse federal funds for the Community Development Block Grant ("CDBG"), CDBG Disaster, Housing Opportunities for Persons With AIDS ("HOPWA"), HOME, National Housing Trust Fund ("NHTF"), and Emergency Solutions Grants ("ESG") programs are responsible for carrying out the work of the AI. According to HUD, the fair housing planning process will help the state analyze challenges to fair housing choice and establish goals and priorities to address the fair housing barriers.

The current statewide AI was completed in 2013 with the use of external consultants. However, for the AI due in 2019 the state is taking a different approach; the AI will be completed with internal staff, and through the addition of two temporary positions to support the project as outlined in the Department's General Appropriation Act. A fair housing research specialist was hired in fall 2017; a technical writer position is in the process of being filled.

In the development of the AI, the State will follow the Citizen/Community Participation Plan as required by 24 CFR §91.115, and as approved by the Board on the November 9, 2017. A draft AI outreach schedule is attached that reflects the plans for public engagement; this information will be translated into Spanish and Vietnamese and made available on the Department's website. A significant degree of public consultation and engagement is required by HUD prior to an initial draft of the AI being presented to the Board, and made available for public comment. The state will be seeking input and feedback regarding fair housing issues particularly issues affecting protected classes under the Fair Housing Act: race, color, religion, national origin, sex, disability, and familial status; and the ability of those persons to exercise housing choice. Because the AI will also inform the Consolidated Plan for 2020-2024, the Department will use the outreach and engagement process for the AI as an early opportunity for Consolidated Plan consultation allowing staff to maximize state resources. After conducting outreach staff will write and present a draft AI to the board for consideration. The draft will then be published with a formal public comment period to follow.

**Analysis of Impediments to Fair Housing Choice
Citizen/Community Participation Plan, Outreach schedule
DRAFT**

This document is in draft form and is subject to change.

Meetings hosted by Texas Department of Housing & Community Affairs:

A meeting will be held in each of the following cities in the months of June and July 2018. Locations, dates and times soon to be released.

City

- El Paso
- Laredo
- Corpus Christi
- Denton
- Brownsville
- Abilene
- Midland
- Amarillo
- Seguin
- Austin
- Houston
- Nacogdoches
- Texarkana

Meetings where the Department will solicit input via consultation:

Meeting	Date & Time	Location
Texas Interagency Council for the Homeless (“TICH”)	July 10, 2018, at 10am	Health & Human Services Commission -CO2 (Main Bldg.) 909 West 45th Street, PHR 164 Austin, TX 78751
Housing and Health Services Coordination Council (“HHSCC”)	July 11, 2018, at 10am	Texas Dept of Housing & Community Affairs, Room #116, 221 E. 11th Street, Austin, TX 78701
Disability Advisory Workgroup (“DAW”)	July 24, 2018, at 10am	Health & Human Services Commission Bldg, 909 West 45th Street, PHR 164 Austin, TX 78751

Conference Calls hosted by the Department:

Meeting	Date & Time	Location
Consultation with FHIP/FHAPs*	June 14, 2018 at 10:30am	Online, registration link: https://attendee.gotowebinar.com/register/6799985028192390657
Consultation on Housing Opportunities for Persons with AIDS (“HOPWA”) Program	June 14, 2018 at 1:30pm	Online, registration link: https://attendee.gotowebinar.com/register/4177991744171568642
Consultation on Disaster Related Issues	June 15 at 1:30pm	Online, registration link: https://attendee.gotowebinar.com/register/

		ster/5586667349980635138
Consultation on Narrowing the Digital Divide	June 21 at 1:30pm	Online, registration link: https://attendee.gotowebinar.com/register/6046632646297996290
Consultation on Health Services & Fair Housing	June 25 at 2:30pm	Online, registration link: https://attendee.gotowebinar.com/register/8448789575570054658

*Fair Housing Initiatives Program and Fair Housing Assistance Program recipients

Meetings where Texas Department of Agriculture will solicit AI input via consultation:

COG	Date & Time	Location
SETRPC - South East Texas Regional Planning Commission	May 10, 2018, 9am	2210 Eastex Freeway, Beaumont, TX 77703
HOTCOG - Heart of Texas Council of Governments	May 21 and June 4, 2018, 1pm	1514 South New Road, Waco, TX 76711
CVCOG - Concho Valley Council of Governments	May 24, 2018 Time TBA	2801 W. Loop 306, Suite A, San Angelo, TX 76904
DETCOG - Deep East Texas Council of Governments	May 31, 2018, 1:30pm	Lufkin City Hall, 300 E. Shepard Lufkin, TX 75902
ETCOG - East Texas Council of Governments	June 1, 2018 Time TBA	3800 Stone Road Kilgore, TX 75662
CAPCOG - Capital Area Council of Governments	June 5, 2018, 9:30am	CAPCOG Pecan Room, 6800 Burleson Road, Building 310, Suite 165, Austin, TX 78744
CBCOG - Coastal Bend Council of Governments	June 6, 2018, 1pm	2910 Leopard Street Corpus Christi, Texas 78409
STDC - South Texas Development Council	June 7, 2018, 10am	Zapata County Courthouse, 200 E. 7th Street, Suite 248, Zapata, TX 78076
RGCOG - Rio Grande Council of Governments	June 12, 2018, 10am	Van Horn Convention Center, 1801 W. Broadway Street, Van Horn, TX 79855
HGAC - Houston-Galveston Area Council	June 18, 2018 Time TBA	TBD
LRGVDC – Lower Rio Grande Valley Development Council	June 21, 2018 Time TBA	Ken Jones Executive Board Room (Building B), 301 W. Railroad, Weslaco, TX 78596
AACOG - Alamo Area Council of Governments	June 26, 2018, 10am	8700 Tesoro Drive, Suite 160 San Antonio, Texas 78217
PBRPC - Permian Basin Regional Planning Commission	June 28, 2018, 11am	2910 La Force Blvd. Midland, TX 79706
ATCOG - Ark-Tex Council of Governments	TBD	
BVCOG – Brazos Valley Council of Governments	TBD	
CTCOG - Central Texas Council of Governments	TBD	
GCRPC - Golden Crescent	TBD	

Regional Planning Commission		
MRGDC - Middle Rio Grande Development Council	TBD	
NCTCOG - North Central Texas Council of Governments	TBD	
NORTEX - Nortex Regional Planning Commission	TBD	
PRPC - Panhandle Regional Planning Commission	TBD	
SPAG - South Plains Association of Governments	TBD	
TEXOMA - Texoma Council of Governments	TBD	
WCTCOG - West Central Texas Council of Governments	TBD	

For updates visit:

<http://www.texasagriculture.gov/GrantsServices/RuralEconomicDevelopment/RuralCommunityDevelopmentBlockGrant%28CDBG%29/CDBGResources/RegionalReviewCommittees.aspx>

Individuals who require auxiliary aids, services, or sign language interpreters for this meeting should contact Nathan Darus at 512-475-0306 or Relay Texas at 1-800-735-2989, at least three (3) days before the meeting so that appropriate arrangements can be made.

Non-English speaking individuals who require interpreters for meetings should contact Nathan Darus at 512-475-0306 at least five days before a specific meeting so that appropriate arrangements can be made.

3b

BOARD REPORT ITEM

ASSET MANAGEMENT

MAY 24, 2018

Report, discussion, and possible action of Multifamily Workout Plan for Angelica Homes Corporation, HOME # 539109

BACKGROUND

Angelica Homes Corp is a 24 unit property in Fairfield, Freestone County. On October 20, 2000, a permanent loan in the amount of \$1,210,034 was awarded by the Department to Angelica Homes Corporation, a Texas Community Housing Development Corporation (“CHDO”), to finance the construction of six (6) four-plex units (24 one-bedroom units). The loan is evidenced by two notes:

- \$890,000 at 0% interest rate for a term of 41 years
- \$320,034 at 0% interest rate for a term of 6 years (Balloon Note)

In July of 2017, Angelica Homes Corporation submitted a request for approval by the Department of an ownership transfer of the Development. In previous conversations with Jewel and Frank Banks, President and Vice President of Angelica Homes Corporation, the Banks had cited a number of issues with continuing ownership of the property. Deteriorating health issues along with their age have been offered as reasons for the Banks’ inability to continue to maintain the property throughout the remaining term. Angelica Homes Corporation has been referred to Enforcement Committee; however, all but one issue of non-compliance remains uncorrected after extensive assistance from the Department’s Asset Management, Legal, and Compliance divisions. The previous noncompliance has been related to administrative issues and not the physical condition of the property. To date, the remaining uncorrected noncompliance is related to tenant selection criteria requirements. Asset Management staff continues to work with the owners on correcting the noncompliance.

The deferred balloon note in the amount of \$320,034 was due and payable to the Department in October 2006. The Department submitted two letters to the owner for full payment, but the owner has been unable to pay this sum back to the Department due to limited cash flow. The hard debt piece of this loan has been and continues to be current. Asset Management has worked with the owner to come to resolution on the deferred balloon piece of the loan, including reviewing potential loan modification scenarios whereby the balloon portion would be consolidated into the existing hard debt loan, or kept separate but modified to require repayment on a cash flow basis. However, after review of the financial information provided by the owner, as well as what has been reported to the Department through its annual owner’s financial reporting, the property’s financial position does not present a viable option for the balloon note to be repaid in any form. Staff’s research of the Department’s underwriting of this development prior to award confirms current financial reporting. Back in May 1999 and again in August 2000, when underwriting was performed for this development, underwriting staff concluded and recommended a cash

flow/deferred forgivable portion based on projections of the property's potential cash flow at that time. Previous underwriting reports cited the likely need for the Department to forgive a portion of the balloon note at the time of maturity.

The presentation of the ownership transfer by Angelica Homes Corporation came under a "work out" situation since the Banks had threatened to abandon the property numerous times due to the physical demands required to maintain the property effectively and the owner's deteriorating health. Frank Banks has been the property maintenance man for the entirety of the project and is unable to meet the demands of the aging property. Additionally, the Banks live in Dallas while the development is located in Fairfield, approximately an hour and a half drive. The owner's health and age, as well as the distance to the property have been offered as reasons for the Banks being unable to continue as owners of this property.

Asset Management has been working on an alternative resolution with prospective owners for this property. With the knowledge and consent of the owners David and Shawanda Ransom have been in contact with the Department and have indicated their interest in coming in as new owners of this 24-unit property in efforts to help maintain the affordable housing it offers within the community. The Ransoms are pastors at Cornerstone Church in the Fairfield community, and have worked with the current owners and TDHCA staff to help get the property back into compliance. While the Ransoms have no multi-family or affordable housing experience, they have nonprofit management experience and have demonstrated a willingness to complete offered training and any other measures necessary to qualify it to acquire this property. The proposed transfer of Angelica Homes does not include a purchase, Peaceful Serenity Homes, Inc., would replace Angelica Homes Corporation as the owner of this property. Likewise, the new nonprofit would assume the existing HOME note at the same rates and terms. Additionally, the property currently has over \$11,000 in reserves that would transfer to the new nonprofit owner, if approved by the Department.

In efforts to come to a resolution of the subject development Asset Management is undertaking the following workout plan:

1. **Forgiveness of the \$320,034 balloon note.** As discussed previously, the property's previous and current financial position would not provide sufficient cash flow to repay this balloon note in any form. Limited replacement reserves exist for this property, and burdening the property with additional debt service could further hinder any prospective owner's ability to maintain the aging property's capital replacement needs. The Executive Director has approved of the solution of forgiveness of the loan, which will be processed by the Department's Legal Division if the Board agrees with this course of action.
2. **HOME LURA amendment.** The HOME LURA currently requires under Article V, Section 5.1(l), that the owner be a Community Housing Development Organization ("CHDO"). Asset Management has confirmed that the funds awarded to Angelica Homes Corporation, as reported in IDIS, were not part of the 1999 CHDO set aside; therefore, amending the LURA to remove this requirement would allow the new nonprofit to acquire the development. Staff has recommended, and the Executive Director has approved, that an amendment to the HOME LURA for Angelica Homes Corporation be processed administratively under 10 TAC §10.405(b)(1)(B), relating to non-

material LURA amendments that result in a change from a Department work-out arrangement as recommended by the Asset Management division. If the Board agrees to this resolution, this will be processed by the Department's Legal Division.

3. **Ownership Transfer.** Finally, staff has reviewed the ownership transfer information submitted for Angelica Homes Corporation. Previous participation review has been completed with no findings. The ownership transfer will be routed to the Executive Director for approval upon finalization of the HOME LURA amendment discussed previously.

3c

BOARD REPORT ITEM
INTERNAL AUDIT DIVISION
May 24, 2018

Report on the Internal Audit “Review of Emergency Solutions Grants Program”

ORAL PRESENTATION

4a

AUDIT AND FINANCE COMMITTEE ACTION ITEM

EXTERNAL AFFAIRS

MAY 24, 2018

Review and possible approval of the agency strategic plan for Fiscal Years 2019-23

RECOMMENDED ACTION

WHEREAS, Tex. Gov't Code §2056.002 requires all state agencies to conduct a comprehensive strategic planning process which produces a formal document that communicates its goals, directions, and outcomes to the Governor and the Legislature, client and constituency groups, and the public;

WHEREAS, the *Instructions for Preparing and Submitting Agency Strategic Plans for Fiscal Years 2019 to 2023*, issued jointly by the Office of the Governor (“OOG”) and the Legislative Budget Board (“LBB”) were released on March 7, 2018; and

WHEREAS, the Department has prepared the Agency Strategic Plan for Fiscal Years 2019-2023 in accordance with the instructions and utilizing required format;

NOW, therefore, it is hereby

RESOLVED, that the Agency Strategic Plan for Fiscal Years 2017-2021, in the form presented to this meeting, is hereby approved; and

FURTHER RESOLVED, that the Executive Director and his designees and each of them be and they hereby are authorized, empowered, and directed, for and on behalf of the Department to file and distribute such plan, together with such grammatical and non-substantive technical corrections as they may deem necessary or advisable, to the appropriate legislative and oversight offices.

BACKGROUND

Strategic planning is a statutorily directed process to ensure effective long-range planning and to maximize the efficient use of state resources in service to the agency’s core mission. The instructions issued to state agencies on March 7, 2018, reflected a streamlined process implemented by the OOG and the LBB to enable agency leadership to be more concise in developing a strategic vision, agency goals, and action items to achieve those goals. Within the plan, an agency outlines efforts to ensure that program and services are accountable to the taxpayer and run in an efficient, effective, customer-friendly, and transparent manner. The plan includes a section in which state agencies identify impediment and redundancies found in state

programs, statute, and regulations that result in inefficient or ineffective agency operations. State agencies are also to identify those impediments and redundancies that specifically affect an agency's ability to respond to natural disasters. Supplemental schedules found in previous strategic plans that are included in the new strategic plan are the agency's goals and strategies, performance measure definitions, a report on TDHCA's utilization of historically underutilized business, a customer satisfaction report, and a workforce plan. Please note that not all supplementary schedules are currently available for this Board item and some may be posted late. TDHCA submitted requested changes to the goals and strategies found in its budget structure and its performance measures to the OOG and LBB on March 29, 2018, and is awaiting approval from these offices. As reflected in a Board Report Item, the customer service plan is due to the OOG and LBB on June 1, 2018.

By June 8, 2018, the Agency Strategic Plan must be submitted to the Governor; Lieutenant Governor; Speaker of the House; Comptroller of Public Accounts; State Auditor; Sunset Advisory Committee; House Committee on Appropriations; Senate Committee on Finance; Governor's Office of Budget, Planning and Policy; Legislative Budget Board; Texas State Library; Legislative Reference Library; and the Department of Information Resources.

Attachment:

Agency Strategic Plan Fiscal Years 2019 to 2023

AGENCY STRATEGIC PLAN



Fiscal Years 2019 to 2023

By

THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Board Member	Term	Home Town
J.B. Goodwin, Chair	05/12/2017 – 01/31/2021	Austin, TX
Leslie Bingham Escareño, Vice Chair	04/17/2013 – 01/31/2019	Brownsville, TX
Asusena Reséndiz	05/02/2017—01/31/2019	Petersburg, TX
Sharon Thomason	05/02/2017—01/31/2021	Wolfforth, TX
Paul Braden	05/02/2017—01/31/2023	Dallas, TX
Leo Vásquez III	05/02/2017—01/31/2023	Houston TX

June 8, 2018

SIGNED:

Timothy K. Irvine, Executive Director

APPROVED:

J.B. Goodwin, Board Chair



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
221 East 11th St., Austin, TX 78701 512-475-3800 info@tdhca.state.tx.us
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AGENCY STRATEGIC PLAN FOR 2019-2023
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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TDHCA Mission

The mission of the Texas Department of Housing and Community Affairs (“TDHCA”) is to administer its assigned programs efficiently, transparently, and lawfully and to invest its resources strategically and develop high quality affordable housing which helps Texas communities to thrive.

The Department accomplishes its mission largely by acting as a conduit for federal assistance for housing and community services. However, because several major housing programs require the participation of private investors and private lenders, TDHCA also operates as a housing finance agency.

Ensuring compliance with the many state and federal laws that govern housing programs is another important part of the Department's mission. This ensures that TDHCA's housing portfolio is being well maintained and correctly operated, that program funds are being compliantly and effectively administered, and that any misuse of those resources is identified and addressed.

TDHCA, chiefly through its community action network, provides important services to Texans who qualify based on their income level and, through its subrecipients provides affordable housing assistance as well. The Department offers educational materials and technical assistance for housing, housing-related, and community services matters statewide.

Agency Operational Goal and Action Plan

Administering assigned programs efficiently, transparently, and lawfully, and investing resources strategically, helping Texas communities to thrive.

Specific Action Items to Achieve Your Goal

1. Increase and preserve safe, decent, and affordable housing for very low, low, and moderate income Texans
2. Improve housing conditions for extremely low, very low, and low income households by providing information and technical assistance
3. Reduce home energy costs for very low income Texans
4. Ensure compliant use of state and federal funds
5. Regulate the manufactured housing industry in accordance with state and federal law.

Describe How Your Goal or Action Item Supports Each Statewide Objective

1. Accountable to the tax and fee payers of Texas

TDHCA is committed to administering its programs in a transparent and accountable manner and to the prudent use of taxpayer resources. In addition to all program rules and programming of funds being made available for public comment, TDHCA also conducts numerous public roundtables and online discussion forums to engage stakeholders and solicit comment and input.

Public comment is also available at each monthly governing board meeting and TDHCA's website includes a specific Public Comment Center. TDHCA also works earnestly to maintain regular open dialogue with local communities and their elected representatives in order to ensure it is hearing all points of view and understanding local needs. Extensive information on Department programs can be found on TDHCA's website. Also the materials considered by the TDHCA governing board are available online and whenever possible meetings are streamed live. Members of the public interested in particular TDHCA programs can sign up for lists serves for their specific interests. There is online information regarding how to file a complaint related to a program or service. TDHCA has strong financial controls and compliance monitoring to ensure that funds and other assistance are used in accordance with state and federal regulations and best industry practices.

2. TDHCA pursues and promotes efficiency, seeking the elimination of redundant and non-core functions

TDHCA staff is encouraged to improve processes and efficiencies and to collaborate with others. Recent examples include a comprehensive ongoing review of agency rules to ensure alignment with state and federal law, to eliminate unnecessary regulation and unintended consequences.

3. Effective in successfully fulfilling core functions, measuring success in achieving performance measures and implementing plans to pursue improvement

Operations at TDHCA are continually assessed and improved based on principles of enterprise wide risk management, adherence to documented operating procedures, and objective data analysis. Key to this has been cultivation of highly skilled staff able to pull and analyze data and the creation of a data reporting and management section to assist in the evaluation of existing and proposed policies.

4. Providing excellent customer service

TDHCA is building and maintaining a current understanding of the needs of those populations served as well as those of the organizations with whom we work to serve those populations. TDHCA works to treat all Texans with respect, courtesy, and transparency to encourage a productive dialogue. The most recent Customer Service Report points to TDHCA being successful in these areas.

5. Transparent such that agency actions can be understood by any Texan

Through the frequent use of public roundtables, webinars, online discussion forums, and other public meetings, TDHCA works toward gauging customers' understanding of programs and, in a broader sense, Texans' realization of specific ways we can help them address specific needs in their communities. TDHCA works hard over multiple platforms to disseminate information to all of our stakeholders. This include use of information available on its website, including downloadable flyers for consumers and potential subrecipients, and the TDHCA Public Comment Center online website to help the general public and stakeholders engage in TDHCA programs.

Describe Any Other Considerations Relevant to Your Goal or Action Item

The Department continues its cybersecurity initiatives launched in the previous biennium and detailed in its Legislative Appropriations Request for FY 2018-19. Adhering to the goals of public accountability and excellent customer service, TDHCA has made it a priority to assess continuously and improve its information security posture. It has outlined key initiatives to increase the protection of customer data as well as the confidentiality, integrity, and availability of information resources. Significant progress has been made towards these initiatives through ongoing training, security control implementation and enhancement, and alignment with best practice frameworks.

Transparency remains a key element in TDHCA's procurement area which has been recognized by peer agencies for its high quality. All staff are kept apprised of the latest guidance from the state Comptroller of Public Accounts and are kept current on statutory changes from the Department's Legal and Governmental Affairs areas. Procedures are also in place for higher level staff to review all payables prior to them being submitted to the Financial Administration area. Maintaining the highest integrity in its procurement procedures is a priority to TDHCA leadership as is providing staff the flexibility and autonomy necessary to make decisions appropriate to their level. This empowers educated staff to help fill a core function for the Department as they continuously refine their skills.

The initiation of a unique funding structure for a critical Department program – the first time homebuyer program – was the genesis of another area where TDHCA strategically pursued and achieved maximum results while employing minimum state resources. Through a partnership with several public and private lending institutions, TDHCA helped homebuyers achieve first year savings of more than \$900,000 in mortgage interest payments on 30-year, fixed rate mortgage loans while receiving 0% interest second loans for down payment and closing cost assistance, and additional homebuyer savings will continue for the life of the loan unless earlier sold or refinanced. In addition to helping finance the purchase of over 1,500 homes, the structure had a positive economic impact in Texas with new construction comprising over 40% of the homes and representing almost \$120 million of the first mortgages financed. Additional economic benefits included the generation of secondary income for housing and homebuyer education organizations.

Per the Department's mission, the customer base was predominantly low to moderate income first-time homebuyers. The program had strict income and purchase price limits, and 65% of the homebuyers were at or below 80% of area median income. An additional benefit was an increase in the number of low and moderate income homebuyers for which TDHCA can provide financing, including down payment and closing cost assistance. In one recent month alone, the Department helped initiate almost \$100 million in mortgage loans, which is about half of what it used to do in one year.

Redundancies and Impediments

Service, Statute, Rule or Regulation (Provide Specific Citation if applicable)	Tex. Gov't Code §2306.001
Describe why the Service, Statute, Rule or Regulation is Resulting in Inefficient or Ineffective Agency Operations	Does not clearly designate TDHCA as a public housing authority ("PHA"). As this is sometimes questioned by the U.S. Department of Housing and Urban Development ("HUD"), it could impact the Department's ability to continue to serve approximately 900 households per year through its Section 8 Housing Choice Voucher Program.
Provide Agency Recommendation for Modification or Elimination	Add another numbered purpose clause stating: "serve as a public housing authority to provide access for the Department to more affordable housing options"
Describe the Estimated Cost Savings or Other Benefit Associated with Recommended Change	While TDHCA is already a PHA, the recommended change would state this unambiguously and thereby help ensure that the federal funding agency (HUD) does not have a basis for which to withdrawal PHA status.
Service, Statute, Rule or Regulation (Provide Specific Citation if applicable)	Tex. Gov't Code §2306.001(6)(B) and (C)
Describe why the Service, Statute, Rule or Regulation is Resulting in Inefficient or Ineffective Agency Operations	All of B is duplicated again in C. Also in C, it has "including hunger" in terms of working to address homelessness issues. TDHCA at one time received federal hunger assistance funds, but has not had resources to provide any hunger-related activities in years.
Provide Agency Recommendation for Modification or Elimination	Delete B, and then in C delete "including hunger"
Describe the Estimated Cost Savings or Other Benefit Associated with Recommended Change	Removes language from statute related to activity for which TDHCA no longer has the appropriate resources. This decreases the likelihood of there being an expectation sometime in the future that TDHCA provide the service/program despite lack of resources and removes confusion related to this matter.
Service, Statute, Rule or Regulation (Provide Specific Citation if applicable)	Tex. Gov't Code §2306.004(3)
Describe why the Service, Statute, Rule or Regulation is Resulting in Inefficient or Ineffective Agency Operations	Tex. Gov't Code §2306.004(3) provides the definition of Contract for Deed ("CFD") within TDHCA's statute. This definition is inconsistent with provisions related to CFDs found in House Bill ("HB") 311, 84th Texas Legislature, which may cause confusion in administering programs serving households who originally purchased property through a contract for deed. Specifically, HB 311 changed the definition of "executory contracts" in Property Code such that the following is true: 1) CFDs now transfer title to

	the purchaser before the contract-for-deed is fully paid off. 2) While title is provided to purchaser, the seller can still retain a lien on the property at the same terms of the original contract.
Provide Agency Recommendation for Modification or Elimination	Amend to ensure that it conforms with HB 311 and to make clear in the definition that “contracts for deed” mean the same as “executory contracts” in order to avoid confusion elsewhere in Chapter 2306.
Describe the Estimated Cost Savings or Other Benefit Associated with Recommended Change	Will provide clarity and therefore greater efficiency in efforts to serve colonia residents who may have purchased property using a contract for deed.
Service, Statute, Rule or Regulation (Provide Specific Citation if applicable)	Tex. Gov’t Code Subchapter C, §2306.053(b)
Describe why the Service, Statute, Rule or Regulation is Resulting in Inefficient or Ineffective Agency Operations	TDHCA operates a significant utility payment assistance program – Comprehensive Energy Assistance Program (“CEAP”). Occasionally the Department faces situations where it has concerns with the entities providing CEAP assistance (possible fraud, disallowed costs, mismanagement of funds) but simply turning off the flow of funds while issues get resolved harms the households receiving the utility assistance. While the Department most likely has the authority to obligate subrecipients contractually, to enter into a trustee relationship, TDHCA suggests adding a clause in the Department Powers and Duties that provides TDHCA the explicit power to establish a Trustee for subrecipients, when needed to ensure ongoing delivery of services or assistance to clients which will help the Department efficiently use its funds and help Texans.
Provide Agency Recommendation for Modification or Elimination	Add to (b), “establish requirements for subrecipients to enter into Trustee relationships to ensure ongoing delivery of services to households.”
Describe the Estimated Cost Savings or Other Benefit Associated with Recommended Change	This provides greater efficiency and limits the harm and delays that households may face.
Service, Statute, Rule or Regulation (Provide Specific Citation if applicable)	Tex. Gov’t Code §2306.0723
Describe why the Service, Statute, Rule or Regulation is Resulting in Inefficient or Ineffective Agency Operations	Because the State Low Income Plan (“SLIHP”) is not a “state agency statement of general applicability that implements, interprets or prescribes law or policy” and the Department never has a need or intention to enforce the report against anyone, it should not be a rule. The statute creates unnecessary rule-making work for TDHCA staff. TDHCA would continue to present the SLIHP for public comment/roundtable discussion and Board approval.
Provide Agency Recommendation	Eliminate statute requiring the SLIHP to be a rule.

for Modification or Elimination	
Describe the Estimated Cost Savings or Other Benefit Associated with Recommended Change	Streamlines the SLIHP approval process and removes the improper designation of the SLIHP as a rule.
Service, Statute, Rule or Regulation (Provide Specific Citation if applicable)	Tex. Gov't Code §2306.0985 (Recovery of Funds from Certain Subdivisions)
Describe why the Service, Statute, Rule or Regulation is Resulting in Inefficient or Ineffective Agency Operations	This provision should have been removed from TDHCA's statute when the Community Development Block Grant ("CDBG") Program was transferred from TDHCA in 2001 through House Bill 7, 75th Texas Legislature, Regular Session. Please note that Section 2306.098 referred to in subsection (f) does not exist as it related to the Community Development Block Grant Program.
Provide Agency Recommendation for Modification or Elimination	Delete section.
Describe the Estimated Cost Savings or Other Benefit Associated with Recommended Change	Removes expectation that TDHCA undertake activity referred to in another portion of statute.
Service, Statute, Rule or Regulation (Provide Specific Citation if applicable)	Tex. Gov't Code §2306.1071
Describe why the Service, Statute, Rule or Regulation is Resulting in Inefficient or Ineffective Agency Operations	Definition of first time homebuyer for the Department's First Time Homebuyer Program ("FTHB"). Statute defines FTHB as being a Texas resident who has not owned a home in the last three years - without any other flexibility. However, under the Department's Taxable Mortgage Program ("TMP") TDHCA is also serving veterans (who may have owned in the last three years) consistent with the U.S. Internal Revenue Service ("IRS") authorized exceptions in Section 143(d)(2)(D) of the Code. It is more beneficial for the program to allow the same IRS exceptions to the first time homebuyer definition so that veterans can continue to have the exception offered.
Provide Agency Recommendation for Modification or Elimination	Amend definition as follows: "First-time homebuyer" means a person who: (A) resides in this state on the date on which an application is filed; and (B) has not owned a home during the three years preceding the date on which an application under this subchapter is filed <u>or satisfies an exception in accordance with IRS requirements.</u>
Describe the Estimated Cost Savings or Other Benefit Associated with Recommended Change	Change ensures veterans can continue to receive the same degree of assistance they are currently receiving through TDHCA's homeownership programs.
Service, Statute, Rule or Regulation (Provide Specific Citation if applicable)	Tex. Gov't Code §2306.1074

<p>Describe why the Service, Statute, Rule or Regulation is Resulting in Inefficient or Ineffective Agency Operations</p>	<p>Limits down payment and closing cost assistance to only those households at 80% of area median income (“AMI”) and lower. However, that is not how the Taxable Mortgage Program (“TMP”) operates (nor how TDHCA has used this restriction in the past). Without a change those households with AMIs above 80% would not be eligible as the Department shifts back to the FTHB Program. Offering the down payment and closing cost assistance only for those at 80% AMI and below would be a significant hardship for many households currently able to garner assistance under the program.</p>
<p>Provide Agency Recommendation for Modification or Elimination</p>	<p>Delete (b)(2) which limits assistance for those who have an income of not more than 80% AMI.</p>
<p>Describe the Estimated Cost Savings or Other Benefit Associated with Recommended Change</p>	<p>Would allow TDHCA to serve moderate income households without decreasing resources to households at or below 80% AMI.</p>
<p>Service, Statute, Rule or Regulation (Provide Specific Citation if applicable)</p>	<p>Tex. Gov’t Code §2306.111(c)</p>
<p>Describe why the Service, Statute, Rule or Regulation is Resulting in Inefficient or Ineffective Agency Operations</p>	<p>Requires that 95% of state’s HOME Investment Partnerships Program (“HOME”) funds be used in non-Participating Jurisdiction (i.e., areas of the state that do not receive HOME funds directly from the federal government); these tend to be more rural areas of the state. In addition, 5% must be used for Persons with Disabilities statewide. Federal regulations require that 15% of all HOME funds be provided directly to Community Development Housing Organizations (“CHDOs”), which are community-based housing nonprofits that meet requirements of the HOME program. While there are many CHDOs in the more urban areas of the state, there are fewer of these in more rural areas, making achieving the 15% requirement a perennial challenge for TDHCA. New federal guidelines provide much more restrictive deadlines for the commitment and expenditure of HOME funds. The scarcity of CHDOs in rural Texas and the stricter federal regulation effective for 2015 and future year HOME funds significantly increase the likelihood that the state may fail to meet commitment deadlines for a portion of CHDO funds and therefore, may result in the state having to return HOME funds to the federal government. Excluding all or a portion of the 15% federally mandated CHDO set-aside funds from the requirements of 2306.111(c) would minimize this risk.</p>
<p>Provide Agency Recommendation for Modification or Elimination</p>	<p>Amend §2306.111(c) to exclude CHDO funds from the 95/5 rule or otherwise provide flexibility to expressly allow the use of CHDO funds in Participating Jurisdictions without violating the requirement.</p>

Describe the Estimated Cost Savings or Other Benefit Associated with Recommended Change	This would decrease the risk of the state having to return HOME funds to the federal government and therefore allow TDHCA to expand housing opportunities for more Texas households
Service, Statute, Rule or Regulation (Provide Specific Citation if applicable)	Tex. Gov't Code §2306.1113
Describe why the Service, Statute, Rule or Regulation is Resulting in Inefficient or Ineffective Agency Operations	Tightly restricts the communication of TDHCA Board member and staff with persons associated with active applications for housing funds during the application period, including barring meetings outside of TDHCA headquarters and after regularly posted hours.
Provide Agency Recommendation for Modification or Elimination	Statute could be amended to allow for meetings between TDHCA staff and applicants outside of business hours. It might allow for meetings to occur at other locations, such as attorneys' offices.
Describe the Estimated Cost Savings or Other Benefit Associated with Recommended Change	The Housing Tax Credit program is extremely complex. To meet statutorily required deadlines, staff and applicants alike regularly work long hours well outside business hours, and communicate extensively during business hours and over the phone and email, as currently allowed under statute, to work on issues. Adding flexibility with respect to where and when can allow for more effective and timely communication, reducing time spent by both parties. Further, it is not necessary for the requirement to apply to other TDHCA programs.
Service, Statute, Rule or Regulation (Provide Specific Citation if applicable)	Tex. Gov't Code §2306.1114
Describe why the Service, Statute, Rule or Regulation is Resulting in Inefficient or Ineffective Agency Operations	Requires notification of application of funds to a long list of persons for any proposed application for housing funds that include HOME funds or any other affordable housing program. Statutory language does not explicitly limit this to multifamily or to competitive activities and therefore this could be construed to place extensive notification requirements on single family HOME activities and HTF activities. With HOME and HTF now on a reservation basis, this would require that every household reservation trigger notification. For competitive single family applications under HOME, the households are not yet even identified so that exact location is not yet known. Notifications outlined in statute on single family activity would be extremely onerous.
Provide Agency Recommendation for Modification or Elimination	Amend statute to specify that this requirement is for Housing Tax Credit and other multifamily activities and not "all funds" captured in §2306.111 as the requirements of who needs to be notified and what needs to be shared are

	clearly reflective of “developments” and not applications for housing funds in which households are not identified at the time of application and no location could even be determined at the time of application.
Describe the Estimated Cost Savings or Other Benefit Associated with Recommended Change	Provides clarity to the notification requirement and minimizes likelihood of future expectations that TDHCA provide notification for single family activities
Service, Statute, Rule or Regulation (Provide Specific Citation if applicable)	Tex. Gov’t Code §2306.142-143
Describe why the Service, Statute, Rule or Regulation is Resulting in Inefficient or Ineffective Agency Operations	<p>§2306.142 requires a market study to determine underserved economic and geographic submarkets in the state. §2306.142(l) requires specific set-asides or allocations to meet those underserved markets. Much of this section is to provide for sub-prime lending. The parameters for the market study are outdated and cannot be complied with. And the set-asides are economically unfeasible. In addition, the Bond Review Board (“BRB”) is the only party that can waive the requirements of this section, so TDHCA cannot submit single family bond issues as exempt issues; as such TDHCA is unable to receive BRB approval for a series of “mini-issues” without taking each individual series through the approval process. This is inefficient, more costly, and limits the flexibility to enter the market when the timing/pricing is optimal. Section 2306.143 requires TDHCA to develop a subprime lender list using the survey required under 2306.142 if the U.S. Department of Housing and Urban Development (“HUD”) does not release a subprime lender list.</p>
Provide Agency Recommendation for Modification or Elimination	<p>Recommend elimination. Because compliance with the requirements of Tex. Gov’t Code §2306.142 is cost prohibitive and not consistent with the reasonable financial operation of the Department, TDHCA seeks the BRB waiver each time that a bond issue is undertaken. Elimination of the requirements would permit the Department to submit single family bond issues as exempt issues, permitting a submission to BRB for approval of a series of issues without needing to take each for specific Board approval at an official BRB meeting. This would save the Department a significant amount of costs related to the streamlined process, and would provide the Department more flexibility to take advantage of favorable market conditions more quickly. It should be noted that TDHCA currently serves the underserved economic and geographic submarkets in the state: 65% of TDHCA’s loans are to first time homebuyers earning less than 80% of the median income in their economic and geographic submarket and</p>

	various TDHCA programs provide homeownership assistance to rural and border communities.
Describe the Estimated Cost Savings or Other Benefit Associated with Recommended Change	Streamlining the bond issuance approval process reduces costs and better allows TDHCA to take advantage of market conditions expeditiously in order to offer better homeownership products to low to moderate income Texans.
Service, Statute, Rule or Regulation (Provide Specific Citation if applicable)	Tex. Gov't Code §§2306.171(3) and (4)
Describe why the Service, Statute, Rule or Regulation is Resulting in Inefficient or Ineffective Agency Operations	Requires TDHCA's Housing Finance Division to "provide matching funds to municipalities, counties, public agencies, housing sponsors and nonprofit developers who qualify under the division's programs." TDHCA is generally unable to do so as its funds are often federally limited in being used for match. Further, most of TDHCA's federal programs require match of TDHCA and often its subrecipients. TDHCA often meets its federal match requirements by passing the requirement (in part or in full) down to subrecipients. This provision also indicates that TDHCA should "encourage private for profit and nonprofits corporations and state organizations to match the division's funds ..." TDHCA is unclear how it could appropriately encourage private investment outside of an incentive program for which there is no funding.
Provide Agency Recommendation for Modification or Elimination	Delete Tex. Gov't Code §2306.171(3) and (4)
Describe the Estimated Cost Savings or Other Benefit Associated with Recommended Change	Removes requirements that TDHCA undertake activities for which it is not allocated resources and could conflict with federal law. This decreases the likelihood of there being an expectation sometime in the future that TDHCA undertake these activities.
Service, Statute, Rule or Regulation (Provide Specific Citation if applicable)	Tex. Gov't Code §2306.186
Describe why the Service, Statute, Rule or Regulation is Resulting in Inefficient or Ineffective Agency Operations	The reference in subsection (k) to Tex. Gov't Code §2306.6023 is incorrect. Tex. Gov't Code §2306.6023 is a direction to the Manufactured Housing Division to adopt rules for Alternative Dispute Resolution and Negotiated Rule-Making
Provide Agency Recommendation	Amend statute to refer to the correct citation (Tex. Gov't

for Modification or Elimination	Code §2306.041)
Describe the Estimated Cost Savings or Other Benefit Associated with Recommended Change	Corrects potentially confusing legislation.
Service, Statute, Rule or Regulation (Provide Specific Citation if applicable)	Tex. Gov't Code §2306.252
Describe why the Service, Statute, Rule or Regulation is Resulting in Inefficient or Ineffective Agency Operations	In the list of duties of TDHCA's Housing Resource Center ("HRC") under Tex. Gov't Code §2306.252(b)(4), statute states that the HRC provides, in cooperation with the state energy conservation office, the Texas Commission on Environmental Quality and other governmental entities, information on the use of sustainable and energy efficient housing construction products and assist local governments and nonprofits in identifying information on sustainable and energy efficient housing construction and energy efficient resources and techniques. The State Energy Conservation Office ("SECO") has excellent resources for this, with a specific section for residential consumers. Requiring this of TDHCA is redundant and requires TDHCA to coordinate on something for which another agency is more qualified and is already performing such work.
Provide Agency Recommendation for Modification or Elimination	Delete Tex. Gov't Code §2306.252
Describe the Estimated Cost Savings or Other Benefit Associated with Recommended Change	Removes redundancy in state government and statute. (Because TDHCA already refers people to SECO and appropriate agencies, there would be no cost savings.)
Service, Statute, Rule or Regulation (Provide Specific Citation if applicable)	Tex. Gov't Code §2306.255
Describe why the Service, Statute, Rule or Regulation is Resulting in Inefficient or Ineffective Agency Operations	Contract for Deed Conversion Program under Tex. Gov't Code §2306.255. This section requires the Department to work with private lenders to convert contracts for deed; the Department's role is to provide some type of guarantee in case of default. TDHCA tried to implement this section many years ago with no success. Due to the passage of HB311 84(R)-2015 by Representative Canales and Senator Lucio, transfers of title occur through the recordation of the contract for deed; therefore a conversion is no longer necessary.
Provide Agency Recommendation for Modification or Elimination	Delete section.
Describe the Estimated Cost Savings or Other Benefit Associated with Recommended Change	Program is no longer necessary due to passage of HB 311. Additionally, TDHCA has not been allocated resources with which to administer the program as codified. Removing the language decreases the likelihood of there being an expectation sometime in the future that TDHCA undertake

	this activity.
Service, Statute, Rule or Regulation (Provide Specific Citation if applicable)	Tex. Gov't Code §§2306.2561 and 2306.805
Describe why the Service, Statute, Rule or Regulation is Resulting in Inefficient or Ineffective Agency Operations	Tex. Gov't Code §2306.2561 requires an Affordable Housing Preservation Program with specificity on how that should be designed, while Tex. Gov't Code §2306.805 creates a similar but different program, the Housing Preservation Incentives Program. In neither section is the program that is designed one that is readily consistent with the resources the Department has access to or the federal applicable regulations of those funds. Neither program is actively being implemented because of these challenges.
Provide Agency Recommendation for Modification or Elimination	Either delete both sections – Tex. Gov't Code §2306.2561 and §2306.805 - as the programs not only are inconsistent with each other, but neither program is compatible with our funding sources and their associated federal regulations or work to reconcile these sections with federal requirements.
Describe the Estimated Cost Savings or Other Benefit Associated with Recommended Change	Removes requirements that TDHCA undertake activities which are inconsistent consistent with TDHCA funding sources and federal requirements.
Service, Statute, Rule or Regulation (Provide Specific Citation if applicable)	Tex. Gov't Code §§2306.541 and 2306.542
Describe why the Service, Statute, Rule or Regulation is Resulting in Inefficient or Ineffective Agency Operations	These two sections created an Advisory Committee (the Natural Disaster Housing Reconstruction Advisory Committee) and a program, the Housing Reconstruction Demonstration Pilot. These sections were established in response to the significant disaster recovery efforts that were historically housed at TDHCA. The Committee, which was created and used as needed, when TDHCA administered federal disaster recovery (“DR”) funds, is no longer in existence, nor does such a program exist. As the Department no longer oversees DR funds, it is appropriate to remove these sections.
Provide Agency Recommendation for Modification or Elimination	Delete all of Tex. Gov't Code §§2306.541 and 2306.542.
Describe the Estimated Cost Savings or Other Benefit Associated with Recommended Change	Removes language related to activity over which TDHCA has no jurisdiction; decreases confusion related to this issue.
Service, Statute, Rule or Regulation (Provide Specific Citation if applicable)	Tex. Gov't Code §2306.590
Describe why the Service, Statute, Rule or Regulation is Resulting in Inefficient or Ineffective Agency Operations	Establishes a Colonia Initiatives Advisory Committee which reviews water and wastewater projects. When TDHCA had control over Community Development Block Grant (“CDBG”) funds this was reasonable, but since TDHCA

	does not oversee funds for water and wastewater infrastructure and or operate any such programs, TDHCA does not operate this committee, and does not have staff experienced in this area. It is an activity of the Texas Water Development Board and should be deleted from TDHCA's statute.
Provide Agency Recommendation for Modification or Elimination	Delete all of Tex. Gov't Code §2306.590.
Describe the Estimated Cost Savings or Other Benefit Associated with Recommended Change	Removes language related to activity over which TDHCA has no jurisdiction; decreases confusion related to this issue.
Service, Statute, Rule or Regulation (Provide Specific Citation if applicable)	Tex. Gov't Code §2306.6717(4)
Describe why the Service, Statute, Rule or Regulation is Resulting in Inefficient or Ineffective Agency Operations	Requires TDHCA to post notice of material amendment requests as relates to Housing Tax Credit ("HTC") awardees and director's recommendation on the amendment 15 days prior to the Board meeting at which the amendment will be discussed.
Provide Agency Recommendation for Modification or Elimination	Eliminate the requirement. TDHCA already posts all policy recommendations to the Board seven days prior to the Board meeting or three days in case of emergency items, including other items of analogous import, such as applicant appeals. The advanced posting creates additional work (additional postings requiring additional routing and redundant review) and may delay decisions on such requests.
Describe the Estimated Cost Savings or Other Benefit Associated with Recommended Change	Streamlines process.
Service, Statute, Rule or Regulation (Provide Specific Citation if applicable)	Tex. Gov't Code §2306.6733
Describe why the Service, Statute, Rule or Regulation is Resulting in Inefficient or Ineffective Agency Operations	Bars former board members and staff specified in statute from participating in the Housing Tax Credit ("HTC") program for two years from their departure from the agency. Because the statute refers to positions that existed at the time the statute was written but which no longer corresponds to the agencies current structure, the Department may be applying it in an overly broad manner in order to ensure compliance.
Provide Agency Recommendation for Modification or Elimination	Amend that statute to be based on roles or duties rather than specific positions.
Describe the Estimated Cost Savings or Other Benefit Associated with Recommended Change	This would ensure that even when the staffing structure changes the persons performing certain substantive duties are subject to the restriction while making it clear the regardless of titles, persons performing other duties are not subject to this provision.

Service, Statute, Rule or Regulation (Provide Specific Citation if applicable)	Tex. Gov't Code §§2306.781-786
Describe why the Service, Statute, Rule or Regulation is Resulting in Inefficient or Ineffective Agency Operations	These sections required the creation of a Colonia Model Subdivision Program and an associated Colonia Model Subdivision Revolving Loan Fund. This is a duplicative concept because the HOME Community Housing Development Organization (“CHDO”) set aside already offers this opportunity and the Department holds funds for these types of single family developments. For a number of years, TDHCA offered single family development primarily under the Colonia Model Subdivision Program but had limited applicants. TDHCA now offers the assistance under the broader HOME Single Family Development category. Participants who had sought Colonia Model Subdivision Program funds continue to seek funds under the broader Single Family Development funds such that this has not caused a decrease in access to funds for these entities. It should be noted that even under the Single Family Development category, participation is limited.
Provide Agency Recommendation for Modification or Elimination	Delete entire Subchapter.
Describe the Estimated Cost Savings or Other Benefit Associated with Recommended Change	Removes unnecessary language; decreases the likelihood that unnecessary restrictions will be placed on single family development funds.
Service, Statute, Rule or Regulation (Provide Specific Citation if applicable)	Tex. Utility Code §39.905. Goal for Energy Efficiency.
Describe why the Service, Statute, Rule or Regulation is Resulting in Inefficient or Ineffective Agency Operations	The last sentence of subsection (f) requires TDHCA to provide expert testimony at State Office of Administrative Hearings (“SOAH”) rate case hearings concerning whether the targeted low income weatherization programs of each unbundled Transmission and Distribution Utility (“TDU”) is “consistent with federal weatherization programs” or “adequately funded.” TDHCA staff does not have sufficient expertise with TDU “hard-to-reach” programs to determine if these are consistent with federal weatherization programs. The Texas Public Utility Commission (“PUC”) has represented to TDHCA that it has sufficient expertise with the federal weatherization programs to determine if the TDU programs are consistent without TDHCA’s assistance. However, because of the statutory language, TDHCA and TDU staff must send minimum notices and file minimum pleadings to each other to notify the parties that TDHCA will not be participating in the proceedings.
Provide Agency Recommendation for Modification or Elimination	Delete last sentence of subsection (f)

Describe the Estimated Cost Savings or Other Benefit Associated with Recommended Change	This will save staff time by eliminating the need to send minimum notices and file minimum pleadings to each other to notify the parties that TDHCA will not be participating in the proceedings. Will also remove unnecessary requirements.
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Disaster-Related Redundancies and Impediments

Service, Statute, Rule or Regulation (Provide Specific Citation if applicable)	Tex. Gov't Code §2306.032
Describe why the Service, Statute, Rule or Regulation is Resulting in Inefficient or Ineffective Agency Operations	Statute addresses the requirements for board meetings. If a board meeting needed to convene more promptly than is permitted by the open meetings laws or to meet by telephone, that would not be permitted. The three day posting requirement for board materials could necessitate delay. The ability to provide transcripts could be affected. Presumably gubernatorial waivers, if needed, could be sought.
Provide Agency Recommendation for Modification or Elimination	Amend statute to allow the board to meet more promptly than allowed by the Open Meeting Act (Tex. Gov't Code, Chapter 551) or by telephone as well as suspend requirements that the board post meeting material three days prior to a hearing and post complete transcripts of meeting thereafter, if needed in the case of a disaster. Retain the requirement to keep public records of deliberations and actions as well as materials considered to ensure transparency.
Describe the Estimated Cost Savings or Other Benefit Associated with Recommended Change	This would allow the board to act promptly in response to a disaster.
Service, Statute, Rule or Regulation (Provide Specific Citation if applicable)	<p>There are various timeliness and due dates throughout Tex. Gov't Code Ch. 2306, such as:</p> <ul style="list-style-type: none"> • The requirements for the timing of the State Low Income Housing Plan in Tex. Gov't Code §2306.0725 that could be affected by a disaster. Presumably gubernatorial waivers, if needed, could be sought. Specific statutes are noted below. • General Agency Deadlines <ul style="list-style-type: none"> - §2306.072(a) - Date by which TDHCA submit Annual Low Income Housing Report to board – March 18 - §2306.0721 - Date by which TDHCA must submit Low Income Housing Plan to board – March 18 - §2306.112(a) - Date by which Housing Finance Budget must be filed with board – August 1 - §2306.113 – Date by which board will approve of change Housing Finance Budget – September 1

	<ul style="list-style-type: none"> - §2306.1096 - Date by which Housing and Health Services Coordinating Council must deliver report to Governor and the LBB: August 1 of even numbered years • Housing Tax Credit-related deadlines (somewhat addressed in general entry related to Subchapter DD) <ul style="list-style-type: none"> - §2306.6724 (a) - Deadline by which a new proposed annual or biennial Qualified Allocation Plan (“QAP”) must be submitted to board: September 30 - §2306.6724(b) - Date by which board must submit QAP to Governor (November 15) and date by which Governor must approve, approve with changes, or reject QAP: December 1 - §2306.6724 (d) - Date by which applicant must submit an application for competitive tax credits: March 1 - §2306.6724 (e) - Date by which TDHCA staff shall issue list of approved HTC applications: June 30 - §2306.6724 (f) - Date by which board shall issue final tax credit commitments: July 31
<p>Describe why the Service, Statute, Rule or Regulation is Resulting in Inefficient or Ineffective Agency Operations</p>	<p>In the case of a disaster, staff may not be able to complete task by deadline either because staff is directly affected by the disaster or is reallocating time to expedite disaster-related activities. More importantly in the context of disaster response, there is no flexibility to take actions on different timelines to address urgent disaster-related needs</p>
<p>Provide Agency Recommendation for Modification or Elimination</p>	<p>Add language that indicates deadlines are in place except in the case of a disaster. Consider creating additional flexibility to develop criteria for awarding tax credits in response to a disaster</p>
<p>Describe the Estimated Cost Savings or Other Benefit Associated with Recommended Change</p>	<p>In the case of a disaster, TDHCA would be allowed to focus on relief and recovery efforts</p>
<p>Service, Statute, Rule or Regulation (Provide Specific Citation if applicable)</p>	<p>Tex. Gov’t Code §2306.111 (c)</p>
<p>Describe why the Service, Statute, Rule or Regulation is Resulting in Inefficient or Ineffective Agency Operations</p>	<p>Tex. Gov’t Code §2306.111(c) provides that at least 95% of HOME funds must be used in areas outside of participating jurisdictions. In the case of a disaster impacting participating jurisdictions the Department would be limited in its ability to provide assistance using HOME funds. Presumably gubernatorial waivers, , if needed, could be sought.</p>
<p>Provide Agency Recommendation for Modification or Elimination</p>	<p>This was included to highlight the issue. However, the waiver process should be sufficient.</p>
<p>Describe the Estimated Cost Savings or Other Benefit Associated with Recommended Change</p>	
<p>Service, Statute, Rule or Regulation</p>	<p>Tex. Gov’t Code §2306.111 (d) –(d-3), 1115</p>

(Provide Specific Citation if applicable)	
Describe why the Service, Statute, Rule or Regulation is Resulting in Inefficient or Ineffective Agency Operations	Citations referenced require the use of a regional allocation formula and specified set-asides to ensure the distribution of certain types of assistance. If the need in a disaster impacted area were disproportionately great this could be an impediment. Presumably gubernatorial waivers, if needed, could be sought.
Provide Agency Recommendation for Modification or Elimination	This was included to highlight the issue. However, the waiver process could be utilized if needed.
Describe the Estimated Cost Savings or Other Benefit Associated with Recommended Change	
Service, Statute, Rule or Regulation (Provide Specific Citation if applicable)	Tex. Gov't Code §2306.1111
Describe why the Service, Statute, Rule or Regulation is Resulting in Inefficient or Ineffective Agency Operations	Tex. Gov't Code §2306.1111 requires the use of a uniform application and funding cycles for all competitive single family and multifamily cycles. This limits TDHCA's ability to offer applications and funding cycles to address disaster-specific needs.
Provide Agency Recommendation for Modification or Elimination	Add language that uniform application and funding cycles must be used as currently provided in statute except in the case of a disaster. In such an event, TDHCA would be authorized to make funds available through applications and funding cycles specific to disaster assistance.
Describe the Estimated Cost Savings or Other Benefit Associated with Recommended Change	Would allow TDHCA to offer resources outside of its regular funding cycle in order to make funds available to affected areas.
Service, Statute, Rule or Regulation (Provide Specific Citation if applicable)	Tex. Gov't Code §2306.188
Describe why the Service, Statute, Rule or Regulation is Resulting in Inefficient or Ineffective Agency Operations	Provides for alternative means of establishing the ability to grant a lien on a property if the property is being assisted with federally provided assistance to repair or rebuild after a disaster. This was developed for use in connection with the Community Development Block Grant - Disaster Recovery ("CDBG-DR") program, but the language appears to work for other federal assistance such as HOME. It would not work for Housing Trust Fund assistance.
Provide Agency Recommendation for Modification or Elimination	Language could be amended to allow this alternative means of establishing homeownership for non-federal or state assistance.
Describe the Estimated Cost Savings or Other Benefit Associated with Recommended Change	This will facilitate the Department's ability to provide assistance to homeowners affected by disasters through state-funded programs such as the Housing Trust Fund,

	through which TDHCA currently offers the Texas Bootstrap Program and the Amy Young Barrier Removal (“AYBR”) Program.
Service, Statute, Rule or Regulation (Provide Specific Citation if applicable)	Tex. Gov’t Code Ch. 2306, Subchapter DD governs the Competitive Housing Tax Credit (“HTC”) Program
Describe why the Service, Statute, Rule or Regulation is Resulting in Inefficient or Ineffective Agency Operations	<p>Tex. Gov’t Code Ch. 2306, Subchapter DD governs the HTC program. It is designed for an orderly annual application and award cycle. Authority to create a special cycle is limited to situations where there is a special award of “emergency funds.” (Tex. Gov’t Code §2306.6739)</p> <ul style="list-style-type: none"> • Tax credits are not funds; tax credits are an allocation of a tax benefit that can provide financial assistance. This is a critically important legal distinction as federal “funding” qua funding triggers a number of federal requirements generally inapplicable to tax credits. • Many of the provisions in Subchapter DD would possibly serve to delay assisting emergency reconstruction or rehabilitation. For example, in a disaster rehab program that was being handled under a separate round, do there need to be pre-applications (.6704), market studies (.67055), or local resolutions (.67071)? Should the deadlines of .6724 need to be observed in the case of a disaster response?
Provide Agency Recommendation for Modification or Elimination	Amend statute to expand authority to offer funding cycles outside the annual funding cycle and related deadlines in the event of a disaster and to exclude from these cycles program requirements that would unnecessarily delay assistance or would not be relevant to the type of assistance being made available. Could allow for the development of scoring criteria other than those set out in statute, fashioned in rule to address the specific circumstances of a disaster.
Describe the Estimated Cost Savings or Other Benefit Associated with Recommended Change	Could provide a method through which TDHCA could more quickly award tax credits to address needs in affected areas than currently available under statute.

A. Budget Structure- Goal, Objectives and Outcome Measures, Strategies and Output, Efficiency and Explanatory Measures

As of the time of this posting, the Department's Budget Structure for Fiscal Years ("FY") 2020-21 has not yet been approved by the Office of the Governor and the Legislative Budget Board.

Therefore the following is provided:

- Changes requested by TDHCA to existing FY 2018-19 Budget Structure
- Report reflecting FY 2018-19 Goals, Strategies, and Objectives
- Report reflecting FY 2018-19 Objective Outcomes
- Report reflecting FY 2018-19 Strategy Measures

AGENCY NAME: Texas Department of Housing and Community Affairs (332)

ELEMENT Identify the current Goal, Strategy, Measure or Measure Definitions:.	REQUESTED CHANGE Indicate requested change using strike-through to delete text and underscore to add text.	JUSTIFICATION FOR REQUESTED CHANGE Explain the reason for the proposed change.	LBB AND/OR OOG APPROVED CHANGE (if different from agency request)	LBB / OOG COMMENTS	STATUS
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Note: The most recent goal, strategy and measure Definitions: descriptions are located on Web ABEST. After logging on, select Performance then Reports to obtain the appropriate text. Measure Definitions: must include all eight prescribed categories of information (i.e., short Definitions:, Purpose/importance, source/collection of data, method of calculation, Data Limitations:, calculation type, new or existing measure, and desired performance).

Element	Requested Change(s)	Justification for Requested Change(s)	LBB AND/OR OOG APPROVED CHANGE	LBB / OOG COMMENTS	STATUS
<p>Goal No. 1 Increase Availability of Safe/Decent/Affordable Housing Objective No. 1 Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing Strategy No. 3 Provide <u>Funding Loans</u> through the <u>HTF for Affordable Housing Texas Bootstrap Program</u> (“TBP”) – HTF</p>	<p>Short Name: HOUSING TRUST FUND TEXAS <u>BOOTSTRAP – HTF</u></p> <p>Full Name: 3 Provide Funding Loans through the HTF for Affordable Housing Texas Bootstrap Program (“TBP”) – HTF</p> <p>Description: Provide <u>Funding Loans</u> through the <u>Housing Trust Fund for Affordable Housing through the Texas Bootstrap Program</u></p>	<p>In order to make the budget more transparent, it is recommended that the Housing Trust Fund (“HTF”) strategy be removed and replaced with two separate strategies – one for the Texas Bootstrap Program and one for the Amy Young Barrier Removal Program. Both of these programs are known chiefly by their names rather than as an HTF activity. HTF will remain a part of each new strategy’s name and description. As Bootstrap assistance must be offered as a loan by statute, the name and description of the Bootstrap Program include “loan” rather than “funding.”</p>			

Element	Requested Change(s)	Justification for Requested Change(s)	LBB AND/OR OOG APPROVED CHANGE	LBB / OOG COMMENTS	STATUS
<p>Goal No. 1 Increase Availability of Safe/Decent/Affordable Housing Objective No. 1 Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing Strategy No. 4 Provide Funding through the HTF for Affordable Housing Amy Young Barrier Removal ("AYBR") - HTF</p>	<p>Short Name: HOUSING TRUST FUND <u>AMY YOUNG – HTF</u></p> <p>Full Name: 3 Provide Funding through the HTF for Affordable Housing <u>Amy Young Barrier Removal ("AYBR") – HTF</u></p> <p>Description: Provide Funding through the Housing Trust Fund for Affordable Housing <u>through the Amy Young Barrier Removal Program</u></p>	<p>In order to make the budget more transparent, it is recommended that the Housing Trust Fund ("HTF") strategy be removed and replaced with two separate strategies – one for the Texas Bootstrap Program and one for the Amy Young Barrier Removal Program. Both of these programs are known chiefly by their names rather than as an HTF activity. The HTF will remain a part of each new strategy's name and description.</p>			
<p>Goal No. 1 Increase Availability of Safe/Decent/Affordable Housing Objective No. 1 Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing Strategy No. 5 Federal Rental Assistance through Section 8 Vouchers</p>		<p>Renumbering strategy.</p>			
<p>Goal No. 1 Increase Availability of Safe/Decent/Affordable Housing Objective No. 1 Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing Strategy No. 6 Assistance Through Federal Sec 811 Project Rental Assistance Program</p>		<p>Renumbering strategy</p>			

Element	Requested Change(s)	Justification for Requested Change(s)	LBB AND/OR OOG APPROVED CHANGE	LBB / OOG COMMENTS	STATUS
<p>Goal No. 1 Increase Availability of Safe/Decent/Affordable Housing Objective No. 1 Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing Strategy No. 7 Provide Federal Tax Credits to Develop Rental Housing for VLI and LI</p>		Renumbering strategy			
<p>Goal No. 1 Increase Availability of Safe/Decent/Affordable Housing Objective No. 1 Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing Strategy No. 8 Federal Mortgage Loans through the MF Mortgage Revenue Bond Program</p>		Renumbering strategy			
<p>Goal No. 2 INFORMATION AND ASSISTANCE Objective No. 1 Provide Information and Assistance Strategy No. 1 Center for Housing Research, Planning, and Communications <u>Housing Resource Center</u></p>	<p>Short Name: HOUSING RESOURCE CENTER</p> <p>Long Name: Center for Housing Research, Planning, and Communications <u>Housing Resource Center</u></p> <p>Description: Provide information and technical assistance to the public through the <u>Housing Resource Center</u> for Housing Research, Planning, and Communications.</p>	Change long name and description to reflect statutory name for the Center.			

Element	Requested Change(s)	Justification for Requested Change(s)	LBB AND/OR OOG APPROVED CHANGE	LBB / OOG COMMENTS	STATUS
<p>Goal No. 5 Regulate Manufactured Housing Industry Objective No. 1 Operate a Regulatory System To Ensure <u>Efficiency Responsive SOL /Licensing/Other</u></p>	<p>Short Name: PROTECT CITIZENS</p> <p>Long Name: Operate a Regulatory System To Ensure <u>Efficiency Responsive SOL /Licensing/Other</u></p> <p>Description: Operate a regulatory system to ensure responsive handling of Statements of Ownership and Location (SOL), license applications, inspection reports, and enforcement.</p>	<p>Change would put Objective 5-1 in line with statutory name of ownership documents and align more clearly with the Division's commitment to efficiency.</p>			
<p>Goal No. 5 Regulate Manufactured Housing Industry Objective No. 1 Operate a Regulatory System To Ensure <u>Efficiency Responsive SOL /Licensing/Other</u> Strategy No. 1 Provide <u>Stmts. of Ownership SOL and Licenses Licensing Services</u> in a Timely Manner</p>	<p>Short Name: TITLING & LICENSING</p> <p>Long Name: Provide <u>Stmts. of Ownership SOL and Licenses Licensing Services</u> in a Timely Manner</p> <p>Description: Provide services for <u>Statements of Ownership SOLs</u> and licensing in a timely and efficient manner</p>	<p>Change would put Strategy 5-1-1 in line with statutory name of ownership documents.</p>			

Agency: **332 Department of Housing and Community Affairs**

GOAL SEQUENCE	OBJECTIVE SEQUENCE	STRATEGY SEQUENCE	
<u>1</u>			<p>SHORT NAME: AFFORDABLE HOUSING</p> <p>FULL NAME: Increase Availability of Safe/Decent/Affordable Housing</p> <p>DESCRIPTION: To increase and preserve the availability of safe, decent, and affordable housing for very low, low, and moderate income persons and families.</p>
	<u>1</u>		<p>SHORT NAME: MAKE FUNDS AVAILABLE</p> <p>FULL NAME: Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing</p> <p>DESCRIPTION: Make loans, grants, and incentives available to fund all eligible housing activities and preserve/create single- and multifamily units for very low, low and moderate income households.</p>
		<u>1</u>	<p>SHORT NAME: MRB PROGRAM - SINGLE FAMILY</p> <p>FULL NAME: Mortgage Loans & MCCs through the SF MRB Program</p> <p>DESCRIPTION: Provide mortgage loans and Mortgage Credit Certificates (MCCs), through the department's Mortgage Revenue Bond (MRB) Program, which are below the conventional market interest rates to very low, low, and moderate income homebuyers.</p>
		<u>2</u>	<p>SHORT NAME: HOME PROGRAM</p> <p>FULL NAME: Provide Funding through the HOME Program for Affordable Housing</p> <p>DESCRIPTION: Provide federal housing loans and grants through the HOME Investment Partnership (HOME) Program for very low and low income families, focusing on the construction of single family and multifamily housing in rural areas of the state through partnerships with the private sector.</p>
		<u>3</u>	<p>SHORT NAME: HOUSING TRUST FUND</p> <p>FULL NAME: Provide Funding through the HTF for Affordable Housing</p> <p>DESCRIPTION: Provide Funding through the Housing Trust Fund for Affordable Housing</p>
		<u>4</u>	<p>SHORT NAME: SECTION 8 RENTAL ASSISTANCE</p> <p>FULL NAME: Federal Rental Assistance through Section 8 Vouchers</p> <p>DESCRIPTION: Provide federal rental assistance through Housing Choice Voucher Program (Section 8) vouchers for very low income households.</p>

Agency: **332 Department of Housing and Community Affairs**

GOAL SEQUENCE	OBJECTIVE SEQUENCE	STRATEGY SEQUENCE	
		<u>5</u>	SHORT NAME: SECTION 811 PRA FULL NAME: Assistance Through Federal Sec 811 Project Rental Assistance Program DESCRIPTION: To provide federal project-based rental assistance to extremely low income persons with disabilities through the Section 811 Project-Based Assistance Program.
		<u>6</u>	SHORT NAME: FEDERAL TAX CREDITS FULL NAME: Provide Federal Tax Credits to Develop Rental Housing for VLI and LI DESCRIPTION: Provide federal tax credits to develop rental housing for very low and low income households.
		<u>7</u>	SHORT NAME: MRB PROGRAM - MULTIFAMILY FULL NAME: Federal Mortgage Loans through the MF Mortgage Revenue Bond Program DESCRIPTION: Provide federal mortgage loans through the department's Mortgage Revenue Bond (MRB) program for the acquisition, restoration, construction and preservation of multifamily rental units for very low, low and moderate income families.
<u>2</u>			SHORT NAME: INFORMATION & ASSISTANCE FULL NAME: Provide Information and Assistance DESCRIPTION: Promote improved housing conditions for extremely low, very low, and low income households by providing information and assistance.
	<u>1</u>		SHORT NAME: PROVIDE INFORMATION AND ASSISTANCE FULL NAME: Provide Information and Assistance for Housing and Community Services DESCRIPTION: Provide information and assistance regarding affordable housing resources and community support services.
		<u>1</u>	SHORT NAME: HOUSING RESOURCE CENTER FULL NAME: Center for Housing Research, Planning, and Communications DESCRIPTION: Provide information and technical assistance to the public through the Center for Housing Research, Planning, and Communications.

Agency: **332 Department of Housing and Community Affairs**

GOAL SEQUENCE	OBJECTIVE SEQUENCE	STRATEGY SEQUENCE	
	<u>2</u>		<p>SHORT NAME: COLONIA INITIATIVES</p> <p>FULL NAME: Promote and Improve Homeownership Along the Texas-Mexico Border</p> <p>DESCRIPTION: Promote and improve homeownership opportunities along with the development of safe neighborhoods and effective community services for all colonia residents and/or residents of low, very low, and extremely low income along the Texas-Mexico border.</p>
		<u>1</u>	<p>SHORT NAME: COLONIA SERVICE CENTERS</p> <p>FULL NAME: Assist Colonias, Border Communities, and Nonprofits</p> <p>DESCRIPTION: Provide assistance to colonias, border communities, and nonprofits through field offices, Colonia Self-Help Centers, and Department programs.</p>
<u>3</u>			<p>SHORT NAME: POOR AND HOMELESS PROGRAMS</p> <p>FULL NAME: Improve Poor/Homeless Living Conditions & Reduce VLI Energy Costs</p> <p>DESCRIPTION: Improve living conditions for the poor and homeless and reduce cost of home energy for very low income (VLI) Texans.</p>
	<u>1</u>		<p>SHORT NAME: PROGRAMS FOR HOMELESS/VLI</p> <p>FULL NAME: Ease Hardships for 16% of Homeless & Very Low Income Persons Each Year</p> <p>DESCRIPTION: To ease hardships of poverty and homelessness for 16 percent of the population of very low income persons each year.</p>
		<u>1</u>	<p>SHORT NAME: POVERTY-RELATED FUNDS</p> <p>FULL NAME: Administer Poverty-related Funds through a Network of Agencies</p> <p>DESCRIPTION: Administer homeless and poverty-related funds through a network of community action agencies and other local organizations so that poverty-related services are available to very low income persons throughout the state.</p>
	<u>2</u>		<p>SHORT NAME: REDUCE HOME ENERGY COSTS</p> <p>FULL NAME: Reduce Cost of Home Energy for 6% of Very Low Income Households</p> <p>DESCRIPTION: To reduce cost of home energy for 6 percent of very low income households each year.</p>

Agency: **332 Department of Housing and Community Affairs**

GOAL SEQUENCE	OBJECTIVE SEQUENCE	STRATEGY SEQUENCE	
		<u>1</u>	SHORT NAME: ENERGY ASSISTANCE PROGRAMS FULL NAME: Administer State Energy Assistance Programs DESCRIPTION: Administer state energy assistance programs by providing grants to local organizations for energy related improvements to dwellings occupied by very low income persons and general assistance to very low income households for heating and cooling expenses and energy-related emergencies.
<u>4</u>			SHORT NAME: ENSURE COMPLIANCE FULL NAME: Ensure Compliance with Program Mandates DESCRIPTION: Ensure compliance with Department of Housing and Community Affairs federal and state program mandates.
	<u>1</u>		SHORT NAME: MONITOR PROPERTIES/AWARDEES FULL NAME: Monitor Developments & Subrecipient Contracts for Compliance DESCRIPTION: Administer and monitor all appropriate housing developments and subrecipient contracts to determine compliance with federal and state program requirements.
		<u>1</u>	SHORT NAME: MONITOR HOUSING REQUIREMENTS FULL NAME: Monitor and Inspect for Federal & State Housing Program Requirements DESCRIPTION: Monitor and inspect for federal and state housing program requirements.
		<u>2</u>	SHORT NAME: MONITOR CONTRACT REQUIREMENTS FULL NAME: Monitor Subrecipient Contracts DESCRIPTION: Monitor federal and state subrecipient contracts for programmatic and fiscal requirements.
<u>5</u>			SHORT NAME: MANUFACTURED HOUSING FULL NAME: Regulate Manufactured Housing Industry DESCRIPTION: Protect the public by regulating the manufactured housing industry in accordance with state and federal laws.

Agency: **332 Department of Housing and Community Affairs**

GOAL SEQUENCE	OBJECTIVE SEQUENCE	STRATEGY SEQUENCE	
	<u>1</u>		SHORT NAME: PROTECT CITIZENS FULL NAME: Operate a Regulatory System To Ensure Responsive SOL/Licensing/Other DESCRIPTION: Operate a regulatory system to ensure responsive handling of Statements of Ownership and Location and license applications, inspection reports, and enforcement.
		<u>1</u>	SHORT NAME: TITLING & LICENSING FULL NAME: Provide SOL and Licensing Services in a Timely Manner DESCRIPTION: Provide services for Statement of Ownership and Location and Licensing in a timely and efficient manner.
		<u>2</u>	SHORT NAME: INSPECTIONS FULL NAME: Conduct Inspections of Manufactured Homes in a Timely Manner DESCRIPTION: Conduct inspections of manufactured homes in a timely and efficient manner.
		<u>3</u>	SHORT NAME: ENFORCEMENT FULL NAME: Process Complaints/Conduct Investigations/Take Administrative Actions DESCRIPTION: Process consumer complaints, conduct investigations, and take administrative actions to protect general public and consumers.
		<u>4</u>	SHORT NAME: TEXAS.GOV FULL NAME: Texas.gov fees. Estimated and Nontransferable DESCRIPTION: Provide for the processing of occupational licenses, registrations, or permit fees through Texas.gov. Estimated and nontransferable.
<u>6</u>			SHORT NAME: INDIRECT ADMIN AND SUPPORT COSTS FULL NAME: Indirect Administration and Support Costs DESCRIPTION: Indirect administration and support costs.

Agency: **332 Department of Housing and Community Affairs**

GOAL SEQUENCE	OBJECTIVE SEQUENCE	STRATEGY SEQUENCE
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1

SHORT NAME: INDIRECT ADMIN AND SUPPORT COSTS
 FULL NAME: Indirect Administration and Support Costs
 DESCRIPTION: Indirect administration and support costs.

1

SHORT NAME: CENTRAL ADMINISTRATION
 FULL NAME: Central Administration
 DESCRIPTION: Central administration.

2

SHORT NAME: INFORMATION RESOURCE TECHNOLOGIES
 FULL NAME: Information Resource Technologies
 DESCRIPTION: Information resource technologies.

3

SHORT NAME: OPERATING/SUPPORT
 FULL NAME: Operations and Support Services
 DESCRIPTION: Operations and support services.

Agency Code: **332** Agency : **Department of Housing and Community Affairs**

OUTCOME	TITLE	DESCRIPTION	Key	New	%	Calc. Method	Priority	Range
Goal.: 1 <u>Increase Availability of Safe/Decent/Affordable Housing</u>								
Objective.: 1 <u>Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing</u>								
1	SHORT NAME:	%VLI/LI/MI RECEIVE HOUSING	Y	N	Y	N	H	H
	FULL NAME:	Percent Households/Individuals Assisted						
	DESCRIPTION:	Percent of Households/Individuals of Very Low, Low, and Moderate Income Needing Affordable Housing That Subsequently Receive Housing or Housing-related Assistance						
2	SHORT NAME:	% VLI RECEIVING HOUSING	Y	N	Y	N	H	H
	FULL NAME:	Percent Very Low Income Households Receiving Housing Assistance						
	DESCRIPTION:	Percent of Households/Individuals of Very Low Income Needing Affordable Housing That Subsequently Receive Housing or Housing-related Assistance						
3	SHORT NAME:	% LI RECEIVING HOUSING	Y	N	Y	N	H	H
	FULL NAME:	Percent Low Income Households Receiving Housing Assistance						
	DESCRIPTION:	Percent of Households/Individuals of Low Income Needing Affordable Housing That Subsequently Receive Housing or Housing-related Assistance						
4	SHORT NAME:	% MI RECEIVING HOUSING	Y	N	Y	N	H	H
	FULL NAME:	Percent Households of Moderate Income Receiving Housing Assistance						
	DESCRIPTION:	Percent of Households/Individuals of Moderate Income Needing Affordable Housing That Subsequently Receive Housing or Housing-related Assistance						
5	SHORT NAME:	% MULTI-FAMILY UNITS	N	N	Y	N	H	H
	FULL NAME:	Percent of Multi-family Rental Units Benefiting VL/MI Households						
	DESCRIPTION:	Percent of Multi-family Rental Units Benefiting Very Low, Low and Moderate Income Households						

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Agency Code: **332** Agency : **Department of Housing and Community Affairs**

OUTCOME	TITLE	DESCRIPTION	Key	New	%	Calc. Method	Priority	Range
Goal.: <u>2</u> <u>Provide Information and Assistance</u>								
Objective.: <u>1</u> <u>Provide Information and Assistance for Housing and Community Services</u>								
<u>1</u>	SHORT NAME:	% INFO REQUESTS COMPLETED ON TIME	N	N	Y	N	H	H
	FULL NAME:	% of Info/TA Requests Completed Within Established Time Frames						
	DESCRIPTION:	Percent of Short Term and Long Term Information and Technical Assistance Requests Fulfilled Within Established Time Frames						
Goal.: <u>3</u> <u>Improve Poor/Homeless Living Conditions & Reduce VLI Energy Costs</u>								
Objective.: <u>1</u> <u>Ease Hardships for 16% of Homeless & Very Low Income Persons Each Year</u>								
<u>1</u>	SHORT NAME:	% POVERTY ASSISTANCE	Y	N	Y	N	H	H
	FULL NAME:	% Eligible Population That Received Homeless & Poverty-Related Asst						
	DESCRIPTION:	Percent Eligible Population That Received Homeless and Poverty-Related Assistance						
<u>2</u>	SHORT NAME:	% INCOMES ABOVE POVERTY	N	N	Y	N	H	H
	FULL NAME:	Percent of Persons Achieving Incomes Above Poverty Level						
	DESCRIPTION:	Percent of Persons Assisted That Achieve Incomes above Poverty Level						
Objective.: <u>2</u> <u>Reduce Cost of Home Energy for 6% of Very Low Income Households</u>								
<u>1</u>	SHORT NAME:	% VLI HOUSEHOLD RECIPIENTS	Y	N	Y	N	H	H
	FULL NAME:	Percent of Very Low Income Households Receiving Utility Assistance						
	DESCRIPTION:	Percent of Very Low Income Households Receiving Utility Assistance						
Goal.: <u>4</u> <u>Ensure Compliance with Program Mandates</u>								
Objective.: <u>1</u> <u>Monitor Developments & Subrecipient Contracts for Compliance</u>								

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OUTCOME	TITLE	DESCRIPTION	Key	New	%	Calc. Method	Priority	Range
<u>1</u>	SHORT NAME: % OF PROPERTIES MONITORED FULL NAME: Percent of Properties Monitored DESCRIPTION: Percent of Multifamily and/or Single Family Rental Properties Monitored Annually		N	N	Y	N	H	H
<u>2</u>	SHORT NAME: % OF FF SUBS W/ ONSITE MONITOR FULL NAME: Percent of Formula-Funded Receiving Onsite Monitoring DESCRIPTION: Percent of Community Action (CA) Network and Homeless Housing and Services Program (HHSP) Subrecipients Receiving Onsite Monitoring		N	N	N	N	M	H
Goal.: <u>5</u> <u>Regulate Manufactured Housing Industry</u>								
Objective.: <u>1</u> <u>Operate a Regulatory System To Ensure Responsive SOL/Licensing/Other</u>								
<u>1</u>	SHORT NAME: % APPS PROCESSED FULL NAME: Percent of Apps Processed within Established Time Frames DESCRIPTION: Percent of Applications Processed within Established Time Frames		N	N	Y	N	H	H
<u>2</u>	SHORT NAME: % CONSUMER COMPLAINT INSPECTIONS FULL NAME: Percent of Consumer Complaint Inspections Conducted within 30 Days DESCRIPTION: Percent of Consumer Complaint Inspections Conducted within 30 Days of Request		Y	N	Y	N	H	H
<u>3</u>	SHORT NAME: % COMPLAINTS DISCIPLINARY ACTION FULL NAME: Percent of Complaints Resulting in Disciplinary Action DESCRIPTION: Percent of Complaints Resulting in Disciplinary Action		Y	N	Y	N	H	L

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OUTCOME	TITLE	DESCRIPTION	Key	New	%	Calc. Method	Priority	Range
<u>4</u>	SHORT NAME: % DOCUMENTED COMPLAINTS		N	N	Y	N	H	H
	FULL NAME: Percent of Documented Complaints Resolved within Six Months							
	DESCRIPTION: Percent of Documented Complaints Resolved within Six Months							
<u>5</u>	SHORT NAME: RATE DISCIPLINARY ACTION		N	N	Y	N	H	H
	FULL NAME: Recidivism Rate for Those Receiving Disciplinary Action							
	DESCRIPTION: Recidivism Rate for Those Receiving Disciplinary Action							

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MEASURE	TITLE	DESCRIPTION	Key	New	%	Calc Method	Priority	Range
Goal: <u>1</u> Increase Availability of Safe/Decent/Affordable Housing								
Objective: <u>1</u> Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing								
Strategy: <u>1</u> Mortgage Loans & MCCs through the SF MRB Program								
MEASURE TYPE: OP Output Measures								
<u>1</u>	SHORT NAME:	# HOUSEHOLDS ASSIST. W / FINANCING	Y	N	N	C	H	H
	FULL NAME:	# Households Asst. through Bond Authority or Other Mortgage Financing						
	DESCRIPTION:	Number of Households Assisted through Bond Authority or Other Mortgage Financing						
MEASURE TYPE: EF Efficiency Measures								
<u>1</u>	SHORT NAME:	AVERAGE LOAN AMOUNT W / O ASST.	N	N	N	N	M	H
	FULL NAME:	Average Loan Amount w/o Down Payment Assistance						
	DESCRIPTION:	Average Loan Amount Per Household without Down Payment Assistance						
<u>2</u>	SHORT NAME:	AVERAGE DOWN PMT. ASST. LOAN AMT.	N	N	N	N	M	H
	FULL NAME:	Avg Loan Amount with Down Payment Assistance						
	DESCRIPTION:	Average Loan Amount with Down Payment Assistance						
<u>3</u>	SHORT NAME:	AVERAGE MORTGAGE CREDIT CERTIFICATE	N	N	N	N	M	H
	FULL NAME:	Average Mortgage Credit Certificate Amount						
	DESCRIPTION:	Average Mortgage Credit Certificate Amount						
MEASURE TYPE: EX Explanatory/Input Measures								
<u>1</u>	SHORT NAME:	# HH REC LOANS W/O DOWN PAY ASST	N	N	N	N	M	H
	FULL NAME:	Households Receiving Mortgage Loans w/o Down Payment Assistance						
	DESCRIPTION:	Number of Households Receiving Mortgage Loans without Down Payment Assistance						
<u>2</u>	SHORT NAME:	# DOWN PAYMENT ASSIST. HOUSEHOLDS	N	N	N	N	M	H

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MEASURE	TITLE	DESCRIPTION	Key	New	%	Calc Method	Priority	Range
	FULL NAME:	Number Households Receiving Mortgage Loans w/ Down Payment Assistance						
	DESCRIPTION:	Number of Households Receiving Loans with Down Payment Assistance.						
3	SHORT NAME:	# OF STAND ALONE MCCS W/O MORT LOAN	N	N	N	N	M	H
	FULL NAME:	# of Stand Alone MCCs Issued without a TDHCA Mortgage Loan						
	DESCRIPTION:	Stand Alone Mortgage Credit Certificates Issued without a TDHCA Mortgage Loan						
4	SHORT NAME:	# OF MCC COMBINED W/ MORTGAGE LOANS	N	N	N	N	M	H
	FULL NAME:	Number of Mortgage Credit Certificates Combined with Mortgage Loans						
	DESCRIPTION:	Number of Mortgage Credit Certificates Combined with Mortgage Loans						
	Strategy:	2 Provide Funding through the HOME Program for Affordable Housing						
	MEASURE TYPE:	OP Output Measures						
1	SHORT NAME:	# HOUSEHOLDS ASST. W/SF HOME FUNDS	Y	N	N	C	H	H
	FULL NAME:	Number of Households Assisted with Single Family HOME Funds						
	DESCRIPTION:	Number of Households Assisted with Single Family HOME Funds						
2	SHORT NAME:	#HHS ASS. W/MF HOME, TCAP RF, OTHER	N	Y	N	C	H	H
	FULL NAME:	#HHS Ass. W/ Multifamily HOME, (TCAP) RF, Other MF Direct Loan Funds						
	DESCRIPTION:	Number of Households Assisted with Multifamily HOME, Tax Credit Assistance Program Repayment Fund or Other Multifamily Direct Loan Funds						
	MEASURE TYPE:	EF Efficiency Measures						
1	SHORT NAME:	AVG AMT SF DEVELOPMENT	N	N	N	N	M	L
	FULL NAME:	Avg Amt Per Household for Single Family Development						
	DESCRIPTION:	Average Amount Per Household for Single Family Development Activities						
2	SHORT NAME:	AVERAGE AMOUNT SF REHABILITATION	N	N	N	N	M	L

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MEASURE	TITLE	DESCRIPTION	Key	New	%	Calc Method	Priority	Range
	FULL NAME:	Avg Amt Per Household/Single Family Rehab, New Const or Reconstruction						
	DESCRIPTION:	Average Amount Per Household for Single Family Rehabilitation Activities, New Construction or Reconstruction						
3	SHORT NAME:	AVG AMT HOMEBUYER W/ REHAB ASST	N	N	N	N	M	L
	FULL NAME:	Average Amount for Homebuyer and Homebuyer with Rehab Assistance						
	DESCRIPTION:	Average Amount Per Household Assisted with Homebuyer and Homebuyer with Rehabilitation Assistance						
4	SHORT NAME:	AVERAGE AMOUNT RENTAL ASSISTANCE	N	N	N	N	M	L
	FULL NAME:	Average Amount Per Household of Tenant-based Rental Assistance						
	DESCRIPTION:	Average Amount Per Household Receiving Tenant-based Rental Assistance						
5	SHORT NAME:	AVG HOME, TCAP RF, OTHER FUNDS\HHS	N	Y	N	N	H	L
	FULL NAME:	Average HOME, TCAP RF, or Other Funds Amount Per Household MF Develop						
	DESCRIPTION:	Average HOME, Tax Credit Assistance Program Repayment Fund, or Other Funds Amount Per Household Multifamily Development						
	MEASURE TYPE:	EX Explanatory/Input Measures						
1	SHORT NAME:	# SF DEVELOPMENT HOUSEHOLDS	N	N	N	N	M	H
	FULL NAME:	# of Households Asst. through S.F. Development Activities						
	DESCRIPTION:	Number of Households Assisted through Single Family Development Activities						
2	SHORT NAME:	# SF REHAB/NEW/RECONSTR ACTIVITIES	N	N	N	N	M	H
	FULL NAME:	# of Households Asst through S.F. Rehab, New Const, or Reconst Act						
	DESCRIPTION:	Number of Households Assisted through Single Family Rehabilitation, New Construction, or Reconstruction Activities						
3	SHORT NAME:	# HOMEBUYER & HOMEBUYER/HOME REHAB	N	N	N	N	M	H

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Agency Code: **332** Agency: **Department of Housing and Community Affairs**

MEASURE	TITLE	DESCRIPTION	Key	New	%	Calc Method	Priority	Range
	FULL NAME:	# of Household Asst through Homebuyer & Homebuyer/Home Rehab Asst						
	DESCRIPTION:	Number of Households Assisted through Homebuyer and Homebuyer / Home Rehabilitation Assistance						
4	SHORT NAME:	# OF RENTAL ASSISTANCE HOUSEHOLDS	N	N	N	N	M	H
	FULL NAME:	Number of Households Assisted through Tenant-based Rental Assistance						
	DESCRIPTION:	Number of Households Assisted through Tenant-based Rental Assistance						
5	SHORT NAME:	# HHS ASSISTED W/ HOME MF	N	Y	N	N	H	H
	FULL NAME:	Number of Households Assisted through HOME Multifamily Activities						
	DESCRIPTION:	Number of Households Assisted through HOME Multifamily Activities						
6	SHORT NAME:	# HHS ASST. TCAP RF, OTHER MF LOAN	N	Y	N	N	H	H
	FULL NAME:	# Households Assisted thru TCAP RF and Other MF Direct Loan Activities						
	DESCRIPTION:	Number of Households Assisted through Tax Credit Assistance Program Repayment Fund and Other Multifamily Direct Loan Activities						
	Strategy:	3 Provide Funding through the HTF for Affordable Housing						
	MEASURE TYPE:	OP Output Measures						
1	SHORT NAME:	# S.F. HOUSEHOLDS ASST THRU HTF	Y	N	N	C	H	H
	FULL NAME:	Number of Single Family Households Assisted through the HTF Program						
	DESCRIPTION:	Number of Single Family Households Assisted through the Single Family Housing Trust Fund Program						
	MEASURE TYPE:	EF Efficiency Measures						
1	SHORT NAME:	AVG AMT SINGLE FAMILY BOOTSTRAP	N	N	N	N	M	L
	FULL NAME:	Average Amount Per Household for Single Family Bootstrap						
	DESCRIPTION:	Average Amount Per Household for Single Family Owner-Builder (Bootstrap) Program						

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MEASURE	TITLE	DESCRIPTION	Key	New	%	Calc Method	Priority	Range
<u>2</u>	SHORT NAME: AVG AMT SINGLE FAM NON-BOOTSTRAP		N	N	N	N	M	L
	FULL NAME: Average Amount Per Household for Single Family Non-Bootstrap							
	DESCRIPTION: Average Amount Per Household for Single Family Nonowner-Builder (Non-Bootstrap) Activities							
MEASURE TYPE: EX Explanatory/Input Measures								
<u>1</u>	SHORT NAME: SINGLE FAMILY BOOTSTRAP HOUSEHOLDS		N	N	N	N	M	H
	FULL NAME: Number of Households Assisted through Single Family Bootstrap							
	DESCRIPTION: Number of Households Assisted through the Single Family Owner-Builder (Bootstrap) Program							
<u>2</u>	SHORT NAME: HH SINGLE FAMILY NON-BOOTSTRAP		N	N	N	N	M	H
	FULL NAME: Number of Households Assisted through Single Family Non-Bootstrap							
	DESCRIPTION: Number of Households Assisted through the Single Family Nonowner-Builder (Non-Bootstrap) Activities							
	Strategy: <u>4</u> Federal Rental Assistance through Section 8 Vouchers							
MEASURE TYPE: OP Output Measures								
<u>1</u>	SHORT NAME: TOTAL # HOUSEHOLDS ASSISTED		Y	N	N	C	H	H
	FULL NAME: Total # of HHS Assisted thru Statewide Housing Asst. Payments Program							
	DESCRIPTION: Total Number of Households Assisted through Statewide Housing Assistance Payments Program							
<u>2</u>	SHORT NAME: # OF SEC 8 HHS IN PROJ ACCESS PGM		N	N	N	C	M	H
	FULL NAME: # of Section 8 Households Participating in Project Access Program							
	DESCRIPTION: Number of Section 8 Households Participating in the Project Access Program							
MEASURE TYPE: EF Efficiency Measures								
<u>1</u>	SHORT NAME: AVG ADMIN COST/HH FOR HCVP		N	Y	N	N	M	L

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MEASURE	TITLE	DESCRIPTION	Key	New	%	Calc Method	Priority	Range
	FULL NAME:	Average Admin Cost Per Household for Housing Choice Voucher Program						
	DESCRIPTION:	Average Administration Cost Per Household for Housing Choice Voucher Program						
	Strategy:	<u>5</u> Assistance Through Federal Sec 811 Project Rental Assistance Program						
	MEASURE TYPE:	OP Output Measures						
<u>1</u>	SHORT NAME:	# OF HHS ASS. THRU SEC 811 PRA	N	Y	N	C	H	H
	FULL NAME:	Number of Households Assisted through Section 811 PRA Program						
	DESCRIPTION:	The Number of Households Assisted through Section 811 Project Rental Assistance Program						
	Strategy:	<u>6</u> Provide Federal Tax Credits to Develop Rental Housing for VLI and LI						
	MEASURE TYPE:	OP Output Measures						
<u>1</u>	SHORT NAME:	# HOUSEHOLDS ASST THRU HTC PROGRAM	Y	N	N	C	H	H
	FULL NAME:	Number of Households Assisted through the Housing Tax Credit Program						
	DESCRIPTION:	Number of Households Assisted through the Housing Tax Credit Program						
	MEASURE TYPE:	EF Efficiency Measures						
<u>1</u>	SHORT NAME:	AVERAGE AMOUNT NEW CONSTRUCTION	N	N	N	N	M	L
	FULL NAME:	Avg Annual Tax Credits Amount Per Household for New Construction						
	DESCRIPTION:	Average Amount of Annual Tax Credits Per Household for New Construction Activities						
<u>2</u>	SHORT NAME:	AVERAGE COST NEW CONSTRUCTION	N	N	N	N	M	L
	FULL NAME:	Average Total Development Costs per Household for New Construction						
	DESCRIPTION:	Average Total Development Costs Per Household for New Construction Activities						
<u>3</u>	SHORT NAME:	AVERAGE AMOUNT ACQU/REHAB	N	N	N	N	M	L
	FULL NAME:	Average Annual Tax Credits Amount Per Household for Acqu/Rehab						

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MEASURE	TITLE	DESCRIPTION	Key	New	%	Calc Method	Priority	Range
	DESCRIPTION:	Average Amount of Annual Tax Credits Per Household for Acquisition/Rehabilitation Activities						
<u>4</u>	SHORT NAME:	AVERAGE COST ACQU/REHAB	N	N	N	N	M	L
	FULL NAME:	Average Total Development Costs Per Household for Acquisition/Rehab						
	DESCRIPTION:	Average Total Development Costs Per Household for Acquisition/Rehabilitation Activities						
	MEASURE TYPE:	EX Explanatory/Input Measures						
<u>1</u>	SHORT NAME:	# NEW CONSTRUCTION HOUSEHOLDS	N	N	N	N	M	H
	FULL NAME:	Number of Households Assisted through New Construction Activities						
	DESCRIPTION:	Number of Households Assisted through New Construction Activities						
<u>2</u>	SHORT NAME:	# ACQU/REHAB HOUSEHOLDS	N	N	N	N	M	H
	FULL NAME:	Number of Households Assisted through Acqu/Rehab Activities						
	DESCRIPTION:	Number of Households Assisted through Acquisition/Rehabilitation Activities						
	Strategy:	<u>7</u> Federal Mortgage Loans through the MF Mortgage Revenue Bond Program						
	MEASURE TYPE:	OP Output Measures						
<u>1</u>	SHORT NAME:	# HOUSEHOLDS ASST MF MRB PROG	Y	N	N	C	H	H
	FULL NAME:	Number of Households Assisted with Multifamily MRB Program						
	DESCRIPTION:	Number of Households Assisted through the Multifamily Mortgage Revenue Bond Program						
	MEASURE TYPE:	EF Efficiency Measures						
<u>1</u>	SHORT NAME:	AVERAGE AMOUNT NEW CONSTRUCTION	N	N	N	N	M	L
	FULL NAME:	Average Amount of Bond Proceeds Per Household for New Construction						
	DESCRIPTION:	Average Amount of Bond Proceeds Per Household for New Construction Activities						

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MEASURE	TITLE	DESCRIPTION	Key	New	%	Calc Method	Priority	Range
<u>2</u>	SHORT NAME: AVERAGE COST NEW CONSTRUCTION		N	N	N	N	M	L
	FULL NAME: Average Total Development Costs Per Household for New Construction							
	DESCRIPTION: Average Total Development Costs Per Household for New Construction Activities							
<u>3</u>	SHORT NAME: AVERAGE AMT ACQU/REHAB		N	N	N	N	M	L
	FULL NAME: Avg Amount of Bond Proceeds/Household for Acquisition/Rehabilitation							
	DESCRIPTION: Average Amount of Bond Proceeds Per Household for Acquisition/Rehabilitation Activities							
<u>4</u>	SHORT NAME: AVERAGE COST ACQU/REHAB		N	N	N	N	M	L
	FULL NAME: Average Total Development Costs Per Household for Acqu/Rehab							
	DESCRIPTION: Average Total Development Costs Per Household for Acquisition/Rehabilitation Activities							
MEASURE TYPE: EX Explanatory/Input Measures								
<u>1</u>	SHORT NAME: # CONSTRUCTION HOUSEHOLDS		N	N	N	N	M	H
	FULL NAME: Number of Households Assisted through New Construction Activities							
	DESCRIPTION: Number of Households Assisted through New Construction Activities							
<u>2</u>	SHORT NAME: # ACQU/REHAB HOUSEHOLDS		N	N	N	N	M	H
	FULL NAME: Number of Households Assisted through Acqu/Rehab Activities							
	DESCRIPTION: Number of Households Assisted through Acquisition/Rehabilitation Activities							
Goal: <u>2</u> Provide Information and Assistance								
Objective: <u>1</u> Provide Information and Assistance for Housing and Community Services								
Strategy: <u>1</u> Center for Housing Research, Planning, and Communications								
MEASURE TYPE: OP Output Measures								
<u>1</u>	SHORT NAME: # REQUESTS COMPLETED		Y	N	N	C	H	H

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MEASURE	TITLE	DESCRIPTION	Key	New	%	Calc Method	Priority	Range
	FULL NAME:	Number of Information and Technical Assistance Requests Completed						
	DESCRIPTION:	Number of Information and Technical Assistance Requests Completed						
2	SHORT NAME:	# SHORT TERM REQUESTS COMPLETED	N	N	N	C	M	H
	FULL NAME:	Number of Short Term Technical Assistance Consumer Requests Completed						
	DESCRIPTION:	Number of Short Term Information and Technical Assistance Consumer Requests Completed						
3	SHORT NAME:	# LONG TERM REQUESTS COMPLETED	N	N	N	C	M	H
	FULL NAME:	No. Long Term Information and Technical Assistance Requests Completed						
	DESCRIPTION:	Number of Long Term Information and Technical Assistance Requests Completed						
Objective: 2 Promote and Improve Homeownership Along the Texas-Mexico Border								
Strategy: 1 Assist Colonias, Border Communities, and Nonprofits								
MEASURE TYPE: OP Output Measures								
1	SHORT NAME:	SERVICE CENTER ON-SITE VISITS	Y	N	N	C	H	H
	FULL NAME:	# of Tech Assistance Contacts and Visits Conducted by Field Offices						
	DESCRIPTION:	Number of Technical Assistance Contacts and Visits Conducted Annually from the Border Field Offices						
2	SHORT NAME:	COLONIA RESIDENTS ASSISTED	N	N	N	C	M	H
	FULL NAME:	# of Colonia Residents Receiving Direct Assist from Self-help Centers						
	DESCRIPTION:	Number of Colonia Residents Receiving Direct Assistance from Self-help Centers						

Goal: **3** Improve Poor/Homeless Living Conditions & Reduce VLI Energy Costs

Objective: **1** Ease Hardships for 16% of Homeless & Very Low Income Persons Each Year

Strategy: **1** Administer Poverty-related Funds through a Network of Agencies

MEASURE TYPE: OP Output Measures

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MEASURE	TITLE	DESCRIPTION	Key	New	%	Calc Method	Priority	Range
<u>1</u>	SHORT NAME: # PERSONS ASSISTED		Y	N	N	C	H	H
	FULL NAME: Number of Persons Assisted through Homeless and Poverty-related Funds							
	DESCRIPTION: Number of Persons Assisted through Homeless and Poverty-related Funds							
<u>2</u>	SHORT NAME: # PERSONS IMPROVED		Y	N	N	C	H	H
	FULL NAME: Number of Persons Assisted That Achieve Incomes Above Poverty Level							
	DESCRIPTION: Number of Persons Assisted That Achieve Incomes above Poverty Level							
<u>3</u>	SHORT NAME: # ASSISTED BY CSBG PROGRAM		N	N	N	C	M	H
	FULL NAME: # of Persons Assisted by the Community Services Block Grant Program							
	DESCRIPTION: Number of Persons Assisted by the Community Services Block Grant Program							
<u>4</u>	SHORT NAME: # ENROLLED IN ESG PROGRAM		N	N	N	C	M	H
	FULL NAME: Number of Persons Enrolled in the Emergency Solutions Grant Program							
	DESCRIPTION: Number of Persons Enrolled in the Emergency Solutions Grant Program							
<u>5</u>	SHORT NAME: # PERSONS ASSISTED BY HHSP		N	N	N	C	H	H
	FULL NAME: # of Persons Assisted by the Homeless and Housing Services Program							
	DESCRIPTION: Number of Persons Assisted by the Homeless and Housing Services Program							
MEASURE TYPE: EF Efficiency Measures								
<u>1</u>	SHORT NAME: AVERAGE COST/CLIENT		N	N	N	N	M	L
	FULL NAME: Avg Subrecipient Cost Per Person for the Emergency Solutions Grant Pgm							
	DESCRIPTION: Average Subrecipient Cost Per Person for the Emergency Solutions Grant Program							
<u>2</u>	SHORT NAME: AVG. SUB. COST P/P FOR THE CSBG PRG		N	N	N	N	M	L
	FULL NAME: Average Subrecipient Cost Per Person for the CSBG Program							

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MEASURE	TITLE	DESCRIPTION	Key	New	%	Calc Method	Priority	Range
	DESCRIPTION:	Average Subrecipient Cost Per Person for the Community Services Block Grant Program						
<u>3</u>	SHORT NAME:	AVG. SUB. COST P/P FOR HHSP PRG	N	N	N	N	M	L
	FULL NAME:	Average Subrecipient Cost Per Person for the HHSP Program						
	DESCRIPTION:	Average Subrecipient Cost Per Person for the Homeless Housing and Services Program						
	MEASURE TYPE:	EX Explanatory/Input Measures						
<u>1</u>	SHORT NAME:	# IN POVERTY MTG INC ELIGIBILITY	N	N	N	N	M	H
	FULL NAME:	Number of Persons in Poverty Meeting Income Eligibility						
	DESCRIPTION:	Number of Persons in Poverty Meeting Income Eligibility						
Objective: <u>2</u> Reduce Cost of Home Energy for 6% of Very Low Income Households								
Strategy: <u>1</u> Administer State Energy Assistance Programs								
	MEASURE TYPE:	OP Output Measures						
<u>1</u>	SHORT NAME:	# RECEIVING UTILITY ASSIST	Y	N	N	C	H	H
	FULL NAME:	Number of Households Receiving Utility Assistance						
	DESCRIPTION:	Number of Households Assisted through the Comprehensive Utility Assistance Program						
<u>2</u>	SHORT NAME:	# WEATHERIZED DWELLINGS	Y	N	N	C	H	H
	FULL NAME:	Number of Dwelling Units Weatherized by the Department						
	DESCRIPTION:	Number of Dwelling Units Weatherized by the Department						
	MEASURE TYPE:	EF Efficiency Measures						
<u>1</u>	SHORT NAME:	AVERAGE SUBRECIPIENT COST/HH	N	N	N	N	H	L
	FULL NAME:	Average Subrecipient Cost Per Household Served						
	DESCRIPTION:	Average Subrecipient Cost Per Household Served						

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MEASURE	TITLE	DESCRIPTION	Key	New	%	Calc Method	Priority	Range
<u>2</u>	SHORT NAME: AVERAGE COST/HOME WEATHERIZED		N	N	N	N	H	L
	FULL NAME: Average Cost Per Home Weatherized							
	DESCRIPTION: Average Cost Per Home Weatherized							
MEASURE TYPE: EX Explanatory/Input Measures								
<u>1</u>	SHORT NAME: # VLI ELIGIBLE HOUSEHOLDS		N	N	N	N	M	H
	FULL NAME: Number of Very Low Income Households Eligible for Utility Assistance							
	DESCRIPTION: Number of Very Low Income (VLI) Households Eligible for Utility Assistance							
Goal: <u>4</u> Ensure Compliance with Program Mandates								
Objective: <u>1</u> Monitor Developments & Subrecipient Contracts for Compliance								
Strategy: <u>1</u> Monitor and Inspect for Federal & State Housing Program Requirements								
MEASURE TYPE: OP Output Measures								
<u>1</u>	SHORT NAME: # OF ANNUAL OCR RECEIVED AND REVIEW		N	Y	N	C	M	H
	FULL NAME: # of Annual Owners Compliance Reports Received and Reviewed							
	DESCRIPTION: Number of Annual Owners Compliance Reports Received and Reviewed							
<u>2</u>	SHORT NAME: # OF FILE REVIEWS		Y	N	N	C	M	H
	FULL NAME: Total Number of File Reviews							
	DESCRIPTION: Total Number of File Reviews Conducted							
<u>3</u>	SHORT NAME: TOTAL # OF PHYSICAL INSPECTIONS		N	N	N	C	M	H
	FULL NAME: Total Number of Physical Inspections							
	DESCRIPTION: Total Number of Physical Inspections Conducted by the Compliance Division							
MEASURE TYPE: EX Explanatory/Input Measures								
<u>1</u>	SHORT NAME: # ACTIVE PROPERTIES IN PORTFOLIO		N	N	N	N	M	H

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MEASURE	TITLE	DESCRIPTION	Key	New	%	Calc Method	Priority	Range
	FULL NAME:	Total Number of Active Properties in the Portfolio						
	DESCRIPTION:	Total Number of Active Properties in the Compliance Monitoring Portfolio						
<u>2</u>	SHORT NAME:	# ACTIVE PROPERTIES IN PORTFOLIO	N	N	N	N	H	H
	FULL NAME:	Total Number of Active Units in the Portfolio						
	DESCRIPTION:	Total Number of Active Units in the Portfolio						
	Strategy:	<u>2</u> Monitor Subrecipient Contracts						
	MEASURE TYPE:	OP Output Measures						
<u>1</u>	SHORT NAME:	# MONITOR REVIEW NON-FORM CONTRACTS	Y	N	N	C	H	H
	FULL NAME:	Total Number of Monitoring Reviews of All Non-formula Contracts						
	DESCRIPTION:	Total Number of Monitoring Reviews of All Non-formula Contracts						
<u>2</u>	SHORT NAME:	# AUDIT REVIEWS	N	N	N	C	M	H
	FULL NAME:	Number of Single Audit Reviews						
	DESCRIPTION:	Number of Single Audit Reviews Conducted						
<u>3</u>	SHORT NAME:	# FORMULA SUB REC. MONITOR REVIEWS	N	N	N	C	M	H
	FULL NAME:	Total # of Formula-Funded Subrecipients Receiving Monitoring Reviews						
	DESCRIPTION:	Total Number of Formula-Funded Subrecipients Receiving Monitoring Reviews						
	MEASURE TYPE:	EX Explanatory/Input Measures						
<u>1</u>	SHORT NAME:	# NF SUBJECT TO MONITORING	N	N	N	N	H	H
	FULL NAME:	Total Number of Non-formula Contracts Subject to Monitoring						
	DESCRIPTION:	Total Number of Non-formula Contracts Subject to Monitoring						
<u>2</u>	SHORT NAME:	# OF PREVIOUS PART REVIEWS	N	N	N	N	M	H

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MEASURE	TITLE	DESCRIPTION	Key	New	%	Calc Method	Priority	Range
	FULL NAME:	Number of Previous Participation Reviews						
	DESCRIPTION:	Number of Previous Participation Reviews						
3	SHORT NAME:	# OF FORMULA-FUNDED SUBRECIPIENTS	N	N	N	N	M	H
	FULL NAME:	Number of Formula-Funded Subrecipients						
	DESCRIPTION:	Total Number of Formula-Funded Subrecipients						
Goal: 5 Regulate Manufactured Housing Industry								
Objective: 1 Operate a Regulatory System To Ensure Responsive SOL/Licensing/Other								
Strategy: 1 Provide SOL and Licensing Services in a Timely Manner								
MEASURE TYPE: OP Output Measures								
1	SHORT NAME:	# SOL ISSUED	Y	N	N	C	H	H
	FULL NAME:	No. of Manufactured Housing Stmt. of Ownership and Location Issued						
	DESCRIPTION:	Number of Manufactured Housing Statements of Ownership and Location (SOL) Issued						
2	SHORT NAME:	# LICENSES ISSUED	N	N	N	C	M	H
	FULL NAME:	Number of Licenses Issued						
	DESCRIPTION:	Number of Licenses Issued						
MEASURE TYPE: EF Efficiency Measures								
1	SHORT NAME:	AVG COST/SOL ISSUED	N	N	N	N	M	L
	FULL NAME:	Avg. Cost Per Manufact Housing Stmt. of Ownership and Location Issued						
	DESCRIPTION:	Average Cost Per Manufactured Housing Statement of Ownership and Location Issued						
MEASURE TYPE: EX Explanatory/Input Measures								
1	SHORT NAME:	# OF MANUFACTURED HOMES OF RECORD	N	N	N	N	H	H
	FULL NAME:	Number of Manufactured Homes of Record in Texas						

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MEASURE	TITLE	DESCRIPTION	Key	New	%	Calc Method	Priority	Range
	DESCRIPTION:	Number of Manufactured Homes of Record in Texas						
	Strategy:	<u>2</u> Conduct Inspections of Manufactured Homes in a Timely Manner						
	MEASURE TYPE:	OP Output Measures						
<u>1</u>	SHORT NAME:	# ROUTINE INSPECTIONS	N	N	N	C	H	H
	FULL NAME:	Number of Routine Installation Inspections Conducted						
	DESCRIPTION:	Number of Routine Installation Inspections Conducted						
<u>2</u>	SHORT NAME:	# NON-ROUTINE INSPECTIONS	N	N	N	C	H	H
	FULL NAME:	Number of Non-routine Inspections Conducted						
	DESCRIPTION:	Number of Non-routine Inspections Conducted						
	MEASURE TYPE:	EF Efficiency Measures						
<u>1</u>	SHORT NAME:	AVERAGE COST PER INSPECTION	N	N	N	N	M	L
	FULL NAME:	Average Cost Per Inspection						
	DESCRIPTION:	Average Cost Per Inspection						
	MEASURE TYPE:	EX Explanatory/Input Measures						
<u>1</u>	SHORT NAME:	# INSTALLATION REPORTS	Y	N	N	N	H	H
	FULL NAME:	Number of Installation Reports Received						
	DESCRIPTION:	Number of Installation Reports Received						
<u>2</u>	SHORT NAME:	# INSTALLATION INSPECTIONS	N	N	N	N	H	H
	FULL NAME:	Number of Installation Inspections with Deviations						
	DESCRIPTION:	Number of Installation Inspections with Deviations						
	Strategy:	<u>3</u> Process Complaints/Conduct Investigations/Take Administrative Actions						
	MEASURE TYPE:	OP Output Measures						

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MEASURE	TITLE	DESCRIPTION	Key	New	%	Calc Method	Priority	Range
<u>1</u>	SHORT NAME: # COMPLAINTS RESOLVED		Y	N	N	C	H	H
	FULL NAME: Number of Complaints Resolved							
	DESCRIPTION: Number of Complaints Resolved							
MEASURE TYPE: EF Efficiency Measures								
<u>1</u>	SHORT NAME: AVERAGE COST COMPLAINT RESOLVED		N	N	N	N	H	L
	FULL NAME: Average Cost Per Complaint Resolved							
	DESCRIPTION: Average Cost Per Complaint Resolved							
<u>2</u>	SHORT NAME: AVERAGE TIME RESOLUTION		Y	N	N	N	H	L
	FULL NAME: Average Time for Complaint Resolution							
	DESCRIPTION: Average Time for Complaint Resolution (Days)							
MEASURE TYPE: EX Explanatory/Input Measures								
<u>1</u>	SHORT NAME: # JURISDICTIONAL COMPLAINT RECEIVED		Y	N	N	N	H	L
	FULL NAME: Number of Jurisdictional Complaints Received							
	DESCRIPTION: Number of Jurisdictional Complaints Received							

B. List of Measure Definitions

As of the time of this posting, the Department's performance measure definitions for Fiscal Years ("FY") 2020-21 have not yet been approved by the Office of the Governor and the Legislative Budget Board. Therefore the following is provided:

- Changes requested by TDHCA to existing FY 2018-19 performance measure definitions
- Report reflecting FY 2018-19 Outcome Measure definitions
- Report reflecting FY 2018-19 Strategy Measures definitions

AGENCY NAME: Texas Department of Housing and Community Affairs (332)

ELEMENT Identify the current Goal, Strategy, Measure or Measure Definitions.	REQUESTED CHANGE Indicate requested change using strike-through to delete text and underscore to add text.	JUSTIFICATION FOR REQUESTED CHANGE Explain the reason for the proposed change.	LBB AND/OR OOG APPROVED CHANGE (if different from agency request)	LBB / OOG COMMENTS	STATUS
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Note: The most recent goal, strategy and measure Definitions: descriptions are located on Web ABEST. After logging on, select Performance then Reports to obtain the appropriate text. **Measure Definitions:** must include all eight prescribed categories of information (i.e., short Definitions:, Purpose/importance, source/collection of data, method of calculation, Data Limitations:, calculation type, new or existing measure, and desired performance).

Element	Requested Change(s)	Justification for Requested Change(s)	LBB AND/OR OOG APPROVED CHANGE	LBB / OOG COMMENTS	STATUS
<p>Goal No. 1 Increase Availability of Safe/Decent/Affordable Housing Objective No. 1 Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing Strategy No. 1 Mortgage Loans & MCCs through the SF MRB Program Measure Type: EF Measure No. 3 Average Mortgage Credit Certificate Amount</p>	<p>Definitions: A measure that tracks the average amount of all Mortgage Credit Certificates (MCCs) issued by TDHCA. Data Limitations: While TDHCA has indicated "Higher," this reports mortgage tax credits reported by TDHCA to the IRS. Various factors affect the actual benefit realized by households. Data Source The number and amounts of MCC benefits are tracked by the division. Agency extracts data from program administrator lender portal. Methodology: The total mortgage loan amount associated with the MCCs issued will be summed and divided by the number of MCCs multiplied by the credit rate. Purpose: This measure identifies the average amount of all Mortgage Credit Certificates (MCCs).</p> <p>Calculation Method: N New Measure: N Target Attainment: H</p>	<p>The measure reflects an unrealistic maximum tax benefit a household could theoretically receive through the MCC program. This amount is a rough calculation of the benefit that is required to be reported to the IRS but only takes into consideration a few of the factors involved with the actual benefit to households. In addition to not considering the interest rate on the loan or the \$2,000 per year maximum benefit limit, it also differs from the actual benefit each household receives due to factors TDHCA cannot predict, such as how long a household</p>			

Element	Requested Change(s)	Justification for Requested Change(s)	LBB AND/OR OOG APPROVED CHANGE	LBB / OOG COMMENTS	STATUS
		<p>owns the home, loan pre-payments, and the household's tax liability. The more meaningful information is the number of households benefiting from this and the maximum that can be received per year. It is recommended that this measure be deleted and that the names of Explanatory Measures 3 and 4 be amended to include language reflecting the maximum annual tax benefit a household can realize. If this measure is not deleted, it is recommended that the methodology be amended to provide a more precise estimate of the average total tax benefit a household would be eligible to receive in the unlikely scenario that all variables are held constant.</p>			
<p>Goal No. 1 Increase Availability of Safe/Decent/Affordable Housing Objective No. 1 Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing Strategy No. 1 Mortgage Loans & MCCs through the SF MRB Program Measure Type: EX Measure No. 3 # of Stand</p>	<p>Definition: A measure that tracks the number of "stand alone" Mortgage Credit Certificates not issued in conjunction with a TDHCA mortgage loan. <u>Households can receive up to \$2,000 per year in federal tax credits for the MCCs over the life of the loan.</u> Data Limitations There are no data limitations. Data Source: The number of MCCs is tracked by the Texas Homeownership Division. Agency extracts data from a program administrator lender portal. Methodology: The number will be the count of the issued "stand alone" MCCs. This number does not include MCCs</p>	<p>The agency is requesting the title and language be changed to clarify the maximum tax benefit per year the households can potentially receive through the MCC Program, dependent on various factors. The name change to this Explanatory Measure will provide policy makers with more meaningful</p>			

Element	Requested Change(s)	Justification for Requested Change(s)	LBB AND/OR OOG APPROVED CHANGE	LBB / OOG COMMENTS	STATUS
<p>Alone MCCs Issued without a TDHCA Mortgage Loan HHs Receiving Mortgage Credit Certificates (up to \$2000/yr) only</p>	<p>issued in conjunction with loans reported under this Strategy. Purpose: This measure identifies the number of households receiving "stand alone" MCCs not issued in conjunction with a TDHCA mortgage loan.</p>	<p>information on the benefit of the MCC than the existing MCC Efficiency Strategy.</p>			
<p>Goal No. 1 Increase Availability of Safe/Decent/Affordable Housing Objective No. 1 Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing Strategy No. 1 Mortgage Loans & MCCs through the SF MRB Program Measure Type: EX Measure No. 4 Number of Mortgage Credit Certificates Combined with Mortgage Loans HHs Receiving Mortgage Credit Cert (up to \$2000/yr) & Mtg Loans w/ DPA</p>	<p>Definitions: A measure that tracks the number of Mortgage Credit Certificates (MCCs) combined with the mortgage loans, with or without down payment assistance <u>provided by the department. Households can receive up to \$2,000 in federal tax credit per year through the MCC Program over the life of the loan.</u> Data Limitations: No limitations Data Source: The numbers of MCCs are tracked by the Texas Homeownership Division. The number and amounts of the loans are tracked by the division. Agency extracts data from a program administrator lender portal. Methodology: The number will be the count of the issued MCCs that have been combined with mortgage loans. Purpose: This measure identifies the number of households receiving the combined program elements of a Mortgage Credit Certificate and a mortgage loan, with or without down payment assistance. Calculation Method: N New Measure: N Target Attainment: H</p>	<p>The department has not issued MCCs combined with mortgage loans without DPA; adding DPA provides more information on the assistance being received. Likewise, the agency is also requesting the title and language be changed to clarify the maximum MCC tax benefit per year households could potentially receive, dependent on various factors. The name change to this Explanatory Measure will provide policy makers with more meaningful information on the benefit of the MCC than the existing MCC Efficiency Strategy.</p>			
<p>Goal No 1 Increase Availability of Safe/Decent/Affordable Housing Objective No. 1 Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing Strategy No. 2 Provide Funding through the HOME</p>	<p>Definition: A measure that tracks the average amount per unit of HOME loans awarded funds per unit in support of single family development <u>Single Family Development (SFD) activities, including new construction and infill development, acquisition and new construction or rehabilitation and infill development of affordable housing for purchase by low income homebuyers.</u> Data Limitations:</p>	<p>Update language to reflect more accurately assistance provided and methodology used. The requested changes do not alter how the measure is calculated.</p>			

Element	Requested Change(s)	Justification for Requested Change(s)	LBB AND/OR OOG APPROVED CHANGE	LBB / OOG COMMENTS	STATUS
<p>Program for Affordable Housing Measure Type: EF Measure No. 1 Avg Amt Per Household for Single Family Development</p>	<p>No limitations Refunds are often applied after the activity is closed. Data Source: The amount of funds expended for each activity is tracked by the HOME division. Data is entered <u>verified</u> by staff and maintained in the agency's computer system. Methodology: The total dollar amount of HOME funds expended for acquisition and new construction, including new construction or rehabilitation, including new construction under single family development activities utilizing HOME funds will be totalled and divided by the projected number of units awarded <u>developed</u> through single family development <u>Single Family Development (SFD) utilizing HOME funds.</u> Purpose: This measure identifies the <u>average costs associated with new construction and other single family development activities with the development of an affordable single family housing unit for purchase by low income households utilizing HOME Single Family Development (SFD) funds.</u> Calculation Method: N New Measure: N Target Attainment: L</p>				
<p>Goal No. 1 Increase Availability of Safe/Decent/Affordable Housing Objective No. 1 Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing Strategy No. 2 Provide Funding through the HOME Program for Affordable Housing Measure Type: EF Measure No. 2 Avg Amt Per Household/Single Family Rehab, New Const or</p>	<p>Definitions: A measure that tracks the average amount per household of loans/grants for new construction, rehabilitation or reconstruction of housing utilizing single family HOME of HOME funds per unit in support of Homeowner Rehabilitation Assistance (HRA) activities, including new construction, reconstruction, or rehabilitation of owner-occupied homes.. Data Limitations: No limitations Refunds are often applied after the <u>activity is closed.</u> Data Source: The numbers and amounts of the loans are amount of funds expended for each activity is tracked by the HOME</p>	<p>Update language to reflect more accurately assistance provided and methodology used. The requested changes do not alter how the measure is calculated</p>			

Element	Requested Change(s)	Justification for Requested Change(s)	LBB AND/OR OOG APPROVED CHANGE	LBB / OOG COMMENTS	STATUS
Reconstruction	<p>division. Data is entered <u>verified</u> by staff and maintained in the agency's computer system.</p> <p>Methodology: The total dollar amount of HOME funds expended for rehabilitation, new construction, or reconstruction <u>or rehabilitation of owner-occupied homes of owner-occupied housing utilizing HOME funds will be summed and will be divided by the number of units assisted households awarded through rehabilitation or reconstruction of owner-occupied housing utilizing HOME Homeowner Rehabilitation Assistance (HRA) funds.</u></p> <p>Purpose: This measure identifies the <u>average</u> costs associated with rehabilitation, new construction, or reconstruction of housing <u>owner-occupied single family homes utilizing HOME Homeowner Rehabilitation Assistance (HRA) funds.</u></p> <p>Calculation Method: N New Measure: N Target Attainment: L</p>				
<p>Goal No. 1 Increase Availability of Safe/Decent/Affordable Housing</p> <p>Objective No. 1 Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing</p> <p>Strategy No. 2 Provide Funding through the HOME Program for Affordable Housing</p> <p>Measure Type: EF</p> <p>Measure No. 3 Average Amount for Homebuyer and Homebuyer with Rehab Assistance</p>	<p>Definitions: A measure that tracks the average amount per household of mortgage financing and homebuyer assistance utilizing single family of- <u>HOME funds per unit in support of Homebuyer Assistance (HBA), including mortgage financing and homebuyer assistance provided in conjunction with home modification for accessibility needs or rehabilitation of affordable housing for homeownership.</u></p> <p>Data Limitations: —No limitations <u>Refunds are often applied after the activity is closed.</u></p> <p>Data Source: The amount of funds expended for each activity is <u>The number and amounts of the grants and loans are tracked by the HOME division. Data is entered verified by staff and maintained in the agency's computer system.</u></p> <p>Methodology: The total dollar amount of HOME funds expended for <u>acquisition of affordable housing will be divided by the number of households assisted through HBA Homebuyer Assistance</u></p>	Update language to reflect more accurately assistance provided and methodology used. The requested changes do not alter how the measure is calculated.			

Element	Requested Change(s)	Justification for Requested Change(s)	LBB AND/OR OOG APPROVED CHANGE	LBB / OOG COMMENTS	STATUS
	<p>(“HBA”) funds, inclusive of funding provided for associated modification or rehabilitation, divided by the number of units assisted under HBA.</p> <p>Purpose: This measure identifies the <u>average</u> costs associated with financing <u>an affordable housing unit for homeownership</u> utilizing HOME Homebuyer Assistance (HBA) funds.</p> <p>Calculation Method: N New Measure: N Target Attainment: L</p>				
<p>Goal No. 1 Increase Availability of Safe/Decent/Affordable Housing</p> <p>Objective No. 1 Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing</p> <p>Strategy No. 2 Provide Funding through the HOME Program for Affordable Housing</p> <p>Measure Type: EF</p> <p>Measure No. 4 Average Annual Amount Per Household of Tenant-based Rental Assistance</p>	<p>Definitions: A measure that tracks the average amount of <u>HOME funds expended per household in support of Tenant Based Rental Assistance (TBRA) during awarded provided with HOME funds</u> in the State Fiscal Year.</p> <p>Data Limitations: No limitations Refunds are often applied after the activity is closed.</p> <p>Data Source: The numbers and amounts of the loans are amounts of funds expended for each activity is tracked by the HOME division. Data is entered verified by staff and maintained in the agency’s computer system.</p> <p>Methodology: The total dollar amount of tenant based rental assistance provided with HOME funds expended during the State Fiscal Year for Tenant Based Rental Assistance (TBRA) will be summed and divided by the number of households assisted through tenant based rental assistance utilizing HOME funds.</p> <p>Purpose: This measure identifies the <u>average annual cost assistance</u> associated with <u>tenant based rental assistance</u> utilizing <u>Tenant Based Rental Assistance (TBRA) HOME funds</u>.</p> <p>Calculation Method: N New Measure: N Target Attainment: L</p>	<p>Update language to reflect more accurately assistance provided and methodology used. The requested changes do not alter how the measure is calculated</p>			
<p>Goal No. 1 Increase</p>	<p>Definitions:</p>	<p>Clarifying language only.</p>			

Element	Requested Change(s)	Justification for Requested Change(s)	LBB AND/OR OOG APPROVED CHANGE	LBB / OOG COMMENTS	STATUS
<p>Availability of Safe/Decent/Affordable Housing Objective No. 1 Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing Strategy No. 2 Provide Funding through the HOME Program for Affordable Housing Measure Type: EF Measure No. 5 Average HOME, TCAP RF, <u>National HTF</u>, or Other Funds Amount Per Household MF Develop</p>	<p>A measure that tracks the average amount of loans and grants per low income unit awarded using multifamily HOME, multifamily (MF) Tax Credit Assistance Program Repayment Fund ("TCAP RF"), or other multifamily direct loan funds. Direct loans do not include loans funded through multifamily mortgage revenue bond proceeds, including Private Activity Bond proceeds. Data Limitations: No limitations. Data Source: The numbers and amounts of the multifamily loans/grants are tracked by the Multifamily Finance division. Data is entered by staff and maintained in the agency's computer system. Direct loans do not include loans funded through multifamily mortgage revenue bond proceeds, including private activity bonds. Some multifamily direct loan funds may be layered with other TDHCA funding such as bonds or HTC. Methodology: This figure will be calculated by dividing the amount of multifamily HOME, multifamily TCAP RF, or other multifamily direct loan funds awarded <u>utilized</u> by the corresponding number of restricted units to be developed, through new construction or rehabilitation. <u>Performance is tracked at the time of cost-certification for developments layered with tax credits. Non-layered developments are tracked at the final draw.</u> Direct loan funds may include National Housing Trust Funds or other Federal or State funds that are programmed for multifamily development activity. (The preponderance of TCAP RF will likely be programmed for multifamily activity; the preponderance of National Housing Trust Fund is restricted to multifamily activities.) Purpose: This measure identifies the loan/grant amount associated with developing housing units and measures the Efficiency of utilizing multifamily HOME, multifamily TCAP RF, or other multifamily direct loan funds.</p>				

Element	Requested Change(s)	Justification for Requested Change(s)	LBB AND/OR OOG APPROVED CHANGE	LBB / OOG COMMENTS	STATUS
<p>Goal No. 1 Increase Availability of Safe/Decent/Affordable Housing Objective No. 1 Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing Strategy No. 2 Provide Funding through the HOME Program for Affordable Housing Measure Type: EX Measure No. 1 # of Households Asst. through S.F. Development Activities</p>	<p>Calculation Method: N New Measure: N Target Attainment: L</p> <p>Definitions: A measure that tracks the number of households awarded HOME funds provided in support of Ssingle Ffamily Ddevelopment (SFD) activities, including <u>acquisition and new construction, acquisition, and/or rehabilitation of affordable housing for purchase by low income households.</u></p> <p>Data Limitations: No limitations</p> <p>Data Source: The number of households is tracked by the HOME division. Data is entered <u>verified</u> by staff and maintained in the agency's computer system.</p> <p>Methodology: The number will be a count of households awarded HOME funds provided in support of <u>sum of units developed through Ssingle Ffamily Ddevelopment (SFD) awards of HOME funds for the development of affordable housing for purchase by low income households will be exported from activities, including new construction, acquisition, and/or rehabilitation. Performance is measured when</u> loans are closed or the activity is closed in the Agency's Housing Contract System.</p> <p>Purpose: To track the number of households assisted utilizing HOME funds provided in support of single family development and redevelopment activities, including new construction, acquisition, and/or rehabilitation. <u>This measure identifies the total number of units developed through Single Family Development (SFD) awards of HOME funds.</u></p> <p>Calculation Method: N New Measure: N Target Attainment: H</p>	<p>Update language to reflect more accurately assistance provided and methodology used. The requested changes do not alter how the measure is calculated</p>			
<p>Goal No. 1 Increase Availability of Safe/Decent/Affordable Housing Objective No. 1 Make</p>	<p>Definitions: A measure that tracks the number of households assisted through single family awarded HOME funds provided in support of for rehabilitation, new construction,</p>	<p>Update language to reflect more accurately assistance provided and methodology used. The requested changes</p>			

Element	Requested Change(s)	Justification for Requested Change(s)	LBB AND/OR OOG APPROVED CHANGE	LBB / OOG COMMENTS	STATUS
<p>Loans/Grants/Incentives to Fund/Develop/Preserve Housing Strategy No. 2 Provide Funding through the HOME Program for Affordable Housing Measure Type: EX Measure No. 2 # of Households Asst through S.F. Rehab, New Const, or Reconst Act</p>	<p>or reconstruction utilizing single family HOME Homeowner Rehabilitation Assistance (HRA) funds. activities, including new construction, reconstruction or rehabilitation of owner-occupied homes. Data Limitations: No limitations Data Source: The number of households is tracked by the HOME division. Data is entered <u>verified</u> by staff and maintained in the agency's computer system. Methodology: The number will be a count <u>sum of households units developed assisted through HOME-Homeowner Rehabilitation Assistance (HRA) awards of HOME funds for rehabilitation, new construction, or reconstruction of owner-occupied housing. Performance is measured when loans are closed or the activity is closed the new construction, reconstruction or rehabilitation of affordable housing for homeownership-owner-occupied homes will be exported from in</u> the Agency's Housing Contract System. Purpose: To track the number of households awarded through HOME funds for new construction, rehabilitation or reconstruction utilizing single family Homeowner Rehabilitation Assistance (HRA) HOME funds. Please note that "new construction" under this category refers to the rebuilding of a home at an alternative site as might occur for disaster relief or flood plain issues. This measure identifies the total number of units developed through Homeowner Rehabilitation Assistance (HRA) awards of HOME funds.</p> <p>Calculation Method: N New Measure: N Target Attainment: H</p>	<p>do not alter how the measure is calculated</p>			
<p>Goal No. 1 Increase Availability of Safe/Decent/Affordable Housing Objective No. 1 Make Loans/Grants/Incentives to Fund/Develop/Preserve</p>	<p>Definitions: A measure that tracks the number of households assisted through single family <u>awarded HOME funds for mortgage financing and homebuyer assistance provided in support of Homebuyer Assistance (HBA) activities,</u> including mortgage financing and homebuyer assistance</p>	<p>Update language to reflect more accurately assistance provided and methodology used. The requested changes do not alter how the measure is calculated.</p>			

Element	Requested Change(s)	Justification for Requested Change(s)	LBB AND/OR OOG APPROVED CHANGE	LBB / OOG COMMENTS	STATUS
<p>Housing Strategy No. 2 Provide Funding through the HOME Program for Affordable Housing Measure Type: EX Measure No. 3 # of Household Asst through Homebuyer & Homebuyer/Home Rehab Asst</p>	<p>provided in conjunction with home modification <u>for accessibility needs or rehabilitation of affordable housing for homeownership.</u> Data Limitations: No limitations Data Source: The number of households is tracked by the <u>HOME</u> division. Data is entered <u>verified</u> by staff and maintained in the agency's computer system. Methodology: The number will be a count of households assisted through HOME funds for mortgage financing and homebuyer assistance, including households receiving home modification or rehabilitation with these. Performance is measured when loans are closed or the activity is closed <u>sum of households assisted through Homebuyer Assistance (HBA) awards of HOME funds for the acquisition of affordable housing will be exported from the Agency's Housing Contract System.</u> Purpose: This measure identifies the total number of households <u>assisted through Homebuyer Assistance (HBA) awards of HOME funds.</u> To track the number of households assisted through HOME funds for mortgage financing and homebuyer assistance, including mortgage financing and homebuyer assistance provided in conjunction with home modification or rehabilitation Calculation Method: N New Measure: N Target Attainment: H.</p>				
<p>Goal No. 1 Increase Availability of Safe/Decent/Affordable Housing Objective No. 1 Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing Strategy No. 2 Provide Funding through the HOME Program for Affordable Housing Measure Type: EX</p>	<p>Definitions: A measure that tracks the number of households assisted through <u>awarded HOME funds provided in support of Tenant Based Rental Assistance (TBRA) activities, including rental assistance activities during</u> in the State Fiscal Year. Data Limitations: No limitations Data Source: The number of households is tracked by the <u>HOME</u> division. Data is entered <u>verified</u> by staff and maintained in</p>	<p>Update language to reflect more accurately assistance provided and methodology used. The requested changes do not alter how the measure is calculated</p>			

Element	Requested Change(s)	Justification for Requested Change(s)	LBB AND/OR OOG APPROVED CHANGE	LBB / OOG COMMENTS	STATUS
<p>Measure No. 4 Number of Households Assisted through Tenant-based Rental Assistance <u>Annually</u></p>	<p>the agency's computer system.</p> <p>Methodology: The performance figure reported for the first quarter represents the total number of households receiving <u>Tenant Based Rental Assistance (TBRA)</u> as of September 1 plus new households between September 1st and November 30th. Subsequent quarters report only new households served for the reporting period.</p> <p>Purpose: To track the <u>This measure identifies the total number of households assisted through with HOME Tenant Based Rental Assistance (TBRA) within the State Fiscal Year.</u></p> <p>Calculation Method: N New Measure: N Target Attainment: H</p>				
<p>Goal No. 1 Increase Availability of Safe/Decent/Affordable Housing</p> <p>Objective No. 1 Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing</p> <p>Strategy No. 2 Provide Funding through the HOME Program for Affordable Housing</p> <p>Measure Type: EX</p> <p>Measure No. 5 Number of Households Assisted through HOME Multifamily Activities</p>	<p>Definitions: A measure that tracks the number of households assisted as reflected by the number of units developed with multifamily HOME funds.</p> <p>Data Limitations: No limitations.</p> <p>Data Source: The number of units is tracked by the Multifamily Finance division. Data is entered by staff and maintained in the agency's computer system.</p> <p>Methodology: This measure will be calculated as the sum of all restricted units awarded <u>utilized</u> multifamily HOME funds for rental development. Numbers may reflect units receiving both HOME funds and tax credits; in these instances units are counted separately for each program. Performance is tracked at the time of cost-certification for developments layered with tax credits. Non-layered developments are tracked at the final draw.</p>	<p>Clarifying wording.</p>			

Element	Requested Change(s)	Justification for Requested Change(s)	LBB AND/OR OOG APPROVED CHANGE	LBB / OOG COMMENTS	STATUS
	<p>Purpose: To track the amount of multifamily units assisted as reflected by the units developed with MF Home funds.</p> <p>Calculation Method: N New Measure: N Target Attainment: H</p>				
<p>Goal No. 1 Increase Availability of Safe/Decent/Affordable Housing Objective No. 1 Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing Strategy No. 2 Provide Funding through the HOME Program for Affordable Housing Measure Type: EX Measure No. 6 # Households Assisted thru TCAP RF, National HTF, and Other MF Direct Loan Activities</p>	<p>Definitions: A measure that tracks the number of households assisted as reflected by the number of units developed with multifamily Tax Credit Assistance Program Repayment Fund ("TCAP RF") funds or other multifamily direct loan funds exclusive of HOME multifamily direct loans. Direct loans do not include loans funded through multifamily mortgage revenue bond proceeds, including Private Activity Bond proceeds. Data Limitations: No limitations. Data Source: The number of units is tracked by the Multifamily Finance division. Data is entered by staff and maintained in the agency's computer system. Methodology: This measure will be calculated as the sum of all restricted units awarded multifamily TCAP RF or other Federal or State direct loan funds programmed for rental development. (The preponderance of TCAP RF will likely be programmed for multifamily activity; the preponderance of National Housing Trust Fund is restricted to multifamily activities.) Direct loans do not include loans funded through multifamily mortgage revenue bond proceeds, including Private Activity Bonds. Numbers may reflect units receiving both direct loan funds and tax credits; in these instances units are counted separately for each program. Performance is tracked at the time of cost-certification for developments layered with tax credits. Non-layered developments are tracked at the final draw. Purpose: To track the amount of multifamily units assisted utilizing multifamily TCAP RF or other multifamily direct loan funds not funded through the HOME Program.</p>	<p>Clarifying language in measure name.</p>			

Element	Requested Change(s)	Justification for Requested Change(s)	LBB AND/OR OOG APPROVED CHANGE	LBB / OOG COMMENTS	STATUS
	Calculation Method: N New Measure: N Target Attainment: H				
<p>Goal No. 1 Increase Availability of Safe/Decent/Affordable Housing</p> <p>Objective No. 1 Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing</p> <p>Strategy No. 2 Provide Funding through the HOME Program for Affordable Housing</p> <p>Measure Type: OP</p> <p>Measure No. 1 Number of Households Assisted with Single Family HOME Funds</p>	<p>Definitions: A measure that tracks the number of households assisted through single family HOME funds.</p> <p>Data Limitations: No limitations</p> <p>Data Source: The number of households is tracked by the HOME division. Data is entered <u>verified</u> by staff and maintained in the agency's computer system.</p> <p>Methodology: The number will be a count <u>Sum of the total number of households assisted through single family HOME funds. With the exception of Tenant-Based Rental Assistance, performance is measured when loans are closed or the activity (which reflects assistance to specific households) is closed in the Agency's Housing Contract System. For Tenant-Based Rental Assistance, consistent with the methodology in 1.1.2 EX 4, the measure would capture households served during the State Fiscal Year.</u></p> <p>Purpose: To track the amount <u>number</u> of households assisted through single family HOME funds.</p> <p>Calculation Method: C New Measure: N Target Attainment: H</p>	Update language to reflect more accurately assistance provided and methodology used. The requested changes do not alter how the measure is calculated.			
<p>Goal No. 1 Increase Availability of Safe/Decent/Affordable Housing</p> <p>Objective No. 1 Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing</p> <p>Strategy No. 2 Provide Funding through the HOME Program for Affordable Housing</p> <p>Measure Type: OP</p> <p>Measure No. 2 # HHS <u>HHs</u></p>	<p>Definitions: A measure that tracks the number of households assisted as reflected by the number of units developed with multifamily HOME, multifamily Tax Credit Assistance Program Repayment Fund ("TCAP RF"), or other multifamily direct loan funds. Direct loans do not include loans funded through multifamily mortgage revenue bond proceeds, including Private Activity Bond proceeds.</p> <p>Data Limitations: No limitations.</p> <p>Data Source:</p>	Clarifying language in measure name.			

Element	Requested Change(s)	Justification for Requested Change(s)	LBB AND/OR OOG APPROVED CHANGE	LBB / OOG COMMENTS	STATUS
Ass. W/ Multifamily HOME, (TCAP) RF, <u>National HTF</u> , Other MF Direct Loan Funds	<p>The number of households is tracked by the Multifamily Finance division. Data is entered by staff and maintained in the agency's computer system.</p> <p>Methodology: This measure will be calculated as the sum of all restricted units awarded multifamily HOME, MF Tax Credit Assistance Program Repayment Fund ("TCAP RF"), or other multifamily direct loan funds for rental development, inclusive of units layered with tax credits. Direct loan funds may include multifamily National Housing Trust Funds or other Federal or State funds programmed for multifamily development activity. (The preponderance of TCAP RF will likely be programmed for multifamily activity; the preponderance of National Housing Trust Fund is restricted to multifamily activities.) Direct loans do not include loans funded through MF mortgage revenue bond proceeds, including Private Activity Bond proceeds. Performance is tracked at the time of cost-certification for developments layered with tax credits. Non-layered developments are tracked at the final draw. In addition to being layered with tax credits, some MF direct loan funds may be layered with other TDHCA funding such as bonds.</p> <p>Purpose: To track the amount of multifamily units assisted utilizing HOME, TCAP RF, or other multifamily direct loan funds</p> <p>Calculation Method: C New Measure: N Target Attainment: H</p>				
<p>Goal No. 1 Increase Availability of Safe/Decent/Affordable Housing</p> <p>Objective No. 1 Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing</p> <p>Strategy No. 3 Provide Funding Loans through the HTF for Affordable Housing Texas Bootstrap Program</p>	<p>Definitions: A measure that tracks the average amount per unit of loans/grants for the single family owner-builder (Bootstrap) program utilizing the Housing Trust Fund.</p> <p>Data Limitations: No limitations</p> <p>Data Source: The numbers and amounts of the loans/grants are tracked by the division. Data is entered by staff and maintained in the agency's computer system.</p> <p>Methodology:</p>	Clarification of methodology and change of measure title			

Element	Requested Change(s)	Justification for Requested Change(s)	LBB AND/OR OOG APPROVED CHANGE	LBB / OOG COMMENTS	STATUS
<p>("TBP")- HTF Measure Type: EF Measure No. 1 Average Amount Per Household for Single Family Bootstrap Texas Bootstrap-HTF</p>	<p>The total dollar amount of Bootstrap loans/grants utilizing the Housing Trust Fund will be summed and divided by the number of households assisted through the Bootstrap Program utilizing the Housing Trust Fund. Performance is measured when loans are funded by Accounting. <u>Methodology excludes sub-grantee administrative funds.</u> Purpose: This measure identifies the average loan amount associated with the single family owner-builder (Bootstrap) program utilizing the Housing Trust Fund. Calculation Method: N New Measure: N Target Attainment: L</p>				
<p>Goal No. 1 Increase Availability of Safe/Decent/Affordable Housing Objective No. 1 Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing Strategy No. 3 Provide Funding Loans through the HTF for Affordable Housing Texas Bootstrap Program ("TBP")- HTF Measure Type: EX-OP Measure No. 1 Number of Households Assisted through Texas Bootstrap-HTF Single Family Bootstrap</p>	<p>Definitions: A measure that tracks the number of households assisted through the single family owner-builder (Bootstrap) program utilizing the Housing Trust Fund. Data Limitations: No limitations Data Source: The number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system. Methodology: The number will be a count of households assisted through the single family owner-builder (Bootstrap) program utilizing the Housing Trust Fund. Performance is measured when loans/grants are funded by Accounting. Purpose: To track the number of households assisted through the single family owner-builder (Bootstrap) program utilizing the Housing Trust Fund. Calculation Method: CN New Measure: N Target Attainment: H</p>	<p>Changing the explanatory measure to output measure and changing measure title. Measure will remain in 1-1-3 under new strategy name.</p>			
<p>Goal No. 1 Increase Availability of Safe/Decent/Affordable Housing Objective No. 1 Make Loans/Grants/Incentives to</p>	<p>Definitions: A measure that tracks the average amount per unit of loans/grants for single family non-owner-builder (non-Bootstrap) the Amy Young Barrier Removal ("AYBR") program utilizing the Housing Trust Fund.</p>	<p>The language of the measure is being changed to specify the AYBR Program and the measure itself is being moved to the new AYBR-HTF</p>			

Element	Requested Change(s)	Justification for Requested Change(s)	LBB AND/OR OOG APPROVED CHANGE	LBB / OOG COMMENTS	STATUS
<p>Fund/Develop/Preserve Housing Strategy No. 3-4 Provide Funding through the HTF for Affordable Housing <u>Amy Young Barrier Removal ("AYBR") - HTF</u> Measure Type: EF Measure No. 2-1 Average Amount Per Household for Single Family Non-Bootstrap AYBR-HTF</p>	<p>Data Limitations: No limitations Data Source: The numbers and amounts of AYBR the loans/grants are tracked by the division. Data is entered by staff and maintained in the agency's computer system. Methodology: The total dollar amount of non-Bootstrap single family AYBR loans/grants utilizing the Housing Trust Fund will be summed and divided by the number of non-Bootstrap single family AYBR households assisted utilizing the Housing Trust Fund. Performance is measured when loans/grants are funded by Accounting. Purpose: This measure identifies the average assistance amount associated with the AYBR program utilizing the Housing Trust Fund. Calculation Method: N New Measure: N Target Attainment: :L</p>	<p>strategy.</p>			
<p>Goal No. 1 Increase Availability of Safe/Decent/Affordable Housing Objective No. 1 Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing Strategy No. 3-4 Provide Funding through the HTF for Affordable Housing <u>Amy Young Barrier Removal ("AYBR") - HTF</u> Measure Type: EX-OP Measure No. 2-1 Number of Households Assisted through Single Family Non-Bootstrap AYBR-HTF</p>	<p>Definitions: A measure that tracks the number of households assisted through the <u>Amy Young Barrier Removal ("AYBR")</u> single family non owner-builder (non-Bootstrap) program utilizing the Housing Trust Fund. Data Limitations: No limitations Data Source: The number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system. Methodology: The number will be a count of households assisted through the single family non owner-builder (non-Bootstrap) AYBR program utilizing the Housing Trust Fund. Performance is measured when loans/grants are funded by Accounting Purpose: To track the number of households assisted through the single family non owner-builder (non-Bootstrap) AYBR program utilizing the Housing Trust Fund.</p>	<p>The language of the measure is being changed to specify the AYBR Program and the measure itself is being moved to the new AYBR-HTF strategy.</p>			

Element	Requested Change(s)	Justification for Requested Change(s)	LBB AND/OR OOG APPROVED CHANGE	LBB / OOG COMMENTS	STATUS
	Calculation Method: N <u>C</u> New Measure: N Target Attainment: H				
<p>Goal No. 1 Increase Availability of Safe/Decent/Affordable Housing</p> <p>Objective No. 1 Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing</p> <p>Strategy No. 3 Provide Funding through the HTF for Affordable Housing</p> <p>Measure Type: OP</p> <p>Measure No. 1 Number of Single Family Households Assisted through the HTF Program</p>	<p>Definitions: – A measure that tracks the number of single family households assisted through the HTF program.</p> <p>Data Limitations: – No limitations</p> <p>Data Source: – The number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system.</p> <p>Methodology: – The number will be a count of households assisted through HTF funds. Performance is measured when loans/grants are funded by Accounting.</p> <p>Purpose: – To track the amount of households assisted through single family HTF funds.</p> <p>Calculation Method: c <u>c</u> New Measure: N Target Attainment: H</p>	There will not be a rollup output measure that sums the households served by Amy Young and Bootstrap together as each will have its own strategy.			
<p>Goal No. 1 Increase Availability of Safe/Decent/Affordable Housing</p> <p>Objective No. 1 Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing</p> <p>Strategy No. 5 4–Federal Rental Assistance through Section 8 Vouchers</p> <p>Measure Type: OP</p> <p>Measure No. 1 Total # of HHS <u>HHS</u> Assisted thru Statewide Housing Asst. Payments Program</p>	<p>Definitions: The total number of very low income households receiving rent supplements through the Section 8 Housing Choice Voucher program during the current state fiscal year</p> <p>Data Limitations: No limitations</p> <p>Data Source: The number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system <u>record for the program.</u></p> <p>Methodology: Total households will be based on total active contracts during the fiscal year. The performance figure reported for the first quarter will represent the total number of households receiving Section 8 assistance as of September 1, <u>plus new contracts executed throughout the quarter.</u> Subsequent quarters will report only new contracts executed for the reporting period. This will include households served through Project Access. <u>It will</u></p>	The requested change would provide a more accurate representation of assistance provided. Through the Project Access Program, persons with disabilities living in institutional settings can use a TDHCA Section 8 voucher to live independently. The vouchers are eventually absorbed by the local Public Housing Authority (“PHA”). Sometimes the voucher is absorbed before TDHCA executes a contract. These households would not			

Element	Requested Change(s)	Justification for Requested Change(s)	LBB AND/OR OOG APPROVED CHANGE	LBB / OOG COMMENTS	STATUS
	<p><u>also include households issued vouchers through the Project Access system that were absorbed by PHAs prior to TDHCA executing a contract. These households would not have been absorbed if not for having been able to access a Project Access voucher.</u></p> <p>Purpose: To track the number of households assisted through Section 8 tenant based rental assistance during the fiscal year.</p> <p>Calculation Method: C New Measure: N Target Attainment: H</p>	<p>have been absorbed if not for having a Project Access voucher. Also, while the vouchers are being utilized for this transitory purpose, the voucher cannot be used for another beneficiary.</p>			
<p>Goal No. 1 Increase Availability of Safe/Decent/Affordable Housing Objective No. 1 Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing Strategy No. 5-4 Federal Rental Assistance through Section 8 Vouchers Measure Type: OP Measure No. 2 # of Section 8 Households Participating in Project Access Program</p>	<p>Definitions: The total number of very low income persons with disabilities transitioning from institutions into community based housing that participate in the Project Access Program.</p> <p>Data Limitations: No limitations.</p> <p>Data Source: The number of households is tracked by the division. Data is entered by staff and agency's system maintained in the agency's computer system <u>record for the program.</u></p> <p>Methodology: Total households served through Project Access will be based on active Project Access contracts during the state fiscal year. The performance figure reported for the first quarter will represent the number of households receiving Project Access assistance as of September 1, <u>plus new contracts executed throughout the quarter.</u> Subsequent quarters will report only new contracts executed for the fiscal year. These households are a subset of the households reported in Output Measure 1. <u>It will also include households issued vouchers through the Project Access system that were absorbed by PHAs prior to the TDHCA executing a contract. These households would not have been absorbed if not for having a Project Access voucher.</u></p> <p>Purpose: To track the amount of persons with disabilities transitioning from institutions into community based housing through the Project Access Program.</p>	<p>The requested change would provide a more accurate representation of assistance provided. Through the Project Access Program, persons with disabilities living in institutional settings can use a TDHCA Section 8 voucher to live independently. The vouchers are eventually absorbed by the local Public Housing Authority ("PHA"). Sometimes the voucher is absorbed before TDHCA executes a contract. These households would not have been absorbed if not for having a Project Access voucher. Also, while the vouchers are being utilized for this transitory purpose, the voucher cannot be used for another beneficiary.</p>			

Element	Requested Change(s)	Justification for Requested Change(s)	LBB AND/OR OOG APPROVED CHANGE	LBB / OOG COMMENTS	STATUS
	Calculation Method: C New Measure: N Target Attainment: H				
<p>Goal No. 1 Increase Availability of Safe/Decent/Affordable Housing</p> <p>Objective No. 1 Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing</p> <p>Strategy No. 65 Assistance Through Federal Sec 811 Project Rental Assistance Program</p> <p>Measure Type: OP</p> <p>Measure No. 1 Number of Households Assisted through Section 811 PRA Program</p>	<p>Definitions: The number of extremely low income households receiving Project Rental Assistance through the Section 811 Project Rental Assistance program during the current state fiscal year.</p> <p>Data Limitations: no limitations</p> <p>Data Source: The number of households is tracked by the department. Data is entered by staff and maintained in the agency's <u>Compliance Monitoring Tracking System, computer system.</u></p> <p>Methodology: The number will be based on the number of households who have signed leases assisted through the Section 811 Project Rental Assistance during the fiscal year. The performance figure reported for the first quarter will represent the total number of households receiving Section 811 Project Rental Assistance as of September 1 <u>plus new leases throughout the quarter.</u> Subsequent quarters will report only new leases signed for the reporting period.</p> <p>Purpose: To track the amount of households assisted through Section 811 Project Rental Assistance.</p> <p>Calculation Method: C New Measure: N Target Attainment: H</p>	Language more accurately reflects data source and corrects methodology.			
<p>Goal No. 1 Increase Availability of Safe/Decent/Affordable Housing</p> <p>Objective No. 1 Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing</p> <p>Strategy No. 67 Provide Federal Tax Credits to Develop Rental Housing for VLI and LI</p> <p>Measure Type: EF</p>	<p>Definitions: A measure that tracks the average amount of annual credits per low income unit of new construction utilizing the Housing Tax Credit program.</p> <p>Data Limitations: Federal regulations establish the amount and value of tax credits available. <u>Average amount per household is based on reported figures initially submitted by property owners during cost-certification; does not reflect final cost determination by TDHCA which may not be resolved for an extended period after the initial submission.</u></p>	Clarifying data source and limitation.			

Element	Requested Change(s)	Justification for Requested Change(s)	LBB AND/OR OOG APPROVED CHANGE	LBB / OOG COMMENTS	STATUS
<p>Measure No. 1 Avg Annual Tax Credits Amount Per Household for New Construction</p>	<p>Data Source: The number of low income units and amount of credits for new construction is based on cost certification <u>data provided reported</u> by the project owners and tracked by the Asset Management division. Data is entered by staff and maintained in the agency's computer system.</p> <p>Methodology: This figure will be calculated by dividing the total annual amount of tax credit associated with new constructions divided by the number of restricted new construction units. This calculation will include both 9% and 4% Housing Tax Credit awards based on cost certification <u>data provided reported</u> by project owners.</p> <p>Purpose: This measure identifies the subsidy associated with developing affordable housing units and measures the efficiency of allocating tax credits.</p> <p>Calculation Method: N New Measure: N Target Attainment: L</p>				
<p>Goal No. 1 Increase Availability of Safe/Decent/Affordable Housing Objective No. 1 Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing Strategy No. 67 Provide Federal Tax Credits to Develop Rental Housing for VLI and LI Measure Type: EF Measure No. 2 Average Total Development Costs per Household for New Construction</p>	<p>Definitions: A measure that tracks the average total development costs per unit of new construction utilizing the Housing Tax Credit program.</p> <p>Data Limitations: No Limitations. <u>Information is based on reported figures initially submitted by property owners during cost-certification; does not reflect final cost determination by TDHCA which may not be resolved for an extended period after the initial submission</u></p> <p>Data Source: The total number of units in the development and total development costs for new construction is based on cost certification <u>data provided reported</u> by the project owners and tracked by the Asset Management division. Data is entered by staff and maintained in the agency's computer system.</p> <p>Methodology: This figure is calculated by dividing the sum of total development costs by the number of newly constructed units. This calculation includes both 9% and 4% Housing Tax Credit awards and will be considered at the time of</p>	<p>Clarifying data source and limitations.</p>			

Element	Requested Change(s)	Justification for Requested Change(s)	LBB AND/OR OOG APPROVED CHANGE	LBB / OOG COMMENTS	STATUS
	cost-certification. Purpose: This measure identifies the total development costs associated with developing affordable housing units. Although useful to track, this measure is not entirely within the Department’s control. Calculation Method: N New Measure: N Target Attainment: L				
Goal No. 1 Increase Availability of Safe/Decent/Affordable Housing Objective No. 1 Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing Strategy No. 67 Provide Federal Tax Credits to Develop Rental Housing for VLI and LI Measure Type: EF Measure No. 3 Average Annual Tax Credits Amount Per Household for Acqu/Rehab	Definitions: A measure that tracks the average amount of annual credits per rehabilitated and acquired low income unit utilizing Housing Tax Credits. Data Limitations: Federal regulations establish the amount and value of tax credits available. <u>Average amount per household is based on reported figures initially submitted by property owners during cost-certification; does not reflect final cost determination by TDHCA which may not be resolved for an extended period after the initial submission.</u> Data Source: The number of low income units and amount of credits for rehabilitation and acquisition is based on cost certification <u>data provided reported</u> by the project owners and tracked by the Asset Management division. Data is entered by staff and maintained in the agency’s computer system. Methodology: This figure will be calculated by dividing the total annual tax credits awarded by the number of restricted units acquired/rehabilitated. This calculation will include both 9% and 4% Housing Tax Credit awards and will be considered at the time of cost certification. Purpose: This measure identifies the subsidy associated with rehabilitating and acquiring affordable housing and measures the efficiency of allocating tax credits. Calculation Method: N New Measure: N Target Attainment: L	Clarifying data source and limitations.			
Goal No. 1 Increase	Definitions:	Clarifying data source and			

Element	Requested Change(s)	Justification for Requested Change(s)	LBB AND/OR OOG APPROVED CHANGE	LBB / OOG COMMENTS	STATUS
<p>Availability of Safe/Decent/Affordable Housing Objective No. 1 Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing Strategy No. 67 Provide Federal Tax Credits to Develop Rental Housing for VLI and LI Measure Type: EF Measure No. 4 Average Total Development Costs Per Household for Acquisition/Rehab</p>	<p>A measure that tracks the average total development costs per rehabilitated and acquired unit utilizing Housing Tax Credits. Data Limitations: Information is based on confirmed <u>reported</u> figures initially submitted by property owners during cost-certification; <u>does not affect final determination by TDHCA which may not be resolved for an extended period after the initial submission</u> Data Source: The total development costs and the total number of units in the development is based on cost certification <u>data reported</u> provided by the project owners and tracked by the Asset Management division. Data is entered by staff and maintained in the agency's computer system. Methodology: This figure will be calculated by dividing the sum of total development costs by the number of units acquired and/or rehabilitated. This calculation includes both 9% and 4% Housing Tax Credit awards and will be considered at the time of cost-certification. Purpose: This measure identifies the average total development costs associated with acquiring and rehabilitating affordable housing. Calculation Method: N New Measure: N Target Attainment: L</p>	<p>limitations.</p>			
<p>Goal No. 1 Increase Availability of Safe/Decent/Affordable Housing Objective No. 1 Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing Strategy No. 67 Provide Federal Tax Credits to Develop Rental Housing for VLI and LI Measure Type: EX Measure No. 1 Number of</p>	<p>Definitions: A measure that tracks the number of households assisted as reflected by the low income new construction units through the Housing Tax Credit program. Data Limitations: No limitations Federal regulations establish the amount and value of tax credits available Data Source: The number of units is based on cost certification <u>data provided</u> reported by the project owners and tracked by the Asset Management division. Data is entered by staff and maintained in the agency's computer system. Methodology: This figure is the sum of all units newly constructed rent-restricted units. This calculation</p>	<p>Clarifying data source, limitations and methodology.</p>			

Element	Requested Change(s)	Justification for Requested Change(s)	LBB AND/OR OOG APPROVED CHANGE	LBB / OOG COMMENTS	STATUS
Households Assisted through New Construction Activities	<p>will include both 9% and 4% Housing Tax Credits and will be considered at the time of cost-certification. While the households assisted for HTC, bonds and direct loan activities are counted separately, these funding sources are sometimes layered and therefore Units and households assisted may receive assistance from different programs.</p> <p>Purpose: To track the number of new construction units assisted through the Housing Tax Credit program.</p> <p>Calculation Method: N New Measure: N Target Attainment: H</p>				
<p>Goal No. 1 Increase Availability of Safe/Decent/Affordable Housing</p> <p>Objective No. 1 Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing</p> <p>Strategy No. 67 Provide Federal Tax Credits to Develop Rental Housing for VLI and LI</p> <p>Measure Type: EX</p> <p>Measure No. 2 Number of Households Assisted through Acqu/Rehab Activities</p>	<p>Definitions: A measure that tracks the number of households assisted as reflected by the low income acquisition/rehabilitation units assisted through the Housing Tax Credit program</p> <p>Data Limitations: Federal regulations establish the amount and value of tax credits available No limitations</p> <p>Data Source: The number of units is based on cost certification data provided reported by the project owners and tracked by the Asset Management division. Data is entered by staff and maintained in the agency’s computer system.</p> <p>Methodology: This figure is the sum of all units acquired and rehabilitated rent-restricted units. This calculation will include both 9% and 4% Housing Tax Credits and will be considered at the time of cost-certification. While the households assisted for HTC, bonds and direct loan activities are counted separately, these funding sources are sometimes layered and therefore Units and households assisted may receive assistance from different programs.</p> <p>Purpose: To track the number of acquisition/rehabilitation units assisted through the Housing Tax Credit</p> <p>Calculation Method: N New Measure: N</p>	Clarifying data source, limitations and methodology.			

Element	Requested Change(s)	Justification for Requested Change(s)	LBB AND/OR OOG APPROVED CHANGE	LBB / OOG COMMENTS	STATUS
	Target Attainment: H				
<p>Goal No. 1 Increase Availability of Safe/Decent/Affordable Housing Objective No. 1 Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing Strategy No. 67 Provide Federal Tax Credits to Develop Rental Housing for VLI and LI Measure Type: OP Measure No. 1 Number of Households Assisted through the Housing Tax Credit Program</p>	<p>Definitions: A measure that tracks the households assisted as reflected by the number of low income units financed through the multifamily division utilizing Housing Tax Credits. Data Limitations: No limitations Data Source: The number of units is tracked by the Asset Management division. Data is based on cost certification <u>data reported provided</u> by the project owners and entered by staff and maintained in the agency's computer system. Methodology: This figure is the sum of all restricted units newly constructed or acquired/rehabilitated. This calculation will include both 9% and 4% Housing Tax Credits and will be considered at the time of cost-certification. While the households assisted for HTC, bonds and direct loan activities are counted separately, these funding sources are sometimes layered and therefore <u>units</u> units and households assisted may receive assistance from different programs. Purpose: To track the total amount of multifamily units assisted utilizing the Housing Tax Credit program. Calculation Method: C New Measure: N Target Attainment: H</p>	Clarifying data source and methodology			
<p>Goal No. 1 Increase Availability of Safe/Decent/Affordable Housing Objective No. 1 Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing Strategy No. 78 Federal Mortgage Loans through the MF Mortgage Revenue Bond Program</p>	<p>Definitions: A measure that tracks the average amount of bond proceeds per low income unit of Mortgage Revenue Bond (MRB) new multifamily construction. Data Limitations: No limitations <u>Information is based on reported figures submitted by property owners during cost-certification.</u> Data Source: The number of low income units and amount of bonds for new construction is based on cost certification <u>data provided reported</u> by the project owners and tracked</p>	Clarifying data source and limitations.			

Element	Requested Change(s)	Justification for Requested Change(s)	LBB AND/OR OOG APPROVED CHANGE	LBB / OOG COMMENTS	STATUS
<p>Measure Type: EF Measure No. 1 Average Amount of Bond Proceeds Per Household for New Construction</p>	<p>by the division. Data is entered by staff and maintained in the agency's computer system. Methodology: This figure will be calculated by dividing the total value of mortgage revenue bonds at cost-certification by the number of units newly constructed. Purpose: This measure identifies the average amount of bonds associated with developing affordable housing and measures the Efficiency of awarding multifamily MRB funds. Although useful to track, this measure is not entirely within the Department's control.</p> <p>Calculation Method: N New Measure: N Target Attainment: L</p>				
<p>Goal No. 1 Increase Availability of Safe/Decent/Affordable Housing Objective No. 1 Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing Strategy No. 78 Federal Mortgage Loans through the MF Mortgage Revenue Bond Program Measure Type: EF Measure No. 2 Average Total Development Costs Per Household for New Construction</p>	<p>Definitions: A measure that tracks the average total development costs per unit of Mortgage Revenue Bond (MRB) new multifamily construction. Data Limitations: Information is based on information submitted by developers during cost-certification- reported figures <u>initially submitted by property owner during cost-certification; does not affect final cost determination by TDHCA which may not be resolved for an extended period after the initial submission.</u> Data Source: The total number of units in the development and total development costs for new construction is based on cost certification data provided reported by the owners and tracked by the division. Data is entered by staff and maintained in the agency's computer system. Methodology: This figure will be calculated by dividing the sum of total development costs at cost-certification by the number of units newly constructed. Purpose: This measure identifies the costs associated with developing affordable housing units.</p> <p>Calculation Method: N New Measure: N Target Attainment: L</p>	<p>Clarifying data source and limitations.</p>			

Element	Requested Change(s)	Justification for Requested Change(s)	LBB AND/OR OOG APPROVED CHANGE	LBB / OOG COMMENTS	STATUS
<p>Goal No. 1 Increase Availability of Safe/Decent/Affordable Housing Objective No. 1 Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing Strategy No. 78 Federal Mortgage Loans through the MF Mortgage Revenue Bond Program Measure Type: EF Measure No. 3 Avg Amount of Bond Proceeds/Household for Acquisition/Rehabilitation</p>	<p>Definitions: A measure that tracks the average bond amount per low income unit of multifamily Mortgage Revenue Bond (MRB) acquisition/rehabilitation. Data Limitations: No limitations. Information is based on reported figures submitted by property owners during cost-certification Data Source: A measure that tracks the average bond amount per low income unit of multifamily Mortgage Revenue Bond (MRB) rehabilitation and acquisition. Methodology: This figure will be calculated by dividing the total value of mortgage revenue bonds at cost-certification by the number of units to be acquired/rehabilitated. Purpose: This measure identifies the average amount of bonds associated with acquiring and rehabilitating affordable housing and measures the Efficiency of awarding multifamily MRB funds.</p> <p>Calculation Method: N New Measure: N Target Attainment: L</p>	<p>Aligning definition language with methodology and clarifying limitations.</p>			
<p>Goal No. 1 Increase Availability of Safe/Decent/Affordable Housing Objective No. 1 Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing Strategy No. 78 Federal Mortgage Loans through the MF Mortgage Revenue Bond Program Measure Type: EF Measure No. 4 Average Total Development Costs Per Household for Acqu/Rehab</p>	<p>Definitions: A measure that tracks the average total development costs per unit of multifamily Mortgage Revenue Bond (MRB) rehabilitation and acquisition. Data Limitations: Information is based on cost-certification data submitted by the developers reported figures initially submitted by property owners during cost-certification; does not affect final cost determination by TDHCA which may not be resolved for an extended period after the initial submission. Data Source: The total number of units in the development and amount of total development costs is based on cost certification data provided reported by the project owners and tracked by the Asset Management division. Data is entered by staff and maintained in the agency's computer</p>	<p>Clarifying data source and limitations.</p>			

Element	Requested Change(s)	Justification for Requested Change(s)	LBB AND/OR OOG APPROVED CHANGE	LBB / OOG COMMENTS	STATUS
	system. Methodology: This figure will be calculated by dividing the sum of total development costs reported during cost-certification by the number of units to be acquired/rehabilitated. Purpose: This measure identifies the total development costs amount associated with rehabilitating and acquiring affordable housing units. Calculation Method: N New Measure: N Target Attainment: L				
Goal No. 1 Increase Availability of Safe/Decent/Affordable Housing Objective No. 1 Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing Strategy No. 78 Federal Mortgage Loans through the MF Mortgage Revenue Bond Program Measure Type: EX Measure No. 1 Number of Households Assisted through New Construction Activities	Definitions: A measure that tracks the number of households assisted as reflected by new construction activities utilizing the multifamily Mortgage Revenue Bond (MRB) program. Data Limitations No limitations Data Source: The number of households is based on cost certification data provided reported by the project owners and tracked by the Asset Management division. Data is entered by staff and maintained in the agency’s computer system. Methodology: This figure is the sum of all restricted units newly constructed as reported during cost certification. With rare exception, these units will be layered with HTCs and potentially also with Multifamily Direct Loan funds and therefore also reflected under those strategies. Purpose: To track the number of households assisted through new construction units assisted utilizing multifamily MRB program. Calculation Method: N New Measure: N Target Attainment: H	Clarifying data source.			
Goal No. 1 Increase Availability of Safe/Decent/Affordable Housing	Definitions: A measure that tracks the number of households assisted as reflected by acquisition/Rehabilitation	Clarifying data source.			

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<p>Objective No. 1 Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing Strategy No. 78 Federal Mortgage Loans through the MF Mortgage Revenue Bond Program Measure Type: EX Measure No. 2 Number of Households Assisted through Acqu/Rehab Activities</p>	<p>and acquisition activities utilizing the multifamily Mortgage Revenue Bond (MRB) program. Data Limitations: No limitations Data Source: The number of households is based on cost certification data provided <u>reported</u> by the owners and tracked by the division. Data is entered by staff and maintained in the agency's computer system. While the households assisted for HTC, bonds and direct loan activities are counted separately, these funding sources are sometimes layered and therefore <u>Units</u> and households assisted may receive assistance from different programs. Methodology: This figure is the sum of all restricted units acquired/rehabilitated, as reported at cost-certification. Purpose: To track the number of households assisted through acquisition/rehabilitation activities utilizing the multifamily MRB program. Calculation Method: N New Measure: N Target Attainment: H</p>				
<p>Goal No. 1 Increase Availability of Safe/Decent/Affordable Housing Objective No. 1 Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing Strategy No. 78 Federal Mortgage Loans through the MF Mortgage Revenue Bond Program Measure Type: OP Measure No. 1 Number of Households Assisted with Multifamily MRB Program</p>	<p>Definitions: A measure that tracks the number of households assisted as reflected by the low income units financed through the multifamily division utilizing mortgage revenue bond funds. Data Limitations: No limitations Data Source: The number of units is based on cost certification data provided <u>reported</u> by the owners and tracked by the Asset Management division for each separate program. Data is entered by staff and maintained in the agency's computer system. Methodology: This figure is the sum of all restricted units newly constructed or acquired/rehabilitated, as reported in cost-certification. While the households assisted for HTC,</p>	<p>Clarifying data source and methodology.</p>			

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	<p>bonds and direct loan activities are counted separately, these funding sources are sometimes layered and therefore <u>Units and households assisted may receive assistance from different programs.</u></p> <p>Purpose: To track the total amount of low income multifamily units assisted utilizing mortgage revenue bond funds.</p> <p>Calculation Method: C New Measure: N Target Attainment: H</p>				
<p>Goal No. 2 Provide Information and Assistance Objective No. 1 Provide Information and Assistance for Housing and Community Services Strategy No. 1 Center for Housing Research, Planning, and Communications <u>Housing Resource Center</u> Measure Type: OP Measure No. 1 Number of Information and Technical Assistance Requests Completed</p>	<p>Definitions: A measure tracking the number of information and technical assistance requests made by consumers completed by the Center for Housing Research, Planning, and Communications. <u>Housing Resource Center.</u></p> <p>Data Limitations: No limitations</p> <p>Data Source: The requests are tracked by the division. Data is entered by staff and maintained in the agency's computer system.</p> <p>Methodology: The number of requests received is a total of the requests entered into the division database.</p> <p>Purpose: To track the consumer information and technical assistance requests received and fulfilled. Calculation Method: C New Measure: N Target Attainment: H</p>	<p>The change would reflect statutory name of the area.</p>			
<p>Goal No. 2 Provide Information and Assistance Objective No. 1 Provide Information and Assistance for Housing and Community Services Strategy No. 1 Center for Housing Research, Planning, and Communications <u>Housing Resource Center</u></p>	<p>Definitions: — A measure tracking the number of short term (completed by phone) information and technical assistance requests completed by the Center for Housing Research, Planning, and Communications. Data Limitations: — No limitations Data Source: — The requests are tracked by the division. Data is entered by staff and maintained in the agency's computer system.</p>	<p>The reference to short- and long-term currently applied to the method of communication used by the consumer is as follows: short-term was associated with telephone and transfer call requests while long-term was associated with email, fax or letter requests.</p>			

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<p>Measure Type: OP Measure No. 2 Number of Short Term Technical Assistance Consumer Requests Completed</p>	<p>Methodology: The number of short term requests received is a total of the short term requests entered into the division database. Purpose: –To track the short term consumer information and technical assistance requests received. Calculation Method: C New Measure: N Target Attainment: H</p>	<p>The 2.1.1 performance measure denotes the number of all requests completed. All requests are satisfied immediately upon receipt and completed regardless of method of communication. Therefore, the terms short and long-term are obsolete and associated measures lack meaning and are unnecessary.</p>			
<p>Goal No. 2 Provide Information and Assistance Objective No. 1 Provide Information and Assistance for Housing and Community Services Strategy No. 1 Center for Housing Research, Planning, and Communications Housing Resource Center Measure Type: OP Measure No. 3 No. Long Term Information and Technical Assistance Requests Completed</p>	<p>Definitions: –A measure tracking the number of long term (completed by email or mail) information and technical assistance requests completed by the Center for Housing Research, Planning, and Communications. Data Limitations –No limitations Data Source: –The requests are tracked by the division. Data is entered by staff and maintained in the agency’s computer system. Methodology: –The number of long term requests received is a total of the long term requests entered into the division database. Purpose: –To track the long term consumer information and technical assistance requests received. Calculation Method: C New Measure: N Target Attainment: H</p>	<p>The reference to short- and long-term currently applied to the method of communication used by the consumer is as follows: short-term was associated with telephone and transfer call requests while long-term was associated with email, fax or letter requests. The 2.1.1 performance measure denotes the number of all requests completed. All requests are satisfied immediately upon receipt and completed regardless of method of communication. Therefore, the terms short and long-term are obsolete and separate measures unnecessary.</p>			

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<p>Goal No. 2 Provide Information and Assistance Objective No. 2 Promote and Improve Homeownership Along the Texas-Mexico Border Strategy No. 1 Assist Colonias, Border Communities, and Nonprofits Measure Type: OP Measure No. 1 # of Tech Assistance Contacts and Visits Conducted by Field Offices</p>	<p>Definitions: —The number of technical assistance contacts and visits is based on actual on-site technical assistance visits, telephone calls and written and electronic correspondence conducted by border field office staff. Technical assistance includes: meeting with local governments (cities & counties) staff and nonprofits providing agency information on programs and services more specifically providing detailed technical assistance in implementing and managing Office of Colonia Initiatives and other Department programs; follow-up on contract compliance measures with the Bootstrap Loan Program and Colonia Self-Help Centers; and general interview sessions with individuals to provide referral services to other office and agencies available to address issues of concern. <u>—The border field officers report the number of technical assistance contacts based on on-site visits, telephone calls, written and electronic correspondence, meetings, and interactions with units of local government, nonprofit organizations and colonia residents. Border field officers also provide general information on the Department's programs and resources; assist other divisions as requested; and conduct interviews with individual Texans to provide referral services to other agencies, programs and services. Border field officers also provide concentrated technical assistance in managing and implementing the Department's Colonia Initiatives programs which include the Colonia Self-Help Center Program and Texas Bootstrap Loan Program.</u> Data Limitations: No limitations. Data Source: Actual technical assistance contacts and visits are reported by staff. Methodology: On-site visits, e-mails and telephone calls are manually tracked by staff and maintained in the Department's database. Purpose:</p>	<p>Offering a comprehensive definition. Methodology does not change.</p>			

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	<p>The purpose of the measure is to identify the level of technical assistance provided to nonprofit organizations and units of local government. This measure is important because it identifies the Effectiveness of the program and compliance with legislative mandates.</p> <p>Calculation Method: C New Measure: N Target Attainment: H</p>				
<p>Goal No. 2 Provide Information and Assistance Objective No. 2 Promote and Improve Homeownership Along the Texas-Mexico Border Strategy No. 1 Assist Colonias, Border Communities, and Nonprofits Measure Type: OP Measure No. 2 # of Colonia Residents Receiving Direct Assist from Self-help Centers</p>	<p>Definitions: The number of Colonia residents receiving direct assistance annually through the Colonia Self-Help Centers. This includes the following types of assistance: housing rehabilitation, new construction, surveying and platting, construction skills training, tool library access for self-help construction, housing finance; credit and debt counseling, infrastructure constructions and access, capital access for mortgages, and other activities which provide direct assistance and/or benefit to Colonia residents.</p> <p>Data Limitations: Deviation from targeted performance could occur if participation of Colonia residents is lower than expected or with changes in available resources. <u>Deviation from the targeted performance may occur if participation of eligible residents is lower than projected, or if there are changes in available resources over the four-year contract period. The reporting contracts have staggered terms and performance patterns may fluctuate over the lifetime of the contract.</u></p> <p>Data Source: Actual assistance provided as reflected on the most recent quarterly report received from Colonia Self-Help Center administrators.</p> <p>Methodology: The Self Help Center administrators will provide a quarterly report to the Department on the number of Colonia residents benefiting under each assistance category. Colonia residents benefiting will be</p>	<p>Clarifying limitations.</p>			

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	<p>based on the family size of each household served. The Department will calculate total Colonia residents benefiting from direct assistance by adding assistance provided under all categories exclusive of area-wide Public Service. This data will be maintained in the Department's records.</p> <p>Purpose: This measure is important because it identifies the effectiveness of the program in providing assistance to Colonia residents with a wide array of services. Calculation Method: C New Measure: N</p> <p>Target Attainment: H</p>				
<p>Goal No. 3 Improve Poor/Homeless Living Conditions & Reduce VLI Energy Costs Objective No. 1 Ease Hardships for 16% of Homeless & Very Low Income Persons Each Year Strategy No. 1 Administer Poverty-related Funds through a Network of Agencies Measure Type: EF Measure No. 2 Average Subrecipient Cost Per Person for the CSBG Program</p>	<p>Definitions: The average amount of CSBG subrecipient funds per person assisted. This would include all funds given to the subrecipient. That figure excludes any funds set aside for TDHCA administrative funding.</p> <p>Data Limitations: A possible limitation could be limitations on obtaining expenditure data for the reported period <u>due to late reporting from subrecipients.</u></p> <p>Data Source: The total number of persons served is gathered from the subrecipients' monthly performance reports.</p> <p>Methodology: The efficiency measure is determined by dividing the total expenditure of Community Services Block Grant program funds by the total number of clients served in the Community Services Block Grant Program.</p> <p>Purpose: The purpose of the measure shows the efficiency in administering the program.</p> <p>Calculation Method: N New Measure: N Target Attainment: L</p>	<p>Clarifying limitations.</p>			

Element	Requested Change(s)	Justification for Requested Change(s)	LBB AND/OR OOG APPROVED CHANGE	LBB / OOG COMMENTS	STATUS
<p>Goal No. 3 Improve Poor/Homeless Living Conditions & Reduce VLI Energy Costs Objective No. 1 Ease Hardships for 16% of Homeless & Very Low Income Persons Each Year Strategy No. 1 Administer Poverty-related Funds through a Network of Agencies Measure Type: OP Measure No. 1 Number of Persons Assisted through Homeless and Poverty-related Funds</p>	<p>Definitions: This measure tracks the number of persons assisted through homeless and poverty-related programs. Data Limitations: A possible limitation could be subrecipients failing to submit required <u>timely reports or to make adjustments</u> on a timely basis. Data Source: Subrecipients track the data on a daily basis, incorporate it in a monthly performance report, and electronically submit the information to the Department. The monthly performance report information is entered in the Department database and maintained by the Department. Methodology: Performance reported is actual number. Purpose: The purpose of the measure is to identify the number of persons assisted by <u>all homeless and poverty-related programs</u> Community Services programs (including ESG, HHSP and, CSBG). Calculation Method: C New Measure: N Target Attainment: H</p>	<p>Clarifies data limitations and that the purpose of the measure is to capture all persons assisted through homeless and poverty-related funds. This would include programs listed in the explanatory measures as well as other funds that may become available such as the Ending Homelessness Fund.</p>			
<p>Goal No. 3 Improve Poor/Homeless Living Conditions & Reduce VLI Energy Costs Objective No. 1 Ease Hardships for 16% of Homeless & Very Low Income Persons Each Year Strategy No. 1 Administer Poverty-related Funds through a Network of Agencies Measure Type: OP Measure No. 3 # of Persons Assisted by the Community Services Block Grant Program</p>	<p>Definitions: This measure tracks the number of persons enrolled in the Community Services Block Grant Program. Data Limitations: Data could be limited if subrecipients fail to submit required reports <u>timely reports or to make adjustments</u> on a timely basis. Data Source: Subrecipients track the data on a daily basis, incorporate it in a monthly performance report, and electronically submit the report to the Department. The monthly performance report information is entered in the Department database and maintained by the Department. Methodology: Performance reported is the actual number. Purpose:</p>	<p>Clarifying limitations.</p>			

Element	Requested Change(s)	Justification for Requested Change(s)	LBB AND/OR OOG APPROVED CHANGE	LBB / OOG COMMENTS	STATUS
	<p>The purpose of the measure is to identify the number of persons enrolled in the Community Services Block Grant Program in order to gauge impact of that program.</p> <p>Calculation Method: C New Measure: N Target Attainment: H</p>				
<p>Goal No. 3 Improve Poor/Homeless Living Conditions & Reduce VLI Energy Costs Objective No. 2 Reduce Cost of Home Energy for 6% of Very Low Income Households Strategy No. 1 Administer State Energy Assistance Programs Measure Type: EF Measure No. 1 Average Subrecipient Cost Per Household Served <u>for Utility Assistance</u></p>	<p>Definitions: The average cost per household served is calculated based on the number of households assisted by CEAP and WAP from the Monthly Funding Performance Report from subrecipients and the total amount of program funds transferred to the subrecipient entities. Data Limitations: Performance reports received past the due date from subrecipients could result in incomplete data. Increase or decrease in funding could create a variance in the targeted goal. Data Source: The average cost per household served is calculated based on the total funds transferred to the subrecipient entities divided by the number of households assisted by CEAP and WAP from the subrecipient Monthly Funding Performance Report. Methodology: Calculations are based on the total subrecipient expenditures for the Energy Assistance section CEAP divided by the total number of households served. Purpose: The measure identifies the average program cost to provide service to a household</p> <p>Calculation Method: N New Measure: N Target Attainment: L</p>	<p>Changing this measure would avoid confusion and provide policy makers more meaningful information. There is currently a separate efficiency measure reflecting average WAP costs. (Efficiency 2) as well as separate explanatory measures for CEAP and WAP respectively. As a result, people often mistakenly assume that Efficiency 1 reflects average CEAP costs. Limiting the efficiency measure to CEAP avoids this confusion and provides more meaningful information to policy makers.</p>			
<p>Goal No. 3 Improve Poor/Homeless Living Conditions & Reduce VLI Energy Costs Objective No. 2 Reduce Cost of Home Energy for 6% of Very</p>	<p>Definitions: The statewide average cost to weatherize a home includes the cumulative cost of labor, materials, and program support for all completed units in the state divided by the number of completed units. Data Limitations:</p>	<p>Clarifying data limitations.</p>			

Element	Requested Change(s)	Justification for Requested Change(s)	LBB AND/OR OOG APPROVED CHANGE	LBB / OOG COMMENTS	STATUS
<p>Low Income Households Strategy No. 1 Administer State Energy Assistance Programs Measure Type: EF Measure No. 2 Average Cost Per Home Weatherized</p>	<p>Increase or decrease in funding <u>Adjustments in CPU (cost per unit) limits could create a variance in the targeted goal. If a household receives both DOE-funded WAP and LIHEAP-funded WAP, each program is counted separately.</u> Data Source: Monthly expenditures and performance reports are entered by subrecipients through the Department's online reporting system. Methodology: Calculations are based on the cumulative cost of labor, materials, and program support for all completed units in the state divided by the number of completed units. Purpose: The measure identifies the average cost to perform weatherization on a home Calculation Method: N New Measure: N Target Attainment: L</p>				
<p>Goal No. 3 Improve Poor/Homeless Living Conditions & Reduce VLI Energy Costs Objective No. 2 Reduce Cost of Home Energy for 6% of Very Low Income Households Strategy No. 1 Administer State Energy Assistance Programs Measure Type: EX Measure No. 1 Number of Very Low Income Households Eligible for Utility Assistance</p>	<p>Definitions: The number of very low income households income-eligible (<u>150% poverty level</u>) for <u>energy utility assistance (CEAP)</u> in Texas is determined based on the most recent decennial Census or Census Bureau estimates. Data Limitations: The income eligible population is based on the most recent census data available, including estimates. A census is conducted every ten years; updated poverty population estimates are also made available periodically Data Source: Information is obtained from the most recent Census Bureau dataset, either the American Community Survey or the decennial Census. Methodology: Data represents an actual or estimated number, dependent on most recent census data available. Purpose:</p>	<p>Clarifying program information.</p>			

Element	Requested Change(s)	Justification for Requested Change(s)	LBB AND/OR OOG APPROVED CHANGE	LBB / OOG COMMENTS	STATUS
	<p>The purpose of the measure is to identify the eligibility population of the state. It is important because it identifies the level of need in the state.</p> <p>Calculation Method: N New Measure: N Target Attainment: H</p>				
<p>Goal No. 4 Ensure Compliance with Program Mandates Objective No. 1 Monitor Developments & Subrecipient Contracts for Compliance Strategy No. 1 Monitor and Inspect for Federal & State Housing Program Requirements Measure Type: EX Measure No. 1 Total Number of Active Properties in the Portfolio</p>	<p>Definitions: The total number of rental developments in the TDHCA compliance monitoring portfolio. This number represents the portfolio for which the Portfolio Management and Compliance division is responsible. This includes developments monitored by on-site file review, desk review, a combination of onsite and desk reviews, or other compliance activities depending on program requirements. Program development totals vary throughout the year.</p> <p>Data Limitations: No limitations.</p> <p>Data Source: Program totals are maintained by the Department's databases.</p> <p>Methodology: Figure represents actual number of active properties in the compliance monitoring and tracking system (CMTS)</p> <p>Purpose: The measure provides the total number of housing developments in the compliance monitoring portfolio <u>as of the end of the fiscal year.</u></p> <p>Calculation Method: N New Measure: N Target Attainment: H</p>	<p>The number of active properties fluctuates throughout the year. This will clarify that the number is based on the end of the year count.</p>			
<p>Goal No. 4 Ensure Compliance with Program Mandates Objective No. 1 Monitor Developments & Subrecipient</p>	<p>Definitions: Total number of housing units in the multi and single family rental developments monitored by the Department. The total number includes all units, including <u>units</u> associated with recent awards but not placed into</p>	<p>The number of active units changes throughout the year. This will clarify that the number is based on the end of the year</p>			

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<p>Contracts for Compliance Strategy No. 1 Monitor and Inspect for Federal & State Housing Program Requirements Measure Type: EX Measure No. 2 Total Number of Active Units in the Portfolio</p>	<p>service, <u>occupied units</u> and units available for lease are included in the total. Data Limitations: No limitations. Data Source: Unit totals are maintained by the Department's databases Methodology: Figure represents actual number of units associated with recent awards but not placed into service, <u>occupied units</u> as well as active units available for lease in the compliance monitoring and tracking system (CMTS) <u>as of the end of the fiscal year.</u> Purpose: The measure provides information of the total rental units monitored by the Department.</p> <p>Calculation Method: N New Measure: N Target Attainment: H</p>	<p>count. In addition, this clarifies the definition of the count.</p>			
<p>Goal No. 4 Ensure Compliance with Program Mandates Objective No. 1 Monitor Developments & Subrecipient Contracts for Compliance Strategy No. 2 Monitor Subrecipient Contracts Measure Type: EX Measure No. 1 Total Number of Non-formula Contracts Subject to Monitoring</p>	<p>Definitions: This measure represents the total number of contracts that have reported some activity as of September 1st of that State Fiscal Year. Measure includes contracts for all activities within HOME, <u>CSBG discretionary</u>, Housing Trust Fund, Emergency Solutions Grant, and other types of contract activity. This measure excludes formula funded contracts, such as Community Affairs network (CSBG, CEAP, WAP) and HHSP contracts, which reflect ongoing or renewed contracts rather than contracts typically entered into in response to NOFAs. Data Limitations: No limitations Data Source: Data on contracts administered is maintained in the Department's database. Methodology: Number is actual. Purpose: The measure provides the total number of active contracts administered, exclusive of formula-funded contracts.</p> <p>Calculation Method: N New Measure: N Target Attainment: H</p>	<p>Clarifies what non-formula contracts include.</p>			

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<p>Goal No. 4 Ensure Compliance with Program Mandates Objective No. 1 Monitor Developments & Subrecipient Contracts for Compliance Strategy No. 2 Monitor Subrecipient Contracts Measure Type: OP Measure No. 2 Number of Single Audit Reviews</p>	<p>Definitions: The number of single audit reviews conducted of Federal and State grant sub-recipients. Single Audits are required annually if the federally mandated expenditure threshold is exceeded as defined by OMB Circular A-133 <u>Uniform Grant Management Standards</u> or 2 CFR Part 200. The circular and the CFR guidance define which single audit reports must be submitted to the pass-through agency. These reports are used to measure overall and ongoing compliance with program requirements, financial accountability of Federal and State grants and the overall internal controls of the sub-recipient.</p> <p>Data Limitations: No limitations.</p> <p>Data Source: The data is gathered from Department data bases.</p> <p>Methodology: Number is actual.</p> <p>Purpose: The measure meets statutory and program requirements.</p> <p>Calculation Method: C New Measure: N Target Attainment: H</p>	<p>Updates name of single audit document.</p>			
<p>Goal No. 5 Regulate Manufactured Housing Industry Objective No. Operate a Regulatory System To Ensure Efficiency Responsive SOL /Licensing/Other Strategy No. 1 Provide Stmts. of Ownership SOL and Licenses Licensing Services in a Timely Manner Measure Type: EF Measure No. 1 Avg. Cost Per Manufactured Housing Stmt. of Ownership and Location Issued</p>	<p>Definitions: The average cost to the Department of the processing of a Statement of Ownership and Location (SOL) application based on total funds expended and encumbered during the reporting period for the issuance of manufactured housing Statements of Ownership SOLs. Cost includes department overhead, salaries (permanent and temporary personnel), supplies, travel, postage, and other costs directly related to SOL Statements of Ownerships, including document review, handling, proofing, and notification.</p> <p>Data Limitations: No limitations of data.</p> <p>Data Source: Information is obtained from either a management report</p>	<p>Updates language to reflect statutory name of ownership document and clarify methodology.</p>			

Element	Requested Change(s)	Justification for Requested Change(s)	LBB AND/OR OOG APPROVED CHANGE	LBB / OOG COMMENTS	STATUS
	<p>from the Department's Financial Administration Division or USAS</p> <p>Methodology: To obtain the average, divide the total funds <u>expended and encumbered</u> by the total number of <u>SOL Statements of Ownerships</u> issued in a reporting period.</p> <p>Purpose: The measure shows the <u>Efficiency</u> in costs to issue a <u>Statement of Ownership SOL</u>.</p> <p>Calculation Method: N New Measure: N Target Attainment: L</p>				
<p>Goal No. 5 Regulate Manufactured Housing Industry</p> <p>Objective No. 1 Operate a Regulatory System To Ensure <u>Efficiency Responsive SOL /Licensing/Other</u></p> <p>Strategy No. 1 Provide <u>Stmts. of Ownership SOL</u> and <u>Licenses Licensing Services</u> in a Timely Manner</p> <p>Measure Type: OP</p> <p>Measure No. 1 No. of Manufactured Housing Stmts. of Ownership and Location Issued</p>	<p>Definitions: The total number of manufactured housing Statements of Ownership and Location (SOL) issued for which a fee is charged (includes <u>SOL Statements of Ownership</u> issued as a result of changes in ownership, location, lien information, election, and use).</p> <p>Data Limitations: No limitations.</p> <p>Data Source: Data is computer generated through the Manufactured Housing Division's Database and accounting receipts.</p> <p>Methodology: Number is actual.</p> <p>Purpose: This measure identifies the total number of <u>SOL Statements of Ownership</u> issued in a reporting period. It is important because it shows the workload associated with issuing <u>SOL Statements of Ownership</u>.</p> <p>Calculation Method: C New Measure: N Target Attainment: H</p>	<p>Updates language of program.</p>			
<p>Goal No. 5 Regulate Manufacturing Housing Industry</p> <p>Objective No. 1 Operate a Regulatory System To Ensure <u>Efficiency Responsive SOL /Licensing/Other</u></p>	<p>Definitions: The average cost to the Department of each inspection based on the total funds expended and encumbered during the reporting period to conduct or attempt inspections, including both installation and non-routine inspections. Cost includes department overhead, salaries</p>	<p>Making methodology consistent with definition.</p>			

Element	Requested Change(s)	Justification for Requested Change(s)	LBB AND/OR OOG APPROVED CHANGE	LBB / OOG COMMENTS	STATUS
<p>Strategy No. 2 Conduct Inspections of Manufactured Homes in a Timely Manner Measure Type: EF Measure No. 1 Average Cost Per Inspection</p>	<p>(permanent and temporary personnel), supplies, travel; postage, and other costs directly related to the enforcement of the inspection function. Data Limitations: No limitations. Data Source: Data is obtained from either a management report from the Department's Financial Division or USAS, the Manufactured Housing Division's Database and the Inspector's Travel Voucher Database. Methodology: To obtain the average, divide the total funds expended and encumbered by the total number of routine and non-routine inspections (completed and/or attempted) within the reporting period. Purpose: The measure identifies the cost Efficiency to perform or attempt an inspection. Calculation Method: N New Measure: N Target Attainment: L</p>				
<p>Goal No. 5 Regulate Manufactured Housing Industry Objective No. 1 Operate a Regulatory System To Ensure Efficiency Responsive SOL Licensing/Other Strategy No. 2 Conduct Inspections of Manufactured Homes in a Timely Manner Measure Type: OP Measure No. 2 Number of Non-routine Inspections Conducted</p>	<p>Definitions: The total number of special/complex inspections performed upon request from the public, other regulated entities, or as part of a complaint investigation. Special inspections consist of, but are not limited to the following: consumer complaints, habitability, SAA (<u>State Administrative Agency for HUD</u>), and retailer monitoring. Data Limitations: No limitations. Data Source: Collection of data is based on the Inspector's Travel Voucher Database. Methodology: The number is retrieved from the Travel Voucher Database by generating a report which lists the inspections conducted within the reporting period. Purpose: The measure identifies the total number of inspections</p>	<p>Clarifying what SAA means.</p>			

Element	Requested Change(s)	Justification for Requested Change(s)	LBB AND/OR OOG APPROVED CHANGE	LBB / OOG COMMENTS	STATUS
	<p>performed in a reporting period. It is important because it identifies inspections that result from unusual or special circumstances.</p> <p>Calculation Method: C New Measure: N Target Attainment: H</p>				
<p>Goal No. 5 Regulate Manufactured Housing Industry Objective No. 1 Operate a Regulatory System To Ensure Efficiency Responsive SOL /Licensing/Other Strategy No. 3 Process Complaints/Conduct Investigations/Take Administrative Actions Measure Type: EF Measure No. 1 Average Cost Per Complaint Resolved</p>	<p>Definition The average cost to the Department to resolve a complaint based on the total funds expended and encumbered during the reporting period for complaint processing, investigation, and resolution divided by the number of complaints resolved. Cost includes department overhead, salaries (permanent and temporary personnel), supplies, travel, postage, subpoena expenses, and other costs directly related to the agency's enforcement function.</p> <p>Data Limitations: No limitations.</p> <p>Data Source: Data is obtained from either a management report from the Department's Financial Administration Division or USAS, and the Manufactured Housing Division's Database.</p> <p>Methodology: To obtain the average, divide the total funds expended and encumbered by the total number of resolved complaints within the reporting period. Non-jurisdictional complaints (closed as DISJ) are not included in this measure.</p> <p>Purpose: The measure identifies the Efficiency in costs for resolving a complaint.</p> <p>Calculation Method: N New Measure: N Target Attainment: L</p>	<p>Making methodology consistent with definition.</p>			
<p>Goal No. 5 Regulate Manufactured Housing Industry Objective No. 1 Operate a Regulatory System To Ensure</p>	<p>Definitions: The average length of time to resolve a jurisdictional complaint, for jurisdictional complaints resolved during the reporting period. The number of days to reach a</p>	<p>Fixes a typo.</p>			

Element	Requested Change(s)	Justification for Requested Change(s)	LBB AND/OR OOG APPROVED CHANGE	LBB / OOG COMMENTS	STATUS
<p>Efficiency Responsive SOL /Licensing/Other Strategy No. 3 Process Complaints/Conduct Investigations/Take Administrative Actions Measure Type: EF Measure No. 2 Average Time for Complaint Resolution</p>	<p>resolution is calculated from the initial date of receipt of a consumer complaint to the date closed. Data Limitations: No limitations. Data Source: Data is computer generated through the Manufactured Housing Division's Database. Methodology: The total number of calendar days per jurisdictional complaint resolved, summed for all complaints resolved during the reporting period, that elapsed from receipt of a request for agency intervention to the date upon which final action on the complaint was taken (numerator) is divided by the number of complaints resolved during the reporting period (denominator). The calculation excludes complaints determined to be non-jurisdictional of the agency's statutory responsibilities. Purpose: The measure tracks the average number of days spent to resolve a complaint. The measure is important because it shows how efficient the division has been in resolving complaints. Calculation Method: N New Measure: N Target Attainment: L</p>				
<p>Goal No. 1 Increase Availability of Safe/Decent/Affordable Housing Objective No. 1 Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing Outcome No. 1 Percent Households/Individuals Assisted</p>	<p>Definitions: The percentage of households/individuals of very low (60 AMFI or below), low (61-80 AMFI), and moderate income (81+ AMFI) that need housing and subsequently receive housing or housing related assistance represents service coverages provided by the Housing Trust Fund Program, the HOME Program, the Section 8 Program, the Section 811 Program the Housing Tax Credit Program, My First Texas Home Program, the Multifamily Bond Program, the Tax Credit Assistance Program Repayment Fund, the National Housing Trust Fund, and other housing funds. Data Limitations: The Department contracts with local entities to administer its various housing programs. The intake, eligibility review and actual service is may be</p>	<p>Clarification of language.</p>			

Element	Requested Change(s)	Justification for Requested Change(s)	LBB AND/OR OOG APPROVED CHANGE	LBB / OOG COMMENTS	STATUS
	<p>provided at the local level. The reporting of households served is <u>may be</u> provided by the contracted entity. Reported performance is considered reliable.</p> <p>Data Source: The number of households served is maintained by each housing program and reported quarterly. Data is entered by staff and maintained in the agency's computer system.</p> <p>Methodology: The percent of households assisted is based on: (numerator) an actual count of households/individuals using TDHCA's housing programs and (denominator) the most recent Census data of extremely low, very low, low and moderate income Texans who need affordable housing; with respect to the moderate income population with housing needs, only moderate income renter households will be included as the only TDHCA assistance available to moderate income households are programs for first time homebuyers, and only moderate income renters would benefit from these programs, (NOTE: TDHCA does not have home repairs programs that would benefit moderate income homeowners and therefore moderate income homeowners are not included. Also, rental development units funded by multiple programs are counted only once for the purposes of outcome calculations.)</p> <p>Purpose: This measure addresses the extent to which services are provided by all housing programs and calculates the level of service compared to the need. This measure identifies the percentage of the low to moderate income population with housing needs that TDHCA housing programs were able to serve.</p> <p>Calculation Method: N New Measure: N Target Attainment: H</p>				
<p>Goal No. 1 Increase Availability of Safe/Decent/Affordable Housing Objective No. 1 Make Loans/Grants/Incentives to Fund/Develop/Preserve</p>	<p>Definition The percentage of very low income households (<u>60 AMFI or below</u>) receiving housing assistance represents service coverage <u>provided by</u> Housing Trust Fund Program, the HOME Program, the Section 8 Program, the Section 811 Program, the Housing Tax Credit Program, the My First</p>	<p>Clarification of language.</p>			

Element	Requested Change(s)	Justification for Requested Change(s)	LBB AND/OR OOG APPROVED CHANGE	LBB / OOG COMMENTS	STATUS
<p>Housing Outcome No. 2 Percent Very Low Income Households Receiving Housing Assistance</p>	<p>Texas Home Program, the Multifamily Bond Program, the Tax Credit Assistance Program Repayment Fund, the National Housing Trust Fund, and other housing funds. Data Limitations The Department contracts with local entities to administer its various housing programs. The intake, eligibility review and actual service is <u>may be</u> provided at the local level. The reporting of households served is <u>may be</u> provided by the contracted entity. Reported performance is considered reliable. Data Source The number of very low income households served is maintained by each housing program and reported quarterly. Data is entered by staff and maintained in the agency's computer system. Methodology The percent of households of very low income served with housing or housing related assistance is based on: (numerator) an actual count of households/individuals using TDHCA's housing programs and (denominator) the most recent census data of very low income Texans who need affordable housing. Multifamily units funded by multiple programs are counted only once. Purpose This measure identifies the percentage of the very low income population with housing needs that TDHCA housing programs were able to serve. Calculation Method: N New Measure: N Target Attainment: H</p>				
<p>Goal No. 1 Increase Availability of Safe/Decent/Affordable Housing Objective No. 1 Make Loans/Grants/Incentives to Fund/Develop/Preserve</p>	<p>Definition The percentage of low income (61-80 AMFI) households receiving housing assistance represents service <u>coverage</u> s provided by the Housing Trust Fund Program, the HOME Program, the Section 8 Program, the Section 811 Program the</p>	<p>Clarification of language only.</p>			

Element	Requested Change(s)	Justification for Requested Change(s)	LBB AND/OR OOG APPROVED CHANGE	LBB / OOG COMMENTS	STATUS
Housing Outcome No. 3 Percent Low Income Households Receiving Housing Assistance	Housing Tax Credit Program, the My First Texas Home Program, the Multifamily Bond Program, the Tax Credit Assistance Program Repayment Fund, the National Housing Trust Fund, and other housing funds. Data Limitations The Department contracts with local entities to administer its various housing programs. The intake, eligibility review and actual service <u>may be</u> is provided at the local level. The reporting of households served is <u>may be</u> provided by the contracted entity. Reported performance is considered reliable. Data Source The number of low income households served is maintained by each housing program and reported quarterly. Data is entered by staff and maintained in the agency's computer system. Methodology The percent of households of low income served with housing or housing related assistance is based on: (numerator) an actual count of households/individuals using TDHCA's housing programs and (denominator) the most recent census data of low income Texans who need affordable housing. Multifamily units funded by multiple programs are counted only once. Purpose The measure addresses the extent to which services are provided by all housing programs for low income and calculates the level of service provided to the low income population. This measure is important because it identifies, of the number of low income, how many low income households/individuals the housing programs were able to serve. Calculation Method: N New Measure: N Target Attainment: H				
Goal No. 1 Increase Availability of Safe/Decent/Affordable Housing Objective No. 1 Make Loans/Grants/Incentives to Fund/Develop/Preserve	Definition The percentage of moderate income households (<u>Over 80 AMFI</u>) receiving housing assistance represents service <u>coverages</u> provided by My First Texas Home Programs and other housing funds. Data Limitations	Clarification only.			

Element	Requested Change(s)	Justification for Requested Change(s)	LBB AND/OR OOG APPROVED CHANGE	LBB / OOG COMMENTS	STATUS
<p>Housing Outcome No. 4 Percent Households of Moderate Income Receiving Housing Assistance</p>	<p>The Department contracts with a Master Servicer to maintain data of households served. The intake, eligibility review and actual service is provided by the participating lender. The reporting of households served is provided by the Master Servicer. Reported performance is considered reliable.</p> <p>Data Source The number of moderate income households served is maintained by the Single Family Bond program and reported quarterly. Data is provided by the Master Servicer, entered by staff and maintained in the agency's computer system.</p> <p>Methodology The percent of households of moderate income served with housing or housing related assistance is based on: (numerator) an actual count of moderate income households/individuals using TDHCA's housing programs and (denominator) the most recent census data of moderate income renters who need affordable housing. TDHCA assistance available to moderate income households are programs for first time homebuyers, and only moderate income renters would benefit from these programs, (TDHCA does not have home repairs programs that would benefit moderate income homeowners.)</p> <p>Purpose The measure addresses the extent to which services are provided by the Single Family Bond program, which is the only housing program serving the moderate income population. This measure is important because it identifies, of the number of moderate income <u>households</u>, how many moderate income households/individuals the Single Family Bond program was able to serve.</p> <p>Calculation Method: N New Measure: N Target Attainment: H</p>				
<p>Goal No. 1 Increase Availability of Safe/Decent/Affordable Housing Objective No. 1 Make Loans/Grants/Incentives to</p>	<p>Definitions: Under the multifamily bond programs, developers/borrowers can designate either 20% of the units in each property at 50% area median family income or 40% of the units at 60% area median family income. It is not possible to determine on a</p>	<p>The measure captures the percent of TDHCA assisted multifamily bond units that serve very low to moderate income households. As all</p>			

Element	Requested Change(s)	Justification for Requested Change(s)	LBB AND/OR OOG APPROVED CHANGE	LBB / OOG COMMENTS	STATUS
<p>Fund/Develop/Preserve Housing Outcome No. 5 Percent of Multi-family Rental Units Benefiting VL/MI Households</p>	<p>projection basis the overall percentage of units within these categories that will be financed in a given year. Data Limitations: The number of units available for very low and low income households is reported by the project developer. Performance depends on the allocation of volume cap by state lottery conducted by the Texas Bond Review Board. Data Source The number of very low and low income households served is maintained by the Multifamily Bond and reported quarterly. Data is entered by staff and maintained in the agency's computer system. Methodology: To calculate the percentage of units financed at the end of the year for any category, divide the number of total units within each category by the number of total units financed. Purpose: The measure addresses the number of units in a development that have been designated for very low and income families. This measure is important because it measures how effectively the Multifamily Bond programs have been in providing rental units to very low and and low income households/individuals. Calculation Method: N New Measure: <u>Y</u> Target Attainment: H</p>	<p>TDHCA financed rental units will serve low income households, the measure is always 100% and therefore does not provide meaningful information.</p>			
<p>Goal No: 2 Provide Information and Assistance Objective No.1 Provide Information and Assistance for Housing and Community Services Outcome No.1 % of Info/TA Requests Completed Within Established Time Frames</p>	<p>Definition: This measure tracks the percentage of information and technical assistance requests completed within established time frames by the Center for Housing Research, Planning, and Communications. Data Limitations: No limitations Data Source: The receipt and response to requests is tracked by the division. Data is entered by staff and maintained in the agency's computer system. Purpose: To ensure that the Department is responding to consumer information and technical assistance requests in a timely manner.</p>	<p>The measure captures the percent of TDHCA information or technical assistance requests to which the Housing Resource Center responds within established time frames. As the Center responds to all requests immediately, the measure is always 100% and therefore does not provide meaningful information.</p>			
<p>Goal No. 3 Improve Poor/Homeless Living Conditions & Reduce VLI Energy Costs</p>	<p>Definitions: This measure reflects the percentage of income-eligible households receiving utility assistance through all <u>Energy Utility Assistance</u> programs. Information on the number of</p>	<p>Eliminates mention of WAP from the measure to make the measure consistent with the change in 3-2-1 efficiency 1</p>			

Element	Requested Change(s)	Justification for Requested Change(s)	LBB AND/OR OOG APPROVED CHANGE	LBB / OOG COMMENTS	STATUS
<p>Objective No. 2 Reduce Cost of Home Energy for 6% of Very Low Income Households</p> <p>Outcome No. 1 Percent of Very Low Income Households Receiving Utility Assistance</p>	<p>households assisted is submitted to the Department by subrecipients. A household may be assisted by more than one Energy Assistance program activity depending on need.</p> <p>Data Limitations: No limitations of data.</p> <p>Data Source The percent of income-eligible households that received Energy Utility assistance through all Energy Assistance programs is based on monthly data reported by subrecipients. The income eligible population is based on the most recent census data available, including estimates.</p> <p>Methodology: The data is entered in an automated system and maintained by the Department. The percent of very low income households receiving energy assistance is calculated by dividing the number of very low income households receiving CEAP or WAP assistance by the most current census data representing the number of households meeting current program income requirements. Numbers may reflect households receiving both energy assistance and weatherization assistance; in these instances households are counted separately for each program.</p> <p>Purpose: The measure identifies the percent of the very low income population assisted by Energy Utility Assistance programs. This measure indicates how effectively the Department has provided energy related services to the target population and the impact of the programs statewide.</p> <p>Calculation Method: N New Measure: N Target Attainment: H</p>	<p>measure and with the measure's title.</p>			
<p>Goal No. 4 Ensure Compliance with Program Mandates</p> <p>Objective No. 1 Monitor Developments & Subrecipient Contracts for Compliance</p>	<p>Definitions: -Measure represents the percentage of Housing Tax Credit (HTC), HOME, Tax Exempt Bond, Housing Trust Fund, and other affordable housing rental projects monitored annually through on-site, in-depth, or desk</p>	<p>The measure captures the percent of TDHCA properties monitored per year. As every TDHCA assisted property that is active (i.e. still required to be</p>			

Element	Requested Change(s)	Justification for Requested Change(s)	LBB AND/OR OOG APPROVED CHANGE	LBB / OOG COMMENTS	STATUS
<p>Outcome No. 1 Percent of Properties Monitored</p>	<p>reviews of tenant files. Onsite reviews also include a property and unit inspection. Data Limitations: No limitations of data. Data Source Projects are monitored through on-site, in-depth, or desk reviews. Data is gathered from Departmental databases. Methodology: The percent is derived by dividing the actual number of rental projects monitored by the total number of rental projects in the TDHCA Compliance portfolio. Purpose: The Compliance section was formed to address long term compliance responsibilities of the various housing programs administered by TDHCA. The measure is important because it identifies the percent of projects monitored. Each program dictates the frequency and type of monitoring.</p> <p>Calculation Method: N New Measure: N Target Attainment: H</p>	<p>affordable to specified income categories) receives some level of monitoring every year, the measure is always 100% and therefore does not provide meaningful information.</p>			
<p>Goal No. 4 Ensure Compliance with Program Mandates Objective No. 1 Monitor Developments & Subrecipient Contracts for Compliance Outcome No. 2 Percent of Formula-Funded Receiving Onsite Monitoring</p>	<p>Definitions: Measure represents the percentage of the formula funded (CA Network (CSBG, CEAP, and WAP) and HHSP) subrecipients that undergo onsite monitoring by the Department. Data Limitations: No limitations. Data Source The data is gathered from Department databases. Methodology: Number is actual. Subrecipients may administer more than one TDHCA program. This figure is calculated by the total number of formula-funded (CA network and HHSP) subrecipients receiving onsite reviews in a fiscal year (4.1.3-OP-1) divided by the total number of such subrecipients (4.1.3-EX-1). Purpose: To provide policy makers meaningful information on TDHCA oversight of formula-funded (CA Network and</p>	<p>Deletes obsolete reference.</p>			

Element	Requested Change(s)	Justification for Requested Change(s)	LBB AND/OR OOG APPROVED CHANGE	LBB / OOG COMMENTS	STATUS
	HHSP) subrecipients. Calculation Method: N New Measure: N Target Attainment: H				
<p>Goal No. 5 Regulate Manufactured Housing Industry</p> <p>Objective No. 1 Operate a Regulatory System To Ensure Efficiency Responsive SOL /Licensing/Other</p> <p>Outcome No. 1 Percent of Apps Processed within Established Time Frames</p>	<p>Definitions: The percentage of Statement of Ownership & Location (SOL) and License applications processed within established time frames as opposed to those that are not.</p> <p>Data Limitations: No limitations of data.</p> <p>Data Source The Statement of Ownership & Location functional area of the Manufactured Housing Division reviews a random selection of 25 or more applications (per month) within a reporting period. The Licensing functional area reviews all applications to verify if they were processed timely.</p> <p>Methodology: To obtain the percentage, divide the number of applications that are processed within the required time frame by the total number reviewed by random selection. The percentage is attained by combining the results of the <u>Statement of Ownership SOL</u> and Licensing functional areas. Information is manually prepared and/or computer generated through the Manufactured Housing Division's Database.</p> <p>Purpose: Applications are processed within established time frames. The time frame for <u>Statement of Ownership SOL</u> applications is 15 working days; the time frame for licensing applications is 7 working days. The importance is to measure the ability of the agency to process applications in a timely manner.</p> <p>Calculation Method: N New Measure: N Target Attainment: H</p>	Updates program name.			

OBJECTIVE OUTCOME DEFINITIONS REPORT
85th Regular Session, Base Recon, Version I
Automated Budget and Evaluation System of Texas (ABEST)

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Agency Code: 332	Agency: Department of Housing and Community Affairs
Goal No. 1	Increase Availability of Safe/Decent/Affordable Housing
Objective No. 1	Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing
Outcome No. 1	Percent Households/Individuals Assisted

Calculation Method: N **Target Attainment:** H **Priority:** H **Cross Reference:** Agy 332 084-R-S70-1 01-01 OC 01
Key Measure: Y **New Measure:** N **Percent Measure:** Y

BL 2018 Definition

The percentage of households/individuals of very low, low, and moderate income that need housing and subsequently receive housing or housing related assistance represents services provided by the Housing Trust Fund Program, the HOME Program, the Section 8 Program, the Section 811 Program the Housing Tax Credit Program, My First Texas Home Program, the Multifamily Bond Program, the Tax Credit Assistance Program Repayment Fund, the National Housing Trust Fund, and other housing funds.

BL 2018 Data Limitations

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

BL 2018 Data Source

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

BL 2018 Methodology

The percent of households assisted is based on: (numerator) an actual count of households/individuals using TDHCA's housing programs and (denominator) the most recent census data of extremely low, very low, low and moderate income Texans who need affordable housing; with respect to the moderate income population with housing needs, only moderate income renter households will be included as the only TDHCA assistance available to moderate income households are programs for first time homebuyers, and only moderate income renters would benefit from these programs, (NOTE: TDHCA does not have home repairs programs that would benefit moderate income homeowners and therefore moderate income homeowners are not included. Also, rental development units funded by multiple programs are counted only once for the purposes of outcome calculations.)

BL 2018 Purpose

This measure addresses the extent to which services are provided by all housing programs and calculates the level of service compared to the need. This measure identifies the percentage of the low to moderate income population with housing needs that TDHCA housing programs were able to serve.

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85th Regular Session, Base Recon, Version I
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Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No. 1 Increase Availability of Safe/Decent/Affordable Housing

Objective No. 1 Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing

Outcome No. 2 Percent Very Low Income Households Receiving Housing Assistance

Calculation Method: N **Target Attainment: H** **Priority: H** **Cross Reference: Agy 332 084-R-S70-1 01-01 OC 02**

Key Measure: Y **New Measure: N** **Percent Measure: Y**

BL 2018 Definition

The percentage of very low income households receiving housing assistance represents services provided Housing Trust Fund Program, the HOME Program, the Section 8 Program, the Section 811 Program, the Housing Tax Credit Program, the My First Texas Home Program, the Multifamily Bond Program, the Tax Credit Assistance Program Repayment Fund, the National Housing Trust Fund, and other housing funds.

BL 2018 Data Limitations

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

BL 2018 Data Source

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

BL 2018 Methodology

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

BL 2018 Purpose

This measure identifies the percentage of the very low income population with housing needs that TDHCA housing programs were able to serve.

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85th Regular Session, Base Recon, Version I
Automated Budget and Evaluation System of Texas (ABEST)

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Agency Code: 332	Agency: Department of Housing and Community Affairs
Goal No. 1	Increase Availability of Safe/Decent/Affordable Housing
Objective No. 1	Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing
Outcome No. 3	Percent Low Income Households Receiving Housing Assistance

Calculation Method: N **Target Attainment:** H **Priority:** H **Cross Reference:** Agy 332 084-R-S70-1 01-01 OC 03
Key Measure: Y **New Measure:** N **Percent Measure:** Y

BL 2018 Definition

The percentage of low income households receiving housing assistance represents services provided by the Housing Trust Fund Program, the HOME Program, the Section 8 Program, the Section 811 Program the Housing Tax Credit Program, the My First Texas Home Program, the Multifamily Bond Program, the Tax Credit Assistance Program Repayment Fund, the National Housing Trust Fund, and other housing funds.

BL 2018 Data Limitations

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

BL 2018 Data Source

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

BL 2018 Methodology

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

BL 2018 Purpose

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

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Agency Code: 332	Agency: Department of Housing and Community Affairs
Goal No. 1	Increase Availability of Safe/Decent/Affordable Housing
Objective No. 1	Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing
Outcome No. 4	Percent Households of Moderate Income Receiving Housing Assistance

Calculation Method: N **Target Attainment: H** **Priority: H** **Cross Reference: Agy 332 084-R-S70-1 01-01 OC 04**

Key Measure: Y **New Measure: N** **Percent Measure: Y**

BL 2018 Definition

The percentage of moderate income households receiving housing assistance represents services provided by My First Texas Home Programs and other housing funds.

BL 2018 Data Limitations

The Department contracts with a Master Servicer to maintain data of households served. The intake, eligibility review and actual service is provided by the participating lender. The reporting of households served is provided by the Master Servicer. Reported performance is considered reliable.

BL 2018 Data Source

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

BL 2018 Methodology

The percent of households of moderate income served with housing or housing related assistance is based on:
(numerator) an actual count of moderate income households/individuals using TDHCA's housing programs and
(denominator) the most recent census data of moderate income renters who need affordable housing. TDHCA assistance available to moderate income households are programs for first time homebuyers, and only moderate income renters would benefit from these programs, (TDHCA does not have home repairs programs that would benefit moderate income homeowners.)

BL 2018 Purpose

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

BL 2019 Definition

The percentage of moderate income households receiving housing assistance represents services provided by My First Texas Home Programs and other housing funds.

BL 2019 Data Limitations

The Department contracts with a Master Servicer to maintain data of households served. The intake, eligibility review and actual service is provided by the participating lender. The reporting of households served is provided by the Master Servicer. Reported performance is considered reliable.

BL 2019 Data Source

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

BL 2019 Methodology

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The percent of households of moderate income served with housing or housing related assistance is based on:
(numerator) an actual count of moderate income households/individuals using TDHCA's housing programs and
(denominator) the most recent census data of moderate income renters who need affordable housing. TDHCA assistance available to moderate income households are programs for first time homebuyers, and only moderate income renters would benefit from these programs, (TDHCA does not have home repairs programs that would benefit moderate income homeowners.)

BL 2019 Purpose

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

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Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No. 1 Increase Availability of Safe/Decent/Affordable Housing

Objective No. 1 Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing

Outcome No. 5 Percent of Multi-family Rental Units Benefiting VL/MI Households

Calculation Method: N Target Attainment: H Priority: H Cross Reference: Agy 332 084-R-S70-1 01-01 OC 05

Key Measure: N New Measure: N Percent Measure: Y

BL 2018 Definition

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

BL 2018 Data Limitations

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

BL 2018 Data Source

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

BL 2018 Methodology

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

BL 2018 Purpose

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

BL 2019 Definition

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

BL 2019 Data Limitations

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

BL 2019 Data Source

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

BL 2019 Methodology

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

BL 2019 Purpose

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

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Agency Code: 332	Agency: Department of Housing and Community Affairs
Goal No. 2	Provide Information and Assistance
Objective No. 1	Provide Information and Assistance for Housing and Community Services
Outcome No. 1	% of Info/TA Requests Completed Within Established Time Frames

Calculation Method: N **Target Attainment:** H **Priority:** H **Cross Reference:** Agy 332 084-R-S70-1 02-01 OC 01
Key Measure: N **New Measure:** N **Percent Measure:** Y

BL 2018 Definition

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

BL 2018 Data Limitations

No limitations

BL 2018 Data Source

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

BL 2018 Methodology

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

BL 2018 Purpose

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

BL 2019 Definition

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

BL 2019 Data Limitations

No limitations

BL 2019 Data Source

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

BL 2019 Methodology

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

BL 2019 Purpose

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

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Agency Code: 332	Agency: Department of Housing and Community Affairs
Goal No. 3	Improve Poor/Homeless Living Conditions & Reduce VLI Energy Costs
Objective No. 1	Ease Hardships for 16% of Homeless & Very Low Income Persons Each Year
Outcome No. 1	% Eligible Population That Received Homeless & Poverty-Related Asst

Calculation Method: N **Target Attainment: H** **Priority: H** **Cross Reference: Agy 332 084-R-S70-1 03-01 OC 01**

Key Measure: Y **New Measure: N** **Percent Measure: Y**

BL 2018 Definition

The percentage of the population eligible for homeless and poverty-related assistance that receives assistance is derived by dividing the number of persons assisted through these programs by the total number of persons eligible for assistance in Texas.

BL 2018 Data Limitations

No limitations of data.

BL 2018 Data Source

The number of persons served is based on subrecipient data which is tracked on a daily basis and submitted monthly to TDHCA. The most recent census data, including estimates, is utilized to determine the eligible population. The eligible population is based on current TDHCA program income requirements as allowed under federal guidelines.

BL 2018 Methodology

Based on the monthly performance reports submitted by subrecipients, the Department determines the percent of very low income persons served by dividing the total number of low income persons served by the total number of persons eligible for assistance in Texas. Monthly performance information is entered in the Department's database and maintained by the Department.

BL 2018 Purpose

The measure identifies the percent of the income eligible population assisted by Community Services programs. This measure is important because it identifies the impact Community Services programs have had on the target population.

BL 2019 Definition

The percentage of the population eligible for homeless and poverty-related assistance that receives assistance is derived by dividing the number of persons assisted through these programs by the total number of persons eligible for assistance in Texas.

BL 2019 Data Limitations

No limitations of data.

BL 2019 Data Source

The number of persons served is based on subrecipient data which is tracked on a daily basis and submitted monthly to TDHCA. The most recent census data, including estimates, is utilized to determine the eligible population. The eligible population is based on current TDHCA program income requirements as allowed under federal guidelines.

BL 2019 Methodology

Based on the monthly performance reports submitted by subrecipients, the Department determines the percent of very low income persons served by dividing the total number of low income persons served by the total number of persons eligible for assistance in Texas. Monthly performance information is entered in the Department's database and maintained by the Department.

BL 2019 Purpose

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The measure identifies the percent of the income eligible population assisted by Community Services programs. This measure is important because it identifies the impact Community Services programs have had on the target population.

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Agency Code: 332	Agency: Department of Housing and Community Affairs
Goal No. 3	Improve Poor/Homeless Living Conditions & Reduce VLI Energy Costs
Objective No. 1	Ease Hardships for 16% of Homeless & Very Low Income Persons Each Year
Outcome No. 2	Percent of Persons Achieving Incomes Above Poverty Level

Calculation Method: N **Target Attainment:** H **Priority:** H **Cross Reference:** Agy 332 084-R-S70-1 03-01 OC 02
Key Measure: N **New Measure:** N **Percent Measure:** Y

BL 2018 Definition

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

BL 2018 Data Limitations

No limitations.

BL 2018 Data Source

The number of persons achieving incomes above poverty is based on monthly reports submitted by subrecipients. The data is entered on the Department's database and maintained by the Department. The most recent census data information available is utilized to determine the total population at or above 125% of poverty in Texas.

BL 2018 Methodology

The percentage of very low income persons assisted by the CSBG program (persons at or below 125% of poverty) maintaining that level of income for a minimum of 90 days divided by the total number of persons at or below 125% of poverty in Texas using the most recent census data available. Information on the number of persons assisted is submitted to the Department by subrecipients.

BL 2018 Purpose

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

BL 2019 Definition

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

BL 2019 Data Limitations

No limitations.

BL 2019 Data Source

The number of persons achieving incomes above poverty is based on monthly reports submitted by subrecipients. The data is entered on the Department's database and maintained by the Department. The most recent census data information available is utilized to determine the total population at or above 125% of poverty in Texas.

BL 2019 Methodology

The percentage of very low income persons assisted by the CSBG program (persons at or below 125% of poverty) maintaining that level of income for a minimum of 90 days divided by the total number of persons at or below 125% of poverty in Texas using the most recent census data available. Information on the number of persons assisted is submitted to the Department by subrecipients.

BL 2019 Purpose

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

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Agency Code: 332	Agency: Department of Housing and Community Affairs
Goal No. 3	Improve Poor/Homeless Living Conditions & Reduce VLI Energy Costs
Objective No. 2	Reduce Cost of Home Energy for 6% of Very Low Income Households
Outcome No. 1	Percent of Very Low Income Households Receiving Utility Assistance

Calculation Method: N **Target Attainment:** H **Priority:** H **Cross Reference:** Agy 332 084-R-S70-1 03-02 OC 01
Key Measure: Y **New Measure:** N **Percent Measure:** Y

BL 2018 Definition

This measure reflects the percentage of income-eligible households receiving utility assistance through all Energy Assistance programs. Information on the number of households assisted is submitted to the Department by subrecipients. A household may be assisted by more than one Energy Assistance program activity depending on need.

BL 2018 Data Limitations

No limitations of data.

BL 2018 Data Source

The percent of income-eligible households that received Energy Utility assistance through all Energy Assistance programs is based on monthly data reported by subrecipients. The income eligible population is based on the most recent census data available, including estimates.

BL 2018 Methodology

The data is entered in an automated system and maintained by the Department. The percent of very low income households receiving energy assistance is calculated by dividing the number of very low income households receiving CEAP or WAP assistance by the most current census data representing the number of households meeting current program income requirements. Numbers may reflect households receiving both energy assistance and weatherization assistance; in these instances households are counted separately for each program.

BL 2018 Purpose

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

BL 2019 Definition

This measure reflects the percentage of income-eligible households receiving utility assistance through all Energy Assistance programs. Information on the number of households assisted is submitted to the Department by subrecipients. A household may be assisted by more than one Energy Assistance program activity depending on need.

BL 2019 Data Limitations

No limitations of data.

BL 2019 Data Source

The percent of income-eligible households that received Energy Utility assistance through all Energy Assistance programs is based on monthly data reported by subrecipients. The income eligible population is based on the most recent census data available, including estimates.

BL 2019 Methodology

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The data is entered in an automated system and maintained by the Department. The percent of very low income households receiving energy assistance is calculated by dividing the number of very low income households receiving CEAP or WAP assistance by the most current census data representing the number of households meeting current program income requirements. Numbers may reflect households receiving both energy assistance and weatherization assistance; in these instances households are counted separately for each program.

BL 2019 Purpose

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

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Agency Code: 332	Agency: Department of Housing and Community Affairs
Goal No. 4	Ensure Compliance with Program Mandates
Objective No. 1	Monitor Developments & Subrecipient Contracts for Compliance
Outcome No. 1	Percent of Properties Monitored

Calculation Method: N **Target Attainment:** H **Priority:** H **Cross Reference:** Agy 332 084-R-S70-1 04-01 OC 01
Key Measure: N **New Measure:** N **Percent Measure:** Y

BL 2018 Definition

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

BL 2018 Data Limitations

No limitations of data.

BL 2018 Data Source

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

BL 2018 Methodology

The percent is derived by dividing the actual number of rental projects monitored by the total number of rental projects in the TDHCA Compliance portfolio.

BL 2018 Purpose

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

BL 2019 Definition

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

BL 2019 Data Limitations

No limitations of data.

BL 2019 Data Source

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

BL 2019 Methodology

The percent is derived by dividing the actual number of rental projects monitored by the total number of rental projects in the TDHCA Compliance portfolio.

BL 2019 Purpose

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

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Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No. 4 Ensure Compliance with Program Mandates

Objective No. 1 Monitor Developments & Subrecipient Contracts for Compliance

Outcome No. 2 Percent of Formula-Funded Receiving Onsite Monitoring

Calculation Method: N **Target Attainment:** H **Priority:** M **Cross Reference:** Agy 332 084-R-S70-1 04-01 OC 02

Key Measure: N **New Measure:** N **Percent Measure:** N

BL 2018 Definition

Measure represents the percentage of the formula funded (CA Network (CSBG, CEAP, and WAP) and HHSP) subrecipients that undergo onsite monitoring by the Department.

BL 2018 Data Limitations

No limitations.

BL 2018 Data Source

The data is gathered from Department databases.

BL 2018 Methodology

Number is actual. Subrecipients may administer more than one TDHCA program. This figure is calculated by the total number of formula-funded (CA network and HHSP) subrecipients receiving onsite reviews in a fiscal year (4.1.3 OP 1) divided by the total number of such subrecipients (4.1.3 EX 1).

BL 2018 Purpose

To provide policy makers meaningful information on TDHCA oversight of formula-funded (CA Network and HHSP) subrecipients.

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Agency Code: 332	Agency: Department of Housing and Community Affairs
Goal No. 5	Regulate Manufactured Housing Industry
Objective No. 1	Operate a Regulatory System To Ensure Responsive SOL/Licensing/Other
Outcome No. 1	Percent of Apps Processed within Established Time Frames

Calculation Method: N **Target Attainment:** H **Priority:** H **Cross Reference:** Agy 332 084-R-S70-1 05-01 OC 01

Key Measure: N **New Measure:** N **Percent Measure:** Y

BL 2018 Definition

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

BL 2018 Data Limitations

No limitations of data.

BL 2018 Data Source

The Statement of Ownership & Location functional area of the Manufactured Housing Division reviews a random selection of 25 or more applications (per month) within a reporting period. The Licensing functional area reviews all applications to verify if they were processed timely.

BL 2018 Methodology

To obtain the percentage, divide the number of applications that are processed within the required time frame by the total number reviewed by random selection. The percentage is attained by combining the results of the SOL and Licensing functional areas. Information is manually prepared and/or computer generated through the Manufactured Housing Division's Database.

BL 2018 Purpose

Applications are processed within established time frames. The time frame for SOL applications is 15 working days; the time frame for licensing applications is 7 working days. The importance is to measure the ability of the agency to process applications in a timely manner.

BL 2019 Definition

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

BL 2019 Data Limitations

No limitations of data.

BL 2019 Data Source

The Statement of Ownership & Location functional area of the Manufactured Housing Division reviews a random selection of 25 or more applications (per month) within a reporting period. The Licensing functional area reviews all applications to verify if they were processed timely.

BL 2019 Methodology

To obtain the percentage, divide the number of applications that are processed within the required time frame by the total number reviewed by random selection. The percentage is attained by combining the results of the SOL and Licensing functional areas. Information is manually prepared and/or computer generated through the Manufactured Housing Division's Database.

BL 2019 Purpose

Applications are processed within established time frames. The time frame for SOL applications is 15 working days; the time frame for licensing applications is 7 working days. The importance is to measure the ability of the agency to process applications in a timely manner.

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Agency Code: 332	Agency: Department of Housing and Community Affairs
Goal No. 5	Regulate Manufactured Housing Industry
Objective No. 1	Operate a Regulatory System To Ensure Responsive SOL/Licensing/Other
Outcome No. 2	Percent of Consumer Complaint Inspections Conducted within 30 Days

Calculation Method: N **Target Attainment:** H **Priority:** H **Cross Reference:** Agy 332 084-R-S70-1 05-01 OC 02
Key Measure: Y **New Measure:** N **Percent Measure:** Y

BL 2018 Definition

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

BL 2018 Data Limitations

No limitations of data.

BL 2018 Data Source

Data is computer generated through the Manufactured Housing Division's Database.

BL 2018 Methodology

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

BL 2018 Purpose

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

BL 2019 Definition

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

BL 2019 Data Limitations

No limitations of data.

BL 2019 Data Source

Data is computer generated through the Manufactured Housing Division's Database.

BL 2019 Methodology

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

BL 2019 Purpose

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

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Agency Code: 332	Agency: Department of Housing and Community Affairs
Goal No. 5	Regulate Manufactured Housing Industry
Objective No. 1	Operate a Regulatory System To Ensure Responsive SOL/Licensing/Other
Outcome No. 3	Percent of Complaints Resulting in Disciplinary Action

Calculation Method: N **Target Attainment:** L **Priority:** H **Cross Reference:** Agy 332 084-R-S70-1 05-01 OC 03
Key Measure: Y **New Measure:** N **Percent Measure:** Y

BL 2018 Definition

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

BL 2018 Data Limitations

No limitations of data.

BL 2018 Data Source

Data is computer generated through the Manufactured Housing Division's Database.

BL 2018 Methodology

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

BL 2018 Purpose

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

BL 2019 Definition

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

BL 2019 Data Limitations

No limitations of data.

BL 2019 Data Source

Data is computer generated through the Manufactured Housing Division's Database.

BL 2019 Methodology

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

BL 2019 Purpose

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

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Agency Code: 332	Agency: Department of Housing and Community Affairs
Goal No. 5	Regulate Manufactured Housing Industry
Objective No. 1	Operate a Regulatory System To Ensure Responsive SOL/Licensing/Other
Outcome No. 4	Percent of Documented Complaints Resolved within Six Months

Calculation Method: N **Target Attainment:** H **Priority:** H **Cross Reference:** Agy 332 084-R-S70-1 05-01 OC 04
Key Measure: N **New Measure:** N **Percent Measure:** Y

BL 2018 Definition

The percentage of complaints resolved within a period of 6 months (180 days) or less from the date of receipt as opposed to complaints which take longer than six months to resolve.

BL 2018 Data Limitations

No limitations of data.

BL 2018 Data Source

Data is computer generated through the Manufactured Housing Division's Database.

BL 2018 Methodology

The number of jurisdictional complaints resolved within a period of six months (180 days) or less from the date of receipt divided by the total number of jurisdictional complaints resolved.

BL 2018 Purpose

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

BL 2019 Definition

The percentage of complaints resolved within a period of 6 months (180 days) or less from the date of receipt as opposed to complaints which take longer than six months to resolve.

BL 2019 Data Limitations

No limitations of data.

BL 2019 Data Source

Data is computer generated through the Manufactured Housing Division's Database.

BL 2019 Methodology

The number of jurisdictional complaints resolved within a period of six months (180 days) or less from the date of receipt divided by the total number of jurisdictional complaints resolved.

BL 2019 Purpose

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

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Agency Code: 332	Agency: Department of Housing and Community Affairs
Goal No. 5	Regulate Manufactured Housing Industry
Objective No. 1	Operate a Regulatory System To Ensure Responsive SOL/Licensing/Other
Outcome No. 5	Recidivism Rate for Those Receiving Disciplinary Action

Calculation Method: N **Target Attainment: H** **Priority: H** **Cross Reference: Agy 332 084-R-S70-1 05-01 OC 05**
Key Measure: N **New Measure: N** **Percent Measure: Y**

BL 2018 Definition

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

BL 2018 Data Limitations

No limitations of data.

BL 2018 Data Source

Data is computer generated through the Manufactured Housing Division's Database.

BL 2018 Methodology

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

BL 2018 Purpose

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

BL 2019 Definition

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

BL 2019 Data Limitations

No limitations of data.

BL 2019 Data Source

Data is computer generated through the Manufactured Housing Division's Database.

BL 2019 Methodology

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

BL 2019 Purpose

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

Strategy-Related Measures Definitions
85th Regular Session, Base Recon, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code:	332	Agency:	Department of Housing and Community Affairs
Goal No.	1		Increase Availability of Safe/Decent/Affordable Housing
Objective No.	1		Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing
Strategy No.	1		Mortgage Loans & MCCs through the SF MRB Program
Measure Type	EF		
Measure No.	1		Average Loan Amount w/o Down Payment Assistance

Calculation Method: N **Target Attainment: H** **Priority: M** Cross Reference: Agy 332 084-R-S70-1 01-01-01 EF 01

Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

A measure that tracks the average mortgage loan amount without down payment assistance.

BL 2018 Data Limitations

While TDHCA has indicated "Higher," multiple factors beyond TDHCA's control affect average loan size; the desirability of the resulting performance is dependent on the cause and any potential public policy implications rather than the size of the loan itself.

BL 2018 Data Source

The number and amounts of the loans are tracked by the division. Agency extracts data from a program administrator lender portal.

BL 2018 Methodology

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

BL 2018 Purpose

This measure identifies the average mortgage loan amount without down payment assistance.

BL 2019 Definition

A measure that tracks the average mortgage loan amount without down payment assistance.

BL 2019 Data Limitations

While TDHCA has indicated "Higher," multiple factors beyond TDHCA's control affect average loan size; the desirability of the resulting performance is dependent on the cause and any potential public policy implications rather than the size of the loan itself.

BL 2019 Data Source

The number and amounts of the loans are tracked by the division. Agency extracts data from a program administrator lender portal.

BL 2019 Methodology

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

Strategy-Related Measures Definitions
 85th Regular Session, Base Recon, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Agency Code:	332	Agency:	Department of Housing and Community Affairs
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Goal No.	1	Increase Availability of Safe/Decent/Affordable Housing
Objective No.	1	Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing
Strategy No.	1	Mortgage Loans & MCCs through the SF MRB Program
Measure Type	EF	
Measure No.	2	Avg Loan Amount with Down Payment Assistance

Calculation Method: N **Target Attainment: H** **Priority: M** Cross Reference: Agy 332 084-R-S70-1 01-01-01 EF 02
Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

A measure that tracks the average mortgage loan amount with down payment assistance.

BL 2018 Data Limitations

While TDHCA has indicated "Higher," multiple factors beyond TDHCA's control affect average loan size; the desirability of the resulting performance is dependent on the cause and any potential public policy implications rather than the size of the loan itself.

BL 2018 Data Source

The number and amounts of the loans are tracked by the division. Agency extracts data from a program administrator lender portal.

BL 2018 Methodology

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

BL 2018 Purpose

This measure identifies the average mortgage loan amount with down payment assistance.

BL 2019 Definition

A measure that tracks the average mortgage loan amount with down payment assistance.

BL 2019 Data Limitations

While TDHCA has indicated "Higher," multiple factors beyond TDHCA's control affect average loan size; the desirability of the resulting performance is dependent on the cause and any potential public policy implications rather than the size of the loan itself.

BL 2019 Methodology

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

BL 2019 Purpose

This measure identifies the average mortgage loan amount with down payment assistance.

Strategy-Related Measures Definitions
85th Regular Session, Base Recon, Version 1
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Agency Code:	332	Agency:	Department of Housing and Community Affairs
Goal No.	1	Increase Availability of Safe/Decent/Affordable Housing	
Objective No.	1	Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing	
Strategy No.	1	Mortgage Loans & MCCs through the SF MRB Program	
Measure Type	EF		
Measure No.	3	Average Mortgage Credit Certificate Amount	

Calculation Method: N **Target Attainment: H** **Priority: M** Cross Reference: Agy 332 084-R-S70-1 01-01-01 EF 03
Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

A measure that tracks the average amount of all Mortgage Credit Certificates (MCCs) issued by TDHCA.

BL 2018 Data Limitations

While TDHCA has indicated "Higher," this reports mortgage tax credits reported by TDHCA to the IRS. Various factors affect the actual benefit realized by households.

BL 2018 Data Source

The number and amounts of MCC benefits are tracked by the division. Agency extracts data from program administrator lender portal.

BL 2018 Methodology

The total mortgage loan amount associated with the MCCs issued will be summed and divided by the number of MCCs multiplied by the credit rate.

BL 2018 Purpose

This measure identifies the average amount of all Mortgage Credit Certificates (MCCs)

BL 2019 Definition

A measure that tracks the average amount of all Mortgage Credit Certificates (MCCs) issued by TDHCA.

Strategy-Related Measures Definitions
 85th Regular Session, Base Recon, Version 1
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Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	1	Increase Availability of Safe/Decent/Affordable Housing
Objective No.	1	Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing
Strategy No.	1	Mortgage Loans & MCCs through the SF MRB Program
Measure Type	EX	
Measure No.	1	Households Receiving Mortgage Loans w/o Down Payment Assistance

Calculation Method: N **Target Attainment: H** **Priority: M** Cross Reference: Agy 332 084-R-S70-1 01-01-01 EX 01

Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

A measure that tracks the number of households receiving loans without down payment assistance.

BL 2018 Data Limitations

No Limitations

BL 2018 Data Source

The number and amounts of the loans are tracked by the division. Agency extracts data from a program administrator lender portal.

BL 2018 Methodology

The number will be a count of loans without down payment assistance. This figure does not include loans leveraged with the Mortgage Credit Certificate program.

BL 2018 Purpose

To track the number of households receiving loans without down payment assistance.

BL 2019 Definition

A measure that tracks the number of households receiving loans without down payment assistance.

BL 2019 Data Limitations

No Limitations

BL 2019 Data Source

The number and amounts of the loans are tracked by the division. Agency extracts data from a program administrator lender portal.

BL 2019 Methodology

The number will be a count of loans without down payment assistance. This figure does not include loans leveraged with the Mortgage Credit Certificate program.

BL 2019 Purpose

To track the number of households receiving loans without down payment assistance.

Strategy-Related Measures Definitions
85th Regular Session, Base Recon, Version 1
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Agency Code:	332	Agency:	Department of Housing and Community Affairs
Goal No.	1	Increase Availability of Safe/Decent/Affordable Housing	
Objective No.	1	Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing	
Strategy No.	1	Mortgage Loans & MCCs through the SF MRB Program	
Measure Type	EX		
Measure No.	2	Number Households Receiving Mortgage Loans w/ Down Payment Assistance	

Calculation Method: N **Target Attainment: H** **Priority: M** Cross Reference: Agy 332 084-R-S70-1 01-01-01 EX 02

Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

A measure that tracks the number of households receiving loans with down payment assistance.

BL 2018 Data Limitations

No limitations

BL 2018 Data Source

The number and amounts of the loans are tracked by the division. Agency extracts data from a program administrator lender portal.

BL 2018 Methodology

The number will be a count of loans with down payment assistance. This figure does not include loans leveraged with the Mortgage Credit Certificate program.

BL 2018 Purpose

To track the number of households receiving loans with down payment assistance.

BL 2019 Definition

A measure that tracks the number of households receiving loans with down payment assistance.

BL 2019 Data Limitations

No limitations

BL 2019 Data Source

The number and amounts of the loans are tracked by the division. Agency extracts data from a program administrator lender portal.

BL 2019 Methodology

The number will be a count of loans with down payment assistance. This figure does not include loans leveraged with the Mortgage Credit Certificate program.

BL 2019 Purpose

To track the number of households receiving loans with down payment assistance.

Strategy-Related Measures Definitions
 85th Regular Session, Base Recon, Version 1
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Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	1	Increase Availability of Safe/Decent/Affordable Housing
Objective No.	1	Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing
Strategy No.	1	Mortgage Loans & MCCs through the SF MRB Program
Measure Type	EX	
Measure No.	3	# of Stand Alone MCCs Issued without a TDHCA Mortgage Loan

Calculation Method: N **Target Attainment: H** **Priority: M** Cross Reference: Agy 332 084-R-S70-1 01-01-01 EX 03

Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

A measure that tracks the number of “stand alone” Mortgage Credit Certificates not issued in conjunction with a TDHCA mortgage loan.

BL 2018 Data Limitations

There are no data limitations.

BL 2018 Data Source

The number of MCCs is tracked by the Texas Homeownership Division. Agency extracts data from a program administrator lender portal.

BL 2018 Methodology

The number will be the count of the issued ”stand alone” MCCs. This number does not include MCCs issued in conjunction with loans reported under this Strategy.

BL 2018 Purpose

This measure identifies the number of households receiving ”stand alone” MCCs not issued in conjunction with a TDHCA mortgage loan.

BL 2019 Data Limitations

There are no data limitations.

Strategy-Related Measures Definitions
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Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	1	Increase Availability of Safe/Decent/Affordable Housing
Objective No.	1	Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing
Strategy No.	1	Mortgage Loans & MCCs through the SF MRB Program
Measure Type	EX	
Measure No.	4	Number of Mortgage Credit Certificates Combined with Mortgage Loans

Calculation Method: N **Target Attainment: H** **Priority: M** Cross Reference: Agy 332 084-R-S70-1 01-01-01 EX 04

Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

A measure that tracks the number of Mortgage Credit Certificates (MCCs) combined with the mortgage loans, with or without down payment assistance.

BL 2018 Data Limitations

No limitations

BL 2018 Data Source

The number of MCCs are tracked by the Texas Homeownership Division. The number and amounts of the loans are tracked by the division. Agency extracts data from a program administrator lender portal

BL 2018 Methodology

The number will be the count of the issued MCCs that have been combined with mortgage loans.

BL 2018 Purpose

This measure identifies the number of households receiving the combined program elements of a Mortgage Credit Certificate and a mortgage loan, with or without down payment assistance.

Strategy-Related Measures Definitions
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Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	1	Increase Availability of Safe/Decent/Affordable Housing
Objective No.	1	Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing
Strategy No.	1	Mortgage Loans & MCCs through the SF MRB Program
Measure Type	OP	
Measure No.	1	# Households Asst. through Bond Authority or Other Mortgage Financing

Calculation Method: C **Target Attainment: H** **Priority: H** Cross Reference: Agy 332 084-R-S70-1 01-01-01 OP 01
Key Measure: Y **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

A measure that tracks the number of households assisted with single family mortgage revenue bond funds or other alternative mortgage financing.

BL 2018 Data Limitations

No limitations

BL 2018 Data Source

The number of households is tracked in the agency's computer system.

BL 2018 Methodology

The number will be a count of households assisted through all single family mortgage financing programs.

BL 2018 Purpose

To track the total number of households assisted with single family mortgage revenue bond funds or other alternative mortgage financing.

BL 2019 Definition

A measure that tracks the number of households assisted with single family mortgage revenue bond funds or other alternative mortgage financing.

BL 2019 Data Limitations

No limitations

BL 2019 Data Source

The number of households is tracked in the agency's computer system.

BL 2019 Purpose

To track the total number of households assisted with single family mortgage revenue bond funds or other alternative mortgage financing.

Strategy-Related Measures Definitions
 85th Regular Session, Base Recon, Version 1
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Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	1	Increase Availability of Safe/Decent/Affordable Housing
Objective No.	1	Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing
Strategy No.	2	Provide Funding through the HOME Program for Affordable Housing
Measure Type	EF	
Measure No.	1	Avg Amt Per Household for Single Family Development

Calculation Method: N **Target Attainment: L** **Priority: M** Cross Reference: Agy 332 084-R-S70-1 01-01-02 EF 01
Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

A measure that tracks the average amount per unit of HOME loans awarded in support of single family development activities, including new construction and infill development.

BL 2018 Data Limitations

No limitations

BL 2018 Data Source

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

BL 2018 Methodology

The total dollar amount of new construction, including new construction under single family development activities utilizing HOME funds will be totaled and divided by the projected number of units awarded through single family development utilizing HOME funds.

BL 2018 Purpose

This measure identifies the costs associated with new construction and other single family development activities utilizing HOME funds.

BL 2019 Definition

A measure that tracks the average amount per unit of HOME loans awarded in support of single family development activities, including new construction and infill development.

BL 2019 Data Limitations

No limitations

BL 2019 Data Source

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

BL 2019 Methodology

The total dollar amount of new construction, including new construction under single family development activities utilizing HOME funds will be totaled and divided by the projected number of units awarded through single family development utilizing HOME funds.

Strategy-Related Measures Definitions
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BL 2019 Purpose

This measure identifies the costs associated with new construction and other single family development activities utilizing HOME funds.

Strategy-Related Measures Definitions
 85th Regular Session, Base Recon, Version 1
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Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	1	Increase Availability of Safe/Decent/Affordable Housing
Objective No.	1	Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing
Strategy No.	2	Provide Funding through the HOME Program for Affordable Housing
Measure Type	EF	
Measure No.	2	Avg Amt Per Household/Single Family Rehab, New Const or Reconstruction

Calculation Method: N **Target Attainment: L** **Priority: M** Cross Reference: Agy 332 084-R-S70-1 01-01-02 EF 02

Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

A measure that tracks the average amount per household of loans/grants for new construction, rehabilitation or reconstruction of housing utilizing single family HOME Homeowner Rehabilitation Assistance (HRA) funds.

BL 2018 Data Limitations

No limitations

BL 2018 Data Source

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

BL 2018 Methodology

The total dollar amount of rehabilitation, new construction, or reconstruction of owner-occupied housing utilizing HOME funds will be summed and divided by the number of households awarded through rehabilitation or reconstruction of owner-occupied housing utilizing HOME Homeowner Rehabilitation Assistance (HRA) funds.

BL 2018 Purpose

This measure identifies the costs associated with rehabilitation, new construction, or reconstruction of housing utilizing HOME Homeowner Rehabilitation Assistance (HRA) funds.

BL 2019 Definition

A measure that tracks the average amount per household of loans/grants for new construction, rehabilitation or reconstruction of housing utilizing single family HOME Homeowner Rehabilitation Assistance (HRA) funds.

BL 2019 Data Limitations

No limitations

BL 2019 Data Source

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

BL 2019 Methodology

Strategy-Related Measures Definitions
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The total dollar amount of rehabilitation, new construction, or reconstruction of owner-occupied housing utilizing HOME funds will be summed and divided by the number of households awarded through rehabilitation or reconstruction of owner-occupied housing utilizing HOME Homeowner Rehabilitation Assistance (HRA) funds.

BL 2019 Purpose

This measure identifies the costs associated with rehabilitation, new construction, or reconstruction of housing utilizing HOME Homeowner Rehabilitation Assistance (HRA) funds.

Strategy-Related Measures Definitions
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 Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	1	Increase Availability of Safe/Decent/Affordable Housing
Objective No.	1	Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing
Strategy No.	2	Provide Funding through the HOME Program for Affordable Housing
Measure Type	EF	
Measure No.	3	Average Amount for Homebuyer and Homebuyer with Rehab Assistance

Calculation Method: N **Target Attainment: L** **Priority: M** Cross Reference: Agy 332 084-R-S70-1 01-01-02 EF 03

Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

A measure that tracks the average amount per household of mortgage financing and homebuyer assistance utilizing single family HOME funds, including mortgage financing and homebuyer assistance provided in conjunction with home modification for accessibility needs or rehabilitation.

BL 2018 Data Limitations

No limitations

BL 2018 Data Source

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

BL 2018 Methodology

The total dollar amount of HOME homebuyer assistance ("HBA") funds, inclusive of funding provided for associated modification or rehabilitation, divided by the number of units assisted under HBA.

BL 2018 Purpose

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

BL 2019 Definition

A measure that tracks the average amount per household of mortgage financing and homebuyer assistance utilizing single family HOME funds, including mortgage financing and homebuyer assistance provided in conjunction with home modification for accessibility needs or rehabilitation.

BL 2019 Data Limitations

No limitations

BL 2019 Data Source

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

BL 2019 Purpose

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

Strategy-Related Measures Definitions
 85th Regular Session, Base Recon, Version 1
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Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	1	Increase Availability of Safe/Decent/Affordable Housing
Objective No.	1	Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing
Strategy No.	2	Provide Funding through the HOME Program for Affordable Housing
Measure Type	EF	
Measure No.	4	Average Amount Per Household of Tenant-based Rental Assistance

Calculation Method: N **Target Attainment: L** **Priority: M** Cross Reference: Agy 332 084-R-S70-1 01-01-02 EF 04

Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

A measure that tracks the average amount per household of tenant based rental assistance awarded provided with HOME funds in the State Fiscal Year.

BL 2018 Data Limitations

No limitations

BL 2018 Data Source

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

BL 2018 Methodology

The total dollar amount of tenant based rental assistance provided with HOME funds during the State Fiscal Year will be summed and divided by the number of households assisted through tenant based rental assistance utilizing HOME funds.

BL 2018 Purpose

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

BL 2019 Definition

A measure that tracks the average amount per household of tenant based rental assistance awarded provided with HOME funds in the State Fiscal Year.

BL 2019 Data Limitations

No limitations

BL 2019 Data Source

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

BL 2019 Methodology

The total dollar amount of tenant based rental assistance provided with HOME funds during the State Fiscal Year will be summed and divided by the number of households assisted through tenant based rental assistance utilizing HOME funds.

Strategy-Related Measures Definitions
85th Regular Session, Base Recon, Version 1
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BL 2019 Purpose

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

Strategy-Related Measures Definitions
 85th Regular Session, Base Recon, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	1	Increase Availability of Safe/Decent/Affordable Housing
Objective No.	1	Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing
Strategy No.	2	Provide Funding through the HOME Program for Affordable Housing
Measure Type	EF	
Measure No.	5	Average HOME, TCAP RF, or Other Funds Amount Per Household MF Develop

Calculation Method: N **Target Attainment: L** **Priority: H** Cross Reference:
Key Measure: N **New Measure: Y** **Percentage Measure: N**

BL 2018 Definition

A measure that tracks the average amount of loans and grants per low income unit awarded using multifamily HOME, multifamily (MF) Tax Credit Assistance Program Repayment Fund ("TCAP RF"), or other multifamily direct loan funds. Direct loans do not include loans funded through multifamily mortgage revenue bond proceeds, including Private Activity Bond proceeds.

BL 2018 Data Limitations

No limitations.

BL 2018 Data Source

The numbers and amounts of the multifamily loans/grants are tracked by the Multifamily Finance division. Data is entered by staff and maintained in the agency's computer system. Direct loans do not include loans funded through multifamily mortgage revenue bond proceeds, including private activity bonds. Some multifamily direct loan funds may be layered with other TDHCA funding such as bonds or HTC.

BL 2018 Methodology

This figure will be calculated by dividing the amount of multifamily HOME, multifamily TCAP RF, or other multifamily direct loan funds awarded by the corresponding number of restricted units to be developed, through new construction or rehabilitation. Direct loan funds may include National Housing Trust Funds or other Federal or State funds that are programmed for multifamily development activity. (The preponderance of TCAP RF will likely be programmed for multifamily activity; the preponderance of National Housing Trust Fund is restricted to multifamily activities.)

BL 2018 Purpose

This measure identifies the loan/grant amount associated with developing housing units and measures the efficiency of utilizing multifamily HOME, multifamily TCAP RF, or other multifamily direct loan funds.

BL 2019 Data Limitations

No limitations.

Strategy-Related Measures Definitions
85th Regular Session, Base Recon, Version 1
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Agency Code:	332	Agency:	Department of Housing and Community Affairs
Goal No.	1		Increase Availability of Safe/Decent/Affordable Housing
Objective No.	1		Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing
Strategy No.	2		Provide Funding through the HOME Program for Affordable Housing
Measure Type	EX		
Measure No.	1		# of Households Asst. through S.F. Development Activities

Calculation Method: N **Target Attainment: H** **Priority: M** Cross Reference: Agy 332 084-R-S70-1 01-01-02 EX 01
Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

A measure that tracks the number of households awarded HOME funds provided in support of single family development activities, including new construction, acquisition, and/or rehabilitation.

BL 2018 Data Limitations

No limitations

BL 2018 Data Source

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

BL 2018 Methodology

The number will be a count of households awarded HOME funds provided in support of single family development activities, including new construction, acquisition, and/or rehabilitation. Performance is measured when loans are closed or the activity is closed in the Agency's Housing Contract System.

BL 2018 Purpose

To track the number of households assisted utilizing HOME funds provided in support of single family development and redevelopment activities, including new construction, acquisition, and/or rehabilitation.

BL 2019 Definition

A measure that tracks the number of households awarded HOME funds provided in support of single family development activities, including new construction, acquisition, and/or rehabilitation.

BL 2019 Data Limitations

No limitations

BL 2019 Data Source

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

BL 2019 Methodology

Strategy-Related Measures Definitions

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The number will be a count of households awarded HOME funds provided in support of single family development activities, including new construction, acquisition, and/or rehabilitation. Performance is measured when loans are closed or the activity is closed in the Agency's Housing Contract System.

BL 2019 Purpose

To track the number of households assisted utilizing HOME funds provided in support of single family development and redevelopment activities, including new construction, acquisition, and/or rehabilitation.

Strategy-Related Measures Definitions
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Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	1	Increase Availability of Safe/Decent/Affordable Housing
Objective No.	1	Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing
Strategy No.	2	Provide Funding through the HOME Program for Affordable Housing
Measure Type	EX	
Measure No.	2	# of Households Asst through S.F. Rehab, New Const, or Reconst Act

Calculation Method: N **Target Attainment: H** **Priority: M** Cross Reference: Agy 332 084-R-S70-1 01-01-02 EX 02
Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

A measure that tracks the number of households assisted through single family HOME funds for rehabilitation, new construction, or reconstruction utilizing single family HOME Homeowner Rehabilitation Assistance (HRA) funds.

BL 2018 Data Limitations

No limitations

BL 2018 Data Source

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

BL 2018 Methodology

The number will be a count of households assisted through HOME funds for rehabilitation, new construction, or reconstruction of owner-occupied housing. Performance is measured when loans are closed or the activity is closed in the Agency's Housing Contract System.

BL 2018 Purpose

To track the number of households awarded through HOME funds for new construction, rehabilitation or reconstruction utilizing single family Homeowner Rehabilitation Assistance (HRA) HOME funds. Please note that "new construction" under this category refers to the rebuilding of a home at an alternative site as might occur for disaster relief or flood plain issues.

BL 2019 Definition

A measure that tracks the number of households assisted through single family HOME funds for rehabilitation, new construction, or reconstruction utilizing single family HOME Homeowner Rehabilitation Assistance (HRA) funds.

BL 2019 Data Limitations

No limitations

BL 2019 Data Source

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

BL 2019 Methodology

Strategy-Related Measures Definitions
85th Regular Session, Base Recon, Version 1
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The number will be a count of households assisted through HOME funds for rehabilitation, new construction, or reconstruction of owner-occupied housing. Performance is measured when loans are closed or the activity is closed in the Agency's Housing Contract System.

Strategy-Related Measures Definitions
 85th Regular Session, Base Recon, Version 1
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Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	1	Increase Availability of Safe/Decent/Affordable Housing
Objective No.	1	Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing
Strategy No.	2	Provide Funding through the HOME Program for Affordable Housing
Measure Type	EX	
Measure No.	3	# of Household Asst through Homebuyer & Homebuyer/Home Rehab Asst

Calculation Method: N **Target Attainment: H** **Priority: M** Cross Reference: Agy 332 084-R-S70-1 01-01-02 EX 03

Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

A measure that tracks the number of households assisted through single family HOME funds for mortgage financing and homebuyer assistance , including mortgage financing and homebuyer assistance provided in conjunction with home modification or rehabilitation.

BL 2018 Data Limitations

No limitations

BL 2018 Data Source

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

BL 2018 Methodology

The number will be a count of households assisted through HOME funds for mortgage financing and homebuyer assistance, including households receiving home modification or rehabilitation with these. Performance is measured when loans are closed or the activity is closed in the Agency's Housing Contract System.

BL 2018 Purpose

To track the number of households assisted through HOME funds for mortgage financing and homebuyer assistance, including mortgage financing and homebuyer assistance provided in conjunction with home modification or rehabilitation.

BL 2019 Data Limitations

No limitations

BL 2019 Data Source

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

BL 2019 Purpose

To track the number of households assisted through HOME funds for mortgage financing and homebuyer assistance, including mortgage financing and homebuyer assistance provided in conjunction with home modification or rehabilitation.

Strategy-Related Measures Definitions
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Agency Code:	332	Agency:	Department of Housing and Community Affairs
Goal No.	1	Increase Availability of Safe/Decent/Affordable Housing	
Objective No.	1	Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing	
Strategy No.	2	Provide Funding through the HOME Program for Affordable Housing	
Measure Type	EX		
Measure No.	4	Number of Households Assisted through Tenant-based Rental Assistance	

Calculation Method: N **Target Attainment: H** **Priority: M** Cross Reference: Agy 332 084-R-S70-1 01-01-02 EX 04
Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

A measure that tracks the number of households assisted through HOME tenant based rental assistance in the State Fiscal Year.

BL 2018 Data Limitations

No limitations

BL 2018 Data Source

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

BL 2018 Methodology

The performance figure reported for the first quarter represents the total number of households receiving assistance as of September 1 plus new households between September 1st and November 30th. Subsequent quarters report only new households served for the reporting period.

BL 2018 Purpose

To track the number of households assisted with HOME tenant based rental assistance.

BL 2019 Definition

A measure that tracks the number of households assisted through HOME tenant based rental assistance in the State Fiscal Year.

BL 2019 Data Limitations

No limitations

BL 2019 Data Source

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

BL 2019 Methodology

The performance figure reported for the first quarter represents the total number of households receiving assistance as of September 1 plus new households between September 1st and November 30th. Subsequent quarters report only new households served for the reporting period.

Strategy-Related Measures Definitions
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BL 2019 Purpose

To track the number of households assisted with HOME tenant based rental assistance.

Strategy-Related Measures Definitions
 85th Regular Session, Base Recon, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	1	Increase Availability of Safe/Decent/Affordable Housing
Objective No.	1	Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing
Strategy No.	2	Provide Funding through the HOME Program for Affordable Housing
Measure Type	EX	
Measure No.	5	Number of Households Assisted through HOME Multifamily Activities

Calculation Method: N **Target Attainment: H** **Priority: H** Cross Reference:
Key Measure: N **New Measure: Y** **Percentage Measure: N**

BL 2018 Definition

A measure that tracks the number of households assisted as reflected by the number of units developed with multifamily HOME funds.

BL 2018 Data Limitations

No limitations.

BL 2018 Data Source

The number of units is tracked by the Multifamily Finance division. Data is entered by staff and maintained in the agency's computer system.

BL 2018 Methodology

This measure will be calculated as the sum of all restricted units awarded multifamily HOME funds for rental development. Numbers may reflect units receiving both HOME funds and tax credits; in these instances units are counted separately for each program. Performance is tracked at the time of cost-certification for developments layered with tax credits. Non-layered developments are tracked at the final draw.

BL 2018 Purpose

To track the amount of multifamily units assisted as reflected by the units developed with MF Home funds.

BL 2019 Data Limitations

No limitations.

BL 2019 Purpose

To track the amount of multifamily units assisted as reflected by the units developed with MF Home funds.

Strategy-Related Measures Definitions
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Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	1	Increase Availability of Safe/Decent/Affordable Housing
Objective No.	1	Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing
Strategy No.	2	Provide Funding through the HOME Program for Affordable Housing
Measure Type	EX	
Measure No.	6	# Households Assisted thru TCAP RF and Other MF Direct Loan Activities

Calculation Method: N **Target Attainment: H** **Priority: H** Cross Reference:
Key Measure: N **New Measure: Y** **Percentage Measure: N**

BL 2018 Definition

A measure that tracks the number of households assisted as reflected by the number of units developed with multifamily Tax Credit Assistance Program Repayment Fund ("TCAP RF") funds or other multifamily direct loan funds exclusive of HOME multifamily direct loans. Direct loans do not include loans funded through multifamily mortgage revenue bond proceeds, including Private Activity Bond proceeds.

BL 2018 Data Limitations

No limitations.

BL 2018 Data Source

The number of units is tracked by the Multifamily Finance division. Data is entered by staff and maintained in the agency's computer system.

BL 2018 Methodology

This measure will be calculated as the sum of all restricted units awarded multifamily TCAP RF or other Federal or State direct loan funds programmed for rental development. (The preponderance of TCAP RF will likely be programmed for multifamily activity; the preponderance of National Housing Trust Fund is restricted to multifamily activities.) Direct loans do not include loans funded through multifamily mortgage revenue bond proceeds, including Private Activity Bonds. Numbers may reflect units receiving both direct loan funds and tax credits; in these instances units are counted separately for each program. Performance is tracked at the time of cost-certification for developments layered with tax credits. Non-layered developments are tracked at the final draw.

BL 2018 Purpose

To track the amount of multifamily units assisted utilizing multifamily TCAP RF or other multifamily direct loan funds not funded through the HOME Program.

Strategy-Related Measures Definitions
 85th Regular Session, Base Recon, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	1	Increase Availability of Safe/Decent/Affordable Housing
Objective No.	1	Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing
Strategy No.	2	Provide Funding through the HOME Program for Affordable Housing
Measure Type	OP	
Measure No.	1	Number of Households Assisted with Single Family HOME Funds

Calculation Method: C **Target Attainment: H** **Priority: H** Cross Reference: Agy 332 084-R-S70-1 01-01-02 OP 01
Key Measure: Y **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

A measure that tracks the number of households assisted through single family HOME funds.

BL 2018 Data Limitations

No limitations

BL 2018 Data Source

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

BL 2018 Methodology

The number will be a count of households assisted through single family HOME funds. Performance is measured when loans are closed or the activity is closed in the Agency's Housing Contract System. For Tenant-Based Rental Assistance, consistent with the methodology in 1.1.2 EX 4, the measure would capture households served during the State Fiscal Year.

BL 2018 Purpose

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

BL 2019 Definition

A measure that tracks the number of households assisted through single family HOME funds.

BL 2019 Data Limitations

No limitations

BL 2019 Data Source

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

BL 2019 Purpose

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

Strategy-Related Measures Definitions
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Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	1	Increase Availability of Safe/Decent/Affordable Housing
Objective No.	1	Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing
Strategy No.	2	Provide Funding through the HOME Program for Affordable Housing
Measure Type	OP	
Measure No.	2	#HHS Ass. W/ Multifamily HOME, (TCAP) RF, Other MF Direct Loan Funds

Calculation Method: C **Target Attainment: H** **Priority: H** Cross Reference:
Key Measure: N **New Measure: Y** **Percentage Measure: N**

BL 2018 Definition

A measure that tracks the number of households assisted as reflected by the number of units developed with multifamily HOME, multifamily Tax Credit Assistance Program Repayment Fund ("TCAP RF"), or other multifamily direct loan funds. Direct loans do not include loans funded through multifamily mortgage revenue bond proceeds, including Private Activity Bond proceeds.

BL 2018 Data Limitations

No limitations.

BL 2018 Data Source

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

BL 2018 Methodology

This measure will be calculated as the sum of all restricted units awarded multifamily HOME, MF Tax Credit Assistance Program Repayment Fund ("TCAP RF"), or other multifamily direct loan funds for rental development, inclusive of units layered with tax credits. Direct loan funds may include multifamily National Housing Trust Funds or other Federal or State funds programmed for multifamily development activity. (The preponderance of TCAP RF will likely be programmed for multifamily activity; the preponderance of National Housing Trust Fund is restricted to multifamily activities.) Direct loans do not include loans funded through MF mortgage revenue bond proceeds, including Private Activity Bond proceeds. Performance is tracked at the time of cost-certification for developments layered with tax credits. Non-layered developments are tracked at the final draw. In addition to being layered with tax credits, some MF direct loan funds may be layered with other TDHCA funding such as bonds.

BL 2018 Purpose

To track the amount of multifamily units assisted utilizing HOME, TCAP RF, or other multifamily direct loan funds.

Strategy-Related Measures Definitions
 85th Regular Session, Base Recon, Version 1
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Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	1	Increase Availability of Safe/Decent/Affordable Housing
Objective No.	1	Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing
Strategy No.	3	Provide Funding through the HTF for Affordable Housing
Measure Type	EF	
Measure No.	1	Average Amount Per Household for Single Family Bootstrap

Calculation Method: N **Target Attainment: L** **Priority: M** Cross Reference: Agy 332 084-R-S70-1 01-01-03 EF 01

Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

A measure that tracks the average amount per unit of loans/grants for the single family owner-builder (Bootstrap) program utilizing the Housing Trust Fund.

BL 2018 Data Limitations

No limitations

BL 2018 Data Source

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

BL 2018 Methodology

The total dollar amount of Bootstrap loans/grants utilizing the Housing Trust Fund will be summed and divided by the number of households assisted through the Bootstrap Program utilizing the Housing Trust Fund. Performance is measured when loans are funded by Accounting.

BL 2018 Purpose

This measure identifies the average loan amount associated with the single family owner-builder (Bootstrap) program utilizing the Housing Trust Fund.

BL 2019 Definition

A measure that tracks the average amount per unit of loans/grants for the single family owner-builder (Bootstrap) program utilizing the Housing Trust Fund.

BL 2019 Data Limitations

No limitations

BL 2019 Data Source

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

BL 2019 Methodology

The total dollar amount of Bootstrap loans/grants utilizing the Housing Trust Fund will be summed and divided by the number of households assisted through the Bootstrap Program utilizing the Housing Trust Fund. Performance is measured when loans are funded by Accounting.

Strategy-Related Measures Definitions
85th Regular Session, Base Recon, Version 1
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BL 2019 Purpose

This measure identifies the average loan amount associated with the single family owner-builder (Bootstrap) program utilizing the Housing Trust Fund.

Strategy-Related Measures Definitions
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Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	1	Increase Availability of Safe/Decent/Affordable Housing
Objective No.	1	Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing
Strategy No.	3	Provide Funding through the HTF for Affordable Housing
Measure Type	EF	
Measure No.	2	Average Amount Per Household for Single Family Non-Bootstrap

Calculation Method: N **Target Attainment: L** **Priority: M** Cross Reference: Agy 332 084-R-S70-1 01-01-03 EF 02

Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

A measure that tracks the average amount per unit of loans/grants for single family non owner-builder (non-Bootstrap) program utilizing the Housing Trust Fund.

BL 2018 Data Limitations

No limitations

BL 2018 Data Source

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

BL 2018 Methodology

The total dollar amount of non-Bootstrap single family loans/grants utilizing the Housing Trust Fund will be summed and divided by the number of non-Bootstrap single family households assisted utilizing the Housing Trust Fund. Performance is measured when loans/grants are funded by Accounting.

BL 2018 Purpose

This measure identifies the average assistance amount associated with the single family non owner-builder (non-Bootstrap) program utilizing the Housing Trust Fund.

BL 2019 Definition

A measure that tracks the average amount per unit of loans/grants for single family non owner-builder (non-Bootstrap) program utilizing the Housing Trust Fund.

BL 2019 Data Limitations

No limitations

BL 2019 Data Source

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

BL 2019 Methodology

The total dollar amount of non-Bootstrap single family loans/grants utilizing the Housing Trust Fund will be summed and divided by the number of non-Bootstrap single family households assisted utilizing the Housing Trust Fund. Performance is measured when loans/grants are funded by Accounting.

Strategy-Related Measures Definitions
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BL 2019 Purpose

This measure identifies the average assistance amount associated with the single family non owner-builder (non-Bootstrap) program utilizing the Housing Trust Fund.

Strategy-Related Measures Definitions
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Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	1	Increase Availability of Safe/Decent/Affordable Housing
Objective No.	1	Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing
Strategy No.	3	Provide Funding through the HTF for Affordable Housing
Measure Type	EX	
Measure No.	1	Number of Households Assisted through Single Family Bootstrap

Calculation Method: N **Target Attainment: H** **Priority: M** Cross Reference: Agy 332 084-R-S70-1 01-01-03 EX 01
Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

A measure that tracks the number of households assisted through the single family owner-builder (Bootstrap) program utilizing the Housing Trust Fund.

BL 2018 Data Limitations

No limitations

BL 2018 Data Source

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

BL 2018 Methodology

The number will be a count of households assisted through the single family owner-builder (Bootstrap) program utilizing the Housing Trust Fund. Performance is measured when loans/grants are funded by Accounting.

BL 2018 Purpose

To track the number of households assisted through the single family owner-builder (Bootstrap) program utilizing the Housing Trust Fund.

BL 2019 Definition

A measure that tracks the number of households assisted through the single family owner-builder (Bootstrap) program utilizing the Housing Trust Fund.

BL 2019 Data Limitations

No limitations

BL 2019 Data Source

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

BL 2019 Methodology

The number will be a count of households assisted through the single family owner-builder (Bootstrap) program utilizing the Housing Trust Fund. Performance is measured when loans/grants are funded by Accounting.

Strategy-Related Measures Definitions
85th Regular Session, Base Recon, Version 1
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BL 2019 Purpose

To track the number of households assisted through the single family owner-builder (Bootstrap) program utilizing the Housing Trust Fund.

Strategy-Related Measures Definitions
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Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	1	Increase Availability of Safe/Decent/Affordable Housing
Objective No.	1	Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing
Strategy No.	3	Provide Funding through the HTF for Affordable Housing
Measure Type	EX	
Measure No.	2	Number of Households Assisted through Single Family Non-Bootstrap

Calculation Method: N **Target Attainment: H** **Priority: M** Cross Reference: Agy 332 084-R-S70-1 01-01-03 EX 02
Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

A measure that tracks the number of households assisted through the single family non owner-builder (non-Bootstrap) program utilizing the Housing Trust Fund.

BL 2018 Data Limitations

No limitations

BL 2018 Data Source

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

BL 2018 Methodology

The number will be a count of households assisted through the single family non owner-builder (non-Bootstrap) program utilizing the Housing Trust Fund. Performance is measured when loans/grants are funded by Accounting.

BL 2018 Purpose

To track the number of households assisted through the single family non owner-builder (non-Bootstrap) program utilizing the Housing Trust Fund.

BL 2019 Definition

A measure that tracks the number of households assisted through the single family non owner-builder (non-Bootstrap) program utilizing the Housing Trust Fund.

BL 2019 Data Limitations

No limitations

BL 2019 Data Source

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

BL 2019 Methodology

The number will be a count of households assisted through the single family non owner-builder (non-Bootstrap) program utilizing the Housing Trust Fund. Performance is measured when loans/grants are funded by Accounting.

Strategy-Related Measures Definitions
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BL 2019 Purpose

To track the number of households assisted through the single family non owner-builder (non-Bootstrap) program utilizing the Housing Trust Fund.

Strategy-Related Measures Definitions
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Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	1	Increase Availability of Safe/Decent/Affordable Housing
Objective No.	1	Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing
Strategy No.	3	Provide Funding through the HTF for Affordable Housing
Measure Type	OP	
Measure No.	1	Number of Single Family Households Assisted through the HTF Program

Calculation Method: C **Target Attainment: H** **Priority: H** Cross Reference: Agy 332 084-R-S70-1 01-01-03 OP 01
Key Measure: Y **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

A measure that tracks the number of single family households assisted through the HTF program.

BL 2018 Data Limitations

No limitations

BL 2018 Data Source

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

BL 2018 Methodology

The number will be a count of households assisted through HTF funds. Performance is measured when loans/grants are funded by Accounting.

BL 2018 Purpose

To track the amount of households assisted through single family HTF funds.

BL 2019 Definition

A measure that tracks the number of single family households assisted through the HTF program.

BL 2019 Data Limitations

No limitations

BL 2019 Data Source

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

BL 2019 Methodology

The number will be a count of households assisted through HTF funds. Performance is measured when loans/grants are funded by Accounting.

Strategy-Related Measures Definitions
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BL 2019 Purpose

To track the amount of households assisted through single family HTF funds.

Strategy-Related Measures Definitions
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 Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	1	Increase Availability of Safe/Decent/Affordable Housing
Objective No.	1	Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing
Strategy No.	4	Federal Rental Assistance through Section 8 Vouchers
Measure Type	EF	
Measure No.	1	Average Admin Cost Per Household for Housing Choice Voucher Program

Calculation Method: N **Target Attainment: L** **Priority: M** Cross Reference:
Key Measure: N **New Measure: Y** **Percentage Measure: N**

BL 2018 Definition

The average cost per household served represents an average of total TDHCA administrative expenditures funded through Section 8 funds or other TDHCA funds.

BL 2018 Data Limitations

No limitations

BL 2018 Data Source

Expenditures are tracked through the Department's financial automated system.

BL 2018 Methodology

The average costs per household served is the sum of TDHCA expenditures undertaken to administer Section 8 (inclusive of local operator costs and costs charged by PHAs administering ported but not yet absorbed TDHCA Section 8 vouchers) divided by the total number of active contracts as of September 1 plus new contracts added over the course of the year. This figure includes both Section 8 administrative funds and non-Section8 funds used to support Section 8 administration.

BL 2018 Purpose

The measure identifies the efficiency in costs to provide Section 8 services to a very low income household.

BL 2019 Data Limitations

No limitations

BL 2019 Data Source

Expenditures are tracked through the Department's financial automated system.

BL 2019 Purpose

Strategy-Related Measures Definitions
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The measure identifies the efficiency in costs to provide Section 8 services to a very low income household.

Strategy-Related Measures Definitions
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Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	1	Increase Availability of Safe/Decent/Affordable Housing
Objective No.	1	Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing
Strategy No.	4	Federal Rental Assistance through Section 8 Vouchers
Measure Type	OP	
Measure No.	1	Total # of HHS Assisted thru Statewide Housing Asst. Payments Program

Calculation Method: C **Target Attainment: H** **Priority: H** Cross Reference: Agy 332 084-R-S70-1 01-01-04 OP 01
Key Measure: Y **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

The total number of very low income households receiving rent supplements through the Section 8 Housing Choice Voucher program during the current state fiscal year.

BL 2018 Data Limitations

No limitations

BL 2018 Data Source

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

BL 2018 Methodology

Total households will be based on total active contracts during the fiscal year. The performance figure reported for the first quarter will represent the total number of households receiving Section 8 assistance as of September 1. Subsequent quarters will report only new contracts executed for the reporting period. This will include households served through Project Access.

BL 2018 Purpose

To track the number of households assisted through Section 8 tenant based rental assistance during the fiscal year.

BL 2019 Data Limitations

No limitations

BL 2019 Data Source

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

Strategy-Related Measures Definitions
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Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	1	Increase Availability of Safe/Decent/Affordable Housing
Objective No.	1	Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing
Strategy No.	4	Federal Rental Assistance through Section 8 Vouchers
Measure Type	OP	
Measure No.	2	# of Section 8 Households Participating in Project Access Program

Calculation Method: C **Target Attainment: H** **Priority: M** Cross Reference: Agy 332 084-R-S70-1 01-01-04 OP 02
Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

The total number of very low income persons with disabilities transitioning from institutions into community based housing that participate in the Project Access Program.

BL 2018 Data Limitations

No limitations.

BL 2018 Data Source

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

BL 2018 Methodology

Total households served through Project Access will be based on active Project Access contracts during the state fiscal year. The performance figure reported for the first quarter will represent the number of households receiving Project Access assistance as of September 1. Subsequent quarters will report only new contracts executed for the fiscal year. These households are a subset of the households reported in Output Measure 1.

BL 2018 Purpose

To track the amount of persons with disabilities transitioning from institutions into community based housing through the Project Access Program.

BL 2019 Definition

The total number of very low income persons with disabilities transitioning from institutions into community based housing that participate in the Project Access Program.

BL 2019 Data Limitations

No limitations.

BL 2019 Data Source

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

Strategy-Related Measures Definitions
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BL 2019 Purpose

To track the amount of persons with disabilities transitioning from institutions into community based housing through the Project Access Program.

Strategy-Related Measures Definitions
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Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	1	Increase Availability of Safe/Decent/Affordable Housing
Objective No.	1	Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing
Strategy No.	5	Assistance Through Federal Sec 811 Project Rental Assistance Program
Measure Type	OP	
Measure No.	1	Number of Households Assisted through Section 811 PRA Program

Calculation Method: C **Target Attainment: H** **Priority: H** Cross Reference:
Key Measure: N **New Measure: Y** **Percentage Measure: N**

BL 2018 Definition

The number of extremely low income households receiving Project Rental Assistance through the Section 811 Project Rental Assistance program during the current state fiscal year.

BL 2018 Data Limitations

no limitations

BL 2018 Data Source

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

BL 2018 Methodology

The number will be based on the number of households who have signed leases assisted through the Section 811 Project Rental Assistance during the fiscal year. The performance figure reported for the first quarter will represent the total number of households receiving Section 811 Project Rental Assistance as of September 1. Subsequent quarters will report only new leases signed for the reporting period.

BL 2018 Purpose

To track the amount of households assisted through Section 811 Project Rental Assistance.

Strategy-Related Measures Definitions
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Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	1	Increase Availability of Safe/Decent/Affordable Housing
Objective No.	1	Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing
Strategy No.	6	Provide Federal Tax Credits to Develop Rental Housing for VLI and LI
Measure Type	EF	
Measure No.	1	Avg Annual Tax Credits Amount Per Household for New Construction

Calculation Method: N **Target Attainment: L** **Priority: M** Cross Reference: Agy 332 084-R-S70-1 01-01-05 EF 01

Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

A measure that tracks the average amount of annual credits per low income unit of new construction utilizing the Housing Tax Credit program.

BL 2018 Data Limitations

Federal regulations establish the amount and value of tax credits available.

BL 2018 Data Source

The number of low income units and amount of credits for new construction is based on cost certification provided by the project owners and tracked by the Asset Management division. Data is entered by staff and maintained in the agency's computer system.

BL 2018 Methodology

This figure will be calculated by dividing the total annual amount of tax credit associated with new constructions divided by the number of restricted new construction units. This calculation will include both 9% and 4% Housing Tax Credit awards based on cost certification provided by project owners.

BL 2018 Purpose

This measure identifies the subsidy associated with developing affordable housing units and measures the efficiency of allocating tax credits.

BL 2019 Definition

A measure that tracks the average amount of annual credits per low income unit of new construction utilizing the Housing Tax Credit program.

BL 2019 Data Limitations

Federal regulations establish the amount and value of tax credits available.

BL 2019 Purpose

This measure identifies the subsidy associated with developing affordable housing units and measures the efficiency of allocating tax credits.

Strategy-Related Measures Definitions
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Agency Code:	332	Agency:	Department of Housing and Community Affairs
Goal No.	1		Increase Availability of Safe/Decent/Affordable Housing
Objective No.	1		Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing
Strategy No.	6		Provide Federal Tax Credits to Develop Rental Housing for VLI and LI
Measure Type	EF		
Measure No.	2		Average Total Development Costs per Household for New Construction

Calculation Method: N **Target Attainment: L** **Priority: M** Cross Reference: Agy 332 084-R-S70-1 01-01-05 EF 02
Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

A measure that tracks the average total development costs per unit of new construction utilizing the Housing Tax Credit program.

BL 2018 Data Limitations

No Limitations.

BL 2018 Data Source

The total number of units in the development and total development costs for new construction is based on cost certification provided by the project owners and tracked by the Asset Management division. Data is entered by staff and maintained in the agency's computer system.

BL 2018 Methodology

This figure is calculated by dividing the sum of total development costs by the number of newly constructed units. This calculation includes both 9% and 4% Housing Tax Credit awards and will be considered at the time of cost-certification.

BL 2018 Purpose

This measure identifies the total development costs associated with developing affordable housing units. Although useful to track, this measure is not entirely within the Department's control.

BL 2019 Definition

A measure that tracks the average total development costs per unit of new construction utilizing the Housing Tax Credit program.

BL 2019 Data Limitations

No Limitations.

BL 2019 Purpose

This measure identifies the total development costs associated with developing affordable housing units. Although useful to track, this measure is not entirely within the Department's control.

Strategy-Related Measures Definitions
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Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	1	Increase Availability of Safe/Decent/Affordable Housing
Objective No.	1	Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing
Strategy No.	6	Provide Federal Tax Credits to Develop Rental Housing for VLI and LI
Measure Type	EF	
Measure No.	3	Average Annual Tax Credits Amount Per Household for Acqu/Rehab

Calculation Method: N **Target Attainment: L** **Priority: M** Cross Reference: Agy 332 084-R-S70-1 01-01-05 EF 03

Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

A measure that tracks the average amount of annual credits per rehabilitated and acquired low income unit utilizing Housing Tax Credits.

BL 2018 Data Limitations

Federal regulations establish the amount and value of tax credits available.

BL 2018 Data Source

The number of low income units and amount of credits for rehabilitation and acquisition is based on cost certification provided by the project owners and tracked by the Asset Management division. Data is entered by staff and maintained in the agency’s computer system.

BL 2018 Methodology

This figure will be calculated by dividing the total annual tax credits awarded by the number of restricted units acquired/rehabilitated. This calculation will include both 9% and 4% Housing Tax Credit awards and will be considered at the time of cost certification.

BL 2018 Purpose

This measure identifies the subsidy associated with rehabilitating and acquiring affordable housing and measures the efficiency of allocating tax credits.

BL 2019 Definition

A measure that tracks the average amount of annual credits per rehabilitated and acquired low income unit utilizing Housing Tax Credits.

BL 2019 Data Limitations

Federal regulations establish the amount and value of tax credits available.

BL 2019 Purpose

This measure identifies the subsidy associated with rehabilitating and acquiring affordable housing and measures the efficiency of allocating tax credits.

Strategy-Related Measures Definitions
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Agency Code:	332	Agency:	Department of Housing and Community Affairs
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Goal No.	1	Increase Availability of Safe/Decent/Affordable Housing
Objective No.	1	Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing
Strategy No.	6	Provide Federal Tax Credits to Develop Rental Housing for VLI and LI
Measure Type	EF	
Measure No.	4	Average Total Development Costs Per Household for Acquisition/Rehab

Calculation Method: N **Target Attainment: L** **Priority: M** Cross Reference: Agy 332 084-R-S70-1 01-01-05 EF 04
Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

A measure that tracks the average total development costs per rehabilitated and acquired unit utilizing Housing Tax Credits.

BL 2018 Data Limitations

Information is based on confirmed figures submitted during cost-certification.

BL 2018 Data Source

The total development costs and the total number of units in the development is based on cost certification provided by the project owners and tracked by the Asset Management division. Data is entered by staff and maintained in the agency’s computer system.

BL 2018 Methodology

This figure will be calculated by dividing the sum of total development costs by the number of units acquired and/or rehabilitated. This calculation includes both 9% and 4% Housing Tax Credit awards and will be considered at the time of cost-certification.

BL 2018 Purpose

This measure identifies the average total development costs associated with acquiring and rehabilitating affordable housing.

BL 2019 Definition

A measure that tracks the average total development costs per rehabilitated and acquired unit utilizing Housing Tax Credits.

BL 2019 Data Limitations

Information is based on confirmed figures submitted during cost-certification.

BL 2019 Purpose

This measure identifies the average total development costs associated with acquiring and rehabilitating affordable housing.

Strategy-Related Measures Definitions
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Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	1	Increase Availability of Safe/Decent/Affordable Housing
Objective No.	1	Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing
Strategy No.	6	Provide Federal Tax Credits to Develop Rental Housing for VLI and LI
Measure Type	EX	
Measure No.	1	Number of Households Assisted through New Construction Activities

Calculation Method: N **Target Attainment: H** **Priority: M** Cross Reference: Agy 332 084-R-S70-1 01-01-05 EX 01

Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

A measure that tracks the number of households assisted as reflected by the low income new construction units through the Housing Tax Credit program.

BL 2018 Data Limitations

Federal regulations establish the amount and value of tax credits available.

BL 2018 Data Source

The number of units is based on cost certification provided by the project owners and tracked by the Asset Management division. Data is entered by staff and maintained in the agency's computer system.

BL 2018 Methodology

This figure is the sum of all units newly constructed rent-restricted units. This calculation will include both 9% and 4% Housing Tax Credits and will be considered at the time of cost-certification. While the households assisted for HTC, bonds and direct loan activities are counted separately, these funding sources are sometimes layered and therefore units and households assisted may receive assistance from different programs.

BL 2018 Purpose

To track the number of new construction units assisted through the Housing Tax Credit program.

BL 2019 Data Limitations

Federal regulations establish the amount and value of tax credits available.

BL 2019 Purpose

To track the number of new construction units assisted through the Housing Tax Credit program.

Strategy-Related Measures Definitions
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Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	1	Increase Availability of Safe/Decent/Affordable Housing
Objective No.	1	Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing
Strategy No.	6	Provide Federal Tax Credits to Develop Rental Housing for VLI and LI
Measure Type	EX	
Measure No.	2	Number of Households Assisted through Acqu/Rehab Activities

Calculation Method: N **Target Attainment: H** **Priority: M** Cross Reference: Agy 332 084-R-S70-1 01-01-05 EX 02

Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

A measure that tracks the number of households assisted as reflected by the low income acquisition/rehabilitation units assisted through the Housing Tax Credit program.

BL 2018 Data Limitations

Federal regulations establish the amount and value of tax credits available.

BL 2018 Data Source

The number of units is based on cost certification provided by the project owners and tracked by the Asset Management division. Data is entered by staff and maintained in the agency's computer system.

BL 2018 Methodology

This figure is the sum of all units acquired and rehabilitated rent-restricted units. This calculation will include both 9% and 4% Housing Tax Credits and will be considered at the time of cost-certification. While the households assisted for HTC, bonds and direct loan activities are counted separately, these funding sources are sometimes layered and therefore units and households assisted may receive assistance from different programs.

BL 2018 Purpose

To track the number of acquisition/rehabilitation units assisted through the Housing Tax Credit program.

BL 2019 Data Limitations

Federal regulations establish the amount and value of tax credits available.

Strategy-Related Measures Definitions
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Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	1	Increase Availability of Safe/Decent/Affordable Housing
Objective No.	1	Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing
Strategy No.	6	Provide Federal Tax Credits to Develop Rental Housing for VLI and LI
Measure Type	OP	
Measure No.	1	Number of Households Assisted through the Housing Tax Credit Program

Calculation Method: C **Target Attainment: H** **Priority: H** Cross Reference: Agy 332 084-R-S70-1 01-01-05 OP 01
Key Measure: Y **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

A measure that tracks the households assisted as reflected by the number of low income units financed through the multifamily division utilizing Housing Tax Credits.

BL 2018 Data Limitations

No limitations

BL 2018 Data Source

The number of units is tracked by the Asset Management division. Data is based on cost certification provided by the project owners and entered by staff and maintained in the agency's computer system.

BL 2018 Methodology

This figure is the sum of all restricted units newly constructed or acquired/rehabilitated. This calculation will include both 9% and 4% Housing Tax Credits and will be considered at the time of cost-certification. While the households assisted for HTC, bonds and direct loan activities are counted separately, these funding sources are sometimes layered and therefore units and households assisted may receive assistance from different programs.

BL 2018 Purpose

To track the total amount of multifamily units assisted utilizing the Housing Tax Credit program.

BL 2019 Definition

A measure that tracks the households assisted as reflected by the number of low income units financed through the multifamily division utilizing Housing Tax Credits.

BL 2019 Data Limitations

No limitations

BL 2019 Purpose

To track the total amount of multifamily units assisted utilizing the Housing Tax Credit program.

Strategy-Related Measures Definitions
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Agency Code:	332	Agency:	Department of Housing and Community Affairs
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Goal No.	1	Increase Availability of Safe/Decent/Affordable Housing
Objective No.	1	Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing
Strategy No.	7	Federal Mortgage Loans through the MF Mortgage Revenue Bond Program
Measure Type	EF	
Measure No.	1	Average Amount of Bond Proceeds Per Household for New Construction

Calculation Method: N **Target Attainment: L** **Priority: M** Cross Reference: Agy 332 084-R-S70-1 01-01-06 EF 01
Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

A measure that tracks the average amount of bond proceeds per low income unit of Mortgage Revenue Bond (MRB) new multifamily construction.

BL 2018 Data Limitations

No limitations

BL 2018 Data Source

The number of low income units and amount of bonds for new construction is based on cost certification provided by the project owners and tracked by the division. Data is entered by staff and maintained in the agency’s computer system.

BL 2018 Methodology

This figure will be calculated by dividing the total value of mortgage revenue bonds at cost-certification by the number of units newly constructed.

BL 2018 Purpose

This measure identifies the average amount of bonds associated with developing affordable housing and measures the efficiency of awarding multifamily MRB funds. Although useful to track, this measure is not entirely within the Department’s control.

BL 2019 Definition

A measure that tracks the average amount of bond proceeds per low income unit of Mortgage Revenue Bond (MRB) new multifamily construction.

BL 2019 Data Limitations

No limitations

BL 2019 Methodology

This figure will be calculated by dividing the total value of mortgage revenue bonds at cost-certification by the number of units newly constructed.

BL 2019 Purpose

This measure identifies the average amount of bonds associated with developing affordable housing and measures the efficiency of awarding multifamily MRB funds. Although useful to track, this measure is not entirely within the Department’s control.

Strategy-Related Measures Definitions
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Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	1	Increase Availability of Safe/Decent/Affordable Housing
Objective No.	1	Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing
Strategy No.	7	Federal Mortgage Loans through the MF Mortgage Revenue Bond Program
Measure Type	EF	
Measure No.	2	Average Total Development Costs Per Household for New Construction

Calculation Method: N **Target Attainment: L** **Priority: M** Cross Reference: Agy 332 084-R-S70-1 01-01-06 EF 02

Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

A measure that tracks the average total development costs per unit of Mortgage Revenue Bond (MRB) new multifamily construction.

BL 2018 Data Limitations

Information is based on information submitted by developers during cost-certification.

BL 2018 Data Source

The total number of units in the development and total development costs for new construction is based on cost certification provided by the owners and tracked by the division. Data is entered by staff and maintained in the agency's computer system.

BL 2018 Methodology

This figure will be calculated by dividing the sum of total development costs at cost-certification by the number of units newly constructed.

BL 2018 Purpose

This measure identifies the costs associated with developing affordable housing units.

BL 2019 Definition

A measure that tracks the average total development costs per unit of Mortgage Revenue Bond (MRB) new multifamily construction.

BL 2019 Data Limitations

Information is based on information submitted by developers during cost-certification.

BL 2019 Methodology

This figure will be calculated by dividing the sum of total development costs at cost-certification by the number of units newly constructed.

BL 2019 Purpose

This measure identifies the costs associated with developing affordable housing units.

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Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	1	Increase Availability of Safe/Decent/Affordable Housing
Objective No.	1	Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing
Strategy No.	7	Federal Mortgage Loans through the MF Mortgage Revenue Bond Program
Measure Type	EF	
Measure No.	3	Avg Amount of Bond Proceeds/Household for Acquisition/Rehabilitation

Calculation Method: N **Target Attainment: L** **Priority: M** Cross Reference: Agy 332 084-R-S70-1 01-01-06 EF 03

Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

A measure that tracks the average bond amount per low income unit of multifamily Mortgage Revenue Bond (MRB) acquisition/rehabilitation.

BL 2018 Data Limitations

No limitations

BL 2018 Data Source

A measure that tracks the average bond amount per low income unit of multifamily Mortgage Revenue Bond (MRB) rehabilitation and acquisition.

BL 2018 Methodology

This figure will be calculated by dividing the total value of mortgage revenue bonds at cost-certification by the number of units to be acquired/rehabilitated.

BL 2018 Purpose

This measure identifies the average amount of bonds associated with acquiring and rehabilitating affordable housing and measures the efficiency of awarding multifamily MRB funds.

BL 2019 Definition

A measure that tracks the average bond amount per low income unit of multifamily Mortgage Revenue Bond (MRB) acquisition/rehabilitation.

BL 2019 Data Limitations

No limitations

BL 2019 Data Source

A measure that tracks the average bond amount per low income unit of multifamily Mortgage Revenue Bond (MRB) rehabilitation and acquisition.

BL 2019 Methodology

This figure will be calculated by dividing the total value of mortgage revenue bonds at cost-certification by the number of units to be acquired/rehabilitated.

BL 2019 Purpose

This measure identifies the average amount of bonds associated with acquiring and rehabilitating affordable housing and measures the efficiency of awarding multifamily MRB funds.

Strategy-Related Measures Definitions
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Agency Code:	332	Agency:	Department of Housing and Community Affairs
Goal No.	1	Increase Availability of Safe/Decent/Affordable Housing	
Objective No.	1	Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing	
Strategy No.	7	Federal Mortgage Loans through the MF Mortgage Revenue Bond Program	
Measure Type	EF		
Measure No.	4	Average Total Development Costs Per Household for Acqu/Rehab	

Calculation Method: N **Target Attainment: L** **Priority: M** Cross Reference: Agy 332 084-R-S70-1 01-01-06 EF 04

Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

A measure that tracks the average total development costs per unit of multifamily Mortgage Revenue Bond (MRB) rehabilitation and acquisition.

BL 2018 Data Limitations

Information is based on cost-certification data submitted by the developers.

BL 2018 Data Source

The total number of units in the development and amount of total development costs is based on cost certification provided by the project owners and tracked by the Asset Management division. Data is entered by staff and maintained in the agency's computer system.

BL 2018 Methodology

This figure will be calculated by dividing the sum of total development costs reported during cost-certification by the number of units to be acquired/rehabilitated.

BL 2018 Purpose

This measure identifies the total development costs amount associated with rehabilitating and acquiring affordable housing units.

BL 2019 Definition

A measure that tracks the average total development costs per unit of multifamily Mortgage Revenue Bond (MRB) rehabilitation and acquisition.

BL 2019 Data Limitations

Information is based on cost-certification data submitted by the developers.

BL 2019 Data Source

The total number of units in the development and amount of total development costs is tracked by the Asset Management division. Data is entered by staff and maintained in the agency's computer system.

BL 2019 Methodology

This figure will be calculated by dividing the sum of total development costs reported during cost-certification by the number of units to be acquired/rehabilitated.

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BL 2019 Purpose

This measure identifies the total development costs amount associated with rehabilitating and acquiring affordable housing units.

Strategy-Related Measures Definitions
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Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	1	Increase Availability of Safe/Decent/Affordable Housing
Objective No.	1	Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing
Strategy No.	7	Federal Mortgage Loans through the MF Mortgage Revenue Bond Program
Measure Type	EX	
Measure No.	1	Number of Households Assisted through New Construction Activities

Calculation Method: N **Target Attainment: H** **Priority: M** Cross Reference: Agy 332 084-R-S70-1 01-01-06 EX 01
Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

A measure that tracks the number of households assisted as reflected by new construction activities utilizing the multifamily Mortgage Revenue Bond (MRB) program.

BL 2018 Data Limitations

No limitations

BL 2018 Data Source

The number of households is based on cost certification provided by the project owners and tracked by the Asset Management division. Data is entered by staff and maintained in the agency's computer system.

BL 2018 Methodology

This figure is the sum of all restricted units newly constructed as reported during costcertification. With rare exception, these units will be layered with HTCs and potentially also with Multifamily Direct Loan funds and therefore also reflected under those strategies.

BL 2018 Purpose

To track the number of households assisted through new construction units assisted utilizing multifamily MRB program.

BL 2019 Definition

A measure that tracks the number of households assisted as reflected by new construction activities utilizing the multifamily Mortgage Revenue Bond (MRB) program.

BL 2019 Data Limitations

No limitations

BL 2019 Purpose

To track the number of households assisted through new construction units assisted utilizing multifamily MRB program.

Strategy-Related Measures Definitions
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Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	1	Increase Availability of Safe/Decent/Affordable Housing
Objective No.	1	Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing
Strategy No.	7	Federal Mortgage Loans through the MF Mortgage Revenue Bond Program
Measure Type	EX	
Measure No.	2	Number of Households Assisted through Acqu/Rehab Activities

Calculation Method: N **Target Attainment: H** **Priority: M** Cross Reference: Agy 332 084-R-S70-1 01-01-06 EX 02

Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

A measure that tracks the number of households assisted as reflected by acquisition/Rehabilitation and acquisition activities utilizing the multifamily Mortgage Revenue Bond (MRB) program.

BL 2018 Data Limitations

No limitations

BL 2018 Data Source

The number of households is based on cost certification provided by the owners and tracked by the division. Data is entered by staff and maintained in the agency’s computer system. While the households assisted for HTC, bonds and direct loan activities are counted separately, these funding sources are sometimes layered and therefore units and households assisted may receive assistance from different programs.

BL 2018 Methodology

This figure is the sum of all restricted units acquired/rehabilitated, as reported at cost-certification.

BL 2018 Purpose

To track the number of households assisted through acquisition/rehabilitation activities utilizing the multifamily MRB program.

BL 2019 Data Limitations

No limitations

Strategy-Related Measures Definitions
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Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	1	Increase Availability of Safe/Decent/Affordable Housing
Objective No.	1	Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing
Strategy No.	7	Federal Mortgage Loans through the MF Mortgage Revenue Bond Program
Measure Type	OP	
Measure No.	1	Number of Households Assisted with Multifamily MRB Program

Calculation Method: C **Target Attainment: H** **Priority: H** Cross Reference: Agy 332 084-R-S70-1 01-01-06 OP 01
Key Measure: Y **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

A measure that tracks the number of households assisted as reflected by the low income units financed through the multifamily division utilizing mortgage revenue bond funds.

BL 2018 Data Limitations

No limitations

BL 2018 Data Source

The number of units is based on cost certification provided by the owners and tracked by the Asset Management division for each separate program. Data is entered by staff and maintained in the agency’s computer system.

BL 2018 Methodology

This figure is the sum of all restricted units newly constructed or acquired/rehabilitated, as reported in cost-certification. While the households assisted for HTC, bonds and direct loan activities are counted separately, these funding sources are sometimes layered and therefore units and households assisted may receive assistance from different programs.

BL 2018 Purpose

To track the total amount of low income multifamily units assisted utilizing mortgage revenue bond funds.

BL 2019 Definition

A measure that tracks the number of households assisted as reflected by the low income units financed through the multifamily division utilizing mortgage revenue bond funds.

BL 2019 Data Limitations

No limitations

BL 2019 Purpose

To track the total amount of low income multifamily units assisted utilizing mortgage revenue bond funds.

Strategy-Related Measures Definitions
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Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	2	Provide Information and Assistance
Objective No.	1	Provide Information and Assistance for Housing and Community Services
Strategy No.	1	Center for Housing Research, Planning, and Communications
Measure Type	OP	
Measure No.	1	Number of Information and Technical Assistance Requests Completed

Calculation Method: C **Target Attainment: H** **Priority: H** Cross Reference: Agy 332 084-R-S70-1 02-01-01 OP 01
Key Measure: Y **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

A measure tracking the number of information and technical assistance requests made by consumers completed by the Center for Housing Research, Planning, and Communications.

BL 2018 Data Limitations

No limitations

BL 2018 Data Source

The requests are tracked by the division. Data is entered by staff and maintained in the agency's computer system.

BL 2018 Methodology

The number of requests received is a total of the requests entered into the division database.

BL 2018 Purpose

To track the consumer information and technical assistance requests received and fulfilled.

BL 2019 Definition

A measure tracking the number of information and technical assistance requests made by consumers completed by the Center for Housing Research, Planning, and Communications.

BL 2019 Data Limitations

No limitations

BL 2019 Data Source

The requests are tracked by the division. Data is entered by staff and maintained in the agency's computer system.

BL 2019 Methodology

The number of requests received is a total of the requests entered into the division database.

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BL 2019 Purpose

To track the consumer information and technical assistance requests received and fulfilled.

Strategy-Related Measures Definitions
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Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	2	Provide Information and Assistance
Objective No.	1	Provide Information and Assistance for Housing and Community Services
Strategy No.	1	Center for Housing Research, Planning, and Communications
Measure Type	OP	
Measure No.	2	Number of Short Term Technical Assistance Consumer Requests Completed

Calculation Method: C **Target Attainment: H** **Priority: M** Cross Reference: Agy 332 084-R-S70-1 02-01-01 OP 02

Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

A measure tracking the number of short term (completed by phone) information and technical assistance requests completed by the Center for Housing Research, Planning, and Communications.

BL 2018 Data Limitations

No limitations

BL 2018 Data Source

The requests are tracked by the division. Data is entered by staff and maintained in the agency's computer system.

BL 2018 Methodology

The number of short term requests received is a total of the short term requests entered into the division database.

BL 2018 Purpose

To track the short term consumer information and technical assistance requests received.

BL 2019 Definition

A measure tracking the number of short term (completed by phone) information and technical assistance requests completed by the Center for Housing Research, Planning, and Communications.

BL 2019 Data Limitations

No limitations

BL 2019 Data Source

The requests are tracked by the division. Data is entered by staff and maintained in the agency's computer system.

BL 2019 Methodology

The number of short term requests received is a total of the short term requests entered into the division database.

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BL 2019 Purpose

To track the short term consumer information and technical assistance requests received.

Strategy-Related Measures Definitions
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Agency Code:	332	Agency:	Department of Housing and Community Affairs
Goal No.	2	Provide Information and Assistance	
Objective No.	1	Provide Information and Assistance for Housing and Community Services	
Strategy No.	1	Center for Housing Research, Planning, and Communications	
Measure Type	OP		
Measure No.	3	No. Long Term Information and Technical Assistance Requests Completed	

Calculation Method: C **Target Attainment: H** **Priority: M** Cross Reference: Agy 332 084-R-S70-1 02-01-01 OP 03

Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

A measure tracking the number of long term (completed by email or mail) information and technical assistance requests completed by the Center for Housing Research, Planning, and Communications.

BL 2018 Data Limitations

No limitations

BL 2018 Data Source

The requests are tracked by the division. Data is entered by staff and maintained in the agency's computer system.

BL 2018 Methodology

The number of long term requests received is a total of the long term requests entered into the division database.

BL 2018 Purpose

To track the long term consumer information and technical assistance requests received.

BL 2019 Definition

A measure tracking the number of long term (completed by email or mail) information and technical assistance requests completed by the Center for Housing Research, Planning, and Communications.

BL 2019 Data Limitations

No limitations

BL 2019 Data Source

The requests are tracked by the division. Data is entered by staff and maintained in the agency's computer system.

BL 2019 Methodology

The number of long term requests received is a total of the long term requests entered into the division database.

Strategy-Related Measures Definitions
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BL 2019 Purpose

To track the long term consumer information and technical assistance requests received.

Strategy-Related Measures Definitions
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Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	2	Provide Information and Assistance
Objective No.	2	Promote and Improve Homeownership Along the Texas-Mexico Border
Strategy No.	1	Assist Colonias, Border Communities, and Nonprofits
Measure Type	OP	
Measure No.	1	# of Tech Assistance Contacts and Visits Conducted by Field Offices

Calculation Method: C **Target Attainment: H** **Priority: H** Cross Reference: Agy 332 084-R-S70-1 02-02-01 OP 01
Key Measure: Y **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

The number of technical assistance contacts and visits is based on actual on-site technical assistance visits, telephone calls and written and electronic correspondence conducted by border field office staff. Technical assistance includes: meeting with local governments (cities & counties) staff and nonprofits providing agency information on programs and services more specifically providing detailed technical assistance in implementing and managing Office of Colonia Initiatives and other Department programs; follow-up on contract compliance measures with the Bootstrap Loan Program and Colonia Self-Help Centers; and general interview sessions with individuals to provide referral services to other office and agencies available to address issues of concern.

BL 2018 Data Limitations

No limitations.

BL 2018 Data Source

Actual technical assistance contacts and visits are reported by staff.

BL 2018 Methodology

On-site visits, e-mails and telephone calls are manually tracked by staff and maintained in the Department's database.

BL 2018 Purpose

The purpose of the measure is to identify the level of technical assistance provided to nonprofit organizations and units of local government. This measure is important because it identifies the effectiveness of the program and compliance with legislative mandates.

BL 2019 Definition

The number of technical assistance contacts and visits is based on actual on-site technical assistance visits, telephone calls and written and electronic correspondence conducted by border field office staff. Technical assistance includes: meeting with local governments (cities & counties) staff and nonprofits providing agency information on programs and services more specifically providing detailed technical assistance in implementing and managing Office of Colonia Initiatives and other Department programs; follow-up on contract compliance measures with the Bootstrap Loan Program and Colonia Self-Help Centers; and general interview sessions with individuals to provide referral services to other office and agencies available to address issues of concern.

BL 2019 Data Limitations

No limitations.

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BL 2019 Data Source

Actual technical assistance contacts and visits are reported by staff.

BL 2019 Methodology

On-site visits, e-mails and telephone calls are manually tracked by staff and maintained in the Department's database.

BL 2019 Purpose

The purpose of the measure is to identify the level of technical assistance provided to nonprofit organizations and units of local government. This measure is important because it identifies the effectiveness of the program and compliance with legislative mandates.

Strategy-Related Measures Definitions
 85th Regular Session, Base Recon, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	2	Provide Information and Assistance
Objective No.	2	Promote and Improve Homeownership Along the Texas-Mexico Border
Strategy No.	1	Assist Colonias, Border Communities, and Nonprofits
Measure Type	OP	
Measure No.	2	# of Colonia Residents Receiving Direct Assist from Self-help Centers

Calculation Method: C **Target Attainment: H** **Priority: M** Cross Reference: Agy 332 084-R-S70-1 02-02-01 OP 02
Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

The number of Colonia residents receiving direct assistance annually through the Colonia Self-Help Centers. This includes the following types of assistance: housing rehabilitation, new construction, surveying and platting, construction skills training, tool library access for self-help construction, housing finance; credit and debt counseling, infrastructure constructions and access, capital access for mortgages, and other activities which provide direct assistance and/or benefit to Colonia residents.

BL 2018 Data Limitations

Deviation from targeted performance could occur if participation of Colonia residents is lower than expected or with changes in available resources.

BL 2018 Data Source

Actual assistance provided as reflected on the most recent quarterly report received from Colonia Self-Help Center administrators.

BL 2018 Methodology

The Self Help Center administrators will provide a quarterly report to the Department on the number of Colonia residents benefiting under each assistance category. Colonia residents benefiting will be based on the family size of each household served. The Department will calculate total Colonia residents benefiting from direct assistance by adding assistance provided under all categories exclusive of area-wide Public Service. This data will be maintained in the Department's records.

BL 2018 Purpose

This measure is important because it identifies the effectiveness of the program in providing assistance to Colonia residents with a wide array of services.

BL 2019 Definition

The number of Colonia residents receiving direct assistance annually through the Colonia Self-Help Centers. This includes the following types of assistance: housing rehabilitation, new construction, surveying and platting, construction skills training, tool library access for self-help construction, housing finance; credit and debt counseling, infrastructure constructions and access, capital access for mortgages, and other activities which provide direct assistance and/or benefit to Colonia residents.

BL 2019 Data Limitations

Deviation from targeted performance could occur if participation of Colonia residents is lower than expected or with changes in available resources.

Strategy-Related Measures Definitions
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BL 2019 Data Source

Actual assistance provided as reflected on the most recent quarterly report received from Colonia Self-Help Center administrators.

BL 2019 Methodology

The Self Help Center administrators will provide a quarterly report to the Department on the number of Colonia residents benefiting under each assistance category. Colonia residents benefiting will be based on the family size of each household served. The Department will calculate total Colonia residents benefiting from direct assistance by adding assistance provided under all categories exclusive of area-wide Public Service. This data will be maintained in the Department's records.

BL 2019 Purpose

This measure is important because it identifies the effectiveness of the program in providing assistance to Colonia residents with a wide array of services.

Strategy-Related Measures Definitions
 85th Regular Session, Base Recon, Version 1
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Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	3	Improve Poor/Homeless Living Conditions & Reduce VLI Energy Costs
Objective No.	1	Ease Hardships for 16% of Homeless & Very Low Income Persons Each Year
Strategy No.	1	Administer Poverty-related Funds through a Network of Agencies
Measure Type	EF	
Measure No.	1	Avg Subrecipient Cost Per Person for the Emergency Solutions Grant Pgm

Calculation Method: N **Target Attainment: L** **Priority: M** Cross Reference: Agy 332 084-R-S70-1 03-01-01 EF 01
Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

The average amount of ESG subrecipient funds per person assisted. This would include all funds given to the subrecipient. That figure excludes any funds set aside for TDHCA administrative funding.

BL 2018 Data Limitations

A possible limitation could be limitations on obtaining expenditure data for the reported period.

BL 2018 Data Source

The total number of persons served is gathered from the subrecipients' monthly performance reports.

BL 2018 Methodology

The efficiency measure is determined by dividing the total expenditure of Emergency Solutions Grant funds by the total number of clients served in the Emergency Solutions Grant Program.

BL 2018 Purpose

The purpose of the measure shows the efficiency in administering the program.

BL 2019 Definition

The average amount of ESG subrecipient funds per person assisted. This would include all funds given to the subrecipient. That figure excludes any funds set aside for TDHCA administrative funding.

BL 2019 Data Limitations

A possible limitation could be limitations on obtaining expenditure data for the reported period.

BL 2019 Data Source

The total number of persons served is gathered from the subrecipients' monthly performance reports.

BL 2019 Methodology

The efficiency measure is determined by dividing the total expenditure of Emergency Solutions Grant funds by the total number of clients served in the Emergency Solutions Grant Program.

Strategy-Related Measures Definitions
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BL 2019 Purpose

The purpose of the measure shows the efficiency in administering the program.

Strategy-Related Measures Definitions
 85th Regular Session, Base Recon, Version 1
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Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	3	Improve Poor/Homeless Living Conditions & Reduce VLI Energy Costs
Objective No.	1	Ease Hardships for 16% of Homeless & Very Low Income Persons Each Year
Strategy No.	1	Administer Poverty-related Funds through a Network of Agencies
Measure Type	EF	
Measure No.	2	Average Subrecipient Cost Per Person for the CSBG Program

Calculation Method: N **Target Attainment: L** **Priority: M** Cross Reference: Agy 332 084-R-S70-1 03-01-01 EF 02

Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

The average amount of CSBG subrecipient funds per person assisted. This would include all funds given to the subrecipient. That figure excludes any funds set aside for TDHCA administrative funding.

BL 2018 Data Limitations

A possible limitation could be limitations on obtaining expenditure data for the reported period.

BL 2018 Data Source

The total number of persons served is gathered from the subrecipients' monthly performance reports.

BL 2018 Methodology

The efficiency measure is determined by dividing the total expenditure of Community Services Block Grant program funds by the total number of clients served in the Community Services Block Grant Program.

BL 2018 Purpose

The purpose of the measure shows the efficiency in administering the program.

Strategy-Related Measures Definitions
 85th Regular Session, Base Recon, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Agency Code:	332	Agency:	Department of Housing and Community Affairs
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Goal No.	3	Improve Poor/Homeless Living Conditions & Reduce VLI Energy Costs
Objective No.	1	Ease Hardships for 16% of Homeless & Very Low Income Persons Each Year
Strategy No.	1	Administer Poverty-related Funds through a Network of Agencies
Measure Type	EF	
Measure No.	3	Average Subrecipient Cost Per Person for the HHSP Program

Calculation Method: N **Target Attainment: L** **Priority: M** Cross Reference: Agy 332 084-R-S70-1 03-01-01 EF 03
Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

The average amount of HHSP subrecipient funds per person assisted. This would include all funds given to the subrecipient. That figure excludes any funds set aside for TDHCA administrative funding.

BL 2018 Data Limitations

A possible limitation could be limitations on obtaining expenditure data for the reported period.

BL 2018 Data Source

The total number of persons served is gathered from the subrecipients' monthly performance reports.

BL 2018 Methodology

The efficiency measure is determined by dividing the total expenditure of Homeless Housing and Services Program funds by the total number of clients served in the Homeless Housing and Services Program.

BL 2018 Purpose

The purpose of the measure shows the efficiency in administering the program.

Strategy-Related Measures Definitions
85th Regular Session, Base Recon, Version 1
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Agency Code:	332	Agency:	Department of Housing and Community Affairs
Goal No.	3	Improve Poor/Homeless Living Conditions & Reduce VLI Energy Costs	
Objective No.	1	Ease Hardships for 16% of Homeless & Very Low Income Persons Each Year	
Strategy No.	1	Administer Poverty-related Funds through a Network of Agencies	
Measure Type	EX		
Measure No.	1	Number of Persons in Poverty Meeting Income Eligibility	

Calculation Method: N **Target Attainment: H** **Priority: M** Cross Reference: Agy 332 084-R-S70-1 03-01-01 EX 02

Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

Figure represents the total number of persons income eligible for assistance under CSBG based on the most recent decennial Census or Census Bureau estimated data available.

BL 2018 Data Limitations

A census is conducted every ten years; updated poverty population estimates in the American Community Survey are also made available periodically. TDHCA will utilize the most recent Census datasets.

BL 2018 Data Source

Information is obtained from the most recent Census Bureau dataset, either the American Community Survey or the decennial Census.

BL 2018 Methodology

Number is actual or estimated, dependent on most recent census data available.

BL 2018 Purpose

The purpose of the measure identifies the number of persons meeting program income guidelines and identifies the number of persons in need.

BL 2019 Data Source

Information is obtained from the most recent Census Bureau dataset, either the American Community Survey or the decennial Census.

BL 2019 Methodology

Number is actual or estimated, dependent on most recent census data available.

BL 2019 Purpose

The purpose of the measure identifies the number of persons meeting program income guidelines and identifies the number of persons in need.

Strategy-Related Measures Definitions
85th Regular Session, Base Recon, Version 1
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Agency Code:	332	Agency:	Department of Housing and Community Affairs
Goal No.	3	Improve Poor/Homeless Living Conditions & Reduce VLI Energy Costs	
Objective No.	1	Ease Hardships for 16% of Homeless & Very Low Income Persons Each Year	
Strategy No.	1	Administer Poverty-related Funds through a Network of Agencies	
Measure Type	OP		
Measure No.	1	Number of Persons Assisted through Homeless and Poverty-related Funds	

Calculation Method: C **Target Attainment: H** **Priority: H** Cross Reference: Agy 332 084-R-S70-1 03-01-01 OP 01
Key Measure: Y **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

This measure tracks the number of persons assisted through homeless and poverty-related programs.

BL 2018 Data Limitations

A possible limitation could be subrecipients failing to submit required reports on a timely basis.

BL 2018 Data Source

Subrecipients track the data on a daily basis, incorporate it in a monthly performance report, and electronically submit the information to the Department. The monthly performance report information is entered in the Department database and maintained by the Department.

BL 2018 Methodology

Performance reported is actual number.

BL 2018 Purpose

The purpose of the measure is to identify the number of persons assisted by all Community Services programs (including ESG, HHSP and CSBG).

BL 2019 Definition

This measure tracks the number of persons assisted through homeless and poverty-related programs.

BL 2019 Data Limitations

A possible limitation could be subrecipients failing to submit required reports on a timely basis.

BL 2019 Data Source

Subrecipients track the data on a daily basis, incorporate it in a monthly performance report, and electronically submit the information to the Department. The monthly performance report information is entered in the Department database and maintained by the Department.

BL 2019 Methodology

Performance reported is actual number.

Strategy-Related Measures Definitions
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BL 2019 Purpose

The purpose of the measure is to identify the number of persons assisted by all Community Services programs (including ESG, HHSP and CSBG).

Strategy-Related Measures Definitions
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Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	3	Improve Poor/Homeless Living Conditions & Reduce VLI Energy Costs
Objective No.	1	Ease Hardships for 16% of Homeless & Very Low Income Persons Each Year
Strategy No.	1	Administer Poverty-related Funds through a Network of Agencies
Measure Type	OP	
Measure No.	2	Number of Persons Assisted That Achieve Incomes Above Poverty Level

Calculation Method: C **Target Attainment: H** **Priority: H** Cross Reference: Agy 332 084-R-S70-1 03-01-01 OP 02
Key Measure: Y **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

Measure relates to the number of persons assisted through the Community Services Block Grant Program (CSBG) that achieve incomes above 125% of poverty level for a minimum of 90 days.

BL 2018 Data Limitations

A possible limitation could be subrecipients failing to submit required reports on a timely basis.

BL 2018 Data Source

The number of persons achieving incomes above 125% of poverty is reported in the subrecipients' monthly performance reports. Subrecipients are required to track the number of persons assisted that achieve incomes above the poverty level as a result of efforts by the subrecipients. Subrecipients report this information in their monthly performance report. The data is entered on the Department database and maintained by the Department.

BL 2018 Methodology

Performance reported is actual number.

BL 2018 Purpose

The purpose of the measure is to identify the number of persons the CSBG program has helped to achieve incomes above the poverty level.

BL 2019 Definition

Measure relates to the number of persons assisted through the Community Services Block Grant Program (CSBG) that achieve incomes above 125% of poverty level for a minimum of 90 days.

BL 2019 Data Limitations

A possible limitation could be subrecipients failing to submit required reports on a timely basis.

BL 2019 Data Source

The number of persons achieving incomes above 125% of poverty is reported in the subrecipients' monthly performance reports. Subrecipients are required to track the number of persons assisted that achieve incomes above the poverty level as a result of efforts by the subrecipients. Subrecipients report this information in their monthly performance report. The data is entered on the Department database and maintained by the Department.

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BL 2019 Methodology

Performance reported is actual number.

BL 2019 Purpose

The purpose of the measure is to identify the number of persons the CSBG program has helped to achieve incomes above the poverty level.

Strategy-Related Measures Definitions
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Automated Budget and Evaluation System of Texas (ABEST)

Agency Code:	332	Agency:	Department of Housing and Community Affairs
Goal No.	3	Improve Poor/Homeless Living Conditions & Reduce VLI Energy Costs	
Objective No.	1	Ease Hardships for 16% of Homeless & Very Low Income Persons Each Year	
Strategy No.	1	Administer Poverty-related Funds through a Network of Agencies	
Measure Type	OP		
Measure No.	3	# of Persons Assisted by the Community Services Block Grant Program	

Calculation Method: C **Target Attainment: H** **Priority: M** Cross Reference: Agy 332 084-R-S70-1 03-01-01 OP 03
Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

This measure tracks the number of persons enrolled in the Community Services Block Grant Program.

BL 2018 Data Limitations

Data could be limited if subrecipients fail to submit required reports on a timely basis.

BL 2018 Data Source

Subrecipients track the data on a daily basis, incorporate it in a monthly performance report, and electronically submit the report to the Department. The monthly performance report information is entered in the Department database and maintained by the Department.

BL 2018 Methodology

Performance reported is the actual number.

BL 2018 Purpose

The purpose of the measure is to identify the number of persons enrolled in the Community Services Block Grant Program in order to gauge impact of that program.

BL 2019 Definition

This measure tracks the number of persons enrolled in the Community Services Block Grant Program.

BL 2019 Data Limitations

Data could be limited if subrecipients fail to submit required reports on a timely basis.

BL 2019 Data Source

Subrecipients track the data on a daily basis, incorporate it in a monthly performance report, and electronically submit the report to the Department. The monthly performance report information is entered in the Department database and maintained by the Department.

BL 2019 Methodology

Performance reported is the actual number.

Strategy-Related Measures Definitions
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BL 2019 Purpose

The purpose of the measure is to identify the number of persons enrolled in the Community Services Block Grant Program in order to gauge impact of that program.

Strategy-Related Measures Definitions
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Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	3	Improve Poor/Homeless Living Conditions & Reduce VLI Energy Costs
Objective No.	1	Ease Hardships for 16% of Homeless & Very Low Income Persons Each Year
Strategy No.	1	Administer Poverty-related Funds through a Network of Agencies
Measure Type	OP	
Measure No.	4	Number of Persons Enrolled in the Emergency Solutions Grant Program

Calculation Method: C **Target Attainment: H** **Priority: M** Cross Reference: Agy 332 084-R-S70-1 03-01-01 OP 04
Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

This measure tracks the number of persons assisted through the Emergency Solutions Grant Program.

BL 2018 Data Limitations

A possible limitation could be subrecipients failing to submit required reports on a timely basis.

BL 2018 Data Source

Subrecipients track the data on a daily basis, incorporate it in a monthly performance report, and electronically submit the report to the Department. The monthly performance report information is entered in the Department database and maintained by the Department.

BL 2018 Methodology

Performance reported is the actual number.

BL 2018 Purpose

The purpose of the measure is to gauge the impact of the program in serving the needs of homeless persons and persons at-risk of homelessness.

BL 2019 Definition

This measure tracks the number of persons assisted through the Emergency Solutions Grant Program.

BL 2019 Data Limitations

A possible limitation could be subrecipients failing to submit required reports on a timely basis.

BL 2019 Data Source

Subrecipients track the data on a daily basis, incorporate it in a monthly performance report, and electronically submit the report to the Department. The monthly performance report information is entered in the Department database and maintained by the Department.

BL 2019 Methodology

Performance reported is the actual number.

Strategy-Related Measures Definitions
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BL 2019 Purpose

The purpose of the measure is to gauge the impact of the program in serving the needs of homeless persons and persons at-risk of homelessness.

Strategy-Related Measures Definitions
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Agency Code:	332	Agency:	Department of Housing and Community Affairs
Goal No.	3	Improve Poor/Homeless Living Conditions & Reduce VLI Energy Costs	
Objective No.	1	Ease Hardships for 16% of Homeless & Very Low Income Persons Each Year	
Strategy No.	1	Administer Poverty-related Funds through a Network of Agencies	
Measure Type	OP		
Measure No.	5	# of Persons Assisted by the Homeless and Housing Services Program	

Calculation Method: C **Target Attainment: H** **Priority: H** Cross Reference: Agy 332 084-R-S70-1 03-01-01 OP 05
Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

This measure tracks the number of persons assisted through the Homeless and Housing Services Program.

BL 2018 Data Limitations

A possible limitation could be subrecipients failing to submit required reports on a timely basis.

BL 2018 Data Source

Subrecipients track the data on a daily basis, incorporate it in a monthly performance report, and electronically submit the report to the Department. The monthly performance report information is entered in the Department database and maintained by the Department.

BL 2018 Methodology

Performance reported is the actual number.

BL 2018 Purpose

The purpose of the measure is to gauge the impact of the program in serving the needs of homeless persons and persons at-risk of homelessness.

BL 2019 Definition

This measure tracks the number of persons assisted through the Homeless and Housing Services Program.

BL 2019 Data Limitations

A possible limitation could be subrecipients failing to submit required reports on a timely basis.

BL 2019 Data Source

Subrecipients track the data on a daily basis, incorporate it in a monthly performance report, and electronically submit the report to the Department. The monthly performance report information is entered in the Department database and maintained by the Department.

BL 2019 Methodology

Performance reported is the actual number.

Strategy-Related Measures Definitions
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BL 2019 Purpose

The purpose of the measure is to gauge the impact of the program in serving the needs of homeless persons and persons at-risk of homelessness.

Strategy-Related Measures Definitions
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Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	3	Improve Poor/Homeless Living Conditions & Reduce VLI Energy Costs
Objective No.	2	Reduce Cost of Home Energy for 6% of Very Low Income Households
Strategy No.	1	Administer State Energy Assistance Programs
Measure Type	EF	
Measure No.	1	Average Subrecipient Cost Per Household Served

Calculation Method: N **Target Attainment: L** **Priority: H** Cross Reference: Agy 332 084-R-S70-1 03-02-01 EF 01

Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

The average cost per household served is calculated based on the number of households assisted by CEAP and WAP from the Monthly Funding Performance Report from subrecipients and the total amount of program funds transferred to the subrecipient entities.

BL 2018 Data Limitations

Performance reports received past the due date from subrecipients could result in incomplete data. Increase or decrease in funding could create a variance in the targeted goal.

BL 2018 Data Source

The average cost per household served is calculated based on the total funds transferred to the subrecipient entities divided by the number of households assisted by CEAP and WAP from the subrecipient Monthly Funding Performance Report.

BL 2018 Methodology

Calculations are based on the total subrecipient expenditures for the Energy Assistance section divided by the total number of households served.

BL 2018 Purpose

The measure identifies the average program cost to provide service to a household.

BL 2019 Definition

The average cost per household served is calculated based on the number of households assisted by CEAP and WAP from the Monthly Funding Performance Report from subrecipients and the total amount of program funds transferred to the subrecipient entities.

BL 2019 Data Limitations

Performance reports received past the due date from subrecipients could result in incomplete data. Increase or decrease in funding could create a variance in the targeted goal.

BL 2019 Methodology

Calculations are based on the total subrecipient expenditures for the Energy Assistance section divided by the total number of households served.

Strategy-Related Measures Definitions
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BL 2019 Purpose

The measure identifies the average program cost to provide service to a household.

Strategy-Related Measures Definitions
 85th Regular Session, Base Recon, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	3	Improve Poor/Homeless Living Conditions & Reduce VLI Energy Costs
Objective No.	2	Reduce Cost of Home Energy for 6% of Very Low Income Households
Strategy No.	1	Administer State Energy Assistance Programs
Measure Type	EF	
Measure No.	2	Average Cost Per Home Weatherized

Calculation Method: N **Target Attainment: L** **Priority: H** Cross Reference: Agy 332 084-R-S70-1 03-02-01 EF 02
Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

The statewide average cost to weatherize a home includes the cumulative cost of labor, materials, and program support for all completed units in the state divided by the number of completed units.

BL 2018 Data Limitations

Increase or decrease in funding could create a variance in the targeted goal.

BL 2018 Data Source

Monthly expenditures and performance reports are entered by subrecipients through the Department's online reporting system.

BL 2018 Methodology

Calculations are based on the cumulative cost of labor, materials, and program support for all completed units in the state divided by the number of completed units.

BL 2018 Purpose

The measure identifies the average cost to perform weatherization on a home.

BL 2019 Definition

The statewide average cost to weatherize a home includes the cumulative cost of labor, materials, and program support for all completed units in the state divided by the number of completed units.

BL 2019 Data Limitations

Increase or decrease in funding could create a variance in the targeted goal.

BL 2019 Data Source

Monthly expenditures and performance reports are entered by subrecipients through the Department's online reporting system.

BL 2019 Methodology

Calculations are based on the cumulative cost of labor, materials, and program support for all completed units in the state divided by the number of completed units.

Strategy-Related Measures Definitions
85th Regular Session, Base Recon, Version 1
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BL 2019 Purpose

The measure identifies the average cost to perform weatherization on a home.

Strategy-Related Measures Definitions
 85th Regular Session, Base Recon, Version 1
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Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	3	Improve Poor/Homeless Living Conditions & Reduce VLI Energy Costs
Objective No.	2	Reduce Cost of Home Energy for 6% of Very Low Income Households
Strategy No.	1	Administer State Energy Assistance Programs
Measure Type	EX	
Measure No.	1	Number of Very Low Income Households Eligible for Utility Assistance

Calculation Method: N **Target Attainment: H** **Priority: M** Cross Reference: Agy 332 084-R-S70-1 03-02-01 EX 01
Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

The number of very low income households income-eligible for energy assistance in Texas is determined based on the most recent decennial Census or Census Bureau estimates.

BL 2018 Data Limitations

The income eligible population is based on the most recent census data available, including estimates. A census is conducted every ten years; updated poverty population estimates are also made available periodically.

BL 2018 Data Source

Information is obtained from the most recent Census Bureau dataset, either the American Community Survey or the decennial Census.

BL 2018 Methodology

Data represents an actual or estimated number, dependent on most recent census data available.

BL 2018 Purpose

The purpose of the measure is to identify the eligibility population of the state. It is important because it identifies the level of need in the state.

BL 2019 Definition

The number of very low income households income-eligible for energy assistance in Texas is determined based on the most recent decennial Census or Census Bureau estimates.

BL 2019 Data Limitations

The income eligible population is based on the most recent census data available, including projections. A census is conducted every ten years; updated poverty population projections are also made available periodically.

BL 2019 Data Source

Information is obtained from the most recent Census Bureau dataset, either the American Community Survey or the decennial Census.

BL 2019 Methodology

Data represents an actual or estimated number, dependent on most recent census data available.

Strategy-Related Measures Definitions
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BL 2019 Purpose

The purpose of the measure is to identify the eligibility population of the state. It is important because it identifies the level of need in the state.

Strategy-Related Measures Definitions
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 Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	3	Improve Poor/Homeless Living Conditions & Reduce VLI Energy Costs
Objective No.	2	Reduce Cost of Home Energy for 6% of Very Low Income Households
Strategy No.	1	Administer State Energy Assistance Programs
Measure Type	OP	
Measure No.	1	Number of Households Receiving Utility Assistance

Calculation Method: C **Target Attainment: H** **Priority: H** Cross Reference: Agy 332 084-R-S70-1 03-02-01 OP 01
Key Measure: Y **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

The number of households assisted through the Comprehensive Energy Assistance Program (CEAP) represents the number of unduplicated households receiving services. A household may be assisted by more than one component depending on needs.

BL 2018 Data Limitations

Targeted performance could be impacted by changes in funding levels, the price of energy and extremes in temperature.

BL 2018 Data Source

Monthly expenditures and performance reports are entered by subrecipients through the Department's online reporting system.

BL 2018 Methodology

Number is actual.

BL 2018 Purpose

The LIHEAP program provides direct financial assistance for energy needs of low income persons through the Comprehensive Energy Assistance Program (CEAP). The measure is important because it identifies the effectiveness of the CEAP program through the number of households receiving CEAP.

BL 2019 Definition

The number of households assisted through the Comprehensive Energy Assistance Program (CEAP) represents the number of unduplicated households receiving services. A household may be assisted by more than one component depending on needs.

BL 2019 Data Limitations

Targeted performance could be impacted by changes in funding levels, the price of energy and extremes in temperature.

BL 2019 Data Source

Monthly expenditures and performance reports are entered by subrecipients through the Department's online reporting system.

BL 2019 Methodology

Number is actual.

Strategy-Related Measures Definitions
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BL 2019 Purpose

The LIHEAP program provides direct financial assistance for energy needs of low income persons through the Comprehensive Energy Assistance Program (CEAP). The measure is important because it identifies the effectiveness of the CEAP program through the number of households receiving CEAP.

Strategy-Related Measures Definitions
 85th Regular Session, Base Recon, Version 1
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Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	3	Improve Poor/Homeless Living Conditions & Reduce VLI Energy Costs
Objective No.	2	Reduce Cost of Home Energy for 6% of Very Low Income Households
Strategy No.	1	Administer State Energy Assistance Programs
Measure Type	OP	
Measure No.	2	Number of Dwelling Units Weatherized by the Department

Calculation Method: C **Target Attainment: H** **Priority: H** Cross Reference: Agy 332 084-R-S70-1 03-02-01 OP 02
Key Measure: Y **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

The number of dwelling units weatherized is based on Monthly Performance and Expenditure Reports submitted to the Department by the weatherization subrecipients.

BL 2018 Data Limitations

Targeted performance could be impacted by changes in funding levels. Units receiving both Department of Energy and Low Income Housing Energy Assistance Program funding may be double counted.

BL 2018 Data Source

Monthly expenditures and performance reports are entered by subrecipients through the Department’s online reporting system. Performance data from these reports is entered in an automated system and maintained by the Department. Performance figures represent the number of weatherization units from the Department’s DOE and LIHEAP Weatherization programs.

BL 2018 Methodology

The performance number reported represents the actual number of dwelling units weatherized.

BL 2018 Purpose

The WAP program provides residential weatherization and other cost-effective energy-related home repair to increase the energy efficiency of dwellings owned or occupied by low-income persons. The measure is important because it identifies the effectiveness of the program through the number of homes receiving weatherization services.

BL 2019 Definition

The number of dwelling units weatherized is based on Monthly Performance and Expenditure Reports submitted to the Department by the weatherization subrecipients.

BL 2019 Data Limitations

Targeted performance could be impacted by changes in funding levels. Units receiving both Department of Energy and Low Income Housing Energy Assistance Program funding may be double counted.

BL 2019 Data Source

Strategy-Related Measures Definitions
85th Regular Session, Base Recon, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Monthly expenditures and performance reports are entered by subrecipients through the Department's online reporting system. Performance data from these reports is entered in an automated system and maintained by the Department. Performance figures represent the number of weatherization units from the Department's DOE and LIHEAP Weatherization programs.

BL 2019 Methodology

The performance number reported represents the actual number of dwelling units weatherized.

BL 2019 Purpose

The WAP program provides residential weatherization and other cost-effective energy-related home repair to increase the energy efficiency of dwellings owned or occupied by low-income persons. The measure is important because it identifies the effectiveness of the program through the number of homes receiving weatherization services.

Strategy-Related Measures Definitions
85th Regular Session, Base Recon, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code:	332	Agency:	Department of Housing and Community Affairs
Goal No.	4	Ensure Compliance with Program Mandates	
Objective No.	1	Monitor Developments & Subrecipient Contracts for Compliance	
Strategy No.	1	Monitor and Inspect for Federal & State Housing Program Requirements	
Measure Type	EX		
Measure No.	1	Total Number of Active Properties in the Portfolio	

Calculation Method: N **Target Attainment: H** **Priority: M** Cross Reference: Agy 332 084-R-S70-1 04-01-01 EX 01
Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

The total number of rental developments in the TDHCA compliance monitoring portfolio. This number represents the portfolio for which the Portfolio Management and Compliance division is responsible. This includes developments monitored by on-site file review, desk review, a combination of onsite and desk reviews, or other compliance activities depending on program requirements. Program development totals vary throughout the year.

BL 2018 Data Limitations

No limitations.

BL 2018 Data Source

Program totals are maintained by the Department's databases.

BL 2018 Methodology

Figure represents actual number of active properties in the compliance monitoring and tracking system (CMTS)

BL 2018 Purpose

The measure provides the total number of housing developments in the compliance monitoring portfolio.

BL 2019 Definition

The total number of rental developments in the TDHCA compliance monitoring portfolio. This number represents the portfolio for which the Portfolio Management and Compliance division is responsible. This includes developments monitored by on-site file review, desk review, a combination of onsite and desk reviews, or other compliance activities depending on program requirements. Program development totals vary throughout the year.

BL 2019 Data Limitations

No limitations.

BL 2019 Data Source

Program totals are maintained by the Department's databases.

BL 2019 Purpose

The measure provides the total number of housing developments in the compliance monitoring portfolio.

Strategy-Related Measures Definitions
 85th Regular Session, Base Recon, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	4	Ensure Compliance with Program Mandates
Objective No.	1	Monitor Developments & Subrecipient Contracts for Compliance
Strategy No.	1	Monitor and Inspect for Federal & State Housing Program Requirements
Measure Type	EX	
Measure No.	2	Total Number of Active Units in the Portfolio

Calculation Method: N **Target Attainment: H** **Priority: H** Cross Reference: Agy 332 084-R-S70-1 04-01-01 EX 02
Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

Total number of housing units in the multi and single family rental developments monitored by the Department. The total number includes all units. Units associated with recent awards but not placed into service and units available for lease are included in the total.

BL 2018 Data Limitations

No limitations.

BL 2018 Data Source

Unit totals are maintained by the Department's databases.

BL 2018 Methodology

Figure represents actual number of units associated with recent awards but not placed into service as well as active units available for lease in the compliance monitoring and tracking system (CMTS).

BL 2018 Purpose

The measure provides information of the total rental units monitored by the Department.

BL 2019 Data Limitations

No limitations.

BL 2019 Data Source

Unit totals are maintained by the Department's databases.

BL 2019 Purpose

The measure provides information of the total rental units monitored by the Department.

Strategy-Related Measures Definitions
 85th Regular Session, Base Recon, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	4	Ensure Compliance with Program Mandates
Objective No.	1	Monitor Developments & Subrecipient Contracts for Compliance
Strategy No.	1	Monitor and Inspect for Federal & State Housing Program Requirements
Measure Type	OP	
Measure No.	1	# of Annual Owners Compliance Reports Received and Reviewed

Calculation Method: C **Target Attainment: H** **Priority: M** Cross Reference:
Key Measure: N **New Measure: Y** **Percentage Measure: N**

BL 2018 Definition

Measure represents the number of Annual Owners Compliance Reports (Part A) due in this fiscal year received and reviewed.

BL 2018 Data Limitations

No limitations

BL 2018 Data Source

The data is gathered by program from Department databases.

BL 2018 Methodology

Number is actual.

BL 2018 Purpose

The measure meets statutory and agency requirements.

Strategy-Related Measures Definitions
85th Regular Session, Base Recon, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code:	332	Agency:	Department of Housing and Community Affairs
Goal No.	4	Ensure Compliance with Program Mandates	
Objective No.	1	Monitor Developments & Subrecipient Contracts for Compliance	
Strategy No.	1	Monitor and Inspect for Federal & State Housing Program Requirements	
Measure Type	OP		
Measure No.	2	Total Number of File Reviews	

Calculation Method: C **Target Attainment: H** **Priority: M** Cross Reference: Agy 332 084-R-S70-1 04-01-01 OP 03
Key Measure: Y **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

Measure represents the number of file reviews conducted to confirm compliance with Land Use Restriction Agreement (LURA) requirements.

BL 2018 Data Limitations

No limitations.

BL 2018 Data Source

The data is gathered by program from Department databases.

BL 2018 Methodology

The number reported is the actual number of reviews performed; with rare exceptions, file reviews are conducted onsite.

BL 2018 Purpose

The measure meets statutory and agency requirements.

BL 2019 Definition

Measure represents the number of file reviews conducted to confirm compliance with Land Use Restriction Agreement (LURA) requirements.

BL 2019 Data Limitations

No limitations.

BL 2019 Data Source

The data is gathered by program from Department databases.

BL 2019 Methodology

The number reported is the actual number of reviews performed; with rare exceptions, file reviews are conducted onsite.

BL 2019 Purpose

The measure meets statutory and agency requirements.

Strategy-Related Measures Definitions
 85th Regular Session, Base Recon, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	4	Ensure Compliance with Program Mandates
Objective No.	1	Monitor Developments & Subrecipient Contracts for Compliance
Strategy No.	1	Monitor and Inspect for Federal & State Housing Program Requirements
Measure Type	OP	
Measure No.	3	Total Number of Physical Inspections

Calculation Method: C **Target Attainment: H** **Priority: M** Cross Reference: Agy 332 084-R-S70-1 04-01-01 OP 04
Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

Measure represents the number of physical inspections conducted by the Compliance division. Physical inspections are defined as Uniform Physical Condition Standards (UPCS).

BL 2018 Data Limitations

No limitations.

BL 2018 Data Source

The data is gathered by program from Department databases.

BL 2018 Methodology

The number reported is the actual number of UPCS inspections performed.

BL 2018 Purpose

The measure meets statutory and agency requirements.

Strategy-Related Measures Definitions
 85th Regular Session, Base Recon, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	4	Ensure Compliance with Program Mandates
Objective No.	1	Monitor Developments & Subrecipient Contracts for Compliance
Strategy No.	2	Monitor Subrecipient Contracts
Measure Type	EX	
Measure No.	1	Total Number of Non-formula Contracts Subject to Monitoring

Calculation Method: N **Target Attainment: H** **Priority: H** Cross Reference: Agy 332 084-R-S70-1 04-01-02 EX 01
Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

This measure represents the total number of contracts that have reported some activity as of September 1st of that State Fiscal Year. Measure includes contracts for all activities within HOME, Housing Trust Fund, Emergency Solutions Grant, and other types of contract activity. This measure excludes formula funded contracts, such as Community Affairs network (CSBG, CEAP, WAP) and HHSP contracts, which reflect ongoing or renewed contracts rather than contracts typically entered into in response to NOFAs.

BL 2018 Data Limitations

No limitations

BL 2018 Data Source

Data on contracts administered is maintained in the Department's database.

BL 2018 Methodology

Number is actual.

BL 2018 Purpose

The measure provides the total number of active contracts administered, exclusive of formula-funded contracts.

BL 2019 Data Limitations

No limitations

BL 2019 Data Source

Data on contracts administered is maintained in the Department's database.

BL 2019 Methodology

Number is actual.

Strategy-Related Measures Definitions
85th Regular Session, Base Recon, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code:	332	Agency:	Department of Housing and Community Affairs
Goal No.	4	Ensure Compliance with Program Mandates	
Objective No.	1	Monitor Developments & Subrecipient Contracts for Compliance	
Strategy No.	2	Monitor Subrecipient Contracts	
Measure Type	EX		
Measure No.	2	Number of Previous Participation Reviews	

Calculation Method: N **Target Attainment: H** **Priority: M** Cross Reference: Agy 332 084-R-S70-1 04-01-02 EX 02
Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

Measure represents the number of previous participation reviews.

BL 2018 Data Limitations

No limitations.

BL 2018 Data Source

Data is maintained in the department's database.

BL 2018 Methodology

Number is actual and the data is maintained by staff in the department's database. Reports are produced quarterly.

BL 2018 Purpose

The measure meets statutory and agency requirements.

BL 2019 Definition

Measure represents the number of previous participation reviews.

BL 2019 Data Limitations

No limitations.

BL 2019 Data Source

Data is maintained in the department's database.

BL 2019 Methodology

Number is actual and the data is maintained by staff in the department's database. Reports are produced quarterly.

BL 2019 Purpose

The measure meets statutory and agency requirements.

Strategy-Related Measures Definitions
 85th Regular Session, Base Recon, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	4	Ensure Compliance with Program Mandates
Objective No.	1	Monitor Developments & Subrecipient Contracts for Compliance
Strategy No.	2	Monitor Subrecipient Contracts
Measure Type	EX	
Measure No.	3	Number of Formula-Funded Subrecipients

Calculation Method: N **Target Attainment: H** **Priority: M** Cross Reference: Agy 332 084-R-S70-1 04-01-02 EX 03

Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

Measure represents the number of formula-funded subrecipients that have reported some activity as of September 1 of that State Fiscal Year.

BL 2018 Data Limitations

No limitations.

BL 2018 Data Source

The data is gathered from Department databases.

BL 2018 Methodology

Number is actual. Subrecipients may administer more than one network program.

BL 2018 Purpose

To provide policy makers meaningful information on TDHCA oversight of Formula Funded subrecipients.

Strategy-Related Measures Definitions
85th Regular Session, Base Recon, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code:	332	Agency:	Department of Housing and Community Affairs
Goal No.	4	Ensure Compliance with Program Mandates	
Objective No.	1	Monitor Developments & Subrecipient Contracts for Compliance	
Strategy No.	2	Monitor Subrecipient Contracts	
Measure Type	OP		
Measure No.	1	Total Number of Monitoring Reviews of All Non-formula Contracts	

Calculation Method: C **Target Attainment: H** **Priority: H** Cross Reference: Agy 332 084-R-S70-1 04-01-02 OP 01
Key Measure: Y **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

Measure represents the number of monitoring reviews of all non-formula contracts, conducted as part of contract monitoring in the Compliance Division.

BL 2018 Data Limitations

No limitations.

BL 2018 Data Source

The data is gathered from Department databases.

BL 2018 Methodology

Number is actual. Local Administrators may administer more than one TDHCA contract; all non-formula funded contracts reviewed will be counted. This figure excludes CA-network (CSBG, CEAP, WAP) and HHSP reviews.

BL 2018 Purpose

The measure meets statutory and program requirements.

BL 2019 Data Limitations

No limitations.

BL 2019 Data Source

The data is gathered from Department databases.

BL 2019 Methodology

Number is actual. Local Administrators may administer more than one TDHCA contract; all non-formula funded contracts reviewed will be counted. This figure excludes CA-network (CSBG, CEAP, WAP) and HHSP reviews.

BL 2019 Purpose

The measure meets statutory and program requirements.

Strategy-Related Measures Definitions
85th Regular Session, Base Recon, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code:	332	Agency:	Department of Housing and Community Affairs
Goal No.	4		Ensure Compliance with Program Mandates
Objective No.	1		Monitor Developments & Subrecipient Contracts for Compliance
Strategy No.	2		Monitor Subrecipient Contracts
Measure Type	OP		
Measure No.	2		Number of Single Audit Reviews
Calculation Method: C			
Target Attainment: H		Priority: M	
Cross Reference: Agy 332 084-R-S70-1 04-01-02 OP 02			
Key Measure: N		New Measure: N	
		Percentage Measure: N	

BL 2018 Definition

The number of single audit reviews conducted of Federal and State grant sub-recipients. Single Audits are required annually if the federally mandated expenditure threshold is exceeded as defined by OMB Circular A-133 or 2 CFR Part 200. The circular and the CFR guidance define which single audit reports must be submitted to the pass-through agency. These reports are used to measure overall and ongoing compliance with program requirements, financial accountability of Federal and State grants and the overall internal controls of the sub-recipient.

BL 2018 Data Limitations

No limitations.

BL 2018 Data Source

The data is gathered from Department data bases.

BL 2018 Methodology

Number is actual.

BL 2018 Purpose

The measure meets statutory and program requirements.

BL 2019 Data Limitations

No limitations.

BL 2019 Data Source

The data is gathered from Department data bases.

BL 2019 Methodology

Number is actual.

BL 2019 Purpose

The measure meets statutory and program requirements.

Strategy-Related Measures Definitions
 85th Regular Session, Base Recon, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	4	Ensure Compliance with Program Mandates
Objective No.	1	Monitor Developments & Subrecipient Contracts for Compliance
Strategy No.	2	Monitor Subrecipient Contracts
Measure Type	OP	
Measure No.	3	Total # of Formula-Funded Subrecipients Receiving Monitoring Reviews

Calculation Method: C **Target Attainment: H** **Priority: M** Cross Reference: Agy 332 084-R-S70-1 04-01-02 OP 03

Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

Measure represents the number of Formula Funded subrecipients monitored through reviews in a given year.

BL 2018 Data Limitations

No limitations.

BL 2018 Data Source

The data is gathered from Department databases.

BL 2018 Methodology

Number is actual. Subrecipients may administer more than one network program. This will report monitored subrecipients that have reported some activity as of September 1st of that State Fiscal Year.

BL 2018 Purpose

To provide policy makers meaningful information on TDHCA oversight of Formula Funded subrecipients.

Strategy-Related Measures Definitions
 85th Regular Session, Base Recon, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	5	Regulate Manufactured Housing Industry
Objective No.	1	Operate a Regulatory System To Ensure Responsive SOL/Licensing/Other
Strategy No.	1	Provide SOL and Licensing Services in a Timely Manner
Measure Type	EF	
Measure No.	1	Avg. Cost Per Manufact Housing Stmt. of Ownership and Location Issued

Calculation Method: N **Target Attainment: L** **Priority: M** Cross Reference: Agy 332 084-R-S70-1 05-01-01 EF 01

Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

The average cost to the Department of the processing of a Statement of Ownership and Location (SOL) application based on total funds expended and encumbered during the reporting period for the issuance of manufactured housing SOLs. Cost includes department overhead, salaries (permanent and temporary personnel), supplies, travel, postage, and other costs directly related to SOLs, including document review, handling, proofing, and notification.

BL 2018 Data Limitations

No limitations of data.

BL 2018 Data Source

Information is obtained from either a management report from the Department's Financial Administration Division or USAS.

BL 2018 Methodology

To obtain the average, divide the total funds by the total number of SOLs issued in a reporting period.

BL 2018 Purpose

The measure shows the efficiency in costs to issue a SOL.

BL 2019 Definition

The average cost to the Department of the processing of a Statement of Ownership and Location (SOL) application based on total funds expended and encumbered during the reporting period for the issuance of manufactured housing SOLs. Cost includes department overhead, salaries (permanent and temporary personnel), supplies, travel, postage, and other costs directly related to SOLs, including document review, handling, proofing, and notification.

BL 2019 Data Limitations

No limitations of data.

BL 2019 Data Source

Information is obtained from either a management report from the Department's Financial Administration Division or USAS.

BL 2019 Methodology

To obtain the average, divide the total funds by the total number of SOLs issued in a reporting period.

Strategy-Related Measures Definitions
85th Regular Session, Base Recon, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

BL 2019 Purpose

The measure shows the efficiency in costs to issue a SOL.

Strategy-Related Measures Definitions
85th Regular Session, Base Recon, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code:	332	Agency:	Department of Housing and Community Affairs
Goal No.	5	Regulate Manufactured Housing Industry	
Objective No.	1	Operate a Regulatory System To Ensure Responsive SOL/Licensing/Other	
Strategy No.	1	Provide SOL and Licensing Services in a Timely Manner	
Measure Type	EX		
Measure No.	1	Number of Manufactured Homes of Record in Texas	

Calculation Method: N **Target Attainment: H** **Priority: H** Cross Reference: Agy 332 084-R-S70-1 05-01-01 EX 01
Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

The number of Manufactured Homes of record in Texas represents the total number of manufactured homes with an existing record in the official manufactured housing database that is maintained by the department.

BL 2018 Data Limitations

No limitations of data.

BL 2018 Data Source

Automated compilation through the Manufactured Housing Division's Database.

BL 2018 Methodology

Actual number.

BL 2018 Purpose

The measure represents the total number of manufactured homes in Texas for which the Department has an ownership and location record.

BL 2019 Definition

The number of Manufactured Homes of record in Texas represents the total number of manufactured homes with an existing record in the official manufactured housing database that is maintained by the department.

BL 2019 Data Limitations

No limitations of data.

BL 2019 Data Source

Automated compilation through the Manufactured Housing Division's Database.

BL 2019 Methodology

Actual number.

Strategy-Related Measures Definitions
85th Regular Session, Base Recon, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

BL 2019 Purpose

The measure represents the total number of manufactured homes in Texas for which the Department has an ownership and location record.

Strategy-Related Measures Definitions
 85th Regular Session, Base Recon, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	5	Regulate Manufactured Housing Industry
Objective No.	1	Operate a Regulatory System To Ensure Responsive SOL/Licensing/Other
Strategy No.	1	Provide SOL and Licensing Services in a Timely Manner
Measure Type	OP	
Measure No.	1	No. of Manufactured Housing Stmtns. of Ownership and Location Issued

Calculation Method: C **Target Attainment: H** **Priority: H** Cross Reference: Agy 332 084-R-S70-1 05-01-01 OP 01
Key Measure: Y **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

The total number of manufactured housing Statements of Ownership and Location (SOL) issued for which a fee is charged (includes SOLs issued as a result of changes in ownership, location, lien information, election, and use).

BL 2018 Data Limitations

No limitations.

BL 2018 Data Source

Data is computer generated through the Manufactured Housing Division's Database and accounting receipts.

BL 2018 Methodology

Number is actual.

BL 2018 Purpose

This measure identifies the total number of SOLs issued in a reporting period. It is important because it shows the workload associated with issuing SOLs.

BL 2019 Data Limitations

No limitations.

BL 2019 Methodology

Number is actual.

BL 2019 Purpose

This measure identifies the total number of SOLs issued in a reporting period. It is important because it shows the workload associated with issuing SOLs.

Strategy-Related Measures Definitions
85th Regular Session, Base Recon, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code:	332	Agency:	Department of Housing and Community Affairs
Goal No.	5	Regulate Manufactured Housing Industry	
Objective No.	1	Operate a Regulatory System To Ensure Responsive SOL/Licensing/Other	
Strategy No.	1	Provide SOL and Licensing Services in a Timely Manner	
Measure Type	OP		
Measure No.	2	Number of Licenses Issued	

Calculation Method: C **Target Attainment: H** **Priority: M** Cross Reference: Agy 332 084-R-S70-1 05-01-01 OP 02
Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

The total number of manufactured housing licenses issued to qualifying applicants (applicant types broker, installer, manufacturer, retailer, retailer/broker, retailer/broker/installer, broker/installer, and sales persons). The number calculated includes updates to existing licenses. It does not include duplicate licenses that are reprinted or departmental corrections.

BL 2018 Data Limitations

No limitations of data.

BL 2018 Data Source

Data is computer generated through the Manufactured Housing Division's Database.

BL 2018 Methodology

Number is actual.

BL 2018 Purpose

This measure identifies the total number of licenses issued and updated in a reporting period. It is important because it shows the workload associated with issuing licenses.

BL 2019 Definition

The total number of manufactured housing licenses issued to qualifying applicants (applicant types broker, installer, manufacturer, retailer, retailer/broker, retailer/broker/installer, broker/installer, and sales persons). The number calculated includes updates to existing licenses. It does not include duplicate licenses that are reprinted or departmental corrections.

BL 2019 Data Limitations

No limitations of data.

BL 2019 Methodology

Number is actual.

BL 2019 Purpose

Strategy-Related Measures Definitions
85th Regular Session, Base Recon, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

This measure identifies the total number of licenses issued and updated in a reporting period. It is important because it shows the workload associated with issuing licenses.

Strategy-Related Measures Definitions
 85th Regular Session, Base Recon, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	5	Regulate Manufactured Housing Industry
Objective No.	1	Operate a Regulatory System To Ensure Responsive SOL/Licensing/Other
Strategy No.	2	Conduct Inspections of Manufactured Homes in a Timely Manner
Measure Type	EF	
Measure No.	1	Average Cost Per Inspection

Calculation Method: N **Target Attainment: L** **Priority: M** Cross Reference: Agy 332 084-R-S70-1 05-01-02 EF 01
Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

The average cost to the Department of each inspection based on the total funds expended and encumbered during the reporting period to conduct or attempt inspections, including both installation and non-routine inspections. Cost includes department overhead, salaries (permanent and temporary personnel), supplies, travel; postage, and other costs directly related to the enforcement of the inspection function.

BL 2018 Data Limitations

No limitations.

BL 2018 Data Source

Data is obtained from either a management report from the Department's Financial Division or USAS, the Manufactured Housing Division's Database and the Inspector's Travel Voucher Database.

BL 2018 Methodology

To obtain the average, divide the total funds expended by the total number of routine and non-routine inspections (completed and/or attempted) within the reporting period.

BL 2018 Purpose

The measure identifies the cost efficiency to perform or attempt an inspection.

BL 2019 Definition

The average cost to the Department of each inspection based on the total funds expended and encumbered during the reporting period to conduct or attempt inspections, including both installation and non-routine inspections. Cost includes department overhead, salaries (permanent and temporary personnel), supplies, travel; postage, and other costs directly related to the enforcement of the inspection function.

BL 2019 Data Limitations

No limitations.

BL 2019 Methodology

To obtain the average, divide the total funds expended by the total number of routine and non-routine inspections (completed and/or attempted) within the reporting period.

Strategy-Related Measures Definitions
85th Regular Session, Base Recon, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

BL 2019 Purpose

The measure identifies the cost efficiency to perform or attempt an inspection.

Strategy-Related Measures Definitions
 85th Regular Session, Base Recon, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	5	Regulate Manufactured Housing Industry
Objective No.	1	Operate a Regulatory System To Ensure Responsive SOL/Licensing/Other
Strategy No.	2	Conduct Inspections of Manufactured Homes in a Timely Manner
Measure Type	EX	
Measure No.	1	Number of Installation Reports Received

Calculation Method: N **Target Attainment: H** **Priority: H** Cross Reference: Agy 332 084-R-S70-1 05-01-02 EX 01
Key Measure: Y **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

The total number of installation reports received within a reporting period. Installation reports are received from lenders, retailers, installers, consumers, and other sources.

BL 2018 Data Limitations

No limitations.

BL 2018 Data Source

Data is computer generated through the Manufactured Housing Division's Database.

BL 2018 Methodology

Actual number.

BL 2018 Purpose

The measure provides information on the total number of installation reports received.

BL 2019 Definition

The total number of installation reports received within a reporting period. Installation reports are received from lenders, retailers, installers, consumers, and other sources.

BL 2019 Data Limitations

No limitations.

BL 2019 Data Source

Data is computer generated through the Manufactured Housing Division's Database.

BL 2019 Methodology

Actual number.

Strategy-Related Measures Definitions
85th Regular Session, Base Recon, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

BL 2019 Purpose

The measure provides information on the total number of installation reports received.

Strategy-Related Measures Definitions
 85th Regular Session, Base Recon, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	5	Regulate Manufactured Housing Industry
Objective No.	1	Operate a Regulatory System To Ensure Responsive SOL/Licensing/Other
Strategy No.	2	Conduct Inspections of Manufactured Homes in a Timely Manner
Measure Type	EX	
Measure No.	2	Number of Installation Inspections with Deviations

Calculation Method: N **Target Attainment: H** **Priority: H** Cross Reference: Agy 332 084-R-S70-1 05-01-02 EX 02
Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

The total number of installation inspections with deviations documented. An inspector may list several deviations on a single installation inspection, but it only accounts for one reported inspection with deviations.

BL 2018 Data Limitations

No limitations.

BL 2018 Data Source

Data is computer generated through the Manufactured Housing Division's Database.

BL 2018 Methodology

Actual number.

BL 2018 Purpose

The measure provides information on the total number of installation inspections with deviations. The importance of this measure is to ensure that homes are installed in a safe manner to prevent injury to consumers and the general public.

BL 2019 Definition

The total number of installation inspections with deviations documented. An inspector may list several deviations on a single installation inspection, but it only accounts for one reported inspection with deviations.

BL 2019 Data Limitations

No limitations.

BL 2019 Data Source

Data is computer generated through the Manufactured Housing Division's Database.

BL 2019 Methodology

Actual number.

Strategy-Related Measures Definitions
85th Regular Session, Base Recon, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

BL 2019 Purpose

The measure provides information on the total number of installation inspections with deviations. The importance of this measure is to ensure that homes are installed in a safe manner to prevent injury to consumers and the general public.

Strategy-Related Measures Definitions
85th Regular Session, Base Recon, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code:	332	Agency:	Department of Housing and Community Affairs
Goal No.	5	Regulate Manufactured Housing Industry	
Objective No.	1	Operate a Regulatory System To Ensure Responsive SOL/Licensing/Other	
Strategy No.	2	Conduct Inspections of Manufactured Homes in a Timely Manner	
Measure Type	OP		
Measure No.	1	Number of Routine Installation Inspections Conducted	

Calculation Method: C **Target Attainment: H** **Priority: H** Cross Reference: Agy 332 084-R-S70-1 05-01-02 OP 01
Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

The total number of routine inspections conducted to inspect the anchoring and support systems of manufactured homes (includes reviewing installation report for completeness, inspecting stabilizing devices to confirm that the installer used approved materials, inspecting the home for proper installation, and verifying that the installer is licensed with TDHCA). Unsuccessful attempted inspections (identified as skirted, not accessible, unable to locate, or no unit at location) are not included in the number reported.

BL 2018 Data Limitations

No limitations.

BL 2018 Data Source

Data is computer generated through the Manufactured Housing Division's Database.

BL 2018 Methodology

Number is actual.

BL 2018 Purpose

The measure identifies the total number of inspections performed (attempted inspections are not included) in a reporting period. It is important because it shows the workload for inspections and confirms that the Department meets the statutory requirement to inspect at least 75 percent.

BL 2019 Definition

The total number of routine inspections conducted to inspect the anchoring and support systems of manufactured homes (includes reviewing installation report for completeness, inspecting stabilizing devices to confirm that the installer used approved materials, inspecting the home for proper installation, and verifying that the installer is licensed with TDHCA). Unsuccessful attempted inspections (identified as skirted, not accessible, unable to locate, or no unit at location) are not included in the number reported.

BL 2019 Data Limitations

No limitations.

BL 2019 Methodology

Number is actual.

Strategy-Related Measures Definitions
85th Regular Session, Base Recon, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

BL 2019 Purpose

The measure identifies the total number of inspections performed (attempted inspections are not included) in a reporting period. It is important because it shows the workload for inspections and confirms that the Department meets the statutory requirement to inspect at least 75 percent.

Strategy-Related Measures Definitions
 85th Regular Session, Base Recon, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	5	Regulate Manufactured Housing Industry
Objective No.	1	Operate a Regulatory System To Ensure Responsive SOL/Licensing/Other
Strategy No.	2	Conduct Inspections of Manufactured Homes in a Timely Manner
Measure Type	OP	
Measure No.	2	Number of Non-routine Inspections Conducted

Calculation Method: C **Target Attainment: H** **Priority: H** Cross Reference: Agy 332 084-R-S70-1 05-01-02 OP 02
Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

The total number of special/complex inspections performed upon request from the public, other regulated entities, or as part of a complaint investigation. Special inspections consist of, but are not limited to the following: consumer complaints, habitability, SAA, and retailer monitoring.

BL 2018 Data Limitations

No limitations.

BL 2018 Data Source

Collection of data is based on the Inspector's Travel Voucher Database.

BL 2018 Methodology

The number is retrieved from the Travel Voucher Database by generating a report which lists the inspections conducted within the reporting period.

BL 2018 Purpose

The measure identifies the total number of inspections performed in a reporting period. It is important because it identifies inspections that result from unusual or special circumstances.

BL 2019 Definition

The total number of special/complex inspections performed upon request from the public, other regulated entities, or as part of a complaint investigation. Special inspections consist of, but are not limited to the following: consumer complaints, habitability, SAA, and retailer monitoring.

BL 2019 Data Limitations

No limitations.

BL 2019 Data Source

Collection of data is based on the Inspector's Travel Voucher Database.

BL 2019 Methodology

The number is retrieved from the Travel Voucher Database by generating a report which lists the inspections conducted within the reporting period.

Strategy-Related Measures Definitions
85th Regular Session, Base Recon, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

BL 2019 Purpose

The measure identifies the total number of inspections performed in a reporting period. It is important because it identifies inspections that result from unusual or special circumstances.

Strategy-Related Measures Definitions
 85th Regular Session, Base Recon, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	5	Regulate Manufactured Housing Industry
Objective No.	1	Operate a Regulatory System To Ensure Responsive SOL/Licensing/Other
Strategy No.	3	Process Complaints/Conduct Investigations/Take Administrative Actions
Measure Type	EF	
Measure No.	1	Average Cost Per Complaint Resolved

Calculation Method: N **Target Attainment: L** **Priority: H** Cross Reference: Agy 332 084-R-S70-1 05-01-03 EF 01
Key Measure: N **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

The average cost to the Department to resolve a complaint based on the total funds expended and encumbered during the reporting period for complaint processing, investigation, and resolution divided by the number of complaints resolved. Cost includes department overhead, salaries (permanent and temporary personnel), supplies, travel, postage, subpoena expenses, and other costs directly related to the agency’s enforcement function.

BL 2018 Data Limitations

No limitations.

BL 2018 Data Source

Data is obtained from either a management report from the Department’s Financial Administration Division or USAS, and the Manufactured Housing Division’s Database.

BL 2018 Methodology

To obtain the average, divide the total funds expended by the total number of resolved complaints within the reporting period. Non-jurisdictional complaints (closed as DISJ) are not included in this measure.

BL 2018 Purpose

The measure identifies the efficiency in costs for resolving a complaint.

BL 2019 Definition

The average cost to the Department to resolve a complaint based on the total funds expended and encumbered during the reporting period for complaint processing, investigation, and resolution divided by the number of complaints resolved. Cost includes department overhead, salaries (permanent and temporary personnel), supplies, travel, postage, subpoena expenses, and other costs directly related to the agency’s enforcement function.

BL 2019 Data Limitations

No limitations.

BL 2019 Methodology

To obtain the average, divide the total funds expended by the total number of resolved complaints within the reporting period. Non-jurisdictional complaints (closed as DISJ) are not included in this measure.

Strategy-Related Measures Definitions
85th Regular Session, Base Recon, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

BL 2019 Purpose

The measure identifies the efficiency in costs for resolving a complaint.

Strategy-Related Measures Definitions
 85th Regular Session, Base Recon, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	5	Regulate Manufactured Housing Industry
Objective No.	1	Operate a Regulatory System To Ensure Responsive SOL/Licensing/Other
Strategy No.	3	Process Complaints/Conduct Investigations/Take Administrative Actions
Measure Type	EF	
Measure No.	2	Average Time for Complaint Resolution

Calculation Method: N **Target Attainment: L** **Priority: H** Cross Reference: Agy 332 084-R-S70-1 05-01-03 EF 02
Key Measure: Y **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

The average length of time to resolve a jurisdictional complaint, for jurisdictional complaints resolved during the reporting period. The number of days to reach a resolution is calculated from the initial date of receipt of a consumer complaint to the date closed.

BL 2018 Data Limitations

No limitations.

BL 2018 Data Source

Data is computer generated through the Manufactured Housing Division's Database.

BL 2018 Methodology

The total number of calendar days per jurisdictional complaint resolved, summed for all complaints resolved during the reporting period, that elapsed from receipt of a request for agency intervention to the date upon which final action on the complaint was taken (numerator) is, divided by the number of complaints resolved during the reporting period (denominator). The calculation excludes complaints determined to be non-jurisdictional of the agency's statutory responsibilities.

BL 2018 Purpose

The measure tracks the average number of days spent to resolve a complaint. The measure is important because it shows how efficient the division has been in resolving complaints.

BL 2019 Definition

The average length of time to resolve a jurisdictional complaint, for jurisdictional complaints resolved during the reporting period. The number of days to reach a resolution is calculated from the initial date of receipt of a consumer complaint to the date closed.

BL 2019 Data Limitations

No limitations.

BL 2019 Data Source

Data is computer generated through the Manufactured Housing Division's Database.

BL 2019 Methodology

Strategy-Related Measures Definitions

85th Regular Session, Base Recon, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

The total number of calendar days per jurisdictional complaint resolved, summed for all complaints resolved during the reporting period, that elapsed from receipt of a request for agency intervention to the date upon which final action on the complaint was taken (numerator) is, divided by the number of complaints resolved during the reporting period (denominator). The calculation excludes complaints determined to be non-jurisdictional of the agency's statutory responsibilities.

BL 2019 Purpose

The measure tracks the average number of days spent to resolve a complaint. The measure is important because it shows how efficient the division has been in resolving complaints.

Strategy-Related Measures Definitions
 85th Regular Session, Base Recon, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **332** Agency: **Department of Housing and Community Affairs**

Goal No.	5	Regulate Manufactured Housing Industry
Objective No.	1	Operate a Regulatory System To Ensure Responsive SOL/Licensing/Other
Strategy No.	3	Process Complaints/Conduct Investigations/Take Administrative Actions
Measure Type	EX	
Measure No.	1	Number of Jurisdictional Complaints Received

Calculation Method: N **Target Attainment: L** **Priority: H** Cross Reference: Agy 332 084-R-S70-1 05-01-03 EX 01
Key Measure: Y **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

The total number of complaints received in a reporting period that are within the agency's jurisdiction of statutory responsibility.

BL 2018 Data Limitations

No limitations.

BL 2018 Data Source

Data is computer generated through the Manufactured Housing Division's Database.

BL 2018 Methodology

Actual number.

BL 2018 Purpose

The measure provides information on the total number of jurisdictional complaints. This measure is important to determine the division's workload.

BL 2019 Definition

The total number of complaints received in a reporting period that are within the agency's jurisdiction of statutory responsibility.

BL 2019 Data Limitations

No limitations.

BL 2019 Data Source

Data is computer generated through the Manufactured Housing Division's Database.

BL 2019 Methodology

Actual number.

BL 2019 Purpose

The measure provides information on the total number of jurisdictional complaints. This measure is important to determine the division's workload.

Strategy-Related Measures Definitions
85th Regular Session, Base Recon, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code:	332	Agency:	Department of Housing and Community Affairs
Goal No.	5	Regulate Manufactured Housing Industry	
Objective No.	1	Operate a Regulatory System To Ensure Responsive SOL/Licensing/Other	
Strategy No.	3	Process Complaints/Conduct Investigations/Take Administrative Actions	
Measure Type	OP		
Measure No.	1	Number of Complaints Resolved	

Calculation Method: C **Target Attainment: H** **Priority: H** Cross Reference: Agy 332 084-R-S70-1 05-01-03 OP 01
Key Measure: Y **New Measure: N** **Percentage Measure: N**

BL 2018 Definition

The total number of complaints resolved during the reporting period upon which final action was taken by the board or the Department through informal and formal means. Non-jurisdictional complaints (closed as DISJ) are not included in this measure.

BL 2018 Data Limitations

No limitations.

BL 2018 Data Source

Data is computer generated through the Manufactured Housing Division's Database.

BL 2018 Methodology

Actual number.

BL 2018 Purpose

The measure shows the workload associated with resolving complaints. The measure is important because it also identifies consumer problems.

BL 2019 Definition

The total number of complaints resolved during the reporting period upon which final action was taken by the board or the Department through informal and formal means. Non-jurisdictional complaints (closed as DISJ) are not included in this measure.

BL 2019 Data Limitations

No limitations.

BL 2019 Methodology

Actual number.

BL 2019 Purpose

The measure shows the workload associated with resolving complaints. The measure is important because it also identifies consumer problems.

C. Historically Underutilized Business Plan

INTRODUCTION

TDHCA strives to include Historically Underutilized Businesses in all procurements. Opportunities are thoroughly reviewed to enable HUBs to participate in the Department acquisition of goods and services. TDHCA has specific Policies and Procedures for the Historically Underutilized Business Program as referenced in Texas Administrative Code, Title 10, Part 1, Chapter 1, Subchapter A, Rule §1.6. TDHCA also has a designated HUB Coordinator in accordance with Section 2161.062, Government Code.

State HUB participation goals have been achieved consistently by the Department, with a focus toward maintaining high goals in future acquisitions. The Department routinely participates in vendor forums, trains Department staff, actively researches possible businesses to participate in opportunities, as well as assists vendors in becoming HUB certified.

Goal

The Texas Department of Housing and Community Affairs strive to provide procurement and contracting opportunities for all businesses, with efforts to maximize inclusion of minority, women, and disabled veteran owned businesses.

Objective

The Department shall make a good faith effort to maximize the award of goods and services to HUBs in all facets of contracting, subcontracting, and purchases. Through all reasonable means, the Department seeks to award procurement and subcontracting opportunities to minority, women, and disabled veteran owned businesses.

Strategy

The following programs have been developed and are part of TDHCA's good faith effort to achieve these goals:

- HUB Orientation/Assistance Package
- Actively participate in Economic Opportunity Forums (EOFs) enhancing the vendor knowledge of procurement opportunities at the Department.
- Utilization of the Electronic State Business Daily web-site provides opportunity to all HUBs and HUB subcontractors to acquire and participate in the Department's bid opportunities.
- Multiple Awards of single requisitions to enhance HUB vendor participation.
- Specifications, delivery dates, and guidelines are reasonable and concise.
- Ensuring that specifications and terms and conditions reflect the actual needs.
- Inclusion of possible NIGP Class/Items for vendors to explore for subcontracting opportunities.
- Ensuring subcontracting plans are appropriately and accurately included in services and commodities contracts of which the value exceeds \$100,000. Evaluation of the contractor compliance with subcontracting plans as applicable in contracts of \$100,000 or greater.

Output Measures

HUB Goals and TDHCA Performance

Category	TDHCA Performance 2016	TDHCA Performance 2017	TDHCA Goals for 2018
Heavy Construction	N/A	N/A	N/A
Building Construction	N/A	N/A	N/A
Special Trades Contracts	100%	100%	N/A
Professional Services Contracts	N/A	N/A	N/A
Other Services Contracts	26.58%	32.46%	24.6%
Commodities Contracts	67.11%	66.83%	21.0%
Grand Total HUB Participation	38.96%	39.95%	

TDHCA Performance – Fiscal Year 2016

Category	TDHCA Performance Total Dollar Amount Spent	TDHCA Performance Total Dollar Amount Spent With HUBS	Percentage Spent with HUBS	Statewide Goal
Heavy Construction	N/A	N/A	N/A	11.2%
Building Construction	N/A	N/A	N/A	21.1%
Special Trades Contracts	11.00	11.00	100%	32.7%
Professional Services Contracts	N/A	N/A	N/A	23.6%
Other Services Contracts	1,585,685.00	421,543.00	26.58%	24.6%
Commodities Contracts	697,322.00	467,959.00	67.11%	21.0%
Grand Total Expenditures	2,283,020.00	889,514.00	38.96%	

TDHCA Performance – Fiscal Year 2017

Category	TDHCA Performance Total Dollar Amount Spent	TDHCA Performance Total Dollar Amount Spent With HUBS	Percentage Spent with HUBS	Statewide Goal
Heavy Construction	N/A	N/A	N/A	11.2%
Building Construction	N/A	N/A	N/A	21.1%
Special Trades Contracts	-11.00	-11.00	100%	32.7%
Professional Services Contracts	N/A	N/A	N/A	23.6%
Other Services Contracts	1,460,115.00	474,001.00	32.46%	24.6%
Commodities Contracts	406,545.00	271,695.00	66.83%	21.0%
Grand Total Expenditures	1,866,649.00	745,685.00	39.95%	

External/Internal Assessment

TDHCA continues to increase the use of HUBs by educating staff on procurement policy rules and procedures; aggressively recruiting and educating prospective HUB businesses; assisting HUBs with the state HUB Certification program; and participation in EOFs with other state entities, local and federal entities and elected officials. Through participation in these Forums, TDHCA has developed new vendor relationships and continues to pursue new avenues for HUB participation. TDHCA continually works to improve HUB participation goals and strives to exceed the previous year's goals for HUB and subcontracting of HUB vendors.

F. Agency Workforce Plan and Texas Workforce Strategic Plan

Introduction

Each state agency is required to conduct a strategic planning staffing analysis and develop a workforce plan that follows guidelines developed by the State Auditor. This workforce plan addresses the agency's critical staffing and training needs, including the need for experienced employees to impart knowledge to their potential successors pursuant to Tex. Gov't Code §2056.002.

Agency Overview

This section describes the mission, strategic goals, objectives, and business functions of the agency. Potential changes to these items over the next five years are also discussed.

TDHCA Mission

The mission of the Texas Department of Housing and Community Affairs is to administer its assigned programs efficiently, transparently, and lawfully. To invest its resources strategically and develop high quality affordable housing which allows Texas communities to thrive.

State resources entrusted to the Department are limited and cannot accommodate every need or demand. Therefore, the Department's ultimate objective is to provide unassailable quality in all we do such that our programs and services command universal respect.

TDHCA's Goals, Objectives, and Strategies to Fulfill its Mission

Goal 1. Increase and preserve the availability of safe, decent, and affordable housing for very low, low, and moderate income persons and families.

Objective 1. Make loans, grants, and incentives available to fund eligible housing activities and preserve/create single and multifamily units for very low, low, and moderate income households.

Strategy 1. Provide mortgage loans and Mortgage Credit Certificates (MCCs), through the department's Mortgage Revenue Bond (MRB) Program, which are below the conventional market interest rates to very low, low, and moderate income homebuyers.

Strategy 2. Provide federal housing loans and grants through the HOME Investment Partnership (HOME) Program and the Multifamily Direct Loan Program for very low and low income families, focusing on the construction of single family and multifamily housing in rural areas of the state through partnerships with the private sector.

Strategy 3. Provide Funding for Affordable Housing through the Texas Bootstrap and Amy Young Barrier Removal Programs funded through the Texas Housing Trust Fund

Strategy 4. Provide federal rental assistance through Housing Choice Voucher Program (Section 8) vouchers for very low income households.

Strategy 5. Provide federal project-based rental assistance to extremely low income persons with disabilities through the Section 811 Project-Based Assistance Program

Strategy 6. Provide federal tax credits to develop rental housing for very low and low income households.

Strategy 7. Provide federal mortgage loans through the department's Mortgage Revenue Bond (MRB) program for the acquisition, restoration, construction and preservation of multifamily rental units for very low, low and moderate income families.

Goal 2. Promote improved housing conditions for extremely low, very low, and low income households by providing information and assistance.

Objective 1. Provide information and assistance regarding affordable housing resources and community support services

Strategy 1. Provide information and technical assistance to the public through the Housing Resource Center.

Objective 2. Promote and improve homeownership opportunities along with the development of safe neighborhoods and effective community services for all colonia residents and/or residents of low, very low, and extremely low income along the Texas-Mexico border

Strategy 1. Provide assistance to colonias, border communities, and nonprofits through field offices, Colonia Self-Help Centers, the Bootstrap Self-Help program, the Contract for Deed conversion program and other Department programs.

Goal 3. Improve living conditions for the poor and homeless and reduce cost of home energy for very low income (VLI) Texans.

Objective 1. To ease hardships of poverty and homelessness for 16 percent of the population of very low income persons each year.

Strategy 1. Administer homeless and poverty-related funds through a network of community action agencies and other local organizations so that poverty-related

services are available to very low income persons throughout the state.

Objective 2. To reduce cost of home energy for 6 percent of very low income households each year

Strategy 1. Administer state energy assistance programs by providing grants to local organizations for energy related improvements to dwellings occupied by very low income persons and general assistance to very low income households for heating and cooling expenses and energy-related emergencies.

Goal 4. Ensure compliance with Department of Housing and Community Affairs federal and state program mandates.

Objective 1. Administer and monitor all appropriate housing developments and subrecipient contracts to determine compliance with federal and state program requirements.

Strategy 1. Monitor and inspect for federal and state housing program requirements.

Strategy 2. Monitor federal and state subrecipient contracts for programmatic and fiscal requirements.

Goal 5. Protect the public by regulating the manufactured housing industry in accordance with state and federal laws.

Objective 1. Operate a regulatory system to ensure responsive handling of Statements of Ownership and Location and license applications, inspection reports, and enforcement.

Strategy 1. Provide services for Statement of Ownership and Location and Licensing in a timely and efficient manner.

Strategy 2. Conduct inspections of manufactured homes in a timely and efficient manner.

Strategy 3. Process consumer complaints, conduct investigations, and take administrative actions to protect general public and consumers.

Strategy 4. Provide for the processing of occupational licenses, registrations, or permit fees through Texas.gov.

Core Business Functions

TDHCA business functions can be broadly grouped into four categories: providing housing and community services assistance, affirmatively furthering fair housing, regulating the manufactured housing industry, serving as an informational resource. To ensure the success of the Department's efforts in these areas, a variety of supporting functions are required. These support areas include financial administration, human resources, information systems, asset management, portfolio

management and compliance, policy and public affairs, purchasing, and real estate analysis.

Housing and Community Services Assistance

Types of housing and community services assistance include:

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

Manufactured Housing Activities

TDHCA's Manufactured Housing Division is an independent entity within TDHCA. It is administratively attached, but it has its own Board of Directors and Executive Director. This division administers the Texas Manufactured Housing Standards Act. The act ensures that manufactured homes are well-constructed, safe, and installed correctly; that consumers are provided fair and effective remedies; and that measures are taken to provide economic stability for the Texas manufactured housing industry. Services of the Manufactured Housing Division include issuances of SOL research; training and license issuances to individuals for manufactured housing manufacturing, retailing, installations, broker, or sales; records and releases on tax and mortgage liens; installation, habitability and consumer complaint inspections; resolution of consumer complaints; and federal oversight under a cooperative agreement with HUD.

Information Resources

TDHCA is an informational resource for individuals, federal, state, and local governments, the Legislature, community organizations, advocacy groups, housing developers, and supportive services providers. Examples of information provided includes: general information on TDHCA activities, application and implementation technical assistance, housing need data and analysis, and direct consumer information on available assistance statewide. This information is provided through a myriad of communication methods: a 1-800 phone line, publications and guidebooks, via email and the TDHCA website, public hearings, trainings and workshops, planning roundtables, field offices, mass mailings, television, radio, and print media, speaking engagements, and conferences. TDHCA uses online forums to encourage topical discussions and gather feedback on proposed policies, rules, plans, reports, or other activities. Forums may be used in combination with public hearings and other public comment opportunities as a means for the Department to collect stakeholder input.

In all of its activities, TDHCA strives to promote sound housing policies; promote leveraging of state and local resources; prevent discrimination; and ensure the stability and continuity of services through a fair, nondiscriminatory, and open process.

Anticipated Changes to the Mission, Strategies, and Goals over the Next Five Years

The Department does not anticipate any significant changes of the mission, strategies and goals over the next five years.

Current Workforce Profile (Supply Analysis)

This section describes the agency’s current workforce by assessing whether current employees have the knowledge, skills, and abilities needed to address critical business issues in the future.

Size and Composition of Workforce

As of April 30, 2018, TDHCA had a total headcount of 283 employees. The following tables profile the agency’s workforce. TDHCA’s workforce is comprised of 38.9 percent males and 61.1 percent females. Over 45 percent of the agency’s work force is over 50 years old with 41 percent of the work force having 16 or more years of state service.

Statistics show that under one-half or 43 percent of the work force has 10 years or less of experience working at TDHCA with proficiency levels ranging from working knowledge of processes to gaining mastery level of processes. 30 percent of TDHCA’s workforce has 11-20 years of tenure with expertise levels ranging from mastery to acknowledged subject matter expert. Employees with 21 years or more of tenure compromise 27 percent of the work force and are also keepers of institutional business knowledge.

The agency realizes that to prevent disparity in knowledge and experience levels and to mitigate future program operational challenges, succession planning strategies must address the transfer of institutional business knowledge and professional expertise.

Work Force Breakdown

Gender

	Number of Employees	Percent of Employees
Male	110	38.9%
Female	173	61.1%

Source: Centralized Accounting and Payroll/ Personnel System

Age

	Number of Employees	Percent of Employees
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Under 30	13	4.59%
30-39	46	16.25%
40-49	96	33.92%
50 – 59	87	30.74%
60 and over	41	14.5%

Source: Centralized Accounting and Payroll/ Personnel System

Agency Tenure

	Number of Employees	Percent of Employees
0-5 years	87	30.74%
6-10 years	64	22.62%
11-15 years	42	14.84%
16-20 years	43	15.20%
21-25 years	37	13.07%
Over 25 years	10	3.53%

Source: Centralized Accounting and Payroll/ Personnel System

State Tenure

	Number of Employees	Percent of Employees
0-5 years	62	21.91%
6-10 years	59	20.85%
11-15 years	45	15.90%
16-20 years	40	14.13%
21-25 years	42	14.84%
Over 25 years	35	12.37%

Source: Centralized Accounting and Payroll/ Personnel System

TDHCA Work Force Compared to Statewide Civilian Workforce

The “Statewide Employment Statistics” table below compares the percentage of African American, Hispanic and Female TDHCA employees (as of April 30, 2018) to the statewide civilian work force as reported by the Texas Workforce Commission’s Civil Rights Division. For most job categories, the agency is comparable to or above statewide work force statistics; however, there are some areas that are under-represented. TDHCA is dedicated to ensuring quality in the workforce and specifically targets recruitment resources such as diverse community organizations and colleges that reach out to the workforce in the under-represented EEO categories to generate a larger applicant pool to achieve the EEO goals of the state.

Statewide Employment Statistics

Job Category	African American TDHCA	African American State	Hispanic American TDHCA	Hispanic American State	Females TDHCA	Females State
Officials/Administrators	4.17	7.40%	25.00%	22.10%	37.50%	37.40%
Professionals	7.73%	10.40%	37.11%	19.30%	71.65%	55.30%
Technicians	10.20%	14.40%	26.53%	27.20%	20.41%	55.30%
Para-Professionals	36.36%	N/A	36.36%	N/A	90.91%	N/A
Administrative Support	33.33%	14.80%	16.67%	34.80%	83.33%	72.10%

Source: Centralized Accounting and Payroll/Personnel System (CAPPs) and Texas Workforce Commission (TWC).

TWC statistics extracted from “Equal Employment Opportunity and Minority Hiring Practices Report, Fiscal Years 2015-2016.”

The January 2015 TWC EEO and Minority Hiring Practices Report indicated that TWC has combined the statewide percentages for the Paraprofessional and the Service Maintenance EEO categories because they were not available separately from their BLS source report, accordingly, there is no Statewide paraprofessional statistic available for comparison.

Employee Turnover

According to the State Auditor’s Office Turnover Report for fiscal year 2017, the statewide turnover rate for full-time and part-time classified employees at state agencies was 18.6 percent. This does not include interagency transfers since the state does not consider this to be a loss to the state.

As shown by the chart below, TDHCA’s turnover rates have historically been at least 5 percent under the state turnover rates. In fiscal year 2017 the turnover rate was 2.1 percent higher than the previous fiscal year. Employee turnover is normal to any organization but can be negative if it reaches abnormal levels. Negatives include the associated costs of turnover, such as training and orientation of new employees, recruitment and selection of new employees, leave payout to departing employees, and lower productivity in the workplace during the time that a position is vacant and during the time that a new employee is learning the job. There can be a financial gain as experienced employees are replaced with entry level staff, however, loss of those experienced employees can negatively impact the agency due to loss of institutional knowledge and skill.

Overall Turnover

Fiscal Year	TDHCA	State
2017	7.4%	18.6%
2016	5.6%	17.6%
2015	12.0%	18%
2014	8.0%	17.5%
2013	7.1%	17.6%

Source: State Auditor Officer (SAO) Classified Employee Turnover Report FY2017.

Turnover rates exclude interagency transfers

Turnover by Length of Agency Service

FY	# Terms	Less than 2 Years	2-4.99 Years	5-9.99 Years	10-14.99 Years	15-19.99 Years	Over 20 Years

2017	21	5	3	2	3	5	3
2016	16	4	1	4	3	0	4
2015	34	8	9	6	3	4	4
2014	23	1	10	7	3	1	1
2013	22	5	6	4	4	2	1

Source: SAO E-Class. Data excludes interagency transfers

Turnover by Age

FY	# Terms	20-29 Years	30-39 Years	40-49 Years	50-59 Years	60-69 Years
2017	21	1	5	4	6	5
2016	16	0	6	2	4	4
2015	34	1	8	11	11	3
2014	23	0	12	4	4	3
2013	22	1	4	5	5	7

Source: SAO E-Class. Data excludes interagency transfers

Retirement Eligibility

Data obtained from the Employees Retirement System shows projected retirements at TDHCA over the next five fiscal years.

The loss of employees due to retirement is, and will continue to be, a critical issue facing the agency. The loss of institutional business knowledge and expertise in key management and senior-level professional positions, coupled with normal attrition, poses a critical work force dilemma for the agency as well as the state. It is important to ensure that this technical knowledge and organizational experience is not lost. Management is aware of the impact that retirees will have on the Department within the next biennium and is continually looking at methods to replace these skills and knowledge through:

- Employee Development
- On-the-job training
- Leadership Development
- Succession Planning
- Cross divisional training
- Mentoring

Projected TDHCA Retirements

Fiscal Year	Projected Retirements	Percent of Total Agency Employees (FTE Budget of 312)
2018	43	13.8
2019	9	2.8
2020	8	2.6
2021	11	3.5
2022	14	4.5
Total Projected Retirements	85	27.2%

Source: Centralized Accounting & Payroll/Personnel System (CAPPS)

Workforce Skills Critical to the Mission and Goals of the Agency

Core Functions

- Asset Management
- Building Inspection and Weatherization
- Capital Market Bond Financing
- Community Services
- Construction Management and Oversight
- Contract Management
- Data Analysis and Reporting
- Emergency Response and Management
- Environmental science
- Governmental Accounting and Reporting
- Information Systems and Security and Web Administration
- Knowledge of federal regulations, particularly OMB requirements
- Knowledge of Loan Closing and Titling processes
- Knowledge of Real Estate Transactions
- Legislative and governmental relations
- Loan Management
- Mortgage and loan management
- Portfolio management and compliance
- Program Planning and Administration
- Underwriting

Critical Work Force Skills

Although the agency has many talented and qualified employees, there are a number of critical skills the Department’s workforce needs in order to effectively accomplish its business functions and provide a high level of customer service which include:

- Analysis/research/planning/problem solving
- Auditing
- Communication (verbal and written)
- Computer skills ranging from entry level data entry to highly skilled information systems programmers and database administrators
- Customer service
- Financial management, financial analysis, and accounting expertise
- Housing market industry
- Information security analysis
- Inspection
- Investigation
- Leadership and management
- Legal analysis
- Legislative relations and bill tracking
- Manufactured housing rules and regulations
- Marketing
- Multi-lingual
- Outreach and technical assistance
- Project management, quality oversight, and evaluation
- Titling and licensing

Use of Consultants

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

ISD

TDHCA's Information Systems Division makes limited, targeted use of consultants for approved capital budget projects and software development support. In the current biennium, the Department continues to employ one contract systems analyst to provide the majority of PeopleSoft Financials support and plans to hire an additional contract software developer to assist with Community Affairs Contract System support.

Bond Finance

Bond Finance uses the following types of consultants:

Bond Counsel	A law firm or firms experienced in the issuance of mortgage revenue bonds and mortgage credit certificates.
Disclosure Counsel	A law firm experienced in securities laws particularly as it relates to disclosure of information by securities issuers to the private markets.
Financial Advisor	Typically an investment banking firm experienced in issuance of mortgage revenue bonds.
Interest Rate Swap Advisor	Primarily monitors interest rate swaps used to hedge single family mortgage revenue bonds.
Investment Bankers	A firm specializing in the underwriting, issuance and sale of mortgage revenue bonds and provides advice relating to financial structure and cash flows.
Master Servicer	A financially sound bank or trust company experienced in loan servicing for tax-exempt and taxable single family programs.
Program Administrator	A company experienced in programmatic and tax compliance review for tax-exempt and taxable single family programs.
Rating Agencies	A national rating agency which analyzes bond issues and assigns a rating to them to indicate to prospective bondholders the investment quality of the issue.
TBA Provider	An investment banking firm experienced with the pooling and hedging of mortgage-backed securities in the TBA market.

Future Workforce Profile (Demand Analysis)

This section describes the Department's future business and staffing outlook. This analysis helps to identify trends, future influences, and challenges for the agency's business functions, new and at-risk business, and workforce composition.

Future Workforce Skills Needed

In addition to those skills described above in the “Workforce Skills Critical to the Mission and Goals of the Agency” section, it is expected that the following skills will also be needed:

- The Bond Finance Division may need to bring some specialized functions in-house over the next several years that the Department currently relies upon consultants to complete. Those tasks may require new staff and new skill sets.
- The Legal Services Division is called upon to provide increasingly complex transactional documentation skills and assist in developing increasingly detailed and complex rules, as new programs continue to emerge in response to federal legislative changes and new strategic directions. Both require significant real estate experience, detailed knowledge of state and federal laws, plus exceptional drafting skills. As more asset resolution and enforcement issues are brought forward, additional capabilities in contested case proceedings, loan restructurings, and bankruptcy matters are required.
- The Texas Housing Trust Fund has a current and future need for data analysis and programming skills.
- Legislative mandates impacting the administration and delivery of agency programs.
- The Human Resources Division anticipates needing to build strong overall HR knowledge, including HR certification; compensation skills; recruitment skills; the ability to administer HR programs effectively (strategically and assisting with development of programs); and skills in becoming an effective change agent for the Department.
- Many of the program areas have ongoing needs for expertise in data management and reporting.
- Other skill requirements with increased focus include team building and the ability to adapt to changing workplace demands.

Anticipated Increase or Decrease in the Number of Employees Needed to Do the Work

Anticipated Increases:

- At a minimum maintain current staffing level.
- Reallocate employees within the agency to address shifts in program funding and/or increased demands.
- Continuously review processes and develop efficiencies as needed.
- Provide training and effectively manage succession planning.
- Awarding of new federal funds or appropriation of state funds.
- The Compliance & Asset Oversight Division anticipates the need for more staff as the size of the multifamily portfolio continues to expand and if the volume of utility allowance reviews for the housing tax credit program continues or increases. Address increased programmatic regulations including new federal OMB requirements.
- The Real Estate Analysis Division anticipates an increase in the number of employees needed to underwrite an expanding pipeline of multifamily transactions; these transactions are expected to continue to increase over the next few years.

Gap Analysis

Anticipated Surplus or Shortage of Employees/ Skills

Overall the agency work force has the necessary skills to perform the required work. In the next five years the agency could experience a shortage of required skills in management and senior level

professional positions due to potential retirements and through attrition.

Due to the changing workforce of the Department it is anticipated that there may be a shortage of the following personnel and/or skills:

- The Bond Finance Division may experience a shortage related to the specialized data analysis personnel and associated skill sets.
- The Legal Services Division anticipates a shortage in qualified real estate professionals, specifically those skilled and versed in HUD and LIHTC issues.
- The Information Systems Division has a continued need for employees with expertise in Java and the specific Java framework used at TDHCA, Oracle, APPX, PeopleSoft, Mitas, and network and technical support.

Strategy Development

This section describes strategies for workforce transition.

TDHCA has always encouraged training for staff. This is an essential part of developing and maintaining a skilled workforce that encompasses the quality performance needed to carry out the mission and goals of the agency.

The workplace has always consisted of many generations working at one time. However, today's age-diverse workforce is working past retirement age, which has led to a generation gap of 46 years between the oldest and youngest workers. As a result, a one-size-fits-all approach is not appropriate in an age-diverse workforce that may have four generations of workers at one time. The TDHCA must be prepared to work with the communication styles of each generation and determine what motivates each generation in order to bridge the generation gap. This approach is key in developing both succession planning and knowledge transfer for future generations. Furthermore, as society in general becomes more diverse, the TDHCA workforce must mirror this diversity, thereby meeting both the needs and the expectations of the population it serves.

In addition to the diversity and composition of the future TDHCA workforce, fair pay will continue to impact recruitment and retention. The TDHCA and state agencies, in general, currently cannot compete with other organizations in terms of compensating its employees. Many existing employees continue to serve the agency because they value its mission or enjoy the work-life balance that may be lacking in a for-profit company or firm. The TDHCA must continue to foster an environment that offers not only fair compensation but also other incentives that attract and retain staff.

Specific Goals to Address Workforce Competency Gaps or Surpluses

To plan for TDHCA's future workforce needs, the following goals have been developed.

Gap: Retain and Attract the Right Employees for the Job.

Goal: To attract and retain a competent workforce.

Rationale: Recruiting excellent workers with the knowledge, skills, and abilities to perform their job duties is essential for a quality work force. It is also a challenge to retain those same employees in such a competitive market. The agency must recruit quality workers, learn to recognize excellent performance and provide development opportunities to employees.

The Department must also develop those employees with interest and ability to learn new skills and develop leadership skills in order to be prepared to advance into critical positions. The Department must also be prepared to recruit external candidates with the necessary skills needed.

Action Steps:

- Identify positions and also classification job series with the highest turnover and implement more aggressive retention strategies for these positions.
- Conduct an assessment of risk at TDHCA regarding the potential loss of knowledge, particularly in areas of loss due to retirement of key positions.
- Identify positions that should be targeted for succession planning, determine critical competencies and skills needed for those positions, and consider how to develop staff for these position and how to aggressively recruit for these positions.
- Provide employee training to develop critical skills needed.
- Develop and provide cross/rotational training for employees who are seeking new challenges or who wish to move across divisions.
- Create training and development plans for employees to assume higher level positions as vacancies occur.
- Establish recruitment resources that market specifically to the housing industry, attend career fairs at colleges and universities as needed, and use the Work in Texas database to recruit applicants, and continue to have TDHCA job fairs in an effort to recruit and achieve a diverse qualified pool of applicants.
- Establish recruitment resources that market specifically to the housing industry, attend career fairs at colleges and universities as needed. Encourage management to identify recruitment resources, organizations, colleges, and university to establish and applicant pool of individuals with the critical skills needed for their positions.
- Continue to conduct the Survey of Employee Engagement to determine trends in employee satisfaction and address areas of concern.
- Continue to allow employees to utilize the agency's alternative work schedule program to the extent possible.
- Create programs that allow employees who are seeking new challenges to work on special projects, rotations and/or developmental assignments.
- Adjust salaries within assigned pay ranges for employees in positions that are either critical or key functions or that have high turnover rates.
- Promote the use of non-monetary rewards for exceptional performance (e.g. Administrative Leave for Outstanding Performance, etc.)
- Promote the Wellness Program.

Gap: IS staff with advanced technology skills needed to maintain the Department's continually advancing computer systems and programs.

Goal: To provide the Department with technology that will increase efficiency of information for customers and staff, increase customer satisfaction, and provided streamlining of technology based

programs

Rationale: Training is needed to stay current with emerging technology. There are increased requests for changes to IT systems to better serve our customers and staff

Action Steps:

- Continue to develop IT staff by providing ongoing training.
- Determine anticipated changes needed to systems and allow for training and staff development of new technologies.
- Cross functional training of IT staff.
- Develop plans for future needs of the Department web-based programs.

Gap: Develop a Competent and Well-Trained Diverse Work Force

Goal: To employ a diverse workforce with skills to function and lead a diverse workforce.

Rationale: Over 27 percent of TDHCA's workforce is projected to be eligible to retire within the next five years. The agency relies heavily on a competent and knowledgeable staff and the loss of mastery-level expertise and institutional business knowledge will have a significant impact on agency services. The agency must continually assess existing staff to determine which employees demonstrate interest and also potential to develop new competencies and also assume new positions. Also, as the workforce continues to change there is an increase in multi-generational and diverse backgrounds entering the workforce. Employees will need to be able to work with and manage people with differing opinions and work ethics.

Action Steps:

- Identify agency critical skills and competencies with input from divisions.
- Provide management with tools and training to assist in the management of a multi-generational diverse workforce.
- Promote the agency's tuition reimbursement program to encourage employees to further their education.
- Identify staff with leadership potential and send them to leadership development training. Require employees to participate in professional and personal development training to address undeveloped strengths.
- Provide staff with agency online training offerings and usage.
- Encourage employees to pursue professional certification(s) in their areas of employment when possible.
- Regularly review Department demographics to determine EEO shortfalls in EEO categories.
- Include "job shadowing" of new employee with more seasoned employees, as a routing part of both employees' job descriptions.

Survey of Organizational Excellence Results and Utilization Plans

Employees' Attitudes and Possibilities for Change

In February of 2018, TDHCA participated in the Survey of Employee Engagement sponsored by the University of Texas Institute for Organizational Excellence. The results of the survey are

outlined below.

Response Rate

Of the 280 employees invited to take the survey, 248 responded for a response rate of 88.6%. As a general rule, rates higher than 50 percent suggest soundness, while rates lower than 30% may indicate problems. At 88.6% the response rate for TDHCA is considered high. High rates mean that employees have an investment in the organization and are willing to contribute toward making improvements within the workplace. This survey forms the basis of the following observations concerning TDHCA's strengths and weaknesses according to the employees of the Department:

Overall Score

The overall survey score for TDHCA was 395. The overall survey score is a broad indicator for comparison with other entities. Scores above 350 are desirable, and when scores dip below 300, there should be cause for concern. Scores above 400 are the product of a highly engaged workforce.

Levels of Employee Engagement

Twelve items crossing several survey constructs were selected to assess the level of engagement among individual employees. For TDHCA, 37% of employees are Highly Engaged, 22% are Engaged, 34% are Moderately Engaged, and 7% are Disengaged.

Highly Engaged employees are willing to go above and beyond in their employment. Engaged employees are more present in the workplace and show an effort to help out. Moderately Engaged employees are physically present, but put minimal effort towards accomplishing the job. Disengaged employees are disinterested in their jobs and may be actively working against their coworkers.

For comparison purposes, according to nationwide polling data, about 30% of employees are Highly Engaged or Engaged, 50% are Moderately Engaged, and 20% are Disengaged.

Based on the survey, the following provides employee years of service with TDHCA:

- 16% New Hires (0-2 years)
- 31% Experienced (3-10 years)
- 41% Very Experienced (11+ years)
- 12% Did Not Answer

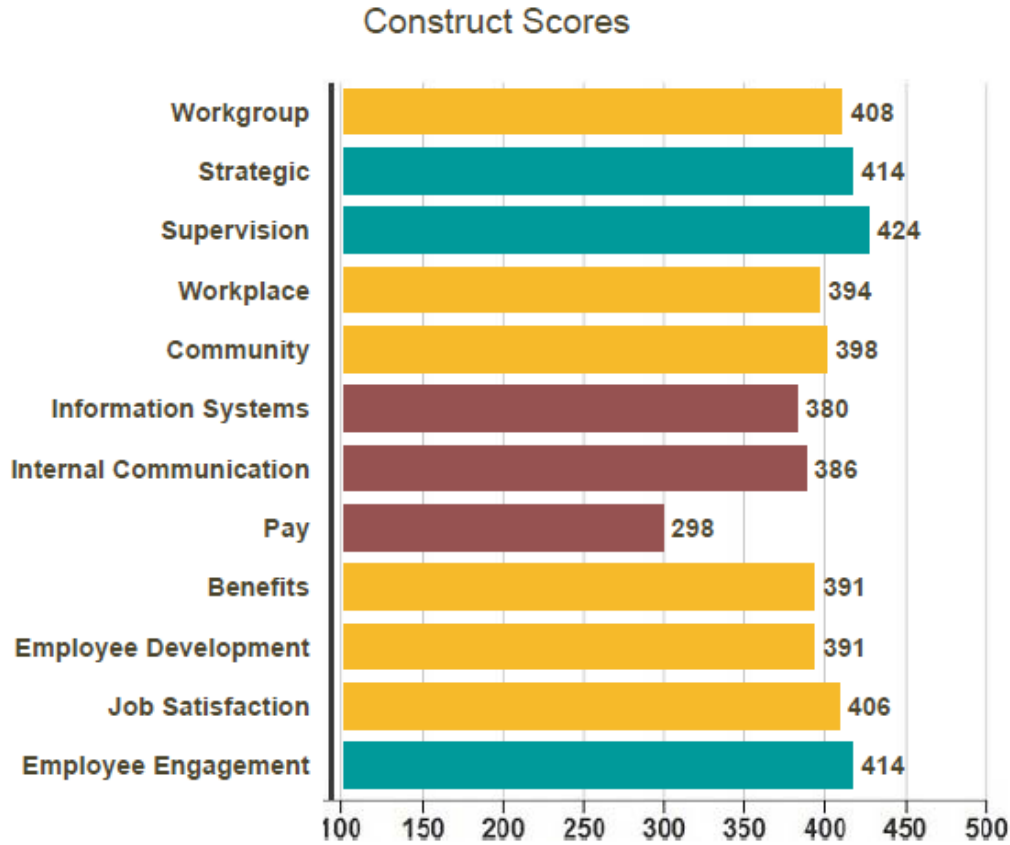
Focusing forward, there are 6% of employees that indicated they intend to leave TDHCA within the next year and there are 19% of employees that indicated they are eligible for retirement, or will be within the next two years.

Constructs

Similar items are grouped together and their scores are averaged and multiplied by 100 to produce 12 construct measures. These constructs capture the concepts most utilized by leadership and drive organizational performance and engagement.

Each construct is displayed below with its corresponding score. Constructs have been coded below

to highlight the Department’s areas of strength and concern. The three highest are green, the three lowest are red, and all others are yellow. Scores typically range from 300 to 400, and 350 is a tipping point between positive and negative perceptions. The lowest score for a construct is 100, while the highest is 500.



Areas of Strength and Concern

Areas of Strength



Supervision

Score: 424

The supervision construct captures employees' perceptions of the nature of supervisory relationships within the organization. Higher scores suggest that employees view their supervisors as fair, helpful and critical to the flow of work.



Employee Engagement

Score: 414

The employee engagement construct captures the degree to which employees are willing to go above and beyond, feel committed to the organization and are present while working. Higher scores suggest that employees feel their ideas count, their work impacts the organization and their well-being and development are valued.



Strategic

Score: 414

The strategic construct captures employees' perceptions of their role in the organization and the organization's mission, vision, and strategic plan. Higher scores suggest that employees understand their role in the organization and consider the organization's reputation to be positive.

Areas of Concern



Pay

Score: 298

The pay construct captures employees' perceptions about how well the compensation package offered by the organization holds up when compared to similar jobs in other organizations. Lower scores suggest that pay is a central concern or reason for discontent and is not comparable to similar organizations.



Information Systems

Score: 380

The information systems construct captures employees' perceptions of whether computer and communication systems provide accessible, accurate, and clear information. The lower the score, the more likely employees are frustrated with their ability to secure needed information through current systems.



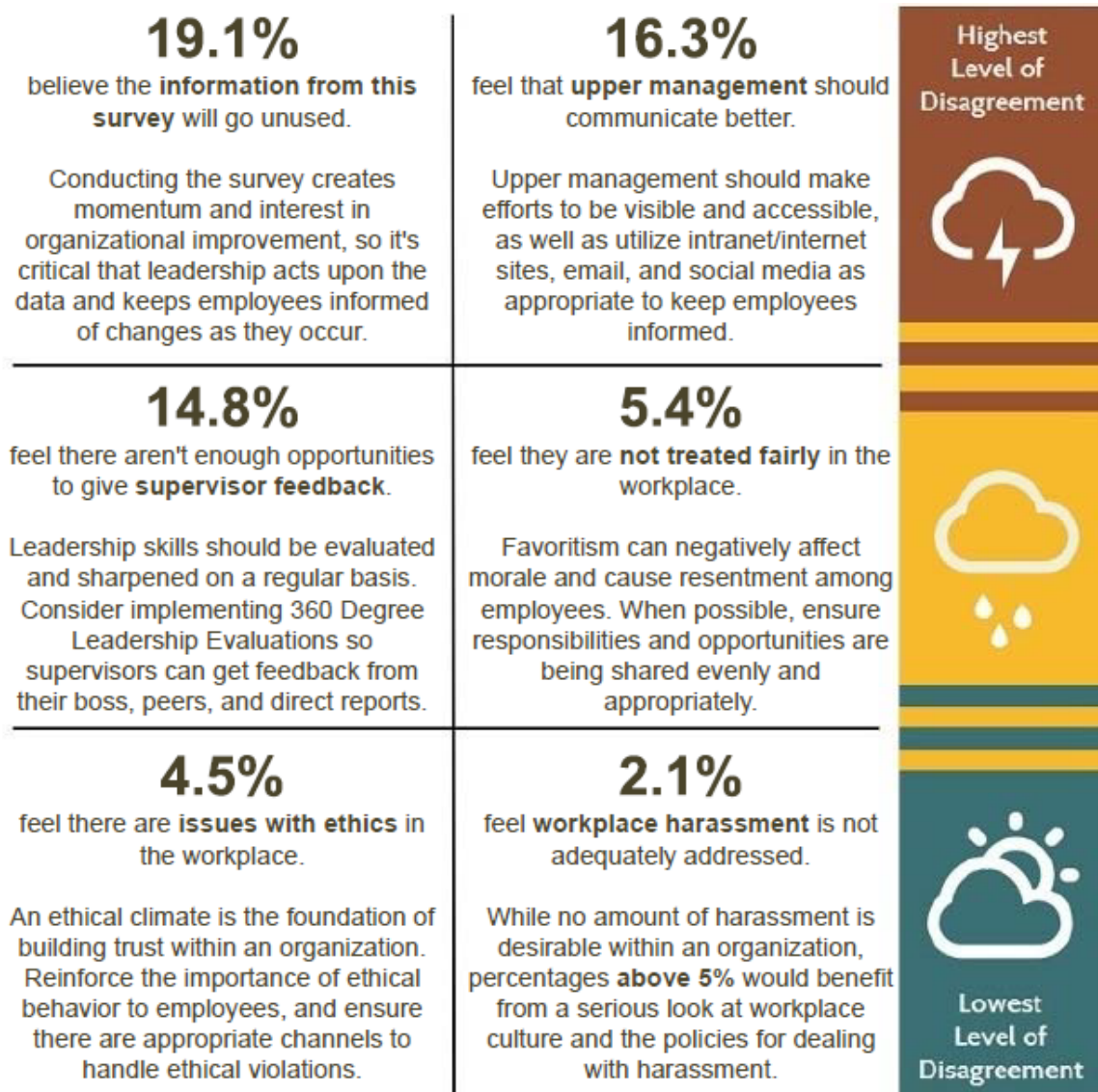
Internal Communication

Score: 386

The internal communication construct captures employees' perceptions of whether communication in the organization is reasonable, candid and helpful. Lower scores suggest that employees feel information does not arrive in a timely fashion and is difficult to find.

Climate

The climate in which employees work does, to a large extent, determine the efficiency and effectiveness of an organization. The appropriate climate is a combination of a safe, non-harassing environment with ethical abiding employees who treat each other with fairness and respect. Moreover, it is an organization with proactive management that communicates and has the capability to make thoughtful decisions. Below are the percentages of employees who marked disagree or strongly disagree for each of the 6 climate items.



Strategies for Improvement

The Department will continue to capitalize on the information derived from the 2018 Survey of Employee Engagement to improve in areas of concern as noted below.

Pay

While fair pay continues to be the lowest scoring category for the Department, the Department will continue to review equity among similar positions and make adjustments as appropriate to ensure equitable pay among positions.

Information Systems

The Department will continue to work with the Information Systems division to address the IT needs and system enhancements of staff.

Internal Communication

The Department created a recurring weekly meeting for Directors and Managers to discuss updates in their areas. All talking points are recorded and posted in employee break rooms and on the Agency Water Cooler to keep employees apprised of agency wide communications. The Department will also continue to have internal communications with staff through the Department Water Cooler and Agency wide emails.

G. Report on Customer Service

See Board Report Item 2b.

4b

BOARD ACTION REQUEST
AUDIT AND FINANCE COMMITTEE
MAY 24, 2018

Review and possible approval of policy items for inclusion in the legislative appropriations request for fiscal years 2020-21.

RECOMMENDED ACTION

WHEREAS, the Texas Department of Housing and Community Affairs (“TDHCA” or “the Department” or “the agency”) must submit to the Office of the Governor (“OOG”) and the Legislative Budget Board (“LBB”) a legislative appropriations request (“LAR”) identifying its funding needs for the 2020-21 biennium;

WHEREAS, the instructions for the LAR have not yet been released but may possibly provide for an earlier submission date as compared to the August 5, 2016 due date required the last session;

WHEREAS, included in the LAR are various policy elements, including the agency’s capital budget and requested changes to budget riders;

WHEREAS, Executive Staff has reviewed these elements and made appropriate recommendations; and

WHEREAS, additional elements of the LAR may be brought to the Board for approval during the June meeting,

NOW, therefore, it is hereby

RESOLVED, that staff is authorized to include in the LAR for 2020-21 the aforementioned elements as presented in this meeting when the LAR is submitted to the OOG and the LBB by the date to be provided in instructions posted on LBB website.

BACKGROUND

Since 1992, the Office of the Governor (“OOG”) and the Legislative Budget Board (“LBB”) have requested each state agency to develop an LAR as the first step in developing the state budget as part of a Strategic Planning and Budgeting system. Through the LAR, agencies provide information regarding funding needed to maintain current funding; projected information related to funding, expenditure, and performance measures; and other information such as historical funding, revenue projections, and estimated projections for funds maintained outside the State Treasury. The LAR also allows agencies to request funding or staffing above current levels (“Exceptional Item Requests”) and changes to appropriations riders within an

agency's bill pattern. The second rider in every agency's bill pattern reflects the agency's requested capital budget, which includes requested funding to address information services needs.

The 2020-21 cycle for allocating state resources for the Texas Department of Housing and Community Affairs ("TDHCA") began in March 2018 with the issuance of *Instructions for Preparing and Submitting Agency Strategic Plans for Fiscal Years 2019-23*. Below you are major milestones in the current cycle:

Key Milestones in LAR Development, Budget Process

TDHCA Budget Structure and Performance Measure Change Request	<i>Submitted to OOG and LBB on March 29, 2018</i>
TDHCA Base Reconciliation (Determines amount of General Revenue that would constitute level funding from current biennium)	<i>Submitted to OOG and LBB on May 17, 2018</i>
Release of SFY 2018-19 LAR Instructions	<i>Anticipated in May 2018</i>
TDHCA Customer Service Report*	<i>Due June 1, 2018</i>
Strategic Plan	<i>Due June 8, 2018</i>
Development of 2019 Operating Budget (Serves as basis for LAR)	<i>June 2018</i>
Submission Date for TDHCA Fiscal Years ("FY") 2020-21 LAR and Biennial Operating Plan ("BOP")	<i>TBD**</i>
OOG and LBB hearings on TDHCA budget	<i>August or September</i>

**Presented as a report item separately on this meeting agenda*

***LAR was due on August 5 in the previous biennium; this biennium the budget structure and the base reconciliation have had earlier deadlines so an earlier deadline is possible for the LAR*

Development of Budget Elements Due Prior to LAR

As noted above, TDHCA has submitted requested changes to its budget structure and performance measures to the OOG and the LBB; this is the first step in the budgeting process. The only significant change requested by TDHCA was to split the existing Housing Trust Fund strategy into two separate strategies for the Texas Bootstrap Program and the Amy Young Barrier Removal Program in order to provide more transparency to the agency's bill pattern, which outlines the agency's funding by strategy with the General Appropriations Act. The OOG and LBB had not yet approved a final budget structure for TDHCA at the time of this action item's preparation. The budget structure that is approved will serve as the foundation around which TDHCA develops its LAR. The base reconciliation was submitted May 17, 2018. The base reconciliation helps the OOG and LBB determine TDHCA's base General Revenue ("GR") as it relates to the level of funding between the FY 2018-19 and FY 2020-21 biennia.

During the May 24, 2018, board meeting, TDHCA staff will seek the Audit and Financial Committee's approval and, upon the Committee's approval, the full Board's approval of the Strategic Plan for FY 2019-25. This document outlines TDHCA's guiding principles and identifies statutory requirements that, as currently written, are redundant with other requirements or pose impediments to the agency's effective

administration of its programs. Included in the Plan and provided as a separate report item at this Board meeting is the agency's customer service report.

Development of LAR

TDHCA is currently developing its FY 2020-21 LAR based on guidance provided for the last biennium. Instructions for the FY 2020-21 are anticipated to be released within the next month and will include a submission deadline. In the previous biennium, the Department's due date was August 5. As the deadlines for other budget-related items (requests for changes to the budget structure and the base reconciliation estimate) have been moved forward, TDHCA is assuming the deadline for the LAR will likewise be earlier and therefore is bringing anticipated policy-related items before the Board for consideration earlier than typical. Items essential to the LAR that are being brought to the Board are recommended changes to TDHCA appropriations riders and the capital budget. As has been the case in recent biennia, TDHCA staff is not proposing exceptional item requests before the Board.

Additional LAR Items to be Brought to June Board Meeting

It is anticipated that by the next Board meeting the OOG and LBB will have approved a budget structure and base General Revenue funding level for TDHCA and the LAR instructions will be available on the LBB website. Typically the LAR instructions are released with a policy letter. The policy letter typically includes directives for state agencies. The 2019 Operating Budget which will be brought to the Committee and full Board for approval in June and will serve as the basis for the FY 2020-21 LAR.

Policy Elements for Board Approval During May Meeting

Rider Change Requests

Each state agency has riders attached to its appropriations that provide directives on use of funds. Through the LAR, state agencies may request changes to their appropriation riders. Beyond performance measures, capital budget rider, and other updates, staff recommends changes to Housing Trust Fund-related riders to conform to the requested budget structure change and changes in state law; changes to the migrant labor housing facility rider to allow TDHCA to utilize all related fees collected for administration of the program; changes to the Affordable Housing Research and Information Program to remove reference to funding under strategy B.1.1., Housing Resource Center, as no funds are specifically appropriated under that strategy for the program; and other technical corrections as noted. *(See attached Rider Change Recommendations. A copy of the current TDHCA bill pattern within the General Appropriations Act reflecting all riders is also included for informational purposes.)*

Capital Rider Request/Biennial Operating Project

Within the LAR, state agencies communicate their information systems needs for the coming biennium. This is done through the previously referenced Capital Budget Rider and through a separate document, the Biennial Operating Plan ("BOP"), which outlines all anticipated information technology needs, inclusive of the Capital Budget. The FY 2020-21 Capital Budget Rider will request approval to spend appropriations on disaster recovery services, information technology hardware and software replacement, and (as required in

previous LAR instructions) PeopleSoft Financials maintenance. TDHCA will propose funding these projects through Appropriated Receipts and Federal Funds. *(See attached Capital Rider Recommendation.)*

Attachments:

- Proposed Rider Changes for 2020-21 Biennium
- Proposed Capital Rider for 2020-21 Biennium
- TDHCA Bill Pattern for 2018-19 Biennium

Proposed Rider Changes for 2020-21 Biennium

Exclusive of Rider 1 (Performance Measures) and Rider 2 (Capital Budget)

Proposed Changes to Current 2018-19 TDHCA Appropriations Rider

- 2. Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease purchase payments to the Texas Public Finance Authority pursuant to Government Code §1232.103.

	<u>2018</u>	<u>2019</u>
a. Acquisition of Information Resource Technologies		
(1) Community Affairs System	\$ 600,000	\$ 0
(2) Cybersecurity Initiatives	235,000	100,000
(3) Legacy Systems Modernization	86,500	84,500
(4) PC Replacements	\$ 13,500	\$ 15,500
Total, Acquisition of Information- Resource Technologies	<u>\$ 935,000</u>	<u>\$ 200,000</u>
b. Data Center Consolidation		
(1) Disaster Recovery Services Provided By- DHR Data Center Services	\$ 39,092	\$ 39,428
c. Centralized Accounting and Payroll/Personnel System (CAPPS)		
(1) PeopleSoft Financials Upgrade	500,000	200,000
(2) PeopleSoft Financials Annual Maintenance	<u>\$ 55,000</u>	<u>\$ 55,000</u>
Total, Centralized Accounting and- Payroll/Personnel System (CAPPS)	<u>\$ 555,000</u>	<u>\$ 255,000</u>
Total, Capital Budget	<u>\$ 1,529,092</u>	<u>\$ 494,428</u>
Method of Financing (Capital Budget):		
Community Affairs Federal Fund No. 127	\$ 789,830	\$ 101,022
Appropriated Receipts	739,262	393,406
Total, Method of Financing	<u>\$ 1,529,092</u>	<u>\$ 494,428</u>

Explanation:

Separate Capital Budget attachment

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

Explanation: Clarifies that "enterprise zone" refers to the state program administered by the Governor's Office. The federal designation no longer exists.

- 4. Appropriations Limited to Revenue Collections.** Fees, fines, and other miscellaneous revenues as authorized and generated by the operation of the strategy items in Goal E, Manufactured Housing, pursuant to Occupations Code 1201, Manufactured Housing Standards Act, shall cover, at a minimum, the cost of appropriations made above in strategy items in Goal E, as well as the "other direct and indirect costs" made elsewhere in this Act associated with this program. Direct

Proposed Rider Changes for 2020-21 Biennium

Exclusive of Rider 1 (Performance Measures) and Rider 2 (Capital Budget)

costs for the operation of the strategy items in Goal E, Manufactured Housing, are estimated to be \$5,670,617 in fiscal year 2018~~20~~ and \$5,610,617 in fiscal year 2019~~21~~ and "other direct and indirect costs" are estimated to be \$1,458,888 for fiscal year 2018~~20~~ and \$1,458,930 for fiscal year 2019~~21~~.

In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.

Explanation: Updating years. LBB will update costs estimates.

8. **Appropriation: Housing Trust Fund Interest Earnings and Loan Repayments.** Interest earnings and loan repayments received from loans made through the Housing Trust Fund program from the General Revenue Fund are included above in Strategy A.1.3, ~~Strategies~~ A.1.3, Texas Bootstrap Program -HTF ~~Housing Trust Fund~~ and A.1.4., Amy Young -HTF, estimated to be \$2,200,000 each year.

Explanation: Changes conform to requested budget structure changes creating two separate Housing Trust Fund ("HTF") strategies. Please note that TDHCA will be assessing projected HTF repayments such that estimated amount in the rider might be amended in the LAR. Also, the LBB may request that we develop repayment estimates specific to each strategy rather than a general HTF loan repayment estimates.

9. **Housing Trust Fund Deposits to the Texas Treasury Safekeeping Trust Company.**

- a. Out of funds appropriated above in ~~Strategies~~ A.1.3, Texas Bootstrap Program - HTF ~~Housing Trust Fund~~ and A.1.4., Amy Young -HTF, and out of any funds deposited to the owner-builder revolving loan fund established under Sec. 2306.7581, Government Code, and subject to prior notice to the Legislative Budget Board and the Comptroller, all funds above those retained for administrative purposes in fiscal year 2018 and fiscal year 2019 shall be deposited in the Housing Trust Fund in the Texas Treasury Safekeeping Trust Company established under Government Code, Chapter 2306, at the beginning of each fiscal year. The amounts to be transferred in fiscal years 2018~~20~~ and 2019~~21~~ include an estimated \$2,200,000 in each fiscal year from interest earnings and loan repayments received, identified above in Rider 8, Appropriation: Housing Trust Fund Interest Earnings and Loan Repayments.
- b. Interest earnings and loan repayments received from loans made through the Housing Trust Fund program from the General Revenue Fund or the owner-builder revolving loan fund established under Sec. 2306.7581, Government Code, and subject to prior notice to the Legislative Budget Board and the Comptroller, shall be deposited in the Housing Trust Fund in the Texas Treasury Safekeeping Trust Company established under Government Code, Chapter 2306, for the same purpose.
- c. The Department of Housing and Community Affairs shall provide ~~an annual a~~ biennial report to the Legislative Budget Board, the House Appropriations Committee, and the Senate Finance Committee no later than October 1 detailing the agency's plan to expend funds from the Housing Trust Fund during the current fiscal year. ~~As a part of this report the Department of Housing and Community Affairs shall include any plans necessary to address the possible expiration during the next five years of any statutes relevant to the Department's mission.~~
- d. Out of funds appropriated above in Strategy A.1.3, Housing Trust Fund, and out of any funds deposited to the owner-builder revolving loan fund established under Sec. 2306.7581, Government Code, all funds above those retained for administrative purposes in fiscal year 2018 and fiscal year 2019 and above amounts required in §(a) of this rider, shall be deposited in the Housing Trust Fund in the Texas Treasury Safekeeping Trust Company established under Government Code, Chapter 2306, no later than October 1 of each fiscal year.

Proposed Rider Changes for 2020-21 Biennium

Exclusive of Rider 1 (Performance Measures) and Rider 2 (Capital Budget)

- e. At the end of each fiscal year, any unexpended administrative balances appropriated under Strategy A.1.3, Housing Trust Fund, and any funds deposited to the owner-builder revolving loan fund established under Sec. 2306.7581, Government Code, shall, subject to prior notice to the Legislative Budget Board and the Comptroller, be transferred to the Housing Trust Fund in the Texas Treasury Safekeeping Trust Company established under Government Code, Chapter 2306.
- f. ~~Funds deposited to the owner-builder revolving loan fund established under Sec. 2306.7581, Government Code are appropriated to the Department of Housing and Community Affairs for the purpose of fulfilling the requirements of all subsections of this rider.~~
- g. ~~Contingent on the enactment of legislation relating to the owner-builder revolving loan fund established under Sec. 2306.7581, Government Code or any similar fund by the 85th Legislature, the Comptroller, on approval of the Legislative Budget Board, may change an applicable method of financing source name as provided in this Act or other Act of the 85th Legislature to reflect changes made by the legislation that affects the status of the funding source. No change in the amount of the appropriation would be affected by this change.~~

Explanation: Changes conform to requested budget structure changes creating two separate Housing Trust Fund (“HTF”) strategies and to changes made to statute through House Bill 1512, 85th Texas Legislature, Regular Session, which, among other things, eliminates Texas Government Code §2306.7581.

- 12. Manufactured Homeowner Consumer Claims.** Included above in Goal E, Manufactured Housing, the Manufactured Housing Division of the Department of Housing and Community Affairs is appropriated an amount required for the purpose of paying manufactured housing consumer claims from Appropriated Receipts according to the Occupations Code Chapter 1201, Manufactured Housing Standards Act, from Statement of Ownership ~~and Location (SOL)~~ issuance fees involving manufactured housing that are collected during the ~~2018-1920-21~~ biennium. No General Revenue is appropriated for the payment of these claims.

Explanation: Conforms rider language with current statutory name for ownership instrument and updates years.

- 13. Affordable Housing Research and Information Program.** Out of funds appropriated above ~~in Strategy B.1.1, Housing Resource Center~~, the Department of Housing and Community Affairs shall conduct the Affordable Housing Research and Information Program with the assistance of the Texas Department Agriculture, to the extent allowed by state law, in order to avoid a duplication of effort. It is the intent of the Legislature that no funds shall be transferred between the Department of Housing and Community Affairs and the Texas Department of Agriculture for this purpose.

Explanation: Removes reference to Strategy B.1.1. as specific funds are no longer appropriated to this strategy for the program. TDHCA will administer the program within existing, agency-wide resources.

- 14. Reporting on Weatherization Efforts.** As part of its efforts to help low-income Texans eligible for weatherization to conserve energy and lower bills, Texas Department of Housing and Community Affairs (TDHCA) shall use funds appropriated above to coordinate with investor-owned utilities, from which TDHCA receives funds, and that offer energy efficiency programs for Texans meeting low-income eligibility criteria to make sure the monies available for low-income energy efficiency programs spent both through the agency and through utility programs are effectively and adequately spent. The TDHCA shall use funds appropriated above to produce an annual report with information about the number of low-income households benefiting from energy efficiency monies through state, federal and utility-funded programs, the total amount of federal, utility and state funds expended on the programs, the average amount spent per unit weatherized in each program, as well as the peak electricity demand reduction, the amount overall electric energy saved, the amount of money saved and the number of job and job years created. A copy of the

Proposed Rider Changes for 2020-21 Biennium

Exclusive of Rider 1 (Performance Measures) and Rider 2 (Capital Budget)

annual report shall be delivered to the Lieutenant Governor, Speaker and Governor, as well as made available on TDHCA's website by March 15th of 2018~~20~~ and March 15th of 2019~~21~~.

Explanation: Updates years. Small correction to language.

- 15. Migrant Labor Housing Funding.** ~~Out of the amounts appropriated above to the Texas Department of Housing and Community Affairs Included in Strategy D.1.1, Monitor Housing Requirements, is an estimated \$10,250 in fiscal year 2020 and \$10,250 in fiscal year 2021 in General Revenue collected as licensing and inspection fees of the migrant labor housing program, the amounts of \$10,250 in fiscal year 2018 and \$10,250 in fiscal year 2019 out of the General Revenue Fund are to be deposited appropriated to the Texas Department of Housing and Community Affairs for the purpose of inspections and enforcement of the migrant labor housing program, pursuant to Subchapter LL, Chapter 2306, Government Code.~~

Explanation: The purpose of the changes is to provide TDHCA access to all fees collected under the migrant labor housing program for the purposes of inspection and enforcement. Please note that TDHCA will be assessing projected migrant labor fees such that estimated amount in the rider might be amended in the LAR.

Proposed Capital Rider for 2020-21 Biennium

Capital Budget Projects: Estimated \$750,000 over the 2020-21 Biennium

Method of Finance: Appropriated Receipts, Federal Funds (Note: Distribution of costs over the two methods of finance is still being assessed.)

Disaster Recovery Services Provided By DIR Data Center Services, Estimated SFY 20 - \$65,000 SFY 21 - \$65,000

Beginning in February 2016, the Department of Information Resources (“DIR”) began providing disaster recovery services to TDHCA through DIR’s Data Center Services (“DCS”) group. Through these services, all TDHCA production data is backed up to the two State Data Centers, which would be used instead of TDHCA’s data center in the event of a disaster. The estimated costs for SFY 20-21 are \$65,000 each year. DIR will provide the Department with an updated estimate before the due date for submitting the LAR. Although this is a noncapital expense that would normally be placed in the Daily Operations budget, the Legislative Budget Board (“LBB”) instructs agencies to include DCS costs in their capital budget submissions.

Information Technology (“IT”) Hardware and Software Replacements, SFY 20 - \$300,000 SFY 21 - \$200,000

The IT Hardware and Software Replacements project will allow the Department to replace 1) 183 laptops and desktop computers that will be six years old and older in the coming biennium and 2) server hardware and software that will be at end of life. Because of the Department’s six year plus replacement schedule, a much smaller number of computers -- 17 laptops and two desktop computers -- were budgeted for the SFY 2018-2019 biennium. The computers being replaced in SFY 20-21 will be out of warranty and can present cybersecurity risks. The server hardware and software replacements will support the continued use of web-based systems accessed by hundreds of thousands of Texans, including nonprofit and local governing subrecipients, property managers, and people seeking assistance through the Department’s website. These systems are essential tools in administering all Department programs.

PeopleSoft Financials Maintenance, Estimated SFY 20 - \$60,000 SFY 21 - \$60,000

In summer 2014, LBB instructed agencies that make payments to the Comptroller’s Office for PeopleSoft maintenance costs associated with internal accounting systems to identify these costs in their SFY 2016-2017 capital budget submissions. The Comptroller’s Office centrally administers Texas’ PeopleSoft maintenance contract with Oracle on behalf of these agencies. Prior to SFY 2016-2017, agencies included these costs in the Daily Operations (noncapital) budget instead. For SFY 2018-2019, LBB instructed agencies to identify these costs in capital budget submissions again, and will likely do so for SFY 2020-2021. *The Comptroller’s Office has not yet provided cost estimates for SFY 2020-2021. \$120,000 is a TDHCA estimate based on SFY 2018-2019 costs.*

ARTICLE VII

BUSINESS AND ECONOMIC DEVELOPMENT

Sec. 1. The several sums of money herein specified, or so much thereby as may be necessary, are appropriated out of any funds in the State Treasury not otherwise appropriated, or out of special funds as indicated, for the support, maintenance, or improvement of the designated business and economic development agencies.

DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

	For the Years Ending	
	August 31, 2018	August 31, 2019
	<u> </u>	<u> </u>
Method of Financing:		
General Revenue Fund	\$ 12,122,660	\$ 12,231,310
<u>Federal Funds</u>		
Community Affairs Federal Fund No. 127	197,221,120	197,221,120
Federal American Recovery and Reinvestment Fund	6,500,000	6,500,000
Subtotal, Federal Funds	<u>\$ 203,721,120</u>	<u>\$ 203,721,120</u>
<u>Other Funds</u>		
Appropriated Receipts	20,373,168	20,169,094
Interagency Contracts	828,106	1,078,106
Subtotal, Other Funds	<u>\$ 21,201,274</u>	<u>\$ 21,247,200</u>
Total, Method of Financing	<u>\$ 237,045,054</u>	<u>\$ 237,199,630</u>
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	\$ 1,458,888	\$ 1,458,930
This bill pattern represents an estimated 30% of this agency's estimated total available funds for the biennium.		
Number of Full-Time-Equivalents (FTE):	313.0	313.0
Schedule of Exempt Positions:		
Executive Director, Group 5	\$180,084	\$180,084
Items of Appropriation:		
A. Goal: AFFORDABLE HOUSING		
Increase Availability of Safe/Decent/Affordable Housing.		
A.1.1. Strategy: MRB PROGRAM - SINGLE FAMILY Mortgage Loans & MCCs through the SF MRB Program.	\$ 1,518,016	\$ 1,508,278
A.1.2. Strategy: HOME PROGRAM Provide Funding through the HOME Program for Affordable Housing.	\$ 35,022,772	\$ 35,026,966
A.1.3. Strategy: HOUSING TRUST FUND Provide Funding through the HTF for Affordable Housing.	\$ 5,184,451	\$ 5,258,951

DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

(Continued)

A.1.7. Strategy: MRB PROGRAM - MULTIFAMILY Federal Mortgage Loans through the MF Mortgage Revenue Bond Program.	\$	<u>492,727</u>	\$	<u>488,014</u>
Total, Goal A: AFFORDABLE HOUSING				
B. Goal: INFORMATION & ASSISTANCE Provide Information and Assistance.				
B.1.1. Strategy: HOUSING RESOURCE CENTER Center for Housing Research, Planning, and Communications.	\$	1,500,932	\$	1,743,584
B.2.1. Strategy: COLONIA SERVICE CENTERS Assist Colonias, Border Communities, and Nonprofits.	\$	<u>367,673</u>	\$	<u>366,187</u>
Total, Goal B: INFORMATION & ASSISTANCE				
C. Goal: POOR AND HOMELESS PROGRAMS Improve Poor/Homeless Living Conditions & Reduce VLI Energy Costs.				
C.1.1. Strategy: POVERTY-RELATED FUNDS Administer Poverty-related Funds through a Network of Agencies.	\$	47,915,413	\$	47,912,673
C.2.1. Strategy: ENERGY ASSISTANCE PROGRAMS Administer State Energy Assistance Programs.	\$	<u>119,214,713</u>	\$	<u>119,214,713</u>
Total, Goal C: POOR AND HOMELESS PROGRAMS				
D. Goal: ENSURE COMPLIANCE Ensure Compliance with Program Mandates.				
D.1.1. Strategy: MONITOR HOUSING REQUIREMENTS Monitor and Inspect for Federal & State Housing Program Requirements.	\$	3,231,707	\$	3,223,328
D.1.2. Strategy: MONITOR CONTRACT REQUIREMENTS Monitor Subrecipient Contracts.	\$	<u>695,226</u>	\$	<u>693,772</u>
Total, Goal D: ENSURE COMPLIANCE				
E. Goal: MANUFACTURED HOUSING Regulate Manufactured Housing Industry.				
E.1.1. Strategy: TITLING & LICENSING Provide SOL and Licensing Services in a Timely Manner.	\$	1,927,130	\$	1,906,130
E.1.2. Strategy: INSPECTIONS Conduct Inspections of Manufactured Homes in a Timely Manner.	\$	1,970,218	\$	1,949,818
E.1.3. Strategy: ENFORCEMENT Process Complaints/Conduct Investigations/Take Administrative Actions.	\$	1,754,149	\$	1,735,549
E.1.4. Strategy: TEXAS.GOV Texas.gov fees. Estimated and Nontransferable.	\$	<u>19,120</u>	\$	<u>19,120</u>
Total, Goal E: MANUFACTURED HOUSING				
F. Goal: INDIRECT ADMIN AND SUPPORT COSTS Indirect Administration and Support Costs.				
F.1.1. Strategy: CENTRAL ADMINISTRATION	\$	5,909,658	\$	5,873,846
F.1.2. Strategy: INFORMATION RESOURCE TECHNOLOGIES	\$	1,985,924	\$	1,970,442

DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

(Continued)

Consumable Supplies	117,238	117,238
Utilities	112,114	112,114
Travel	924,578	924,578
Rent - Building	300,579	300,579
Rent - Machine and Other	57,244	57,244
Other Operating Expense	2,869,273	2,803,673
Client Services	5,516,562	5,761,199
Grants	202,151,442	202,858,252
Capital Expenditures	1,275,000	350,000

Total, Object-of-Expense Informational Listing	\$ 237,045,054	\$ 237,199,630
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Estimated Allocations for Employee Benefits and Debt Service Appropriations Made Elsewhere in this Act:

Employee Benefits

Retirement	\$ 1,795,857	\$ 1,795,857
Group Insurance	3,713,953	3,804,199
Social Security	1,428,661	1,428,661
Benefits Replacement	46,472	39,966

Subtotal, Employee Benefits	\$ 6,984,943	\$ 7,068,683
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Total, Estimated Allocations for Employee Benefits and Debt Service Appropriations Made Elsewhere in this Act

	\$ 6,984,943	\$ 7,068,683
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- 1. Performance Measure Targets.** The following is a listing of the key performance target levels for the Department of Housing and Community Affairs. It is the intent of the Legislature that appropriations made by this Act be utilized in the most efficient and effective manner possible to achieve the intended mission of the Department of Housing and Community Affairs. In order to achieve the objectives and service standards established by this Act, the Department of Housing and Community Affairs shall make every effort to attain the following designated key performance target levels associated with each item of appropriation.

	2018	2019
A. Goal: AFFORDABLE HOUSING		
Outcome (Results/Impact):		
Percent of Households/Individuals of Very Low, Low, and Moderate Income Needing Affordable Housing That Subsequently Receive Housing or Housing-related Assistance	0.34%	0.34%
Percent of Households/Individuals of Very Low Income Needing Affordable Housing That Subsequently Receive Housing or Housing-related Assistance	0.51%	0.51%
Percent of Households/Individuals of Low Income Needing Affordable Housing That Subsequently Receive Housing or Housing-related Assistance	0.11%	0.11%
Percent of Households/Individuals of Moderate Income Needing Affordable Housing That Subsequently Receive Housing or Housing-related Assistance	0.16%	0.16%
A.1.1. Strategy: MRB PROGRAM - SINGLE FAMILY Output (Volume):		
Number of Households Assisted through Bond Authority or Other Mortgage Financing	2,981	2,099
A.1.2. Strategy: HOME PROGRAM Output (Volume):		
Number of Households Assisted with Single Family HOME Funds	875	875
A.1.3. Strategy: HOUSING TRUST FUND		

DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
(Continued)

A.1.7. Strategy: MRB PROGRAM - MULTIFAMILY		
Output (Volume):		
Number of Households Assisted through the Multifamily Mortgage Revenue Bond Program	644	1,048
B. Goal: INFORMATION & ASSISTANCE		
B.1.1. Strategy: HOUSING RESOURCE CENTER		
Output (Volume):		
Number of Information and Technical Assistance Requests Completed	7,000	7,100
B.2.1. Strategy: COLONIA SERVICE CENTERS		
Output (Volume):		
Number of Technical Assistance Contacts and Visits Conducted Annually from the Border Field Offices	1,380	1,380
C. Goal: POOR AND HOMELESS PROGRAMS		
Outcome (Results/Impact):		
Percent Eligible Population That Received Homeless and Poverty-Related Assistance	6.5%	6.5%
Percent of Very Low Income Households Receiving Utility Assistance	5.8%	5.8%
C.1.1. Strategy: POVERTY-RELATED FUNDS		
Output (Volume):		
Number of Persons Assisted through Homeless and Poverty-related Funds	379,923	379,923
Number of Persons Assisted That Achieve Incomes above Poverty Level	1,100	1,100
C.2.1. Strategy: ENERGY ASSISTANCE PROGRAMS		
Output (Volume):		
Number of Households Assisted through the Comprehensive Utility Assistance Program	149,000	149,000
Number of Dwelling Units Weatherized by the Department	4,100	4,100
D. Goal: ENSURE COMPLIANCE		
D.1.1. Strategy: MONITOR HOUSING REQUIREMENTS		
Output (Volume):		
Total Number of File Reviews Conducted	615	700
D.1.2. Strategy: MONITOR CONTRACT REQUIREMENTS		
Output (Volume):		
Total Number of Monitoring Reviews of All Non-formula Contracts	150	150
E. Goal: MANUFACTURED HOUSING		
Outcome (Results/Impact):		
Percent of Consumer Complaint Inspections Conducted within 30 Days of Request	100%	100%
Percent of Complaints Resulting in Disciplinary Action	20%	20%
E.1.1. Strategy: TITLING & LICENSING		
Output (Volume):		
Number of Manufactured Housing Statements of Ownership and Location (SOL) Issued	61,000	61,000
E.1.2. Strategy: INSPECTIONS		
Explanatory:		
Number of Installation Reports Received	15,000	15,000
E.1.3. Strategy: ENFORCEMENT		
Output (Volume):		
Number of Complaints Resolved	500	500
Efficiencies:		
Average Time for Complaint Resolution (Days)	180	180
Explanatory:		
Number of Jurisdictional Complaints Received	450	450

2. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items

DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

(Continued)

(3) Legacy Systems Modernization	86,500	84,500
(4) PC Replacements	\$ <u>13,500</u>	\$ <u>15,500</u>
Total, Acquisition of Information Resource Technologies	\$ <u>935,000</u>	\$ <u>200,000</u>
b. Data Center Consolidation		
(1) Disaster Recovery Services Provided By DIR Data Center Services	\$ 39,092	\$ 39,428
c. Centralized Accounting and Payroll/Personnel System (CAPPS)		
(1) PeopleSoft Financials Upgrade	500,000	200,000
(2) PeopleSoft Financials Annual Maintenance	\$ <u>55,000</u>	\$ <u>55,000</u>
Total, Centralized Accounting and Payroll/Personnel System (CAPPS)	\$ <u>555,000</u>	\$ <u>255,000</u>
Total, Capital Budget	\$ <u>1,529,092</u>	\$ <u>494,428</u>
Method of Financing (Capital Budget):		
Community Affairs Federal Fund No. 127	\$ 789,830	\$ 101,022
Appropriated Receipts	739,262	393,406
Total, Method of Financing	\$ <u>1,529,092</u>	\$ <u>494,428</u>

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

4. **Appropriations Limited to Revenue Collections.** Fees, fines, and other miscellaneous revenues as authorized and generated by the operation of the strategy items in Goal E, Manufactured Housing, pursuant to Occupations Code 1201, Manufactured Housing Standards Act, shall cover, at a minimum, the cost of appropriations made above in strategy items in Goal E, as well as the "other direct and indirect costs" made elsewhere in this Act associated with this program. Direct costs for the operation of the strategy items in Goal E, Manufactured Housing, are estimated to be \$5,670,617 in fiscal year 2018 and \$5,610,617 in fiscal year 2019 and "other direct and indirect costs" are estimated to be \$1,458,888 for fiscal year 2018 and \$1,458,930 for fiscal year 2019.

In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.

5. **Housing Assistance.** To the extent allowed by state and federal program guidelines the department shall adopt an annual goal to apply no less than \$30,000,000 of the funds available from the Housing Trust Fund, HOME Program, Section 8 Program, and Housing Tax-Credit Program and any other state or federal housing programs total housing funds toward housing assistance for individuals and families earning less than 30 percent of the Area Median Family Income (AMFI). No less than 20 percent of the funds available from the Housing Trust Fund, HOME Program, Section 8 Program, and Housing Tax-Credit Program and any other state or federal housing programs shall be spent for individuals and families earning between 31 percent and 60 percent of the area median family income. To the extent allowed by state and federal program guidelines in those counties where the area median family income is lower than the state average median family income, the department shall use the average state median income in

DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

(Continued)

estimated amount of funding to be spent on contract for deed conversions and other activities for families that reside in a colonia and earn 60 percent or less of the applicable area median family income.

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

7. **Colonia Set-Aside Program Allocation.** The Texas Department of Agriculture (TDA) shall allocate 2.5 percent of the yearly allocation of Community Development Block Grant (CDBG) monies to support the operation of the Colonia Self-Help Centers and shall transfer such funds to the Department of Housing and Community Affairs on September 1 each year of the biennium.

Consistent with federal rules and regulations, the funds provided from TDA to the Colonia Self-Help Center in El Paso county shall be used to provide technology and computer access to residents of targeted colonias.

8. **Appropriation: Housing Trust Fund Interest Earnings and Loan Repayments.** Interest earnings and loan repayments received from loans made through the Housing Trust Fund program from the General Revenue Fund are included above in Strategy A.1.3, Housing Trust Fund, estimated to be \$2,200,000 each year.

9. **Housing Trust Fund Deposits to the Texas Treasury Safekeeping Trust Company.¹**

- a. Out of funds appropriated above in Strategy A.1.3, Housing Trust Fund, and out of any funds deposited to the owner-builder revolving loan fund established under Sec. 2306.7581, Government Code, and subject to prior notice to the Legislative Budget Board and the Comptroller, all funds above those retained for administrative purposes in fiscal year 2018 and fiscal year 2019 shall be deposited in the Housing Trust Fund in the Texas Treasury Safekeeping Trust Company established under Government Code, Chapter 2306, at the beginning of each fiscal year. The amounts to be transferred in fiscal years 2018 and 2019 include an estimated \$2,200,000 in each fiscal year from interest earnings and loan repayments received, identified above in Rider 8, Appropriation: Housing Trust Fund Interest Earnings and Loan Repayments.
- b. Interest earnings and loan repayments received from loans made through the Housing Trust Fund program from the General Revenue Fund or the owner-builder revolving loan fund established under Sec. 2306.7581, Government Code, and subject to prior notice to the Legislative Budget Board and the Comptroller, shall be deposited in the Housing Trust Fund in the Texas Treasury Safekeeping Trust Company established under Government Code, Chapter 2306, for the same purpose.
- c. The Department of Housing and Community Affairs shall provide an annual report to the Legislative Budget Board, the House Appropriations Committee, and the Senate Finance Committee no later than October 1 detailing the agency's plan to expend funds from the Housing Trust Fund during the current fiscal year. As a part of this report the Department of Housing and Community Affairs shall include any plans necessary to address the possible expiration during the next five years of any statutes relevant to the Department's mission.
- d. Out of funds appropriated above in Strategy A.1.3, Housing Trust Fund, and out of any funds deposited to the owner-builder revolving loan fund established under Sec. 2306.7581, Government Code, all funds above those retained for administrative purposes in fiscal year 2018 and fiscal year 2019 and above amounts required in §(a) of this rider, shall be deposited in the Housing Trust Fund in the Texas Treasury Safekeeping Trust Company

DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

(Continued)

- f. Funds deposited to the owner-builder revolving loan fund established under Sec. 2306.7581, Government Code are appropriated to the Department of Housing and Community Affairs for the purpose of fulfilling the requirements of all subsections of this rider.
 - g. Contingent on the enactment of legislation relating to the owner-builder revolving loan fund established under Sec. 2306.7581, Government Code or any similar fund by the 85th Legislature, the Comptroller, on approval of the Legislative Budget Board, may change an applicable method of financing source name as provided in this Act or other Act of the 85th Legislature to reflect changes made by the legislation that affects the status of the funding source. No change in the amount of the appropriation would be affected by this change.
- 10. Mortgage Revenue Bond Program.** The Department of Housing and Community Affairs shall operate the First-Time Homebuyer Mortgage Revenue Bond Program in a manner that maximizes the creation of very low-income single family housing by ensuring that at least 30 percent of the lendable bond proceeds are set aside for a period of one year for individuals and families at 80 percent and below the area median family income (AMFI), while assuring the highest reasonable bond rating. In an effort to facilitate the origination of single family mortgage loans to individuals and families at 80 percent and below the AMFI, the department shall utilize down payment and closing cost assistance or other assistance methods.
- 11. Additional Appropriated Receipts.**
- a. Except during an emergency as defined by the Governor, no appropriation of appropriated receipts in addition to the estimated amounts above may be expended by the Department of Housing and Community Affairs until:
 - (1) the department's governing board files a finding of fact along with a written plan outlining the source, use, and projected impact of the funds on performance measures with the Legislative Budget Board and the Governor and indicating that additional appropriations are required to maintain adequate levels of program performance; and,
 - (2) the 30th business day after completion of a review by Legislative Budget Board staff and forwarding of a recommendation to the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House, and Lieutenant Governor there is no notification of disapproval issued to the Comptroller and the agency by the Legislative Budget Board or the Governor, the Comptroller of Public Accounts shall release the funds. Any requests for additional information made by the Legislative Budget Board shall interrupt the counting of the 30 business days.
 - b. This provision does not apply to appropriated receipts included in the amounts appropriated above that are collected under Object Codes 3719 and 3802. Appropriated receipts collected under these revenue object codes are governed under provisions found in Article IX, Part 13 and Article IX, §12.02.
- 12. Manufactured Homeowner Consumer Claims.** Included above in Goal E, Manufactured Housing, the Manufactured Housing Division of the Department of Housing and Community Affairs is appropriated an amount required for the purpose of paying manufactured housing consumer claims from Appropriated Receipts according to the Occupations Code Chapter 1201, Manufactured Housing Standards Act, from Statement of Ownership and Location (SOL) issuance fees involving manufactured housing that are collected during the 2018–19 biennium. No General Revenue is appropriated for the payment of these claims.
- 13. Affordable Housing Research and Information Program.** Out of funds appropriated above in Strategy B.1.1, Housing Resource Center, the Department of Housing and Community Affairs

DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
(Continued)

energy efficiency programs spent both through the agency and through utility programs are effectively and adequately spent. The TDHCA shall use funds appropriated above to produce an annual report with information about the number of low-income household benefiting from energy efficiency monies through state, federal and utility-funded programs, the total amount of federal, utility and state funds expended on the programs, the average amount spent per unit weatherized in each program, as well as the peak electricity demand reduction, the amount overall electric energy saved, the amount of money saved and the number of job and job years created. A copy of the annual report shall be delivered to the Lieutenant Governor, Speaker and Governor, as well as made available on TDHCA's website by March 15th of 2018 and March 15th of 2019.

- 15. Migrant Labor Housing Funding.** Out of the amounts appropriated above to the Texas Department of Housing and Community Affairs in Strategy D.1.1, Monitor Housing Requirements, collected as licensing and inspection fees of the migrant labor housing program, the amounts of \$10,250 in fiscal year 2018 and \$10,250 in fiscal year 2019 out of the General Revenue Fund are to be deposited to the Texas Department of Housing and Community Affairs for the purpose of inspections and enforcement of the migrant labor housing program, pursuant to Subchapter LL, Chapter 2306, Government Code.

¹ HB 1512, 85th Legislature, Regular Session, relating to the administration of the owner-builder loan program, passed and was enacted, resulting in the repeal of Section 2306.7581, Government Code; therefore, references to this section of code and the owner-builder revolving loan fund take no effect.

TEXAS LOTTERY COMMISSION

	For the Years Ending	
	August 31, 2018	August 31, 2019
Method of Financing:		
<u>General Revenue Fund - Dedicated</u>		
Lottery Account No. 5025 ¹	\$ 230,568,190	\$ 227,966,621
Bingo Administration Account No. 5175 ²	2,549,315	2,549,315
Subtotal, General Revenue Fund - Dedicated	<u>\$ 233,117,505</u>	<u>\$ 230,515,936</u>
Total, Method of Financing	<u>\$ 233,117,505</u>	<u>\$ 230,515,936</u>
Other Direct and Indirect Costs Appropriated Elsewhere in this Act	\$ 865,744	\$ 868,912
This bill pattern represents an estimated 100% of this agency's estimated total available funds for the biennium.		
Number of Full-Time-Equivalents (FTE):	323.5	323.5
Schedule of Exempt Positions:		
Executive Director, Group 6	\$211,191	\$211,191
Items of Appropriation:		
A. Goal: OPERATE LOTTERY		
Run Self-supporting, Revenue-producing, and Secure Lottery.		

5

BOARD ACTION REQUEST

SECTION 8 PROGRAM

MAY 24, 2018

Presentation, discussion, and possible action authorizing the Department to submit an application for Mainstream Housing Vouchers in response to a Notice of Funding Availability released by the U.S. Department of Housing and Urban Development, and if successfully awarded to operate such program.

RECOMMENDED ACTION

WHEREAS, on April 18, 2018, the U.S. Department of Housing and Urban Development (“HUD”) released a Notice of Funding Availability (“NOFA”) announcing the availability of \$100 million in “Mainstream” Housing Vouchers for nonelderly people with disabilities for which applications are limited to Public Housing Authorities (“PHA”);

WHEREAS, the NOFA specifically prioritizes proposals in which the voucher program partners with service agencies and efforts in which the vouchers assist with deinstitutionalization;

WHEREAS, the Texas Department of Housing and Community Affairs (“TDHCA” or the “Department”) operates as a PHA in its administration of its Housing Choice Voucher Program (“HCVP”), and has the appropriate expertise and systems to perform such work;

WHEREAS, the Department, through its HCVP, operates a program called Project Access, which provides vouchers for persons exiting institutions, which is operated through an existing partnership with Texas Health and Human Services under the Money Follows the Person Program; and

WHEREAS, the Department’s Project Access Program, with a current waiting list exceeding 200 individuals, makes the Department uniquely well-suited to respond to this NOFA, and such application submission will include Project Access clients;

NOW, therefore, it is hereby

RESOLVED, that the Executive Director and his designees be and each them hereby are authorized, empowered, and directed, for and on behalf of the Department, to submit an application for up to \$2 million in voucher assistance in response to the NOFA and provide any other appropriate responsive document to HUD; and

FURTHER RESOLVED, that if HUD makes an award from this NOFA to the Department, the Department is authorized to proceed with accepting such an

award, implementing the program, and issuing the vouchers consistent with the rules and policies in place for the HCVP and Project Access Program.

BACKGROUND

On April 18, 2018, HUD released a NOFA announcing the availability of \$100 million in "Mainstream" Housing Vouchers for nonelderly people with disabilities for which applications are limited to PHA. The NOFA specifically prioritizes proposals in which the PHA is collaborating with service agencies, and in which the vouchers assist with allowing persons with disabilities living in institutions to exit those institutions and live in a community based setting.

The Department operates as a PHA in its administration of its HCVP. The Department has two components to its program: the provision of vouchers within a 34-county jurisdiction; and the provision of vouchers anywhere in the state for its Project Access Program. The Project Access Program provides vouchers for persons exiting institutions and is operated in collaboration with Texas Health and Human Services via the Money Follows the Person Program. Through its successful operation of both types of voucher activity, the Department has the appropriate expertise and systems to perform such work.

The Project Access Program currently has a waiting list that exceeds 200 households. If awarded these vouchers this would allow the Department to assist many of these households, the longest which has been on the waitlist 16 months.

In generating a requested award amount, staff identified an amount needed per household and applied that amount to the estimated number of clients to be assisted. More specifically: While the amount of assistance to each household assisted with Project Access varies significantly depending on household size, metro area, ability to pay, and unit selected, staff has identified a reasonable estimate of \$666 per unit per month per household assisted, for an annual assistance amount of \$7,992. At an estimate of 250 clients on the list by the time that an award is made, if not more, this would result in a total needed of \$1,998,000, excluding administrative funds. Staff anticipates asking for approximately \$2 million. Note: Staff used 250 households as an estimate in calculating an approximate amount of funds to obtain authorization from the Board, but the application submission to HUD may not propose as many as 250 vouchers.

6a

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
MAY 24, 2018

Presentation, discussion, and possible action regarding the Issuance of Multifamily Housing Revenue Bonds (Crosby Plaza) Series 2018 Resolution No. 18-021 and a Determination Notice of Housing Tax Credits

RECOMMENDED ACTION

WHEREAS, the Board adopted the inducement resolution at the Board meeting of June 29, 2017;

WHEREAS, a Certificate of Reservation was issued on March 9, 2018 with a bond delivery deadline of August 6, 2018;

WHEREAS, the 4% Housing Tax Credit application, sponsored by Christian Szymczak, William Szymczak, and Robert Grantham, was submitted on February 8, 2018;

WHEREAS, the applicant has requested a waiver of 10 TAC §10.4(6) of the Uniform Multifamily Rules, relating to the required delivery date for the No Objection Resolution for Tax-Exempt Bond Developments;

WHEREAS, pursuant to 10 TAC §10.4(6), the resolution is required to be submitted no later than 14 days before the Board meeting at which the applicant is requesting consideration of the Determination Notice;

WHEREAS, the proposed development is located in the Houston ETJ and therefore a resolution is required to be submitted from both the city and the county;

WHEREAS, the applicant has submitted the resolution from the county; however, the city will not be considering the resolution until its' May 23, 2018, city council meeting;

WHEREAS, staff believes that granting the waiver would further the purposes articulated in Tex. Gov't Code §2306.001 in contributing to the preservation of government-assisted affordable housing, as Crosby Plaza is currently assisted with a Section 8 Housing Assistance Payment Contract;

WHEREAS, staff recommends the waiver be granted and staff will provide an update at the Board meeting as to whether the city council resolution was adopted and if not so approved by City Council, this item will be removed from Board consideration; and

WHEREAS, the Executive Award and Review Advisory Committee ("EARAC") recommends the issuance of Multifamily Housing Revenue Bonds (Crosby Plaza Apartments) Series 2018 and the issuance of Determination Notice;

NOW, therefore, it is hereby

RESOLVED, a waiver of 10 TAC §10.4(6) of the Uniform Multifamily Rules, is hereby granted, provided a copy of the adopted resolution has been received by staff prior to the date of the Board meeting;

FURTHER RESOLVED, the issuance of up to \$7,000,000 in tax-exempt Multifamily Housing Revenue Bonds (Crosby Plaza) Series 2018, Resolution No. 18-021 is hereby approved in the form presented to this meeting;

FURTHER RESOLVED, the issuance of a Determination Notice of up to \$390,778 in 4% Housing Tax Credits for Crosby Plaza, subject to underwriting conditions that may be applicable as found in the Real Estate Analysis report posted to the Department's website, is hereby approved in the form presented to this meeting; and

FURTHER RESOLVED, that if approved, staff is authorized, empowered, and directed, for and on behalf of the Department to execute such documents, instruments and writings and perform such acts and deeds as may be necessary to effectuate the foregoing.

BACKGROUND

General Information: The Bonds will be issued in accordance with Texas Government Code, Chapter 1372 and under Texas Government Code, Chapter 2306, the Department's Enabling Statute (the "Statute"), which authorizes the Department to issue revenue bonds for its public purposes, as defined therein.

Crosby Plaza Apartments is located at 6616 FM 2100 in Crosby, Harris County and proposes the acquisition and rehabilitation of 86 units serving the general population. The property was originally constructed in 1981 and conforms to current zoning. The Certificate of Reservation from the Bond Review Board was issued under the Priority 3 designation, which does not have a prescribed restriction on the percentage of Area Median Family Income ("AMFI") that must be served; however, all of the units will be rent and income restricted at 60% of AMFI. Currently, all of the units at Crosby Plaza are covered by a project based Section 8 HAP contract. The census tract (2519.02) has a median household income of \$73,250, is in the second quartile, and has a poverty rate of 8.50%.

Waiver Request: The applicant requested a waiver of 10 TAC §10.4(6) of the Uniform Multifamily Rules regarding the threshold requirement for Tax-Exempt Bond Developments to submit a Resolution of No Objection fourteen (14) calendar days before the Board meeting at which consideration of the Determination Notice will occur. The Resolution of No Objection must be obtained from both the appropriate Governing Body of a municipality and the county for a development located in an ETJ pursuant to 10 TAC §10.204(4)(C). Moreover, pursuant to Tex. Gov't Code §2306.67071(c) the Board may not approve an application for housing tax credits for a development financed through the private activity bond program unless the applicant has submitted a certified copy of a resolution from each applicable Governing Body. The applicant submitted the resolution from Harris County in a timely manner; however, the resolution from the City of Houston was not submitted to the Department by the required deadline for consideration at the May 24, 2018, Board meeting.

On May 15, 2018, the housing committee recommended approval to the Houston City Council; however, the city will not meet until May 23, 2018, to consider the resolution. The applicant represented and the city has confirmed that a copy of the adopted resolution will be provided on this date; however, if the resolution is not received then staff will pull this item from the Board agenda for consideration.

10 TAC §10.207(1) regarding Waiver of Rules requires that the waiver request establish how the need for the waiver was both not reasonably foreseeable and was not preventable by the Applicant. This requirement has been met because the Applicant cannot control the timing of the process required to get a resolution from the City. The waiver meets the requirement in 10 TAC §10.207(2) in that it serves the purpose described in §2306.001 by contributing to the preservation of government-assisted affordable housing, as Crosby Plaza is currently assisted with a Section 8 Housing Assistance Payment Contract.

Organizational Structure and Previous Participation: The Borrower is Crosby Plaza 34 LLC and includes the entities and principals as illustrated in Exhibit A. The applicant's portfolio is considered a Small Category 1 and the previous participation review was deemed acceptable by EARAC, without review and discussion. EARAC also reviewed the proposed financing and the underwriting report, and recommends issuance of a Determination Notice and the issuance of Multifamily Housing Revenue Bonds.

Public Hearing/Public Comment: A public hearing for the proposed development was conducted by staff on April 5, 2018, and there were no attendees. The Department has not received any letters of support or opposition for this development.

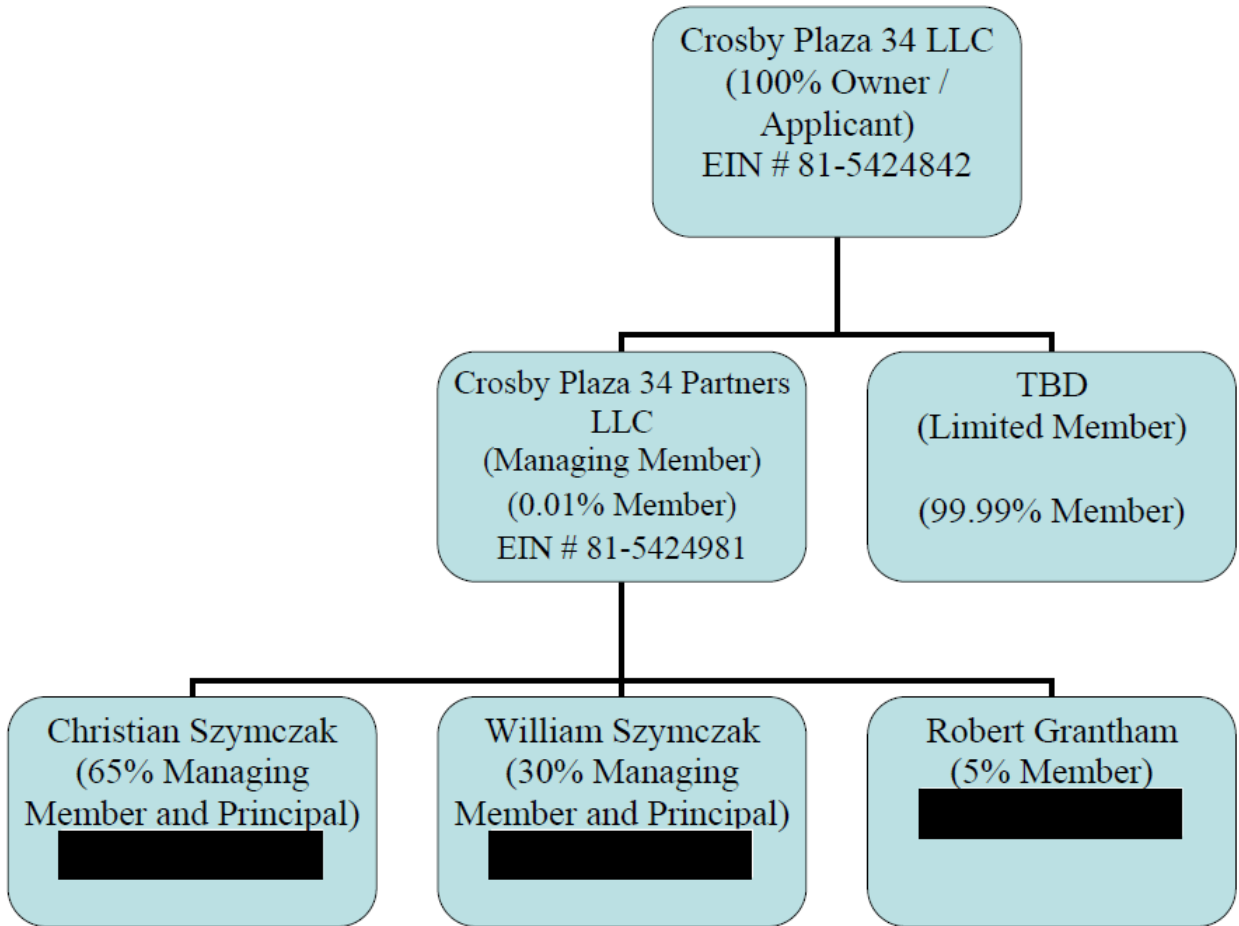
Summary of Financial Structure

This transaction involves an FHA 221(d)(4) loan originated by Red Mortgage Capital and underwritten by Red Capital Markets, LLC which mirrors the financing structure used by several bond transactions previously approved by the Board. Under the proposed structure, the Department will issue a single series of short-term, tax-exempt fixed rate bonds in an amount not to exceed \$7,000,000 that will be collateralized with the proceeds of a taxable FHA mortgage loan. The bond proceeds will be utilized for project costs and as bond proceeds are drawn down, the proceeds from the FHA loan are simultaneously drawn and placed in an escrow account for the benefit of the bondholders. Given the cash collateralization, the transaction minimizes risk to the Department. The mortgage loan will be secured by eligible investments including obligations of the United States or money market mutual funds rated "AA+" at all times which offers protection to the bondholder.

The bond mortgage will be subordinate in lien position to the FHA mortgage but as previously indicated, the bond proceeds will also be cash collateralized as long as the bonds are outstanding. The bonds will remain outstanding through the rehabilitation period, estimated between 10-12 months, and will then be retired. The bonds will have a maximum interest rate of 5.00% and an initial mandatory tender date of February 1, 2020, at which time the bonds can be redeemed or remarketed until the final maturity date of August 1, 2022. Upon redemption of the bonds, the FHA mortgage loan will remain and carry a 4.08% interest rate with a 40-year term and amortization.

A copy of the Exhibits recommend to be approved by the Board as referenced in Resolution No. 18-021 can be found online at TDHCA's Board Meeting Information Center website at <http://www.tdhca.state.tx.us/board/meetings.htm>.

EXHIBIT A



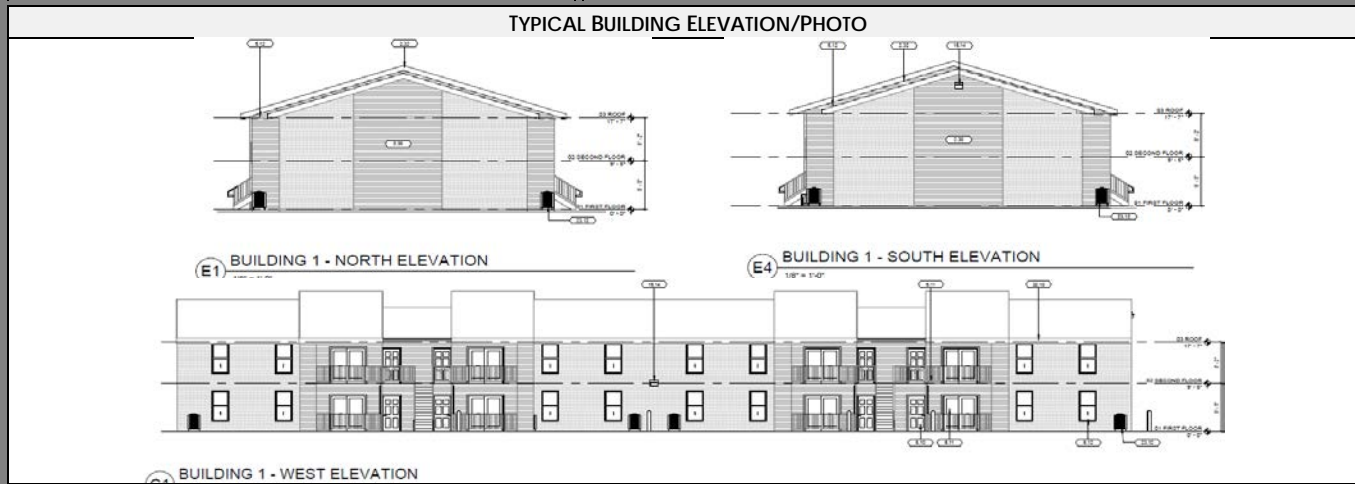
18604 Crosby Plaza Apartments - Application Summary

REAL ESTATE ANALYSIS DIVISION

March 18, 2018

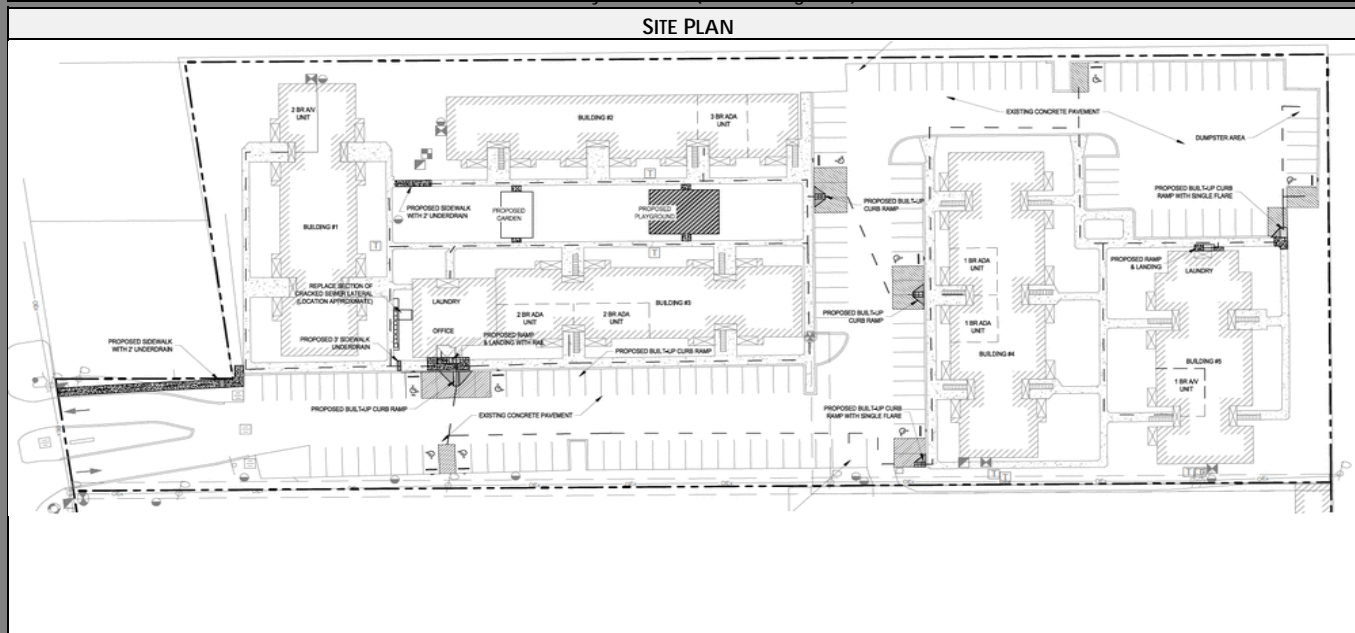
PROPERTY IDENTIFICATION		RECOMMENDATION					
Application #	18604	TDHCA Program	Request	Recommended			
Development	Crosby Plaza Apartments			LIHTC (4% Credit)	\$418,378	\$390,778	
City / County	Crosby / Harris						
Region/Area	6 / Rural						
Population	General						
Set-Aside	General						
Activity	Acquisition/Rehab (Built in 1981)	Private Activity Bonds	\$7,000,000	4.08%	40	40	1st

KEY PRINCIPAL / SPONSOR		
Christian Szymczak (Think Housing Development) & Robert Grantham		
Related Parties	Contractor - Yes	Seller - No



UNIT DISTRIBUTION			INCOME DISTRIBUTION		
# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0%	30%	-	0%
1	36	42%	40%	-	0%
2	36	42%	50%	-	0%
3	14	16%	60%	86	100%
4	-	0%	MR	-	0%
TOTAL	86	100%	TOTAL	86	100%

PRO FORMA FEASIBILITY INDICATORS			
Pro Forma Underwritten		TDHCA's Pro Forma	
Debt Coverage	1.22	Expense Ratio	41.5%
Breakeven Occ.	84.9%	Breakeven Rent	\$981
Average Rent	\$1,099	B/E Rent Margin	\$118
Property Taxes	\$1,004/unit	Exemption/PILOT	0%
Total Expense	\$5,242/unit	Controllable	\$2,880/unit



MARKET FEASIBILITY INDICATORS			
Gross Capture Rate (30% Maximum)			3.3%
Highest Unit Capture Rate	7%	2 BR/50%	36
Dominant Unit Cap. Rate	5%	1 BR/50%	36
Premiums (↑60% Rents)	N/A		N/A
Rent Assisted Units	86	100% Total Units	

DEVELOPMENT COST SUMMARY			
Costs Underwritten		TDHCA's Costs - Based on PCA	
Avg. Unit Size	836 SF	Density	22.1/acre
Acquisition		\$66K/unit	\$5,678K
Building Cost	\$38.76/SF	\$32K/unit	\$2,788K
Hard Cost		\$42K/unit	\$3,607K
Total Cost		\$160K/unit	\$13,728K
Developer Fee	\$1,504K	(14% Deferred)	Paid Year: 2
Contractor Fee	\$460K	30% Boost	No

REHABILITATION COSTS / UNIT			
Site Work	\$2K	5%	Finishes/Fixtures \$24K 62%
Building Shell	\$8K	21%	Amenities \$1K 2%
HVAC	\$2K	6%	Total Exterior \$10K 27%
Appliances	\$2K	5%	Total Interior \$28K 73%

DEBT (Must Pay)					CASH FLOW DEBT / GRANT FUNDS					EQUITY / DEFERRED FEES		
Source	Term	Rate	Amount	DCR	Source	Term	Rate	Amount	DCR	Source	Amount	
Red Capital	40/40	4.08%	\$9,775,000	1.22						Enterprise	\$3,438,849	
					Net Operating Income	0/0	0.00%	\$175,000	1.22	Think Housing Development, LP	\$206,784	
					Transfer of Existing Repl. Reserve	0/0	0.00%	\$132,268	1.22	TOTAL EQUITY SOURCES	\$3,645,633	
										TOTAL DEBT SOURCES	\$10,082,268	
TOTAL DEBT (Must Pay)			\$9,775,000		CASH FLOW DEBT / GRANTS			\$307,268		TOTAL CAPITALIZATION		\$13,727,901

CONDITIONS

1 Receipt and acceptance before Determination Notice:

- a: Evidence of HUD renewal of Housing Assistance Payment (HAP) contract with updated terms & conditions validating stated rent increases.
- b: Revised Site Work Breakdown from authorized Engineer verifying the updated cost estimates of necessary site work and site amenities.

Should any terms of the proposed capital structure change or if there are material changes to the overall development plan or costs, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted.

BOND RESERVATION / ISSUER		AERIAL PHOTOGRAPH(S)	
Issuer	TDHCA		
Expiration Date	8/6/2018		
Bond Amount	\$7,000,000		
BRB Priority	Priority 3		
Close Date	6/7/2018		
Bond Structure	FHA 221 (d)(4) - Cash Collateralized		
% Financed with Tax-Exempt Bonds	63.5%		
RISK PROFILE			
STRENGTHS/MITIGATING FACTORS			
<ul style="list-style-type: none"> ▫ 100% Section 8 with full occupancy ▫ Developer completed 3 TDHCA LIHTC deals in 2016 			
WEAKNESSES/RISKS			
<ul style="list-style-type: none"> ▫ PCA indicates major recapitalization will be required after year 15 			
AREA MAP			

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

TEFRA HEARING

CROSBY PLAZA

Edith Fae Cook Cole Branch Library
135 Hare Road
Crosby, Texas

Thursday,
April 5, 2018
1:08 p.m.

BEFORE:

TERESA W. MORALES, Hearing Officer

ON THE RECORD REPORTING
(512) 450-0342

P R O C E E D I N G S

1
2 MS. MORALES: Good afternoon. My name is
3 Teresa Morales, and I would like to proceed with the
4 public hearing. Let the record show that it is 1:08 p.m.,
5 Thursday, April 5, 2018, and we are at the Edith Fae Cook
6 Cole Branch Library, located at 135 Hare Road, Crosby,
7 Texas 77532.

8 I'm here to conduct a public hearing on behalf
9 of the Texas Department of Housing and Community Affairs
10 with respect to an issue of tax-exempt multifamily bonds
11 for a residential rental community.

12 This hearing is required by the Internal
13 Revenue Code. The sole purpose of this hearing is to
14 provide a reasonable opportunity for individuals to
15 express their views regarding the development and the
16 proposed bond issue.

17 No decisions regarding the development will be
18 made at this hearing. The Department's Board is scheduled
19 to meet to consider the transaction on May 24, 2018. In
20 addition to providing your comments at this hearing, the
21 public is also invited to provide comment directly to the
22 Board at any of their meetings.

23 The bonds for the Crosby Plaza will be issued
24 as tax-exempt multifamily revenue bonds in the aggregate
25 principal amount not to exceed \$8.8 million and taxable

1 bonds, if necessary, in an amount to be determined and
2 issued in one or more series by the Texas Department of
3 Housing and Community Affairs, the Issuer.

4 The proceeds of the bonds will be loaned to the
5 Crosby Plaza 34, LLC, or a related person or affiliate
6 entity thereof, to finance the acquisition and
7 rehabilitation of a multifamily housing development
8 described as follows: an 86-unit multifamily residential
9 development on approximately 3.889 acres of land located
10 at 6615 FM 2100, Crosby, Harris County, Texas 77532. The
11 proposed multifamily rental housing community will be
12 initially owned and operated by the borrower, or an
13 related person or affiliate thereof.

14 Let the record show there are no attendees;
15 therefore, the meeting is now adjourned. The time is now
16 1:10 p.m.

17 (Whereupon, at 1:10 p.m., the meeting was
18 adjourned.)

C E R T I F I C A T E

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IN RE: Public Hearing on Crosby Plaza
LOCATION: Crosby, Texas
DATE: April 5, 2018

I do hereby certify that the foregoing pages, numbers 1 through 4, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Leslie Berridge before the Texas Department of Housing and Community Affairs.

DATE: April 12, 2018


(Transcriber)

On the Record Reporting &
Transcription, Inc.
7703 N. Lamar Blvd., Ste 515
Austin, Texas 78752

A RESOLUTION EXPRESSING NO OBJECTION TO AN APPLICATION FOR NON-COMPETITIVE 4% FEDERAL TAX CREDITS FOR ACQUISITION AND REHABILITATION OF CROSBY PLAZA APARTMENTS, AN AFFORDABLE HOUSING COMMUNITY LOCATED NEAR 6616 FM 2100 IN THE EXTRATERRITORIAL JURISDICTION OF THE CITY OF HOUSTON, TEXAS; MAKING VARIOUS FINDINGS AND PROVISIONS RELATING TO THE SUBJECT.

* * *

WHEREAS, the City Council (the "City Council") of the City of Houston (the "City") finds that Crosby Plaza 34 LLC ("Applicant"), a subsidiary of Think Housing Development, has proposed to acquire and rehabilitate Crosby Plaza Apartments (the "Proposed Project"), an 86-unit affordable housing community located near 6616 FM 2100 in the extraterritorial jurisdiction of the City of Houston, Texas; and

WHEREAS, the City Council finds that the Proposed Project is expected to be financed in part by a private activity bond program sponsored by the Texas Department of Housing and Community Affairs; and

WHEREAS, the City Council finds that the Applicant has advised that it intends to submit, directly or through an affiliate, an application to the Texas Department of Housing and Community Affairs (the "TDHCA") for non-competitive 4% 2018 Housing Tax Credits for the Proposed Project (the "Application"); and

WHEREAS, in accordance with the requirements of Texas Government Code §2306.67071 and Texas Administrative Code §10.204(4), the City Council finds that:

1. The Applicant has provided the City Council, as the governing body of the City of Houston (the "Governing Body"), notice of its intent to file the Application in accordance with Texas Government Code §2306.67071(a); and
2. The Governing Body has had sufficient opportunity to obtain a response from the Applicant regarding any questions or concerns about the Proposed Project; and
3. The Governing Body has held a hearing at which public comment could be made on the Proposed Project in accordance with Texas Government Code §2306.67071(b); and

WHEREAS, after due consideration of the information provided by the Applicant and public comment, the Governing Body does not object to the proposed Application;
NOW, THEREFORE,

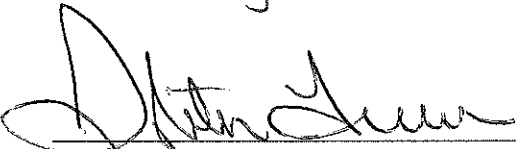
BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HOUSTON:

Section 1. That the findings contained in the preamble of this Resolution are determined to be true and correct and are hereby adopted as a part of this Resolution.

Section 2. That the City Council hereby expresses that it has no objection to the Proposed Project, the acquisition and rehabilitation of the Proposed Project, the Application, or the proposed allocation of Housing Tax Credits for the Proposed Project.

Section 3. That this Resolution shall take effect immediately upon its passage and approval by the Mayor; however, in the event that the Mayor fails to sign this Resolution within five days after its passage and adoption, it shall take effect in accordance with Article VI, Section 6, Houston City Charter.

PASSED AND ADOPTED this 16th day of May, 2018.



Mayor of the City of Houston

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Resolution is _____.

City Secretary

(Prepared by Legal Dept. Renee F. Bell)
Assistant City Attorney

(Requested by Tom McCasland, Director, Housing and Community Development Department)

(LD File No. _____)

CAPTION PUBLISHED IN DAILY COURT
REVIEW
DATE: MAY 22 2018

AYE	NO	
✓		MAYOR TURNER
••••	••••	COUNCIL MEMBERS
✓		STARDIG
✓		DAVIS
✓		COHEN
ABSENT		BOYKINS
ABSENT-OUT OF CITY		MARTIN
CITY BUSINESS		LE
ABSENT-ON		TRAVIS
PERSONAL BUSINESS		CISNEROS
✓		GALLEGOS
✓		LASTER
✓		MARTHA CASTEX-TATUM
✓		KNOX
✓		ROBINSON
✓		KUBOSH
✓		EDWARDS
✓		CHRISTIE
CAPTION	ADOPTED	

6b

BOARD ACTION ITEM
MULTIFAMILY FINANCE DIVISION
MAY 24, 2018

Presentation, discussion, and possible action on timely filed scoring appeal under 10 TAC §10.901(13) of the Department's Multifamily Program Rules relating to Fee Schedule, Appeals and other Provisions.

RECOMMENDED ACTION

WHEREAS, the appeal relates to Competitive Housing Tax Credit ("HTC") application 18335 Travis Flats, which was submitted to the Department by the Full Application Delivery Date;

WHEREAS, a Competitive HTC scoring notice was provided to the Applicant identifying points that the Applicant elected but that staff determined the Application did not qualify to receive under 10 TAC §11.9 related to Competitive HTC Selection Criteria;

WHEREAS, the Applicant timely filed an appeal; and

WHEREAS, the Executive Director denied the appeal;

NOW, therefore, it is hereby

RESOLVED, that the scoring appeal for 18335 Travis Flats is hereby denied.

BACKGROUND

10 TAC §11.9 related to Competitive HTC Selection Criteria identifies the scoring criteria used in evaluating and ranking Applications. It includes those items required under Tex. Gov't Code, Chapter 2306, §42 of the Internal Revenue Code (the "Code"), and other criteria established in a manner consistent with Chapter 2306 and §42 of the Code.

The Application proposes the New Construction of 146 units for a general population. The Development Site is part of a mixed-use development planned by Travis County that will include county government offices, commercial space, and multifamily development.

The Applicant requested points under 10 TAC §11.9(d)(7) related to Concerted Revitalization Plans ("CRP"). Staff determined that the concerted revitalization plan did not include evidence of sufficient, documented and committed funding to accomplish its purposes, and that there was little evidence in the target area of the problems and issues identified in the plan. As such, points under were not awarded, subject to the Applicant's appeal rights.

The Application included the North Airport Boulevard Revitalization plan as Travis County's CRP for the area surrounding the Development Site. This plan was created by Travis County and approved by the Travis County Commissions Court on January 24, 2017. While the county has certainly expended funds in the past to acquire and upgrade its facilities in the area, the CRP

depends on expenditure of City of Austin funds to accomplish its goals. The appeal included a letter from Travis County describing their efforts in the area, but the county has offered no evidence of any funds spent to improve any property that it does not own, or any funds to improve the problems named in its CRP. The plan appears to expect the City of Austin to expend funds improving those issues, and the county cannot control how or whether the city uses its funds to fulfill a Travis County plan. There was no evidence that the City of Austin approved the plan or committed funding for the plan. Review of the summary of sources and uses for the Application indicates that the county has not provided funding for this Development.

The appeal asserts that the neighborhood does indeed suffer from the issues described in the plan. Per 10 TAC §11.9(d)(7)(A)(i):

(II) The problems in the revitalization area must be identified through a process in which affected local residents had an opportunity to express their views on problems facing the area, and how those problems should be addressed and prioritized. These problems may include the following:

(-a-) long-term disinvestment, such as significant presence of residential and/or commercial blight, streets infrastructure neglect such as inadequate drainage, and/or sidewalks in significant disrepair;

(-b-) declining quality of life for area residents, such as high levels of violent crime, property crime, gang activity, or other significant criminal matters such as the manufacture or distribution of illegal substances or overt illegal activities;

(III) Staff will review the target area for presence of the problems identified in the plan and for targeted efforts within the plan to address those problems.

Examples included in the appeal, such as homes that have window units as the sole source of air conditioning, do not meet the letter of this rule. The photographs of the homes may not indicate “disrepair” or “blight,” but, as the heading on the photographs indicates, the homes are “aging.” Aside from a few instances of graffiti, the businesses pictured are not blighted, and the bus stop does not appear to need significant repair.

The primary reason raised by staff to not grant CRP points for the North Airport Boulevard Revitalization Plan is that this is a plan by the County of what to do with its own property, which is within a larger neighborhood that is within the jurisdiction of the City. Accordingly, the interpretive question under the rule is whether the requirement that “[t]he area targeted for revitalization must be larger than the assisted housing footprint and should be a neighborhood ... ” contemplates that the “larger area” (in this case the “neighborhood”) would be within the primary jurisdiction of the county that approves the plan such that the purposes of the plan would extend into that larger area and not be confined to the limited area directly controlled by the county. Staff has not identified that Applicant has demonstrated that the county has the authority or demonstrated funding to extend its influence beyond its own property, and it has not been demonstrated that the county can direct the actions taken by the City of Austin as it expends its funds in the area.

Staff recommends the Board deny the appeal.

18335

Scoring Notice



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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April 27 2018

*Writer's direct phone # (512) 936-7834
Email: sharon.gamble@tdhca.state.tx.us*

Ms. JoEllen Smith
Austin TCHFC-DMA Housing, LLC
4101 Parkstone Heights Drive, Suite 310
Austin, TX 78746

RE: NOTICE OF SCORING ADJUSTMENT: 18335 TRAVIS FLATS

Dear Ms. Smith:

The Texas Department of Housing and Community Affairs (the "Department") is in receipt of the Application named above. Staff has reviewed the documentation submitted with the Application to support the request for points under 10 TAC §11.9(d)(7) of the 2018 Qualified Allocation Plan related to Concerted Revitalization Plans ("CRP"). The submission has been determined by staff to not meet the requirements of the rule regarding CRP. Per the rule, a CRP must meet the criteria described in subclauses (I) - (V) of 10 TAC §11.9(d)(7):

(III) Staff will review the target area for presence of the problems identified in the plan and for targeted efforts within the plan to address those problems. In addition, but not in lieu of, such a plan may be augmented with targeted efforts to promote a more vital local economy and a more desirable neighborhood.

(IV) The adopted plan must have sufficient, documented and committed funding to accomplish its purposes on its established timetable. This funding must have been flowing in accordance with the plan, such that the problems identified within the plan will have been sufficiently mitigated and addressed prior to the Development being placed into service.

The plan does not include sufficient, documented and committed funding to accomplish its purposes on any established timetable. The Executive Summary indicates that the plan "lends support for the allocation of public resources." According to the *Travis County North Campus Redevelopment Project Overview and Update* posted on the county's website, "[t]he Travis County Development Authority can issue private activity bonds for financing projects that promote the common good and general welfare, including commerce and economic development." The plan mentions City of Austin bond funds that are already planned for the area under a different regime, but does not mention any



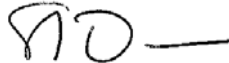
Travis County funds. The Application included nothing from the City of Austin lending support to the plan or the plan's use of city bond funds. The only other funds mentioned are funds that were previously spent by the county acquiring and improving property it owns on Airport Boulevard.

Staff has reviewed the target area for presence of the problems identified in the plan and found little evidence the issues mentioned in the plan. The area is served by both bus and light rail and has stable and striving single family neighborhoods. New businesses have opened and existing businesses have expanded. Staff could not confirm that “[o]verall, the area is unsightly, is not conducive to pedestrian traffic, and as such has deteriorated over the years to an area that has been riddled with problems related to petty theft, drug related activity, and transiency.”

The Application has been assigned a score of zero (0) under this scoring item. An appeals process exists for the Housing Tax Credit Program. The restrictions and requirements related to the filing of an appeal can be found in §10.902 of the 2018 Uniform Multifamily Rules. **Should you choose to appeal this decision to the Executive Director, you must file your appeal in writing, with the Department, by 5:00 p.m., Austin local time, on May 4, 2018.** If you are not satisfied with the decision of the Executive Director or if the Executive Director does not respond, you may file a further appeal with the Board of Directors of the Texas Department of Housing and Community Affairs. Please review §10.902 of the 2018 Uniform Multifamily Rules for full instruction on the appeals process.

Your Application has not been fully reviewed and has not been given a final score. The scoring of the CRP documentation is the only scoring item that can be appealed through this notice. If you have questions or require further information, please contact me.

Sincerely,



Sharon D. Gamble

Competitive HTC Administrator

18335

Applicant Appeal to
Executive Director



May 2, 2018

700 Lavaca, Suite 1560
Austin, TX 78701

(512) 854-9116

corporations.traviscountytx.gov

Tim Irvine
Executive Director
Texas Department of Housing & Community Affairs
P.O. Box 13941
Austin, TX 78701-3941

Re: Travis Flats, Application #18335

Dear Mr. Irvine:

We submit this letter in appeal of the scoring determination notice received April 27, 2018, which denied application #18335 seven (7) points under the Concerted Revitalization Plan ("CRP") scoring category.

We were disheartened to receive notice from our development partner, DMA Development Company, LLC, that our Community Revitalization Plan for the North Airport Corridor has been denied points under the QAP. We have worked diligently over the past fifteen years to develop and implement a strategic redevelopment plan for our land and facilities on North Airport Boulevard, an area of town that is still in need of major infrastructure improvements, quality affordable housing, and the repositioning of underutilized real estate to achieve the highest and best use for this important Austin corridor. These efforts have been planned and implemented with Travis County funding, with additional stages being implemented with Travis County funding in 2018, 2019 and beyond. Travis County has spent \$30M to date on planting the seeds for this revitalization plan, and it intends to invest at least another \$28M within the next 12 months on centralizing the Health and Human Services Office and other County offices including Veterans Services and the Passport Office to a new flagship development at 5325 Airport Boulevard. Centralizing this office, coupled with a \$3.6M major renovation and expansion of the tax office, will inject another \$32M into this planning area over the next five years. So in reading the basis for denial of the CRP points, I am quite frankly confused as to why this level of targeted committed funding by Travis County is in doubt.

DMA Development Company has submitted a letter as well in connection with this appeal that analyzes in detail why the Travis County's North Airport Boulevard Redevelopment Plan meets the plain language of the QAP. We would greatly appreciate your serious consideration of this appeal.

Regards,



Sarah Eckhardt
President



May 2, 2018

Tim Irvine
Executive Director
Texas Department of Housing & Community Affairs
P.O. Box 13941
Austin, TX 78701-3941

Re: Travis Flats, Application #18335

Dear Tim:

This letter appeals staff's determination to award this application 0 points under 10 TAC section 11.9(d)(7) of the 2018 Qualified Allocation Plan ("QAP") related to Concerted Revitalization Plan ("CRP"). We respectfully but whole heartedly disagree with staff's analysis and conclusion that the North Airport Boulevard Revitalization Plan ("NABRP" or the "Plan") does not meeting the QAP's requirements.

As we all know, this scoring category has historically been a challenge to administer in that the language of the rule strives to make the rule objective, but that the nuanced nature of these areas invites a certain amount subjectivity when determining whether a CRP qualifies for points. Still, while we recognize that subjectivity is sometimes necessary in making these determination, we are troubled by the fact that perhaps staff's subjectivity has not been applied consistently in the review of various CRPs, and especially with regard to CRPs in the City of Austin that have been relied on for points by other applicants.

Still, this letter compares this plan against the two parts of the rule that staff cites to clearly illustrate that the NABRP meets the requirements of the rule. Those two relevant parts of the rule are as follows:

III) Staff will review the target area for presence of the problems identified in the plan and for targeted efforts within the plan to address those problems. In addition, but not in lieu of, such a place may be augmented with targeted efforts to promote a more vital local economy and a more desirable neighborhood.

While this section of the rule contains several elements, staff states that it has found "little evidence of the issues mentioned in the plan." Here, the problems identified on pages 2 and 6 of the NABRP include "neglect, disinvestment, and aged housing stock," and "surface parking and chaotic signage, lots selling used autos and used tires, dilapidated and/or vacant strip malls, and failed business establishments in blighted structures." The plan goes on to detail five issues including outdated and insufficient infrastructure, unsightly/underutilized properties, lack of affordable housing, poor neighborhood conditions, and underutilized transportation.

Because these statements are supported by photographic evidence originally contained in the plan itself, it is difficult to understand why "staff . . . has found little evidence [of] the issues mentioned in the plan." Had we been given a chance to respond to staff's concerns upon deficiency, we could have provided further evidence, which we are attaching hereto as Exhibit A. Please note that our review of the area indicates that there is ample evidence of the problems noted in the plan, especially aged and inadequate infrastructure. Just this week, we documented at least 30 instances of poor conditions in this small pocket neighborhood, which

includes at least 20 single family homes that have fallen into significant disrepair over the past twenty plus years. Every one of these pictures is a factual depiction of the current conditions within this planning area.

Indeed, this area is a high poverty/low income neighborhood which is why several census tracts within the area are Qualified Census tracts, including the census tract that contains the development site. Qualified Census Tracts (QCTs) are HUD-designated areas with either a high percentage of households below a certain income level or with a poverty rate above a certain level. They are almost by definition under the Internal Revenue Code considered areas in need of community revitalization. In this case, the NABRP contains 3 census tracts, two of which are high poverty census tracts with median incomes of less than the city average and therefore meet HUD’s definition of Qualified Census Tracts. This chart summarizes the area’s demographics:

Census Tract	QCT	Poverty Rate	Median Income
48453002105	Yes	27.7	\$29,037
48453000304	Yes	25.1	\$48,653
48453001503	No	13.6	\$52,379

This area is still struggling with poverty issues, and while we agree with staff’s assessment that this area is on the upswing, there is nothing in the rule that prevents areas that are on the upswing from qualifying as CRPs, especially when they contain QCTs. As an example, staff awarded full CRP points to Saltillo Apartments, application #17220, which is located in central east Austin, an area that is gentrifying significantly more quickly than this area as evidenced by the 800-unit Class A Saltillo redevelopment which includes a Whole Foods 365 as an anchor commercial tenant. Surely, if the CRP for that area is not disqualified due to the new development and the establishment of new housing and businesses, then this one should not be disqualified on the same basis.

Staff notes that the NABRP “area is served by both bus and light rail and has stable and striving single family neighborhoods.” We believe that this statement does not fully portray the condition of this area. While the area is served by bus and light rail, the infrastructure to support significant public transportation use is not yet in place in terms of pedestrian connectivity and safety. Indeed, there is so little connectivity that the closest light rail stop is actually not within the CRP area. The closest stop, the Highland Station is a one mile walk from the development site across a major intersection of FM2222/Airport Boulevard at I-35 which, which while technically walkable, the route is not at all pedestrian friendly. See Exhibit B. Moreover, the bus stops that are within the CRP area are very difficult to access. Attached as Exhibit C are two pictures of a typical bus stop along Airport Boulevard. Note that it is only connected to one sidewalk, and there is no cross walk—hardly a street condition that invites pedestrian and transportation use. Again, bus and light rail are present in central east Austin too, but this did not disqualify that CRP from qualifying for points.

With regard to staff comment about the single-family neighborhood in the Plan Area, we note the staff’s use of the word “striving.” Yes, the neighborhood is *striving* in that there is a large number of homes that have fallen into disrepair, many of whom have window units as the sole source of air conditioning. These homes are in need of either full and complete renovation or demolition. In other words, this area is in need of revitalization; it is not yet an area with stabilized, thriving neighborhoods.

Additionally, staff adds that “new businesses have opened and existing businesses have expanded.” Again, this is an accurate statement in some respects, but certain new business along the Airport corridor are struggling

to be successful. For example, in 2018, House Pizzeria closed its doors only after a few years at the Airport location. Other new restaurants have closed or relocated, like Kome because its former building a mere few blocks south on Airport Boulevard was antiquated and inadequate. The Airport corridor continues to experience turnover of businesses, both new and old, simply because the infrastructure is still not present to support pedestrian activity and/or the robust use of public transportation.

In sum, we disagree with staff's assessment that there is little evidence of the problems noted in the plan. The Plan submitted with the application contained sufficient evidence, and we have supplemented such evidence herein. This issue should not be determined in a subjective manner, when the applicant has provided extensive evidence that the rule requirement has been met.

IV. The adopted plan must have sufficient documented and committed funding to accomplish its purposes on the established timetable. This funding must have been flowing in accordance with the plan, such that the problems identified within the plan will have been sufficiently mitigated and addressed prior to the Development being placed into service.

Again, while this section of the rule contains several elements, staff's concern seems to be that "the plan does not include sufficient, documented and committed funding to accomplish its purposes." This determination is difficult to reconcile with the Plan itself which details a \$22.5M investment by Travis County in three major projects within the area, including the purchase and remodel of a vacant and blighted 124,620 square foot strip center, the purchase and remodel of a vacant and blighted 5800 square foot retail store, and the repositioning of a parking lot in connection with competitive development process to achieve its highest and best use. This last project is underway currently, Travis County has committed and spent funds to date, and intends to commit more funds within the next six months. Each one of these projects is clear evidence of "sufficient, documented, and committed funding to accomplish its purposes," which is to address problems noted in the Plan.

Again, the problems identified in the Plan are inadequate infrastructure, aged/antiquated buildings, lack of affordable housing and underutilized transportation. The specific Travis County investments in this area address problems identified in the Plan, even if the specific investments also solve some of Travis County's own internal needs in terms of repositioning its real estate holdings and facilities. As you know, Travis County is a governmental entity that has many administrative functions necessary to serve its residents. It is not a private land holder. Even assuming that its investments in this area were made in part to improve the provision of services to Travis County residents, this fact does not negate the fact that Travis County has made a significant investment of its own dollars and the result is that many of the problems identified in the Plan have been mitigated. This is no different than the City of Austin partnering with Catellus to redevelop the Mueller Airport, whereby the City contracted with Catellus to reposition City owned land to as part of a large revitalization project. Here, a large governmental entity is implementing a comprehensive revitalization effort through the re-positioning of its large land holdings, coupled with a variety of very typical municipal funding tools.

It is possible, although unstated, that staff's concern is that Travis County did not commit 100% of the funding to achieve 100% of the Plan's purpose at the adoption of the plan or that the funding is not continually flowing, but there is nothing in the rule that requires that 100% of the funding be committed at the onset or that the funding be continually flowing during the implementation period. Indeed, it is very common for local governments to establish plans such as this one, with a variety of objectives and goals, and not have 100% of the funding committed at the onset nor have a constant source of funding. Often the implementation of these

plan requires governmental instrumentalities to rely on a variety of financing tools to implement certain projects, on a project by project basis.

This CRP implementation is no different. In this case, Travis County has committed funding from different sources depending on what sources are available at what time and what sources are appropriate for a particular project. To carry out the CRP objections, Travis County has relied on its own cash reserves, Certificates of Obligations, and Governmental Obligation Bonds. Travis County also maintains flexibility by having a special cash fund called the Capital Acquisition Resources (CAR) account with funding available to handle unanticipated issues or opportunities as they may arise. All of these municipal financing tools are similar to the tools any other municipality would use in carrying out planning objectives.

Here, the Plan makes it clear that Travis County has committed close to \$30M of its own funds to achieve the objectives of its Plan. The process for committing such funds is as follows: Planners, department heads, and facilities management staff work together to plan projects including costs and submit it to the Budget office annually. The County's budget office reviews and makes recommendations to include planned projects with proposed financing in the Preliminary Budget for County Commissioner's consideration and approval. The final list of projects is approved annually for the following fiscal year. This is an established and comprehensive planning process, with a strong financial planning element, which demonstrates "sufficient documented and committed funding to accomplish its purposes on the established timetable" as required by the rule.

Travis County followed this same process for committing funding for three keystone redevelopment projects in the Planning Area. As the Plan details, the 5501 Airport Boulevard Project involved a \$12.3M direct Travis County investment. The source of funding was Certificates of Obligation. This project addressed the following problems identified in the Plan:

- Remediated a blighted structure
- New sidewalks
- Improved Airport Boulevard frontage

The 5555 Airport Boulevard Project was achieved with a \$6.4M direct Travis County investment was General Obligation Bonds. An additional \$555,720 was obligated for this project from Certificates of Obligation bringing the total County investment to \$7M. This project addressed the following problems identified in the plan:

- Remediated a blighted structure
- New sidewalks
- Improved Airport Boulevard frontage

The 5325-5335 Airport Boulevard Project was achieved with a \$3.8M direct Travis County investment. The source of funding includes both General Obligation Bonds and Certificates of Obligation. The County also spent \$2,080,225 in cash from its general fund to demolish a convenience store at this location. This project will address these problems identified in the plan:

- Repositioned an underutilized site to achieve highest and best use
- Removal of an old convenience store, which was a hot spot of drug dealing and crime
- Removed surface parking to allow for new state of the art Travis County office building and 146 units of affordable housing

Travis County’s investments in the Plan area are a direct investment of its own funds—this investment includes past committed funding, and new additional funding commitments. The 5325-5335 Airport Boulevard project is ongoing, and Travis County expects to commit another \$28M by the end of 2018 pursuant to the process outlined above to finance Travis County’s flagship Health and Human Services offices at this new location. Construction of this building is expected to begin in late 2018.

This Health and Human Services (HHS) office relocation is a critical first step in Travis County’s long-range planning for the North Campus Area. Relocating the HHS offices to the site at 5325 Airport allows buildings on northern portion of the North Campus to substantially expanded and updated. To this end, Travis County has recently committed \$3,617,707 of general funds as of October 1, 2017, for this expansion/addition to the existing tax office on Airport Boulevard, which is in planning stages right now. This expansion is so significant in its scope that the City of Austin requires a new site development permit which will demand that Travis County implement substantial improvements to the Airport Boulevard frontage, including sidewalks, connectivity to transit, etc.

The following summarizes all the Travis County projects “on the boards” in terms of the planning and budget approval processes outlined above:

Year	Identification Number	Name	Amount	Funding / Status
2019	N/A	Keith Ruiz Secured Entrance	\$227,784	Not Yet Funded
2019	N/A	5501 County Clerk Elections Expansion	\$326,473	Not Yet Funded
2018	310087	HVAC Upgrade 5501 Airport	\$790,000	CAR
2018	310092	Tax Office Addition & Renovation	\$3,617,707	CAR

Staff’s comments that the “Travis County North Campus Redevelopment Project Overview and Update” mentions that “[t]he Travis County Development Authority can issue private activity bonds for financing projects that promote the common good and general welfare, including commerce and economic development” further bolsters the point that Travis County has several financing tools to achieve the objectives outlined in the Plan. These financing tools will be used going forward to make sure that the objectives of the Plan are fulfilled. Indeed, Travis County has successfully used various financing tools to implement the projects listed above, so it is unclear what staff is trying to assert with this statement. In a similar vein, staff’s comments that the Application contained nothing from the City of Austin regarding the plan seems misplaced in that this is a County plan not a City plan. The City of Austin would have no standing to comment on the County’s plan. The County’s plan mentions the City of Austin Mobility Bond Program because this voter referendum, like the private investment that is coming into this area, is evidence that this area is in need of efforts to spur revitalization. In this sense, the City and the County are both directly investing in this area to mitigate the problems identified in the Plan with both City and County funds flowing. Still nothing in the QAP language requires something from the City of Austin in this instance, given that this application is relying on a County-approved Plan, and not a City-approved plan.

This appeal simply requests that the County plan be analyzed in accordance with the plain language of the rule, and in a way that is consistent with the review of other CRP’s. If the rule is applied consistently and fairly, this appeal should be granted and the application be granted the full 7 points requested. This plan should not be held to a different standard because it is a county plan and not a city plan. The efforts that the City of Austin is making in this planning area are augmentative of the efforts that the County is making, and the Plan makes it

clear that Travis County is making direct investments in this area to further the objectives in the NABRP. This investment is targeted to address the problems outlined in the Plan. The fact that the neighborhood is on the upswing does not mean that the area is not a CRP. There is still sufficient poverty, blight, insufficient infrastructure, and underutilized transportation to merit a finding of a community revitalization area.

We appreciate your time and consideration of this request. Please do not hesitate to contact me should you have additional questions or concerns.

Sincerely,

DMA DEVELOPMENT COMPANY, LLC

A handwritten signature in blue ink, appearing to read "Sisak", with a stylized flourish extending to the right.

Janine Sisak
Senior Vice President/General Counsel

cc: Sarah Eckhardt, Travis County Housing Finance Corporation

Exhibit A

- Single Family Homes in Disrepair
- Vacant and Older Commercial

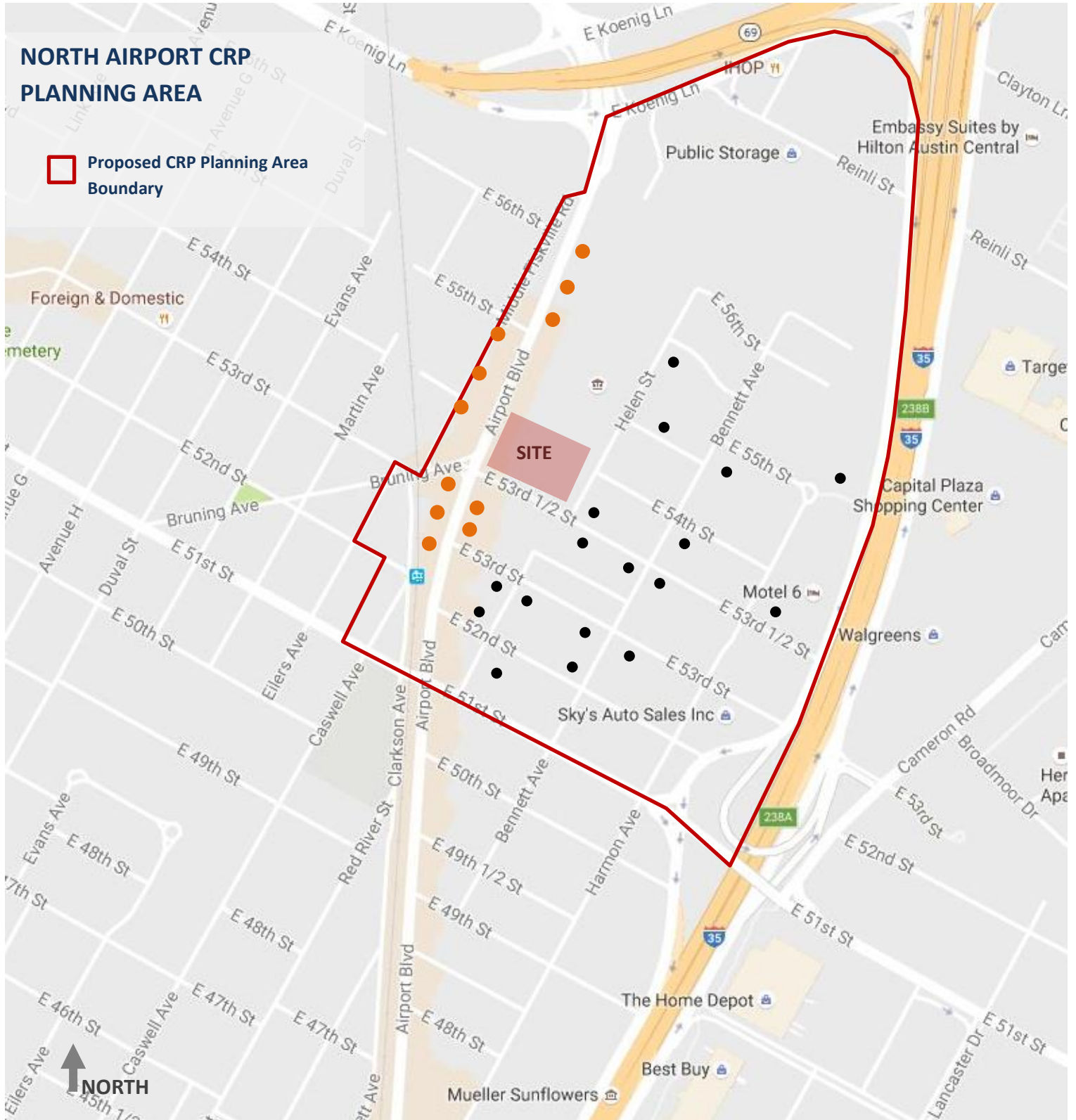


Exhibit A

Aging Single Family Homes





Vacant and Older Commercial



Exhibit B

- Capital Metro Light Rail Stations
- - - Capital Metro Light Rail Line
- Walking route to Station (1.0 mile)

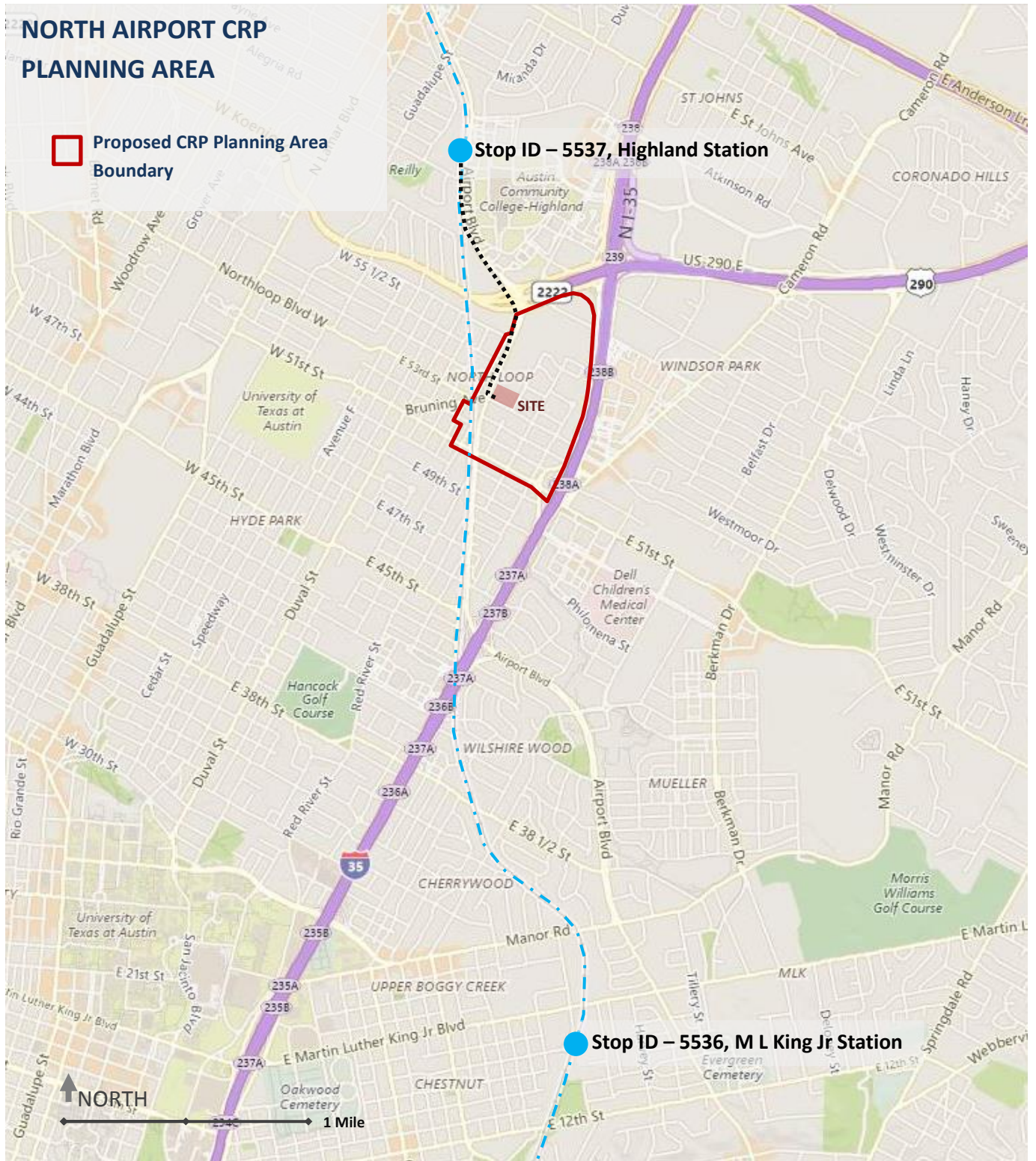


Exhibit C

Infrastructure Neglect and Sidewalk Disrepair



18335

Executive Director's
Response



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Greg Abbott
GOVERNOR

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May 9, 2018

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

Ms. Janine Sisak
DMA Companies
4101 Parkstone Heights Drive, Ste. 310
Austin, TX 78746

RE: APPEAL OF SCORING - 2018 COMPETITIVE HOUSING TAX CREDIT APPLICATION 18335
TRAVIS FLATS

Dear Ms. Sisak:

The Texas Department of Housing and Community Affairs ("the Department") received your appeal dated May 2, 2018, related to the application indicated above. Staff determined that the concerted revitalization plan did not include evidence of sufficient, documented, and committed funding to accomplish its purposes and that there was little evidence in the target area of the problems and issues identified in the plan. As such, points under 10 TAC §11.9(d)(7) related to Concerted Revitalization Plans ("CRP") were not awarded, subject to the Applicant's appeal rights.

The appeal included a letter from Travis County describing their efforts in the area. While the county has certainly expended funds in the past to acquire and upgrade its facilities, I am unable to conclude that the county offered any evidence of any funds spent to improve any property that it does not own, or any funds to improve "neglect, disinvestment, and aged housing stock," and "surface parking and chaotic signage, lots selling used autos and used tires, dilapidated and/or vacant strip malls, and failed business establishments in blighted structures," or "outdated and insufficient infrastructure, unsightly/underutilized properties, lack of affordable housing, poor neighborhood conditions, and underutilized transportation." As a result it appears that the plan would leave it to the City of Austin to expend funds needed to improve such issues, and the county cannot direct how the city uses its funds. Review of the summary of sources and uses for the Application indicates that the county has not provided funding for this development.

The appeal asserts that the neighborhood does indeed suffer from issues described in the plan. Per 10 TAC §11.9(d)(7)(A)(i):

(II) The problems in the revitalization area must be identified through a process in which affected local residents had an opportunity to express their views on problems facing the



area, and how those problems should be addressed and prioritized. These problems may include the following:

(-a-) long-term disinvestment, such as significant presence of residential and/or commercial blight, streets infrastructure neglect such as inadequate drainage, and/or sidewalks in significant disrepair;

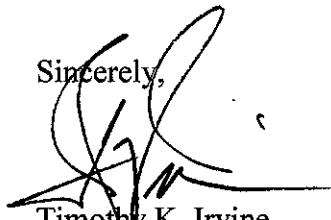
(-b-) declining quality of life for area residents, such as high levels of violent crime, property crime, gang activity, or other significant criminal matters such as the manufacture or distribution of illegal substances or overt illegal activities;

(III) Staff will review the target area for presence of the problems identified in the plan and for targeted efforts within the plan to address those problems. . .

Examples included in the appeal, such as homes that have window units as the sole source of air conditioning, do not appear to meet the letter of this rule. The photographs of the homes may not indicate “disrepair” or “blight,” but, as the heading on the photographs indicates, the homes are “aging.” Aside from a few instances of graffiti, the businesses pictured do not appear blighted, and the bus stop does appear to need significant repair.

That said, the primary reason raised by staff to not grant CRP points for the North Airport Boulevard Revitalization Plan does not appear to be that the area described in the Plan could not be the subject of revitalization. Rather, the tension with the concept of a CRP and the rule is that this is a plan by the County of what to do with its own property, which is within a larger neighborhood that is within the jurisdiction of the City. Accordingly, the interpretive question under the rule is whether the requirement that “[t]he area targeted for revitalization must be larger than the assisted housing footprint and should be a neighborhood . . .” contemplates that the “larger area” (in this case the “neighborhood”) would be within the primary jurisdiction of the county that approves the plan such that the purposes of the plan would extend into that larger area and not be confined to the limited area directly controlled by the county. I am unable to conclude that the points raised in your appeal regarding whether the concerted revitalization plan meets the requirements of 10 TAC §11.9(d)(7)(A) clearly demonstrate that the Application should have been awarded seven points under CRP and, accordingly, I must deny the appeal. I do so without recommendation to the Board as to how they should interpret their rule but note that my focus was on the interpretive issue framed above. If you are not satisfied with this decision, you may file a further appeal with the Board of Directors of the Texas Department of Housing and Community Affairs. Please review §10.902 of the 2018 Uniform Multifamily Rules for full instruction on the appeals process. Should you have any questions, please contact Sharon Gamble, Competitive Tax Credit Program Administrator, at sharon.gamble@tdhca.state.tx.us or by phone at 512-936-7834.

Sincerely,



Timothy K. Irvine
Executive Director

18335

Applicant Appeal
to Board



May 16, 2018

J.B Goodwin
Board Chair
Texas Department of Housing & Community Affairs
P.O. Box 13941
Austin, TX 78701-3941

Re: Travis Flats, Application #18335

Dear Board Chair Goodwin:

This letter appeals Tim Irvine's denial of our appeal dated May 9, 2018 regarding staff determination to award this application 0 points under 10 TAC section 11.9(d)(7) of the 2018 Qualified Allocation Plan ("QAP") related to Concerted Revitalization Plan ("CRP"). We respectfully disagree with TDHCA's analysis and conclusion that the North Airport Boulevard Revitalization Plan ("NABRP" or the "Plan") does not meet the QAP's requirements. In this case, Travis County's North Airport Boulevard Revitalization Plan meets the plain language of the rule in terms of evidencing sufficient, documented, and committed funding to accomplish the purposes set forth in the plan.

Mr. Irvine's response to our appeal focuses on the "interpretive question" under the rule which is "whether the requirement that '[t]he area targeted for revitalization must be larger than the assisted housing footprint and should be a neighborhood . . .' contemplates that the "larger area" (in this case the "neighborhood") would be within the primary jurisdiction of the county that approves the plan such that the purposes of the plan would extend into that larger area and not be confined to the limited area directly controlled by the county."

This is a very long sentence conflating several issues that merit a response in subparts. First, we agree that the rule contemplates that the planning area would be larger than the assisted housing footprint. Here, the assisted housing footprint is small compared to the planning area, and staff does not disagree. Second, we agree that because the rule specifically contemplates a larger area, that the purposes of the plan have to extend into the larger area. The NABRP meets this requirement, on pages 6-8, where it lists purposes and objectives such as improving neighborhood conditions along the corridor frontage, creating a context for sustainable, mixed-use development, improving access and quality of City transportation and infrastructure, among many other purposes, all of which are intended to improve the entire planning area. In this sense, then, we disagree with staff that the purposes of the plan are confined to the limited area directly controlled by the County. The purposes and the objectives simply are not limited in that way, according to the Plan itself. Moreover, the County's holdings in this area, at approximately 13 acres, are not an insignificant portion of the larger planning area, placing the County in a unique position to affect the entire planning area with its targeted redevelopment activities.

Therefore, assuming that the foregoing is accurate, I am left to assume that staff's issue is really a jurisdictional one, since Mr. Irvine mentions this concept of "primary jurisdiction of the county" in outlining the interpretive question, and then later mentions "the tension with the concept of a CRP and the rule is that this is a plan by the County of what to do with its own property, which is within a larger neighborhood that is within the



jurisdiction of the City.” While this latter statement is true, the suggestion that jurisdictions of the City of Austin and of Travis County are mutually exclusive is not accurate. The County has jurisdiction over all of Travis County, not just within the geographic areas that are outside the city limits. Moreover, within the city limits, Travis County need not abide by certain City of Austin planning requirements, such as zoning and development code requirements, for instance. On the other hand, it does not have jurisdiction over roads in the City of Austin; it only has jurisdiction over county roads.

Still, these finer points of jurisdictional issues between Travis County and the City of Austin (which are determined on a very specific basis rather than on a geographic one) are wholly irrelevant within TDHCA rules. The rule specifically allows points for County approved CRPs, with no special provisions for County planning areas that are also within the city limits. If TDHCA wanted to only award points to County plans that covered areas outside of the city limits, then the rule should say that. It does not, however. Therefore, staff’s comments in terms of this plan area being within the City of Austin’s jurisdiction, and not within the County’s primary jurisdiction are misplaced.

Indeed, if the TDHCA rules beg an interpretive question, then the interpretative question should be whether the targeted funding efforts made by either a city or county as outlined in a plan benefit the entire planning area because that question is more compatible with the language of the rule. Here, the answer is unequivocally yes. The NABRP outlines that the County has spent \$40M in this planning area. This investment has benefitted the entire planning area. For example, one of the purposes of the plan is to improve sidewalks and infrastructure within the planning area because they are substandard. The County’s targeted investment is doing that along a significant stretch of Airport Boulevard, and everyone who lives and/or works within the planning area benefits from these sidewalks and street scape infrastructure, even if the area must wait for the City of Austin to make street improvements, which we conceded are under its control. Another purpose of the plan is to create affordable housing within the planning area. The County’s targeted investment is also achieving that purpose with the development of 146 units of mixed income workforce housing in this area. The addition of affordable housing in this planning area benefits all those within the planning area by creating a more diverse housing stock. While it is true that the County is focusing its investments on repositioning its own properties, the County is a public entity that is the largest land holder in this area. It is not a private entity, and that is an important distinction that TDHCA staff fails to acknowledge in its analysis.

To wit, in carrying out these targeted redevelopment activities, Travis County worked closely with the two separate single-family neighborhoods around this area to make sure this redevelopment also resulted in specific improvements to adjacent properties, such as improvements to connectivity and utility capacity. Attached as Exhibit A is the Travis County Resolution for Civic Community Collaboration with the Ridgetop and Northfield Neighborhood Associations that actively affirms the County’s role to “collaborate with residents and the associations in any planning, designing and development of county-owned or leased property on Airport Blvd.” It further affirms that, on behalf of the neighborhood organizations, the County will “support and encourage mixed use development that will include retail space, walking trails and community meeting rooms that will enhance the livability of the community.”

Moreover, in this case, both Travis County and the City of Austin are working together to improve this area. This cooperative approach is also codified in the Resolution in Exhibit A which articulates that Travis County will “work with residents to further the Groundwork for Collaboration Agreement between the City of Austin and the Ridgetop and Northfield Associations.” While sometimes jurisdictions’ planning objectives require different



solutions, Travis County and the City of Austin work together and compromise to achieve their planning objectives in this and other areas in *which their planning objectives are aligned*.

We respectfully request that this issue be heard at the May 24, 2018 board meeting. County Judge Sarah Eckhardt is planning on testifying on the applicant's behalf, so we request that this appeal be prioritized in terms of being heard at the beginning of the meeting because Judge Eckhardt must leave that day at 10 am for a prior commitment. We would greatly appreciate the Board accommodating this request.

We appreciate your time and consideration of this request. Please do not hesitate to contact me should you have additional questions or concerns.

Sincerely,

DMA DEVELOPMENT COMPANY, LLC

A handwritten signature in blue ink, appearing to read "Janine Sisak", with a stylized flourish at the end.

Janine Sisak
Senior Vice President/General Counsel

VS 05-20-2008 Item 4

Travis County Commissioners Court



FILED FOR RECORD
 2008 MAY 27 PM 12: 22
 DAVID REBAUNION
 COUNTY CLERK
 TRAVIS COUNTY, TEXAS

Resolution

Travis County Resolution for Civic Community Collaboration with the Ridgetop and Northfield Neighborhood Associations

WHEREAS, Travis County has decided to relocate some of its core operations to Airport Blvd, between 53 1/2 and Koenig;

WHEREAS, locating governmental offices to these locations will bring an untold number of county residents and other persons to county offices and impact the Ridgetop and Northfield neighborhood planning area;

WHEREAS, the Ridgetop Neighborhood areas have historically been home for numerous non-profit organizations that serve a variety of clients who greatly need the provided services. For example, non-profits such Legal Aid, Child, Inc., Out Youth, Lifeworks Transition Center, the David Powell HIV Clinic, Manos de Cristo and First Workers Day Labor Center. These populations significantly impact the quality of life of area residents; and

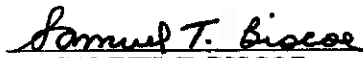
WHEREAS, Travis County desires to be a good neighbor to nearby residents and pledges to work to ensure that resulting impacts are compatible and positive and do not harm or diminish the quality of life of area residents.


NOW, THEREFORE, BE IT resolved that the Commissioners Court commits to do the following:


1. collaborate with residents and the associations in any planning, designing and development of county-owned or leased property on Airport Blvd.;
2. coordinate with MHMR and other non-profit organizations to mitigate any negative impact that the concentration of social service agencies in this area may have on the quality of life of the neighborhood;

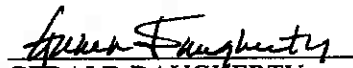
3. support and encourage a mixed use development that will include retail space, walking trails and community meeting rooms that will enhance the livability of the community;
4. consider any development with goals of environmental sustainability and/or "Green Building." Work to partner with Austin Energy on the use of Solar panels, use of rain water, energy conservation maximization, and other similar initiatives; and
5. work with residents to further the Groundwork for Collaboration Agreement between City of Austin and the Ridggetop and Northfield Associations.

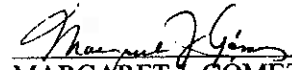
SIGNED AND ENTERED THIS 20th DAY OF MAY, 2008


SAMUEL T. BISCOE
Travis County Judge


RON DAVIS
Commissioner, Pct. 1


SARAH ECKHARDT
Commissioner, Pct. 2


GERALD DAUGHERTY
Commissioner, Pct. 3


MARGARET J. GOMEZ
Commissioner, Pct. 4

6c

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION

MAY 24, 2018

Presentation, discussion, and possible action on a request for the extension of the placement in service deadline under 10 TAC §11.6(5) of the 2016 Qualified Allocation Plan (“QAP”) related to Credits Returns Resulting from Force Majeure Events and a waiver of 10 TAC §10.204(7)(A)(i)(III) related to Financing Requirements for No. 16114, The Veranda Townhomes

RECOMMENDED ACTION

WHEREAS, an award of Competitive (9%) Housing Tax Credits in the amount of \$474,312 to The Veranda Townhomes (the “Development”) was approved by the Board on July 28, 2016;

WHEREAS, staff executed a Carryover Allocation Agreement with the Development Owner on December 12, 2016, that included a certification from the Development Owner that each building for which the allocation was made would be placed in service by December 31, 2018;

WHEREAS, on September 7, 2017, the Board approved an Ownership Transfer and Application Amendment for the Development;

WHEREAS, on April 2, 2018, the Department received from the Development Owner a request to extend the placement in service deadline under the requirements of 10 TAC §11.6(5) related to Credit Returns Resulting from Force Majeure Events;

WHEREAS, a waiver of 10 TAC §10.204(7)(A)(i)(III) related to Financing Requirements is required in order that the Development can access financing required for feasibility;

WHEREAS, other than in situations covered by force majeure, the Department lacks authority to extend federal deadlines for placement in service; and

WHEREAS, the Development Owner has presented evidence that relief under force majeure is appropriate and requirements of the waiver rule have been satisfied.

NOW, therefore, it is hereby

RESOLVED, the request for treatment of The Veranda Townhomes under an application of the force majeure rule and waiver of financing requirements as they relate to amortization are approved, and

FURTHER RESOLVED, that except where prohibited by Federal or state law, the Applicant must continue to follow the 2016 Qualified Allocation Plan and Uniform Multifamily Rules, except that the 2018 10 TAC §11.2 related to the Program Calendar will apply.

BACKGROUND

An award of \$474,312 to The Veranda Townhomes (the “Development”) was approved by the Board on July 28, 2016. The Development proposed the New Construction of 40 Units for the General population in Plano. Staff executed a Carryover Allocation Agreement with the Development Owner on December 12, 2016, that included a certification from the Development Owner that, in order to satisfy the requirements of §42 of the Internal Revenue Code, each building for which the allocation was made would be placed in service by December 31, 2018.

The 2016 HTC Application identified TX Coit Townhomes GP, LLC as the General Partner with a 0.01% ownership interest. The members of the General Partner were proposed to be Plano Housing Corporation (PHC), a nonprofit entity, and Rise Residential Construction, LP (Rise), a certified Historically Underutilized Business (HUB). Rise and PHC were also the co-Developers in the transaction, while Rise alone was proposed as the Guarantor.

In a letter dated June 30, 2017, the attorney for PHC and Banc of America Community Development Corporation (BACDC) requested approval for the transfer of Rise’s membership interest in the General Partner to PHC, making PHC the sole member of the General Partner. The General Partner’s ownership interest was reduced to 0.005%, and BACDC entered the ownership structure of the Development Owner as a Special Limited Partner with a 0.005% ownership interest. Rise withdrew as a co-Developer and Plano Veranda Developers, LLC, ultimately owned by PHC and BACDC, will now be the Developer. BACDC replaces Rise as the Guarantor for the Development.

The ownership transfer request letter explained that, subsequent to the HTC Application for The Veranda, Rise and PHC and their related entities entered into litigation regarding another development located in Collin County, and the issues raised in connection with that litigation made it difficult to cooperate in The Veranda and #15247 City Square Apartment Homes. Therefore, Rise and PHC concluded to terminate their partnership in this Development and entered into a Letter Agreement setting out the details of Rise’s withdrawal. A simultaneous ownership transfer request for PHC’s exit from City Square Apartment Homes was submitted. PHC continued with The Veranda Townhomes. Rise has continued with City Square Apartment Homes, which was granted relief under the force majeure rule on December 14, 2017.

The Owner has made a significant investment in the Development, including purchase of the land for \$3,185,019, and additional costs totaling \$506,415 as of the date of the request. The request is accompanied by support letters from the City of Plano, and Representative Matt Shaheen.

As a result of the ownership change, along with increased construction costs, the Applicant had to seek new financing for the Development. As part of their request they have submitted new application exhibits and supporting documentation for REA review including updated rent schedule, annual operating expenses and proforma, development cost schedule, and sources and uses.

Waiver request

Regarding the revised financing structure, Mason Joseph has replaced Keybank's \$6.2 Million conventional loan ([35/15 @ 5.67%](#)) with a FHA221d4 loan totaling \$7 Million, which is broken into two tranches:

Tranche A - \$4,470,000 at 4.15% amortized over 40 years.

Tranche B - \$2,555,000 at 4.15% amortized over 20 years (the term of the project-based voucher contract)

Debt Coverage Ratio on the full debt service of the two tranches is 1.14; therefore, the Underwriter reduced Tranche A by \$84 Thousand in order to achieve a 1.15 DCR

Staff has identified the need for a waiver of §10.204(7)(A)(ii)(III) related to Financing Requirements for the Tranche B loan, which is amortized for 20 years, where the rule requires amortization on permanent debt no less than 30 years. 10 TAC §10.207(1) regarding Waiver of Rules requires that the waiver request establish how the need for the waiver was both not reasonably foreseeable and was not preventable by the Applicant. This has been established by elements of the force majeure request. The waiver meets the requirement in 10 TAC §10.207(2) in that it serves the purpose described in §2306.001(1)(A), which requires the Department to assist local governments in providing essential public services for their residents. The letter of support from the City Manager of Plano states, “Providing affordable housing options for Plano residents is important to our community and Veranda Townhomes assist in fulfilling an identified housing need.”

Force Majeure request

On April 2, 2018, the Department received from the Development Owner a request to extend the placement in service deadline from December 31, 2018, to December 31, 2019, with the possibility of one 90-day extension, under the requirements of 10 TAC §11.6(5) related to Credits Returned Resulting from Force Majeure Events. This rule allows a Development Owner to return issued credits within three years of award and have those credits re-allocated to the Development outside of the usual regional allocation system if all of the requirements of the subsection are met. Pursuant to 10 TAC §11.6(5), the Department’s Governing Board may approve the execution of a current program year Carryover Allocation Agreement regarding the returned credits with the Development Owner that returned such credits only if:

(A) The credits were returned as a result of “Force Majeure” events that occurred after the start of construction and before issuance of Forms 8609. Force Majeure events are the following sudden and unforeseen circumstances outside the control of the Development Owner: acts of God such as fire, tornado, flooding, significant and unusual rainfall or subfreezing temperatures, or loss of access to necessary water or utilities as a direct result of significant weather events; explosion; vandalism; orders or acts of military authority; litigation; changes in law, rules, or regulations; national emergency or insurrection; riot; acts of terrorism; supplier failures; or materials or labor shortages. If a Force Majeure event is also a presidentially declared disaster, the Department may treat the matter under the applicable federal provisions. Force Majeure events must make construction activity impossible or materially impede its progress; (emphasis added)

Litigation

The rule describes a force majeure event as “sudden and unforeseen circumstances outside the control of the Development Owner.” In this case, the litigation described in the request was between GEH and Rise, the two members of the general partner entity at the time of Application. In the request for extension of the deadline for the Development to be placed in service, the Development Owner states:

The Lawsuit delayed Owner by approximately 4 months, from February 2017 when the Lawsuit was filed until June 1, 2017, when Owner was finally able to acquire the land that was under Rise's control. In truth, the deterioration in the relationship that resulted in the Lawsuit created delays even before the Lawsuit was filed.

And later:

PHC and Rise agreed to partner on several Tax Credit development projects. The first such project was called Savannah at Gateway (TDHCA No. 14414). Subsequently, PHC and Rise jointly applied for and received Tax Credit awards for two more projects – City Square Lofts (TDHCA No. 15247) and The Veranda Townhomes (TDHCA No. 16114), the latter being the subject of this request.

During the course of construction and lease up of Savannah at Gateway, disputes arose between PHC, Rise, and their affiliates. Litigation ensued and the matter was ultimately settled. However, the situation subverted the relationship between Non-Profit and Rise in such a way that it was impossible for them to continue to work together on City Square Lofts and The Veranda Townhomes. As part of the overall settlement, they agreed that Rise would proceed with City Square Lofts and Non-Profit would proceed with The Veranda Townhomes.

This same litigation was presented by Rise as part of the reason for their force majeure request for City Square Apartment.

Materials or Labor Shortages

In the request, the Development Owner indicates that the Houston-based General Contractor resigned as a direct result of Hurricane Harvey in December 2017, and provides a letter from the Contractor. They believe that if the Contractor has not resigned, they would have been able to timely complete the Development under the original allocation. According to the timeline included in the request, a new contractor was selected in late February, 2018. The change in contractor, along with the time required to process the force majeure request make it impossible for the Development to be placed in service by original deadline.

If the Board grants the requested treatment under application of the force majeure rule, the Development Owner will return \$474,312 in credits. The credits will be returned to the Development Owner with a 2018 Carryover Allocation Agreement and a new date for the Development to be placed in service will be documented. Except as prohibited by Federal or state law, the Development will continue to be subject to the 2016 Qualified Allocation Plan and Uniform Multifamily Rules in place at the original award, except that 10 TAC §11.2 related to the Program Calendar for 2018 will apply.

16114 Veranda Townhomes

Force majeure request



600 Congress, Suite 2200
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Telephone: 512-305-4700
Fax: 512-305-4800
www.lockelord.com

Cynthia L. Bast
Direct Telephone: 512-305-4707
Direct Fax: 512-391-4707
cbast@lockelord.com

April 2, 2018

Mr. Rosalio Banuelos
Asset Management
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

Re: The Veranda Townhomes in Plano, Texas (the "**Development**")
TDHCA No. 16114

Dear Rosalio:

Our firm represents TX Coit Townhomes, LP ("**Owner**") and this letter is sent on its behalf. Owner is controlled by its General Partner, TX Coit Townhomes GP, LLC, the sole member of which is Plano Housing Corporation, a Texas non-profit corporation ("**Non-Profit**"). Owner received an allocation of low-income housing tax credits ("**Tax Credits**") from the Texas Department of Housing and Community Affairs ("**TDHCA**") for the construction of the Development. Pursuant to Section 42(h)(1)(E)(i) of the Internal Revenue Code, Owner is required to place the Development into service by December 31, 2018. Unfortunately, due to matters described below, construction of the Development was significantly delayed, and Owner is not be able to place the Development into service prior to the end of the current year. Therefore, we request the Owner be permitted to return the Tax Credits and have them reissued in accordance with Section 11.6(5) of the Qualified Allocation Plan, which will effectively extend the date by which the Development must be placed into service.

Prior Actions by TDHCA

This request is a companion to a request approved by the Board at its meeting on December 14, 2017 with respect to City Square Lofts. Specifically, Non-Profit and Rise Residential Construction, LP ("**Rise**") agreed to partner on several Tax Credit development projects. The first such project was called Savannah at Gateway (TDHCA No. 14414). Subsequently, Non-Profit and Rise jointly applied for and received Tax Credit awards for two more projects – City Square Lofts (TDHCA No. 15247) and The Veranda Townhomes (TDHCA No. 16114), the latter being the subject of this request.

During the course of construction and lease up of Savannah at Gateway, disputes arose between Non-Profit, Rise, and their affiliates. Litigation¹ ensued and the matter was ultimately settled. However, the situation subverted the relationship between Non-Profit and Rise in such a way that it was impossible for them to continue to work together on City Square Lofts and The Veranda Townhomes. As part of the overall settlement, they agreed that Rise would proceed with City Square Lofts and Non-Profit would proceed with The Veranda Townhomes.

Thus, at the September 7, 2017 meeting of TDHCA's Board, the Board approved Non-Profit's withdrawal from the City Square Lofts transaction and Rise's withdrawal from The Veranda Townhomes transaction. Then, on December 14, 2017, TDHCA's Board approved a return and reissuance of Tax Credits for City Square Lofts, based upon force majeure events. The Lawsuit was considered as a force majeure factor.

Activity to Date on The Veranda Townhomes

The Tax Credits for the Development were awarded in July 2016. Owner returned its commitment notice, signed its carryover agreement, and proceeded with the Development in regular fashion. It began working with construction professionals in late January and early February of 2017. The Lawsuit was filed on February 20, 2017, stalling Development activity. When it became apparent that the Lawsuit would be settled, Non-Profit reinstated activity, even before the settlement agreement was finalized. Banc of America Community Development Corporation ("**BOA**") agreed to provide Non-Profit with support as co-developer. Non-Profit admitted BOA to Owner for financing and acquired the land upon which the Development would be constructed with a total closing cost of \$3,185,019.89. Owner proceeded with its construction professionals and realized that unanticipated increases in construction costs (approximately 10% based upon TDHCA underwriting) put its budget out of balance. It submitted a proposed Development amendment to TDHCA to change the unit mix and amenities, which would reduce the overall square footage and construction costs. TDHCA's Board approved this amendment on September 7, 2017. With that amendment approved, Owner engaged its contractor in October 2017, with construction to be completed by October 2018. With only 40 units in the Development, a 12-month construction schedule is reasonable.

Near the end of 2017, Owner's Houston-based contractor resigned from the job, citing the impacts of Hurricane Harvey, which had flooded and damaged the contractor's office. In addition, the contractor noted that the hurricane had caused a spike in costs of more than 30%. Therefore, the contractor could not honor its bid on the job. Finally, the contractor noted the lack of available personnel because of hurricane factors. A copy of the contractor's letter is attached as Exhibit A.

¹ Cause No. 219-00823-2017 in the District Court of Collin County, Texas, 219th Judicial District (the "**Lawsuit**").

The loss of the contractor and the further increased costs stemming from Hurricane Harvey caused Non-Profit and BOA to reevaluate the construction budget. It was determined, for a second time, that the construction costs had increased by about \$700,000, and changes would need to be made. Owner and BOA decided that the 40-year amortization and low interest rate of a HUD-insured mortgage would be required for financial feasibility. Owner immediately began to seek HUD-qualified contractors to re-bid the Development, which took approximately 3 months. Owner also met with several HUD lenders and chose Mason Joseph in late January 2018. A new contractor was selected in late February 2018 after the bidding process.

A complete timeline for Owner's activity with respect to the Development is attached as Exhibit B. Along with this activity comes the expenditure of significant funds. To date, Owner has spent nearly \$3,700,000 on Development related activities. A budget of expenditures is attached as Exhibit C.

Owner now has all of the pieces in place to complete the Development:

- Ownership changes approved by TDHCA
- Contracts with all construction professionals in place and site plan approval from the City
- Land acquired and construction plans are permit-ready
- Amendment to unit mix approved by TDHCA
- Remarkably, Enterprise has held its equity offer at \$1.03
- A HUD lender and HUD-qualified general contractor
- AHP grant to assist with cost overruns
- 40 Walker Housing Vouchers

Force Majeure Events

The challenges met by Owner and the Development fit within the definition of Force Majeure:

- "sudden and unforeseen circumstances"
- "out of the control of the Development Owner", including
- "acts of God"
- "litigation", or
- "materials or labor shortages"

The two events that impacted Owner most seriously were the Lawsuit and the loss of the contractor, the latter event being caused in part by Hurricane Harvey. The Lawsuit delayed Owner by approximately 4 months, from February 2018 when the Lawsuit was filed until June 1, 2018, when Owner was finally able to acquire the land that was under Rise's control. In truth, the deterioration in

the relationship that resulted in the Lawsuit created delays even before the Lawsuit was filed. Even with the delays of the Lawsuit, Owner could have completed the Development by the original deadline of December 31, 2018, had the contractor not resigned in December 2017. Loss of the contractor constitutes a labor and materials shortage and is estimated by Owner to have delayed the Development another 6 months.

These events were "sudden and unforeseen" and certainly outside Owner's control. Neither Owner nor Non-Profit was responsible for the activities that led to the Lawsuit; neither Owner nor Non-Profit anticipated the Lawsuit at the time the application for the Development was filed in March 2016.

Request

We request that Owner be permitted to return the Tax Credits and that TDHCA reallocate the Tax Credits to Owner in the current year pursuant to the "Force Majeure" provisions in Section 11.6(5) of the Qualified Allocation Plan. We believe Owner and the Development meet all of the requirements of Section 11.6(5), in that:

1. The delays were a direct result of the Lawsuit and labor and materials shortages, the latter of which were an indirect result of Hurricane Harvey.
2. The delays were not caused by willful negligence or acts of Owner, any Affiliate, or any other Related Party.
3. Evidence of the delays is submitted herewith.
4. Despite the challenges, Owner took reasonable and even extraordinary steps to mitigate the delay. Owner worked with its development partner, BOA, and its construction professionals to advance the Development in the face of uncertainty. It spent nearly \$3.2 million to acquire the land before the Lawsuit was formally settled and before it had the certainty that TDHCA would approve the amendments that would be required. It maintained regular contact with TDHCA staff so that the Department would be aware of the status of the Development. It pursued additional funding sources promptly when cost increases arose.
5. The Force Majeure events prevent Owner from meeting the placement in service requirements of the original allocation.
6. The requested current year Carryover Agreement would allocate the same amount of Tax Credits as those that would be returned.

Mr. Rosalio Banuelos
April 2, 2018
Page 5

7. The Development continues to be financially viable.

This request from Owner has received support from the City Manager of Plano and Representative Matt Shaheen. See the letters attached as Exhibit D.

We sincerely appreciate your assistance with this matter and ask that it be considered at the April 26, 2018 Board meeting. Owner suggests that, if this request is granted, a deadline to place the Development into service by December 31, 2019 be imposed, with the possibility of one 90 day extension. Please feel free to contact me with any questions.

Sincerely,



Cynthia Bast

cc: Jean Brown
Steve Brown
Brian Roop
Owner

Marni Holloway
Raquel Morales
TDHCA

Exhibit A - Contractor's Resignation Letter
Exhibit B - Timeline of Development Activity
Exhibit C - Summary of Expenditures to Date
Exhibit D - Support Letters

Exhibit A

Contractor's Resignation Letter



Astro Builders
3134 Parker Rd
Houston, TX 77093

February 13, 2018

To: Steve C. Brown
Carl Franklin Homes, L.C.
Green Extreme Homes, CDC
Plano Housing Corporation

From: Mike Seimer, Operations, Astro Builders

Subject: Veranda Townhomes

Dear Mr. Brown:

The purpose of this memorandum is to provide you an explanation as to why Astro Builders was forced to withdraw from the Veranda Townhome Project at the last minute at the end of 2017. First, please allow me to state how grateful we were to have been selected as the General Contractor for that fantastic project. I can assure you that much time, energy and effort went into that project and the decision to withdraw was not taken lightly or without serious deliberation.

The reasons for our withdrawal stem, in part, from Hurricane Harvey and the tremendous damage it inflicted upon the city of Houston where we are based and to our offices specifically which sustained heavy flooding and damage. We were flooded with water and power was not able to be restored for a significant period of time. It was indeed, as has been described by most, as the worst natural disaster in our city's history.

The after and collateral effects of this disaster were widespread to the extent that prices for almost everything we bid increased to over 30% thus causing Astro to reevaluate our bid for the development of the Veranda Townhomes Project. These increased costs, the damage to our offices, and the inability to draw upon many of our people for the project forced us to withdraw at the last minute thus wasting a great deal of our hard work and preparation for this project.

We thank everyone who shared their prayers and provided assistance to us and the numerous others who lost much during the storm.

Respectfully,

Mike Seimer
Astro Builders
3134 Parker Road
Houston Texas 77093

Exhibit B

Timeline of Development Activity

Exhibit B

Timeline of Development Activity

(Items highlighted in pink are items related to force majeure delays)

<u>Date</u>	<u>Activity</u>
July 2016	Development receives Tax Credit allocation at TDHCA Board meeting
August 2016	Development receives Commitment Notice from TDHCA
September 2016	Development signs and returns Commitment Notice
date	Development submits carryover package to TDHCA
date	TDHCA signs carryover agreement
January 27, 2017	Owner receives proposal from civil engineer Zoning and entitlements are in place
February 10, 2017	Owner receives proposal from architect
February 20, 2017	Lawsuit is filed
May 2017	Owner applies to Dallas Housing Authority for 40 Walker Housing Vouchers, covering all of the units in the Development
May 8, 2017	Owner obtains letter of intent from KeyBank for permanent loan
May 16, 2017	Owner obtains letter of intent from Enterprise for equity
May 17, 2017	Owner obtains letter of intent from BOA for construction loan
May 24, 2017	Owner has scheduled meeting with architect
May 31, 2017	Rise agreed in principal to withdraw from the project Assignment of Membership Interest in the General Partner is executed
May 31, 2017	Owner enters into a partnership agreement with BOA Owner borrows \$270,000 from BOA, guaranteed by Non-Profit Owner receives \$3,200,000 equity contribution from BOA Owner enters into Development Agreement with Non-Profit
June 1, 2017	Owner purchases land for Development
June 8, 2017	Owner enters into contracts for civil engineer and architect
June 5, 2017	Owner obtains proposal for landscape engineer
June 27, 2017	Owner enters into contract with landscape engineer
June 29, 2017	Design meeting, including scheduling
June 30, 2017	Request submitted to TDHCA for ownership change for City Square Lofts and The Veranda Townhomes.
July 14, 2017	Owner receives geotechnical report.
July 24, 2017	Request submitted to TDHCA for amendment of application, due to construction cost spike.
August 9, 2017	Contractor responds to request for information from TDHCA, in connection with amendment request.
August 15, 2017	Settlement Agreement for Lawsuit signed
September 7, 2017	TDHCA Board approves change of ownership of Owner and amendment request
October 2017	Owner receives AHP grant of \$300,000

October 16, 2017	Contractor engaged
November 19, 2017	Owner receives approval for rent vouchers for Development
December 11, 2017	City approves site plan for Development
December 2017	Contractor resigns
December 2017	Owner begins re-bidding for the general contractor
January 2018	Owner meets with several HUD lenders and selects Mason Joseph
late February 2018	Owner selects new general contractor
March 9, 2018	Owner sends revised financing package to TDHCA for underwriting review

Exhibit C

Summary of Expenditures to Date

Coit & McDermott Land Acquisition

Statement of Cost

June 1, 2017

Cost Related to Original Land Acquisition

Total Original Land Acquisition Cost 2,688,227.30

RR/Fisher: verified Cost

Architectural - BGO	10,480.00
2016 Real Estate Taxes	67,713.74
TDHCA Fees	22,350.00
Appraisal - BBG inv - 011160031200	2,875.00
Interest Carry - Per Loan History Statement thru 03/20/2017	197,600.00
Landscaping - Greenforest & Ever Perez	14,651.66
Civil - RKM & Associates	20,750.00

336,420.40

TOTAL TO RR/FISHER:

\$ 3,024,647.70

RR/Fisher: Current Title Company Submitted

Appraisal	2,875.00
Broker/Legal	50,000.00
Market Study	6,250.00
Insurance	11,250.00
RR/Fisher - reimbursement Insurance for 5 months	3,750.00
Interest Carry - 03/21/2017 - 05/31/2017 or 72 days	31,199.76

TOTAL TO RR/FISHER requested reimbursement:

\$ 105,324.76

TOTAL TO RR/FISHER:

\$ 3,129,972.46

Seller Legal: John Shackelford

\$ 10,000.00

Buyer Legal: Coats Rose

\$ 27,870.73

Total:

\$ 3,167,843.19

BACDC Acquisition Cost

BACDC Insurance	1,401.75
Escrow Fee	500.00
Owner's Title Insurance	15,004.00
State of Texas Policy Guaranty Fee	3.00
Lender's Title Insurance	100.00
State of Texas Policy Guaranty Fee	3.00
Tax Certificate	50.95
Recording Fee	6.00
Recording Charges	108.00

Total

\$ 17,176.70

Total Acquisition Cost

\$ 3,185,019.89

1:25 PM
03/09/18
Accrual Basis

TX Coit Townhomes GP LLC
Expenses by Vendor Summary
April 1, 2017 through March 9, 2018

	<u>Apr 1, '17 - Mar 9, 18</u>
Bank of America CDC	87,452.51
Bank of America Construction loan fee	15,000.00
BGO Architects	149,989.23
Brown & Gay Engineers, Inc.	72,077.95
City of Plano Permit fees	22,951.74
Coats Rose	12,444.70
Davis Craig Taylor	2,112.00
Design & Construction Solutions, LLC	39,861.84
Gilbert Pena	1,340.00
KeyBank Real Estate Capital	19,623.00
Mas-D Environmental	825.00
Meeks Design Group	11,500.00
Novogradic & Company LLP	6,306.67
Ryan, Hartmann, Friedel Company	2,750.00
Tax Assessor Collector Collin County	47,180.55
Texas Dept of Housing & Community Affairs	10,000.00
Valbridge Property Advisors	5,000.00
TOTAL	<u>506,415.19</u>

Exhibit D

Support Letter



City of Plano
1520 K Avenue
Plano, TX 75074

P.O. Box 860358
Plano, TX 75086-0358
Tel: 972.941.7000
plano.gov

March 21, 2018

Texas Department of Housing and Community Affairs
Attn: Tim Irvine
Executive Director
221 11th Street
Austin, TX 78701

RE: Tax credit allocation #16114 Veranda Townhomes
Request for exchange of credits

Dear Mr. Irvine,

The City of Plano provided written support of the Veranda Townhomes development via Resolution No. 2016-4-9(R) on January 11, 2016. The City continues to be in support of this development, as it presents a unique opportunity to provide affordable housing in an area that has a poverty rate of 10% or less, deemed a high opportunity area. Specifically, the project area has a poverty rate of 2.3% per the U.S. Census Bureau's 2016 American Community Survey data.

We are in support of the TDHCA approving an exchange of credits for Veranda Townhomes to move forward with construction. Providing affordable housing options for Plano residents is important to our community and Veranda Townhomes assist in fulfilling an identified housing need.

We respectfully ask that the TDHCA Board approve an exchange of credits for the 2016 allocation.

Sincerely,

BRUCE D. GLASSCOCK
City Manager

STATE of TEXAS
HOUSE of REPRESENTATIVES



Matt Shaheen
District 66

March 29, 2018

Texas Department of Housing & Community Affairs
Tim Irvine, Executive Director
221 11th Street
Austin, Texas 78701

RE: Tax credit allocation #16-144 Veranda Townhomes
Request for exchange of credits

Mr. Irvine:

My office provided written support of the Veranda Townhomes development in 2016. I continue to be in support of this development as I understand it has broad community support, and it has been presented to me as serving veterans and family households in District 66.

I am in support of the TDHCA approving an exchange of credits for Veranda Townhomes to move forward with construction. The project would benefit numerous individuals in need of housing options in District 66, and I believe an approval of an exchange of credits for the 2016 is appropriate under the circumstances.

I respectfully ask that the TDHCA board approve an exchange of credits for the 2016 allocation.

Sincerely,

A handwritten signature in black ink that reads "Matt Shaheen".

Matt Shaheen
State Representative



16114 Veranda Townhomes

Addendum to Underwriting Report



Addendum to Underwriting Report

TDHCA Application #: **16114** Program(s): **9% HTC**

Veranda Townhomes

Address/Location: Northeast corner of Coit and McDermott Rd

City: Plano County: Collin Zip: 75025

APPLICATION HISTORY	
Report Date	PURPOSE
05/14/18	Force Majeure Re-evaluation
08/22/17	Application Amendment
07/24/16	New Application - Initial Underwriting

ALLOCATION

TDHCA Program	Previous Allocation				RECOMMENDATION*				
	Amount	Rate	Amort	Term	Amount	Rate	Amort	Term	Lien
LIHTC (0% Credit)	\$474,312				\$474,312				

* Subject to approval of Board waiver of §10.204(7)(A)(ii)(III) for a 20 year amortization on the proposed permanent debt.

SET-ASIDES

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	3
50% of AMI	50% of AMI	9
60% of AMI	60% of AMI	8

ANALYSIS

Owner awarded \$474,312 of annual tax credits out of the 2016 tax credit cycle. Subsequently, in September of 2017, the TDHCA Board approved an Amendment to the original Application. Due to the impacts of Hurricane Harvey at the end of 2017, which resulted in the resignation of Owner's Houston-based contractor, the Owner will be unable to place the buildings in service prior to the December 31, 2018 deadline (a Section 42 of IRC requirement). Owner is requesting permission to return the 2016 credit allocation and that TDHCA reallocate the Tax Credits to Owner in the current year pursuant to the "Force Majeure" provisions in Section 11.6(5) of the Qualified Allocation Plan.

The Owner has submitted new application exhibits and supporting documentation for REA review, including updated rent schedule, annual operating expenses and proforma, development cost schedule, and sources and uses.

Operating Pro Forma

Applicant's revised pro forma is within 5% of Underwriter's; therefore the Applicant's pro forma continues to be used for analysis. Although no changes to the Walker Project-Based Vouchers (PBV) were reported, total income has increased \$2.2K as a result of slight decrease in the utility allowances. Applicant's total income and expenses have also increased by nominal amounts.

A 5% vacancy was assumed as permitted in developments with 100% project-based rental assistance per 2018 Multifamily Uniform Rules §10.302(d)(1)(C).

Development Cost

Total Development Cost increased 26% (~\$842K) from previous underwriting; however current costs are based on permit-ready plans reviewed by third party entities.

Sources of Funds

Mason Joseph has replaced Keybank's \$6.2M conventional loan (35/15 @ 5.67%) with a FHA 221d4 loan totaling \$7M, which is broken into two tranches:

Tranche A - \$4,470,000 at 4.15% amortized over 40 years.

Tranche B - \$2,555,000 at 4.15% amortized over 20 years (the term of the project-based voucher contract).

DCR on the full debt service of the two tranches is 1.14 times; therefore, the Underwriter reduced Tranche A by \$84K in order to achieve a 1.15 DCR.

Additionally, Tranche B will require a Board waiver of §10.204(7)(A)(ii)(III) for an amortization on permanent debt less than 30 years.

Finally, the previously anticipated \$250K private grant from Enterprise has been replaced by a fully awarded \$300K grant from The Federal Home Loan Bank of Dallas.

The current analysis continues to support the original annual credit allocation of \$474,312. No change in the approved credit allocation is being recommended at this time.

Underwriter:	<u>Diamond Unique Thompson</u>
Manager of Real Estate Analysis:	<u>Thomas Cavanagh</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>

UNIT MIX/RENT SCHEDULE
Veranda Townhomes, Plano, 9% HTC #16114

LOCATION DATA	
CITY:	Plano
COUNTY:	Collin
Area Median Income	\$73,400
PROGRAM REGION:	3

UNIT DISTRIBUTION							
# Beds	# Units	% Total	Assisted	MDL	Income	# Units	% Total
Eff	-	0.0%	0	0	30%	3	7.5%
1	-	0.0%	0	0	40%	-	0.0%
2	36	90.0%	36	0	50%	9	22.5%
3	4	10.0%	4	0	60%	8	20.0%
4	-	0.0%	0	0	MR	20	50.0%
TOTAL	40	100.0%	40	-	TOTAL	40	100.0%

Pro Forma ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	50.00%
APP % Acquisition	3.39%
APP % Construction	9.00%
Average Unit Size	1,126 sf

UNIT MIX / MONTHLY RENT SCHEDULE																					
HTC		RENT ASSISTED UNIT		UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS				MARKET RENTS		
Type	Gross Rent	Type	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Utility Allow	Max Net Program Rent	Delta to Max	Rent psf	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent psf	Delta to Max	Underwritten	Mrkt Analyst	
MR		PBV	\$1,600	6	2	2	1,083	\$1,600	\$85		NA	\$1.40	\$1,515	\$9,090	\$9,090	\$1,515	\$1.40	NA	\$1,515	\$1.40	\$1,575
MR		PBV	\$1,600	4	2	2	1,083	\$1,600	\$85		NA	\$1.40	\$1,515	\$6,060	\$6,060	\$1,515	\$1.40	NA	\$1,515	\$1.40	\$1,575
TC 30%	\$495	PBV	\$1,600	2	2	2	1,096	\$1,600	\$85	\$1,515	\$0	\$1.38	\$1,515	\$3,030	\$3,030	\$1,515	\$1.38	\$0	\$1,515	\$1.38	\$1,575
TC 50%	\$826	PBV	\$1,600	8	2	2	1,096	\$1,600	\$85	\$1,515	\$0	\$1.38	\$1,515	\$12,120	\$12,120	\$1,515	\$1.38	\$0	\$1,515	\$1.38	\$1,575
TC 60%	\$991	PBV	\$1,600	4	2	2	1,096	\$1,600	\$85	\$1,515	\$0	\$1.38	\$1,515	\$6,060	\$6,060	\$1,515	\$1.38	\$0	\$1,515	\$1.38	\$1,575
TC 60%	\$991	PBV	\$1,600	2	2	2	1,096	\$1,600	\$85	\$1,515	\$0	\$1.38	\$1,515	\$3,030	\$3,030	\$1,515	\$1.38	\$0	\$1,515	\$1.38	\$1,575
MR		PBV	\$1,600	2	2	2	1,129	\$1,600	\$85		NA	\$1.34	\$1,515	\$3,030	\$3,030	\$1,515	\$1.34	NA	\$1,515	\$1.34	\$1,575
TC 60%	\$991	PBV	\$1,600	1	2	2	1,138	\$1,600	\$85	\$1,515	\$0	\$1.33	\$1,515	\$1,515	\$1,515	\$1,515	\$1.33	\$0	\$1,515	\$1.33	\$1,575
MR		PBV	\$1,600	7	2	2	1,138	\$1,600	\$85		NA	\$1.33	\$1,515	\$10,605	\$10,605	\$1,515	\$1.33	NA	\$1,515	\$1.33	\$1,575
TC 30%	\$572	PBV	\$2,163	1	3	2	1,297	\$2,163	\$105	\$2,058	\$0	\$1.59	\$2,058	\$2,058	\$2,058	\$2,058	\$1.59	\$0	\$2,058	\$1.59	\$2,100
TC 50%	\$954	PBV	\$2,163	1	3	2	1,297	\$2,163	\$105	\$2,058	\$0	\$1.59	\$2,058	\$2,058	\$2,058	\$2,058	\$1.59	\$0	\$2,058	\$1.59	\$2,100
TC 60%	\$1,145	PBV	\$2,163	1	3	2	1,350	\$2,163	\$105	\$2,058	\$0	\$1.52	\$2,058	\$2,058	\$2,058	\$2,058	\$1.52	\$0	\$2,058	\$1.52	\$2,100
MR		PBV	\$2,163	1	3	2	1,350	\$2,163	\$105		NA	\$1.52	\$2,058	\$2,058	\$2,058	\$2,058	\$1.52	NA	\$2,058	\$1.52	\$2,100
TOTALS/AVERAGES:				40			45,022				\$0	\$1.39	\$1,569	\$62,772	\$62,772	\$1,569	\$1.39	\$0	\$1,569	\$1.39	\$1,628

ANNUAL POTENTIAL GROSS RENT:	\$753,264	\$753,264
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STABILIZED PRO FORMA

Veranda Townhomes, Plano, 9% HTC #16114

STABILIZED FIRST YEAR PRO FORMA																
COMPARABLES			APPLICANT				PRIOR REPORT			TDHCA				VARIANCE		
Database	Collin County		% EGI	Per SF	Per Unit	Amount	8-22-17 Amendment	Applicant Original	TDHCA Original	8-22-17 Amendment	Amount	Per Unit	Per SF	% EGI	%	\$
POTENTIAL GROSS RENT				\$1.39	\$1,569	\$753,264	\$745,584	\$624,360	\$626,280	\$745,584	\$753,264	\$1,569	\$1.39		0.0%	\$0
0					\$0.00	\$0	\$1,200	9,600								
0					\$0.00	\$0	\$4,680	27,468								
CATV, late fees, etc.					\$50.00	\$24,000	\$3,000	0								
Total Secondary Income					\$50.00				27,120	8,880	\$24,000	\$50.00			0.0%	\$0
POTENTIAL GROSS INCOME						\$777,264	\$754,464	\$661,428	\$653,400	\$754,464	\$777,264				0.0%	\$0
Vacancy & Collection Loss				5.0% PGI		(38,863)	(37,723)	(46,300)	(49,005)	(37,723)	(38,863)	5.0% PGI			0.0%	-
Rental Concessions						-	-	0			-				0.0%	-
EFFECTIVE GROSS INCOME						\$738,401	\$716,741	\$615,128	\$604,395	\$716,741	\$738,401				0.0%	\$0

General & Administrative	\$23,846	\$596/Unit	11,925	\$298	4.88%	\$0.80	\$900	\$36,000	\$6,888	\$18,850	\$21,982	\$19,112	\$23,846	\$596	\$0.53	3.23%	51.0%	12,154
Management	\$22,271	6.0% EGI	16,281	\$407	3.65%	\$0.60	\$674	\$26,942	\$35,822	\$24,605	\$30,220	\$35,837	\$36,920	\$923	\$0.82	5.00%	-27.0%	(9,978)
Payroll & Payroll Tax	\$40,975	\$1,024/Unit	44,439	\$1,111	5.42%	\$0.89	\$1,000	\$40,000	\$45,000	\$39,000	\$38,409	\$38,409	\$40,975	\$1,024	\$0.91	5.55%	-2.4%	(975)
Repairs & Maintenance	\$31,598	\$790/Unit	15,946	\$399	3.22%	\$0.53	\$594	\$23,750	\$25,890	\$22,000	\$24,000	\$24,000	\$24,000	\$600	\$0.53	3.25%	-1.0%	(250)
Electric/Gas	\$10,641	\$266/Unit	8,218	\$205	1.63%	\$0.27	\$300	\$12,000	\$8,800	\$5,000	\$8,218	\$8,218	\$10,440	\$261	\$0.23	1.41%	14.9%	1,560
Water, Sewer, & Trash	\$25,262	\$632/Unit	19,058	\$476	2.38%	\$0.39	\$440	\$17,600	\$40,468	\$35,520	\$35,040	\$35,568	\$35,568	\$889	\$0.79	4.82%	-50.5%	(17,968)
Property Insurance	\$13,397	\$0.30/sf	9,377	\$234	1.90%	\$0.31	\$350	\$14,000	\$16,542	\$17,500	\$17,500	\$16,542	\$13,397	\$335	\$0.30	1.81%	4.5%	603
Property Tax (@ 50%) 2.2282	\$26,192	\$655/Unit	20,360	\$509	8.13%	\$1.33	\$1,500	\$60,000	\$55,000	\$26,000	\$41,785	\$52,217	\$49,241	\$1,231	\$1.09	6.67%	21.9%	10,759
Reserve for Replacements	\$16,479	\$412/Unit	28,317	\$708	1.63%	\$0.27	\$300	\$12,000	\$12,000	\$10,000	\$10,000	\$12,000	\$12,000	\$300	\$0.27	1.63%	0.0%	-
Supportive Services			5,279	\$132	0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0.00%	0.0%	-
TDHCA LIHTC/HOME Compliance Fees			7,909	\$198	0.11%	\$0.02	\$20	\$800	\$800	\$880	\$800	\$800	\$800	\$20	\$0.02	0.11%	0.0%	-
TOTAL EXPENSES					32.92%	\$5.40	\$6,077	\$ 243,092	\$ 247,210	\$200,555	\$229,154	\$242,703	\$247,187	\$6,180	\$5.49	33.48%	-1.7%	\$ (4,095)
NET OPERATING INCOME ("NOI")					67.08%	\$11.00	\$12,383	\$495,309	\$469,531	\$414,573	\$375,241	\$474,038	\$491,214	\$12,280	\$10.91	66.52%	0.8%	\$ 4,095

CONTROLLABLE EXPENSES							\$3,234/Unit							\$3,371/Unit				
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CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Veranda Townhomes, Plano, 9% HTC #16114

DEBT / GRANT SOURCES																				
APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE													AS UNDERWRITTEN DEBT/GRANT STRUCTURE							
DEBT (Must Pay)	Fee	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	8-22-17 Amendment	Prior Underwriting			8-22-17 Amendment	Principal	Term	Amort	Rate	Pmt	Cumulative	
		UW	App							Applicant Original	TDHCA Original	DCR							LTC	
Mason Joseph	0.25%	1.31	1.33	373,580	4.40%	40	40	\$7,025,000	\$6,218,727	\$5,900,000	\$5,630,000	\$6,206,430	\$4,470,000	40	40	4.15%	\$240,387	2.06	36.3%	
Adjustment to Debt Per §10.302(c)(2)													(\$84,000)	40	40	4.15%	(\$4,307)	2.10	-0.7%	
Mason Joseph	0.25%	1.31	1.33		0.00%	0	0	\$0					\$2,555,000	20	20	4.15%	\$194,613	1.15	20.7%	
CASH FLOW DEBT / GRANTS																				
FHLB AHP Grant		1.31	1.33		0.00%	0	0	\$300,000	\$250,000			\$250,000	\$300,000	0	0	0.00%		1.15	2.4%	
City of Plano		1.31	1.33		0.00%	0	0	\$100				\$100	0	0	0.00%		1.15	0.0%		
				\$373,580				\$7,325,100					\$7,241,100				\$430,693	1.15	58.7%	
NET CASH FLOW		\$117,634	\$121,729											APPLICANT	NET OPERATING INCOME	\$495,309	\$64,616	NET CASH FLOW		

EQUITY SOURCES																	
APPLICANT'S PROPOSED EQUITY STRUCTURE											AS UNDERWRITTEN EQUITY STRUCTURE						
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	8-22-17 Amendment	Prior Underwriting			8-22-17 Amendment	Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method	
							Applicant Original	TDHCA Original	8-22-17 Amendment								
Enterprise	LIHTC Equity	39.6%	\$474,312	1.03	\$4,880,528	\$4,885,414	\$4,794,978	\$4,695,723	\$4,885,414	\$4,885,414	\$1,0300	\$474,312	39.6%	\$11,858	Applicant Request		
Veranda Townhomes	Deferred Developer Fees	1.3%	(15% Deferred)		\$159,788	\$522,357	\$143,020	\$512,275	\$534,654	\$200,616	(19% Deferred)		1.6%		Total Developer Fee: \$1,063,000		
Reserves deferred to perm clsq.		0.0%	#DIV/0!		\$0	\$0	\$0	\$0		\$0			0.0%				
Additional (Excess) Funds Req'd		0.0%			\$0	\$-1	\$0	\$0		\$0			0.0%				
TOTAL EQUITY SOURCES		40.9%			\$5,040,316	\$5,407,771	\$4,937,998	\$5,207,998	\$5,420,068	\$5,086,030			41.3%				
TOTAL CAPITALIZATION					\$12,365,416	\$11,876,498	\$10,837,998	\$10,837,998	\$11,876,498	\$12,327,130						15-Yr Cash Flow after Deferred Fee:	\$1,636,521

DEVELOPMENT COST / ITEMIZED BASIS																
APPLICANT COST / BASIS ITEMS											TDHCA COST / BASIS ITEMS				COST VARIANCE	
Acquisition	New Const. Rehab	Total Costs		8-22-17 Amendment	Prior Underwriting			8-22-17 Amendment	Total Costs		Eligible Basis		%	\$		
		Applicant Original	TDHCA Original		8-22-17 Amendment	New Const. Rehab	Acquisition									
Land Acquisition		\$79,626 / Unit	\$3,185,020	\$2,688,227	\$2,400,000	\$2,400,000	\$2,688,227	\$3,185,020	\$79,626 / Unit			0.0%	\$0			
Building Acquisition	\$0	\$ / Unit	\$0	\$0	\$0	\$0	\$0	\$0	\$ / Unit		\$0	0.0%	\$0			
Closing			\$0	\$476,560	\$75,000	\$75,000	\$476,560	\$0					\$0			
Off-Sites		\$ / Unit	\$0	\$0	\$0	\$0	\$0	\$0	\$ / Unit			0.0%	\$0			
Site Work	\$1,409,013	\$35,225 / Unit	\$1,409,013	\$1,229,996	\$591,475	\$591,475	\$1,229,996	\$1,409,013	\$35,225 / Unit	\$1,409,013		0.0%	\$0			
Site Amenities	\$0	\$ / Unit	\$0	\$240,000	\$470,000	\$470,000	\$240,000	\$0	\$ / Unit	\$0		0.0%	\$0			
Building Cost	\$4,033,718	\$89.59 /sf	\$100,843/Unit	\$4,033,718	\$3,209,189	\$4,005,879	\$3,920,715	\$3,410,332	\$4,033,718	\$100,843/Unit	\$89.59 /sf	\$4,033,718	0.0%	\$0		
Contingency	\$50,000	0.92%	0.92%	\$50,000	\$259,608	\$253,368	\$253,368	\$259,608	\$50,000	0.92%	0.92%	\$50,000	0.0%	\$0		
Contractor Fees	\$807,268	14.70%	14.70%	\$807,268	\$691,836	\$744,901	\$732,978	\$691,836	\$768,982	14.00%	14.00%	\$768,982	5.0%	\$38,286		
Soft Costs	0	\$982,500	\$24,688 / Unit	\$987,500	\$789,479	\$595,500	\$595,500	\$789,479	\$987,500	\$24,688 / Unit		\$982,500	\$0	0.0%	\$0	
Financing	0	\$440,712	\$11,893 / Unit	\$475,712	\$860,337	\$492,875	\$492,875	\$860,337	\$475,712	\$11,893 / Unit		\$440,712	\$0	0.0%	\$0	
Developer Fee	\$0	\$1,063,000	13.76%	\$1,063,000	\$1,063,000	\$1,059,000	\$1,059,000	\$1,063,000	\$1,063,000	13.83%	13.83%	\$1,063,000	\$0	0.0%	\$0	
Reserves		\$8,855 / Unit	\$354,185	\$368,266	\$150,000	\$150,000	\$325,495	\$338,940	\$8,474 / Unit			\$354,185	4.5%	\$15,245		
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BA	\$0	\$8,786,211	\$309,135 / Unit	\$12,365,416	\$11,876,498	\$10,837,998	\$10,740,911	\$12,034,870	\$12,311,885	\$307,797 / Unit		\$8,747,925	\$0	0.1%	\$15,245	
Acquisition Cost	\$0			\$0												
Contingency		\$0		\$0												
Contractor's Fee		(\$38,286)		(\$38,286)												
Financing Cost		\$0		\$0												
Developer Fee	\$0	\$0		\$0												
Reserves		\$0		\$0												
ADJUSTED BASIS / COST	\$0	\$8,747,925	\$308,178/unit	\$12,327,130					\$12,311,885	\$307,797/unit		\$8,747,925	\$0	0.1%	\$15,245	
TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):					\$12,327,130											

CAPITALIZATION / DEVELOPMENT COST BUDGET / ITEMIZED BASIS ITEMS

Veranda Townhomes, Plano, 9% HTC #16114

CREDIT CALCULATION ON QUALIFIED BASIS				
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
ADJUSTED BASIS	\$0	\$8,747,925	\$0	\$8,747,925
Deduction of Federal Grants	\$0	\$0	\$0	\$0
TOTAL ELIGIBLE BASIS	\$0	\$8,747,925	\$0	\$8,747,925
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$0	\$11,372,303	\$0	\$11,372,303
Applicable Fraction	50.00%	50.00%	50.00%	50.00%
TOTAL QUALIFIED BASIS	\$0	\$5,686,151	\$0	\$5,686,151
Applicable Percentage	3.39%	9.00%	3.39%	9.00%
ANNUAL CREDIT ON BASIS	\$0	\$511,754	\$0	\$511,754
CREDITS ON QUALIFIED BASIS	\$511,754		\$511,754	

Method	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
	Annual Credits	Proceeds	Credit Price \$1.0300	Variance to Request	
			Credit Allocation	Credits	Proceeds
Eligible Basis	\$511,754	\$5,271,063	----	----	----
Needed to Fill Gap	\$493,789	\$5,086,030	----	----	----
Applicant Request	\$474,312	\$4,885,414	\$474,312	\$0	\$0

Long-Term Pro Forma

Veranda Townhomes, Plano, 9% HTC #16114

	Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30	Year 35	Year 40
EFFECTIVE GROSS INCOME	2.00%	\$738,401	\$753,169	\$768,232	\$783,597	\$799,269	\$882,457	\$974,304	\$1,075,711	\$1,187,671	\$1,311,285	\$1,447,765	\$1,598,449
TOTAL EXPENSES	3.00%	\$243,092	\$250,115	\$257,344	\$264,784	\$272,442	\$314,225	\$362,496	\$418,270	\$482,723	\$557,216	\$645,428	\$748,228
NET OPERATING INCOME ("NOI")		\$495,309	\$503,053	\$510,888	\$518,813	\$526,827	\$568,232	\$611,809	\$657,441	\$704,948	\$754,069	\$802,337	\$850,221
EXPENSE/INCOME RATIO		32.9%	33.2%	33.5%	33.8%	34.1%	35.6%	37.2%	38.9%	40.6%	42.5%	44.6%	46.8%
MUST -PAY DEBT SERVICE													
TOTAL DEBT SERVICE		\$430,693	\$430,582	\$430,466	\$430,345	\$430,219	\$429,503	\$428,624	\$427,541	\$426,210	\$424,572	\$422,557	\$420,079
DEBT COVERAGE RATIO		1.15	1.17	1.19	1.21	1.22	1.32	1.43	1.54	1.65	1.78	1.90	2.02
ANNUAL CASH FLOW		\$64,616	\$72,472	\$80,422	\$88,468	\$96,609	\$138,729	\$183,185	\$229,900	\$278,739	\$329,497	\$379,780	\$430,143
Deferred Developer Fee Balance		\$136,001	\$63,529	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CUMULATIVE NET CASH FLOW		\$0	\$0	\$16,893	\$105,362	\$201,970	\$810,431	\$1,636,521	\$2,691,708	\$3,986,908	\$5,532,160	\$7,331,090	\$9,380,980

APPENDIX



Texas Department of Housing and Community Affairs 2018 Competitive (9%) Housing Tax Credit ("HTC") Program Application Submission Log

The application log is organized by region and subregion. Applicants selecting the At-Risk/USDA Set-Asides are listed first and are organized by self score rather than by region. The data was compiled using information submitted by each applicant. Some data has not yet been reviewed or verified by the Department and errors may be present. Those reviewing the log are advised to use caution in reaching any definitive conclusions based on this information alone. Applicants are encouraged to review 10 TAC §§11.1(b) and 10.2(b) concerning Due Diligence and Applicant Responsibility. A more complete log will be posted at various times during the cycle. Applicants that identify an error in the log should contact Sharon Gamble at sharon.gamble@tdhca.state.tx.us as soon as possible. Identification of an error early does not guarantee that the error can be addressed administratively.

The review status is reflected as "C" for complete, "UR" for under review, or the box is blank if the application is currently not under or prioritized for review.

Construction Types:
 NC=New Construction
 Recon=Reconstruction
 Rehab=Rehabilitation
 AcR=Acquisition/Rehabilitation
Secondary Types:
 ADR=Adaptive Reuse
 SS=Scattered Site
 AdPh=Additional Phase

Two Mile Same Year Rule: Pursuant to Tex. Gov't Code §2306.6711(f), "[t]he board may allocate housing tax credits to more than one development in a single community, as defined by department rule, in the same calendar year only if the developments are or will be located more than two linear miles apart. This subsection applies only to communities contained within counties with populations exceeding one million." Applications affected by this requirement, as codified in the Department's rules at 10 TAC §11.3(b), are indicated on the log.

Applications have final scores for QCP, State Representative Support, and Readiness to Proceed. Where self scores indicate a tie between more than one application in a subregion or At-Risk, information regarding the tie breaker factors in the QAP is included. Scores for Opportunity Index, Proximity to the Urban Core, and Concerted Revitalization Plan are based on information submitted in the application and have not all been confirmed. Where the greatest linear distance from the nearest Housing Tax Credit assisted Development is used as a tie-breaker, distances noted are approximate and will be confirmed at a later date. Where applications with an Elderly population are filled in gray, the selection of the application would exceed the statutory Elderly funding cap for that subregion.

Version Date: May 17, 2018

NOTE: Not all scoring information has been verified.

Application Number	Development Name	Development Address	City	ETJ	ZIP Code	County	Region	Urban/Rural	At-Risk	USDA	Nonprofit	Construction Type	Low-Income Units	Market Rate Units	Total Units	Target Population (Supp. Hsg. = Supp Hsg)	HTC Request	MF Direct Loan Section 811	Applicant Primary Contact	Points Requested / Awarded	Readiness to Proceed (\$11.9(c)(8))	Gov't Support (\$11.9(d)(1))	QCP (\$11.9(d)(4))	State Rep (\$11.9(d)(5))	Comm Orgs (\$11.9(d)(6))	CRP (\$11.9(d)(7))	Best Possible Score	Review Status	Underwriting Status	Census Tract(s)	Scored on Proximity	OI or CRP	HTC per Capita	Poverty Rate (%)	Distance from Nearest HTC (in miles)
At-Risk Set-Aside																																			
18039	Orchid Circle Homes & Las Palmas	Scattered site locations	Gregory		78359	San Patricio	10	Rural	x			AcR/SS	58	0	58	General	700,000	x	Art Schuldt, Jr.	109	5	17	4	8	4	7	154	C	UR	48409010500					
18013	Dayton Retirement Center	1900 N Winfree	Dayton		77535	Liberty	6	Rural		x		AcR	48	0	48	Elderly Prefe	373,500		Charles Holcomb	116	5	17	8	8	0	0	154	C	UR	48291700800					
18118	Sandstone Foothills Apartments	402 Brazos drive	Mineral Wells		76067	Palo Pinto	3	Rural	x			AcR	39	1	40	Elderly Prefe	471,893		Tracey Fine	113	0	17	8	8	0	7	153	C	UR	48363000600					
18077	Park Forest	200 Cook Rd.	Liberty		77575	Liberty	6	Rural		x		AcR	55	1	56	General	458,635	x	Devin Baker	110	5	17	4	8	2	6	152	C	UR	48291701200					
18250	Sweetbriar Hills Apartments	668 W Martin Luther King Bh	Jasper		75951	Jasper	5	Rural		x		AcR	59	1	60	General	590,473		Murray Calhoun	112	5	17	8	8	0	0	150	UR		48241950100					
18235	Memorial Apartments II	501 E. Jasmine	McAllen		78501	Hidalgo	11	Urban	x	x		AcR	224	22	246	General	1,915,000	x	Melissa Fisher	113	0	17	4	8	4	0	146	UR		48215021000					
18171	Pointsettia Gardens at Boca Chica	341 Oak Street	Brownsville		78521	Cameron	11	Urban	x	x		NC	150	0	150	General	2,000,000	x	Carla Mancha	111	0	17	4	8	4	0	144	C	UR	48061013401					
18249	Sweetwater Apartments	865 TX-105	Sour Lake	x	77659	Hardin	5	Rural		x		AcR	23	1	24	General	266,484		Murray Calhoun	100	5	17	8	8	0	0	138	C	UR	48199030200					Pending Scoring Appeal
18251	Groveton Seniors Apartments	1110 E. 1st Street	Groveton		75845	Trinity	5	Rural		x		AcR	32	0	32	Elderly Prefe	304,668		Murray Calhoun	93	5	17	4	8	4	0	131	C	UR	48455950200					Pending Scoring Appeal
Estimated At-Risk Allocation													\$11,494,123																						
USDA Set-Aside													\$3,831,374																						
Region 1/Rural																																			
18040	Farmhouse Row	~15003 FM 400	Slaton	x	79364	Lubbock	1	Rural				NC	48	0	48	General	642,500	x	Daniel Sailler, III	120	0	17	4	8	4	0	153	UR		48303010700					
18223	Harvest Park Apartments	1100 Block of E. Harvester A\	Pampa		79065	Gray	1	Rural				NC	48	12	60	General	777,900		Vaughn Zimmerr	119	0	17	4	8	4	0	152	C	UR	48179950300					
Estimated Allocation Amount													\$761,933																						
Region 1/Urban																																			
18162	Guadalupe Villas	~3rd St. and Buddy Holly Ave	Lubbock		79401	Lubbock	1	Urban				NC	108	20	128	Elderly Limit:	1,417,843	x	Kent R. Hance, Sr.	124	0	17	4	8	4	0	157	C	UR	48303000700					
18038	3rd Street Lofts	301 Paris Avenue	Lubbock		79401	Lubbock	1	Urban				NC	72	0	72	General	950,000	x	Daniel Sailler, III	124	0	17	4	0	4	0	149	UR		48303000700					
18192	Residences at Stonegate	11000 block of Indiana Aveni	Lubbock		79423	Lubbock	1	Urban				NC	71	13	84	General	1,188,287	x	Paul Stell	120	0	17	4	0	4	0	145			48303010510					
Estimated Allocation Amount													\$1,363,302																						
Region 2/Rural																																			
18259	Cannon Courts	808 East Hall St	Bangs		76823	Brown	2	Rural				NC	36	0	36	General	500,000		Britton Jones	120	0	17	4	8	4	0	153	C	UR	48049950500	0	7	0	8.5	
18036	Clyde Ranch	IH-20 west of N. Hays Road	Clyde		79510	Callahan	2	Rural				NC	40	0	40	General	500,000	x	Daniel Sailler, III	120	0	17	4	8	4	0	153	UR		48059030102	0	7	0	18.1	
18372	Iowa Park Pioneer Crossing	SEC of 287 at N Bell Road.	Iowa Park		76367	Wichita	2	Rural				NC	44	5	49	General	500,000		Noor Jooma	120	0	17	4	8	4	0	153	UR		48485013100	0	0	0.0038	7.6	
18373	Burkburnett Royal Gardens	350 D W Taylor	Burkburnett		76354	Wichita	2	Rural				NC	44	5	49	Elderly Limit:	500,000		Noor Jooma	119	0	17	4	8	4	0	152			48485013501					
Estimated Allocation Amount													\$554,011																						
Total HTCs Requested													7,080,653																						
Total HTCs Requested													1,420,400																						
Total HTCs Requested													3,556,130																						
Total HTCs Requested													2,000,000																						

Application Number	Development Name	Development Address	City	ETJ	ZIP Code	County	Region	Urban/Rural	At-Risk	USDA	Nonprofit	Construction Type	Low-Income Units	Market Rate Units	Total Units	Target Population (Supp. Hsg. = Supp Hsg)	HTC Request	MF Direct Loan	Section 811	Applicant Primary Contact	Points Requested / Awarded	Readiness to Proceed (\$11.9(c)(8))	Gov't Support (\$11.9(d)(1))	QCP (\$11.9(d)(4))	State Rep (\$11.9(d)(5))	Comm Orgs (\$11.9(d)(6))	CRP (\$11.9(d)(7))	Best Possible Score	Review Status	Underwriting Status	Census Tract(s)	Scored on Proximity	OI or CRP	HTC per Capita	Poverty Rate (%)	Distance from Nearest HTC (in miles)																		
Region 10/Rural																				18260	Fish Pond at Cuero	1219 State Hwy 72 West	Cuero	x	77954	DeWitt	10	Rural		NC	44	4	48	Elderly Limit	584,842			David Fournier	120	5	17	4	8	4	0	158	C	UR	48123970400					
Estimated Allocation Amount		\$668,060															Total HTCs Requested		584,842																																			
Region 10/Urban																				18261	Fish Pond at Portland	SEC of Akins Dr and Moore A	Portland		78374	San Patricio	10	Urban		NC	54	6	60	Elderly Limit	762,700			David Fournier	120	5	17	4	8	4	0	158	UR		48409010601	0	7	0.0000	8.9	
18186	Avanti at Greenwood	6102 Greenwood Dr	Corpus Christi		78417	Nueces	10	Urban		NC	73	8	81	General	1,291,158		x	Henry Flores	120	5	17	4	8	4	0	158	UR		48355001802	0	7	0.0099	6.4	2.08																				
18288	Village at Greenwood	~ 6018 Greenwood Dr and Fr	Corpus Christi		78417	Nueces	10	Urban	x	NC	69	12	81	General	1,291,158		x	Roger Canales	120	5	17	4	8	4	0	158		48355001802	0	7	0.0099	6.4	2.04																					
Estimated Allocation Amount		\$1,481,821															Total HTCs Requested		3,345,016																																			
Region 11/Rural																				18157	Bamboo Estates Apartments	7850 Expressway 77	Lyford		78586	Willacy	11	Rural	x	NC	74	6	80	General	1,075,398		x	Sunny K. Philip	121	0	17	4	8	4	0	154	UR		48489950500					
18230	Las Villas del Rio Hondo	310 E Colorado Street	Rio Hondo		78583	Cameron	11	Rural		NC	52	12	64	General	770,000		x	Melissa Fisher	117	0	17	4	8	4	0	150	UR		48061010100																									
18322	Las Casitas de Azucar	20209 FM 506	Santa Rosa		78593	Cameron	11	Rural	x	NC	50	0	50	General	679,000		x	x	Chloe Dotson	110	0	17	4	8	4	0	143		48061010301																									
Estimated Allocation Amount		\$909,826															Total HTCs Requested		2,524,398																																			
Region 11/Urban																				18358	Ovation Senior Living	W Lakeside Blvd, S of El Dora Olmito CDP		x	78575	Cameron	11	Urban		NC	105	19	124	Elderly Limit	1,500,000			Manish Verma	120	0	17	4	8	4	0	153	UR		48061012506	0	7	0	21.3	4.40
18357	Capella	SWQ of El Dorado Ave and W Olmito CDP		x	78575	Cameron	11	Urban		NC	101	19	120	General	1,500,000		x	Manish Verma	120	0	17	4	8	4	0	153	UR		48061012506	0	7	0	21.3	4.41																				
18188	Avanti at Sienna Palms Legacy	~NEC Cardinal Dr. & Mile 6 1, Midway N CD		x	78596	Hidalgo	11	Urban		NC	95	19	114	Elderly Limit	1,500,000			Henry Flores	120	0	17	4	8	4	0	153	UR		48215022402	0	7	0	24.6	1.97																				
18208	Midway Villas	~NEC of Mile 6 1/2 W. and W Midway N CD		x	78596	Hidalgo	11	Urban		NC	102	18	120	Elderly Limit	1,315,170		x	Steve Lollis	120	0	17	4	8	4	0	153	UR		48215022402	0	7	0	24.6	0.81																				
18148	Palmview Village	100 eastside blk Showers Rd	Palmview		78572	Hidalgo	11	Urban		NC	74	18	92	General	1,030,000		x	Jeremy Mears	120	0	17	4	8	4	0	153	UR		48215024205	0	7	0	29.5	4.12																				
18293	Silver Spur Apartments	Silver Spur Ln S of Expwy 83	Palmview		78572	Hidalgo	11	Urban		NC	100	20	120	General	1,500,000		x	Tim Lang	120	0	17	4	8	4	0	153	UR		48215024205	0	7	0	29.5	3.72																				
18294	The Legacy	Silver Spur Ln S of Expwy 83	Palmview		78572	Hidalgo	11	Urban		NC	58	12	70	Elderly Limit	892,000		x	Tim Lang	120	0	17	4	8	4	0	153		48215024205	0	7	0	29.5	3.64																					
18196	North Alamo Heights	~NEC E. Sioux Rd. and Retam N Alamo CDP,		x	78589	Hidalgo	11	Urban		NC	119	21	140	General	1,500,000		x	Steve Lollis	120	0	17	4	8	4	0	153		48215021805	0	7	0	30.2																						
18206	Ridge Villas	~SWC S Stewart Rd. and Ridg San Juan		x	78589	Hidalgo	11	Urban		NC	119	21	140	General	1,500,000		x	Steve Lollis	120	0	17	4	8	4	0	153		48215022001	0	7	0.0024	25.8																						
18255	Pendleton Square	NEC of Doctors Memorial & I Harlingen			78550	Cameron	11	Urban		NC	47	13	60	General	803,000			Justin Zimmerma	120	0	17	4	8	4	0	153		48061011302	0	7	0.0074	5.4																						
18239	Casitas Palo Alto	~Sports Park Blvd and Old Ali Brownsville			78520	Cameron	11	Urban	x	NC	80	0	80	General	1,118,000			Mark Moseley	117	0	17	4	8	4	0	150		48061014400																										
18103	Zinnia Gardens Apartments	21740 Hand Rd.	Combes	x	78552	Cameron	11	Urban	x	NC	128	0	128	General	-			Sunny K. Philip	122	0	17	4	8	4	0	155									Terminated																			
Estimated Allocation Amount		\$6,202,427															Total HTCs Requested		14,158,170																																			
Region 12/Rural																				18347	Avenue Commons	NWC of SE Ave E and SE Mus Andrews			79714	Andrews	12	Rural		NC	50	10	60	General	750,000		x	Craig Alter	108	0	17	4	8	4	0	141	C	UR	48003950300					
18345	Westwind of Andrews	NWC NE Mustang Drive & Qi Andrews			79714	Andrews	12	Rural		NC	43	5	48	General	500,000			Kelly Garrett	104	0	14	4	8	4	0	134	UR		48003950100																									
18224	Redwood Apartments	NWC W. 12th Street & N. Syc Fort Stockton		x	79735	Pecos	12	Rural		NC	40	8	48	General	-		x	Justin Zimmerma	107	0	17	4	8	4	0	140									Terminated																			
Estimated Allocation Amount		\$500,000															Total HTCs Requested		1,250,000																																			
Region 12/Urban																				18222	Glenn Park Apartments	4001 S. Chadbourne	San Angelo		76904	Tom Green	12	Urban		NC	48	12	60	General	778,700		x	Vaughn Zimmerr	112	0	17	4	8	4	0	145	C	UR	48451000801					
18109	The Trails at San Angelo	2600 Block of Era St	San Angelo		76905	Tom Green	12	Urban		NC	72	0	72	General	-			Adrian Iglesias	108	0	17	4	8	4	0	141									Terminated																			
Estimated Allocation Amount		\$967,326															Total HTCs Requested		778,700																																			
Region 13/Rural																				18130	Skyway Gardens	SEC of S Walker St and Lechu Alpine		x	79830	Brewster	13	Rural		NC	49	0	49	General	701,300			Roy Lopez	105	0	8.5	4	8	2	0	127.5	C	UR	48043950400					
Estimated Allocation Amount		\$500,000															Total HTCs Requested		701,300																																			

2018 Tie-Breaker Status

Scores for Opportunity Index, Proximity to the Urban Core, and Concerted Revitalization Plan are based on information submitted in the Application and have not been confirmed.

Where the greatest linear distance from the nearest Housing Tax Credit assisted Development is used as a tie-breaker, distances noted are approximate.

TDHCA #	Development Name	Proximity Score	Opportunity or CRP Score	HTC per Capita	Poverty Rate	Distance from Nearest HTC	Notes
Region		2-Rural					
18259	Cannon Courts	0	7	0	8.5		Lower poverty rate
18036	Clyde Ranch	0	7	0	18.1		OI/CRP Score
18372	Iowa Park Pioneer Crossi	0	0	0.0038	7.6		
Region		3-Urban					
18368	Resereves Merriwood	0	7	0.0055	4.6		Lower poverty rate
18376	Lake Pointe	0	7	0.0055	7		Lower per capita rate
18214	Mariposa Westchester	0	7	0.0077	3		
18096	Patriot Park	5	5	0.0043	26.7		Scored on Proximity
18024	Palladium Celina	0	7	0.0000	12		Lower per capita rate
18298	Heritage Wiley	0	7	0.0020	4.8		Lower per capita rate
18220	Mariposa Waxahachie	0	7	0.0177	17.4		
18067	Palladium Crowley	0	7	0.0037	15.6		Lower per capita rate
18068	Palladium Teasley	0	7	0.0179	2.5		
Region		4-Rural					
18268	Saline Creek Senior Villag	0	7	0	4		Lower poverty rate
18106	Hallsville Estates	0	7	0	14.6		Lower per capita rate
18152	SilverLeaf at Marshall	0	7	0.0133	14.6		
Region		6-Urban					
18254	Somerset Lofts	0	7	0.0161	17.5		Lower poverty rate
18138	Lancaster Senior Village	0	7	0.0161	34.4		
18320	Seaside Lodge at Chesape	0	7	0	11.8		Lower poverty rate
18033	The Miramonte	0	7	0	17.7	0.9802	Distance from #99017
18047	Miramonte Single Living	0	7	0	17.7	0.9793	The Park at Fort Bend
18043	Huntington at Miramont	0	7	0	17.7	0.9787	3001 Dove Country Dr, Stafford
18159	Rutherford Park	0	7	0.0111	12.3		Lower per capita rate
18339	Fairmont Seniors	0	7	0.0116	11.8		Lower per capita rate
18009	Rosemount Estates	0	7	0.0124	19.6		Lower per capita rate
18161	Monroe Crossing	0	7	0.0161	10.2		Lower poverty rate
18355	W. Little York Apartment	0	7	0.0161	16.3		Lower poverty rate
18093	Green Oaks Apartments	0	7	0.0161	18.2		Lower poverty rate
18383	Provision at Lake Housto	0	7	0.0161	18.4		Lower poverty rate
18382	Provision at Synott	0	7	0.0161	19.1		Lower poverty rate
18338	The Greenery	0	7	0.0161	43.4		
Region		7-Rural					
18245	Lockhart Springs	0	7	0.013444	12.5	2.76	#96116 Southpark Village
18026	Maple Park Sr Village	0	7	0.013444	12.5	1.95	1817 S Colorado

TDHCA #	Development Name	Proximity Score	Opportunity or CRP Score	HTC per Capita	Poverty Rate	Distance from Nearest HTC	Notes
Region 7-Urban							
18323	Talavera Lofts	5	7	0.0186	26.6		Lower poverty rate
18335	Travis Flats	5	7	0.0186	27.7		Lower poverty rate
Region 9-Rural							
18369	The Residences at Canyon	0	7	0	6.2		Lower per capita rate
18019	Highlander Senior Village	0	7	0.0034	9.5		
Region 9-Urban							
18273	Museum Reach	5	7	0.0122	20.4		Lower poverty rate
18084	Artisan at Ruiz	5	7	0.0122	50.1		
18086	The Village at Overlook P	0	7	0.0122	1.3		Lower poverty rate
18142	San Juan Mission Villas	0	7	0.0122	11.7		
Region 10-Urban							
18261	Fish Pond at Portland	0	7	0.0000	8.9		Lower per capita rate
18186	Avanti at Greenwood	0	7	0.0099	6.4	2.08	#14066 Lexington Manor
18288	Village at Greenwood	0	7	0.0099	6.4	2.04	#14066 Lexington Manor
Region 11-Urban							
18358	Ovation Senior Living	0	7	0	21.3	4.4	Lower poverty rate
18357	Capella	0	7	0	21.3	4.41	#12388 Paseo Point
18188	Avanti at Sienna Palms	0	7	0	24.6	1.97	#09357 Weslaco Hills
18208	Midway Villas	0	7	0	24.6	0.81	Lower poverty rate
18148	Palmview Village	0	7	0	29.5	4.12	Distance from #03035
18293	Silver Spur Apartments	0	7	0	29.5	3.72	Rio de Vida
18294	The Legacy	0	7	0	29.5	3.64	301 S Inspiration
18196	North Alamo Heights	0	7	0	30.2		Lower per capita rate
18206	Ridge Villas	0	7	0.0024	25.8		Lower per capita rate
18255	Pendleton Square	0	7	0.0074	5.4		Lower per capita rate



2018-1 Multifamily Direct Loan Program - Application Log - May 8, 2018

Per 2018-1 Multifamily Direct Loan Notice of Funding Availability published in the Texas Register on 12/29/2017 and First Amendment to NOFA

The following data was compiled using information submitted by each applicant. While this data has been reviewed or verified by the Department, errors may still be present. Those reviewing the log are advised to use caution in reaching any definitive conclusions based on this information alone. Where Applications are layered with 9% or 4% Tax credits, the Applications are also subject to evaluation under the Department criteria for those fund sources. Applicants are encouraged to review 10 TAC §511.1(b) and 10.2(a) concerning Due Diligence and Applicant Responsibility, along with 10 TAC Subchapter C related to Application Submission Requirements, Ineligibility Criteria, Board Decisions and Waiver of Rules for Applications. This log will be updated periodically as staff completes application reviews and as more applications are received. The Multifamily Direct Loan Program - Application Log is presented for informational use only, and does not represent a conclusion or judgment by TDHCA, its staff or Board. Applicants that identify an error in the log should contact Andrew Sinnott at andrew.sinnott@tdhca.state.tx.us as soon as possible. Identification of an error early does not guarantee that the error can be addressed administratively.

Applications sorted by date received within each set-aside.

TDHCA Application #	Property Name	Property City	Property County	Region	Housing Activity ¹	Multifamily Direct Loan Request/ Award	Target Population	Total Units	MF Direct Loan Units	Layering ²	Date Received ³	Comments
18502	Arlinda Gardens Supportive Housing	Bryan	Brazos	8	NC	\$ 1,000,000	Supportive Housing	29	13		3/1/2018	
18099	Waters Park Studios	Austin	Travis	7	NC	\$ 1,000,000	Supportive Housing	132	10	9%	4/2/2018	
Total Amount Requested Under SH/SR Set Aside						\$ 2,000,000	Total Units	161	23			
Total Amount Awarded Under SH/SR Set Aside						\$ -	Total Units					
Total Amount Remaining Under SH/SR Set Aside						\$ 11,272,864						

TCAP RF \$3,300,000
 NHTF \$7,972,864
Total Set Aside Funding Level: \$11,272,864

CHDO (HOME funds only)

TDHCA#	Property Name	Property City	Property County	Region	Housing Activity ¹	Multifamily Direct Loan Request/ Award	Target Population	Total Units	MF Direct Loan Units	Layering ²	Date Received ³	Comments
18322	Las Casitas de Azucar	Santa Rosa	Cameron	11	NC	\$ 1,600,000	General	50	14	9%	4/2/2018	
18391	Merritt Manor	Manor	Travis	7	NC	\$ 2,000,000	Elderly Limitation	146	30	9%	4/2/2018	
Total Amount Requested Under CHDO Set Aside						\$ 3,600,000	Total Units	196	44			
Total Amount Awarded Under CHDO Set Aside						\$ -	Total Units					
Total Amount Remaining Under CHDO Set Aside						\$ 2,967,122						

Total Set Aside Funding Level: \$2,967,122

HOME (limited availability statewide) \$9,318,946
 NSP1 PI (available statewide) \$5,000,000
 TCAP RF (available statewide) \$9,446,231
NSP1 PI and TCAP RF Total \$14,446,231

General

TDHCA#	Property Name	Property City	Property County	Region	Housing Activity ¹	Multifamily Direct Loan Request/ Award	Target Population	Total Units	MF Direct Loan Units	Layering ²	Date Received ³	Comments
18500	Rio Lofts	San Antonio	Bexar	9	NC	\$ -	General	81	36	9%	1/11/2018	Application withdrawn 4/11/18
18501	Secretariat Apartments	Arlington	Tarrant	3	NC	\$ -	Elderly Limitation	74	29	9%	1/11/2018	Application withdrawn 4/30/18
18412	Lord Road Apartments	San Antonio	Bexar	9	NC	\$ 2,975,000	General	324	50	4%	1/18/2018	Recommended for approval at 4/26/18 Board meeting
18417	Sphinx at Throckmorton Villas	McKinney	Collin	3	NC	\$ 3,000,000	General	220	18	4%	2/15/2018	
18000	Evergreen at Garland Senior Community	Garland	Dallas	3	NC	\$ 1,500,000	Elderly Limitation	105	25	9%	4/2/2018	
18002	Evergreen at Basswood Senior Community	Garland	Dallas	3	NC	\$ 2,000,000	Elderly Limitation	116	34	9%	4/2/2018	
18036	Clyde Ranch	Clyde	Callahan	2	NC	\$ 660,000	General	40	11	9%	4/2/2018	
18040	Farmhouse Row	Slaton	Lubbock	1	NC	\$ 660,000	General	48	11	9%	4/2/2018	
18052	Nacogdoches Lofts	San Antonio	Bexar	9	NC	\$ 2,025,000	Elderly Limitation	102	35	9%	4/2/2018	
18053	Alazan Lofts	San Antonio	Bexar	9	NC	\$ 1,300,000	General	88	24	9%	4/2/2018	
18054	Piedmont Lofts	San Antonio	Bexar	9	NC	\$ 2,350,000	General	55	41	9%	4/2/2018	Requested CHDO set-aside, which is unavailable for this application
18369	The Residences at Canyon Lake	Canyon Lake	Comal	9	NC	\$ 1,060,000	Elderly Limitation	35	11	9%	4/2/2018	
18421	Travis Flats	Austin	Travis	7	NC	\$ 3,000,000	General	146	50	4%	4/4/2018	
Total Amount Requested Under General Set Aside: Development Sites in non-PJs						\$ 5,380,000	Total Units	343	51			
Total Amount Requested Under General Set Aside: Development Sites in PJs						\$ 15,150,000	Total Units	1,010	324			
Total Amount Requested Under General Set Aside: TOTAL						\$ 20,530,000	Total Units	1,353	375			
Total Amount Awarded Under General Set Aside (HOME)						\$ -	Total Units					
Total Amount Awarded Under General Set Aside (TCAP RF)						\$ -	Total Units					

Total Set Aside Funding Level: \$23,765,177

Total Amount Awarded Under General Set Aside (NSP1 PI)	\$ 2,975,000	Total Units	324	50
Total Amount Remaining Under General Set Aside (HOME)	\$ 9,318,946			
Total Amount Remaining Under General Set Aside (TCAP RF)	\$ 9,446,231			
Total Amount Remaining Under General Set Aside (NSP1 PI)	\$ 2,025,000			

1 = Housing Activity: New Construction=NC, Rehabilitation=R, ADR = Adaptive Reuse

2= Layering of Other Department Funds: 9%=9% Competitive Tax Credits, 4%=4% Tax Credit Program

3 = Date Received: The date that the application, all required 3rd Party Reports, Application Fees (if applicable), and Certificate of Reservation (if applicable) were received.



**Texas Department of Housing and Community Affairs
Non-Competitive (4%) Housing Tax Credit (HTC) Program
2018 Application Status Log - Local Bond Issuer**

Updated as of April 12, 2018

TDHCA #	Previous TDHCA#	Application Status	4% HTC Board Meeting Date	Development Name	Development Address	City	County	ZIP Code	Region	Construction Type	Total Units	Target Population	Requested HTC Amount	Recommended HTC Amount	Bond Issuer	Bond Issuer Contact	Bond Issuer Phone	Bond Reservation Date	Bond Expiration Date	Bond Reservation Amount	Bond Priority Designation	Applicant	Applicant Contact	Applicant Phone	Applicant Email							
18407	17419 / 16448	Active	2/22/2018	Sphinx at Sierra Vista Senior Villas	2942 South Riverside Drive	Fort Worth	Tarrant	76119	3	NC	272	Elderly Limitation	\$1,561,852	\$0	Tarrant County HFC	Patricia Ward	(817) 850-7940	1/4/2018	12/31/2020*	\$27,000,000	N/A	Riverside Senior Investments, LP	Jay Oji	(214) 342-1400	jay@sdcs.com							
18417		Active	5/24/2018	Sphinx at Throckmorton	820 E. University Drive	McKinney	Collin	75069	3	NC	220	General	\$1,719,937	\$0	McKinney HFC	Cristel Todd	(972) 547-7519	1/4/2018	12/31/2020*	\$23,090,308	N/A	SDC Throckmorton Villas, LP	Jay Oji	(214) 342-1400	jay@sdcs.com							
18408		Active	5/24/2018	Sansom Bluff	Northeast Corner of La Junta Street and Buchanan Street	Sansom Park	Tarrant	76114	3	NC	296	General	\$1,619,519	\$0	Tarrant County HFC	Patricia Ward	(817) 850-7940	1/4/2018	12/31/2020*	\$22,000,000	N/A	LDG Commons at Manor Village, LP	Justin Hartz	(512) 351-9352	jhartz@ldgdevelopment.com							
18414		Active	4/26/2018	Prince Hall Gardens	4820 East Berry Street	Fort Worth	Tarrant	76105	3	Acq/Rehab	76	General	\$347,694	\$0	Trinity River PFC	Matthew Corcoran	(817) 333-2421	1/11/2018	6/10/2018	\$8,000,000	3	FW Steele Prince Hall, LLC	Paul Moore	(303) 226-9111	pmoore@steelellc.com							
TBD	17413	Active	4/26/2018	Flora Lofts	2121 Flora Street	Dallas	Dallas	75201	3	NC	52	General	\$673,756	\$0	City of Dallas HFC	Karen Schaffner	(214) 670-5390	TBD	TBD	\$15,000,000	3	Flora Street Lofts, Ltd.	Graham Greene	(214) 954-0430	ggreene@oglesbygreene.com							
Total Units:											916	Total HTC:		\$5,922,758	\$0																	
18402		Active	4/26/2018	Hampton Homes	3301 West 15th Street and 1400 Jenkins Street	Texarkana	Bowie	75501	4	Acq/Rehab	50	General	\$192,386	\$0	Texarkana Public Facility Corporation	Antonio Williams	(903) 838-8548	2/5/2018	7/5/2018	\$20,000,000**	3	Texarkana Housing Partners, LP	Antonio Williams	(903) 838-8548	awilliams@texarkana.org							
18403		Active	4/26/2018	HATT Scattered Site	Various Scattered Sites	Texarkana	Bowie	75501	4	Acq/Rehab	42	Elderly Preference	\$130,829	\$0	Texarkana Public Facility Corporation	Antonio Williams	(903) 838-8548	2/5/2018	7/5/2018	\$20,000,000**	3	Texarkana Housing Partners, LP	Antonio Williams	(903) 838-8548	awilliams@texarkana.org							
18404		Active	4/26/2018	Robinson Terrace	1010 Dan Haskins Way	Texarkana	Bowie	75501	4	Acq/Rehab	130	Elderly Preference	\$460,949	\$0	Texarkana Public Facility Corporation	Antonio Williams	(903) 838-8548	2/5/2018	7/5/2018	\$20,000,000**	3	Texarkana Housing Partners, LP	Antonio Williams	(903) 838-8548	awilliams@texarkana.org							
18405		Active	4/26/2018	Williams Homes	1001 Dan Haskins Way	Texarkana	Bowie	75501	4	Acq/Rehab	52	Elderly Preference	\$179,313	\$0	Texarkana Public Facility Corporation	Antonio Williams	(903) 838-8548	2/5/2018	7/5/2018	\$20,000,000**	3	Texarkana Housing Partners, LP	Antonio Williams	(903) 838-8548	awilliams@texarkana.org							
18406		Active	4/26/2018	Bright Street	3101 - 3139 and 3201 Bright Street	Texarkana	Bowie	75501	4	Acq/Rehab	20	General	\$80,615	\$0	Texarkana Public Facility Corporation	Antonio Williams	(903) 838-8548	2/5/2018	7/5/2018	\$20,000,000**	3	Texarkana Housing Partners, LP	Antonio Williams	(903) 838-8548	awilliams@texarkana.org							
Total Units:											294	Total HTC:		\$1,044,092	\$0																	
18401		Active	5/24/2018	Pathways at Chalmers Court South	SWC of East 3rd Street and Chalmers Avenue	Austin	Travis	78702	7	NC	86	General	\$659,318	\$0	Austin Affordable PFC, Inc.	Ron Kowal	(512) 767-7792	1/8/2018	6/7/2018	\$15,000,000	3	Pathways at Chalmers Courts South, LP	Ron Kowal	(512) 767-7792	ronk@hacanet.org							
18413	17407	Approved	12/14/2017	Shadow Ridge	2250 E Old Settlers Blvd	Round Rock	Williamson	78664	7	NC	316	General	\$2,401,018	\$2,390,933	Capital Area HFC	Jim Shaw	(512) 347-9903	1/11/2017; 1/8/2018	12/31/2019*; 6/7/2018	\$48,000,000	N/A; 3	Pedcor Investments-2016-CLX, L.P.	Craig Lintner	(317) 208-3769	clintner@pedcor.net							
18416	17443	Active	4/26/2018	Commons at Manor Village	U.S Hwy 290 and Loop 212	Manor	Travis	78653	7	NC	172	Elderly	\$1,044,009	\$0	Strategic HFC of Travis County	Robert Onion	(512) 480-8245	1/8/2018	6/7/2018	\$20,000,000	3	LDG Commons at Manor Village, LP	Justin Hartz	(512) 351-9352	jhartz@ldgdevelopment.com							
18415	17446	Active	4/26/2018	Hills at Leander	NW of Woodview Drive and 183A Frontage Road	Leander	Williamson	78641	7	NC	228	Elderly Preference	\$1,039,334	\$0	Capital Area HFC	Jim Shaw	(512) 347-9903	3/1/2018	7/29/2018	\$20,000,000	3	Hills at Leander, LP	Ina Spokas	(512) 689-3343	ina.spokas@cgdevelopment.com							
18421		Active	6/28/2018	Travis Flats	5325 - 5335 Airport Boulevard	Austin	Travis	78751	7	NC	146	General	\$1,056,355	\$0	Travis County HFC	Andrea Shields	(512) 854-9116	3/1/2018	7/29/2018	\$17,000,000	3	Austin TCHFC-DMA Housing, LLC	JoEllen Smith	(512) 328-3232	joellens@dmacompanies.com							
Total Units:											948	Total HTC:		\$6,200,034	\$2,390,933																	
18418	17623	Active	5/24/2018	Liv at Boerne	3 Shooting Club Drive	Boerne	Kendall	78006	9	New Construction	162	Elderly Preference	\$852,545	\$0	Boerne Public Facilities Corp.	Jeff Thompson	(830) 248-1502	1/8/2018	6/7/2018	\$18,000,000	3	LIV Boerne Hills, LP	Joel Pollack	(210) 354-3705	joel@210dg.com							
18412	17442 & 17403	Active	4/26/2018	Lord Road	4835 Lord Road	San Antonio	Bexar	78220	9	New Construction	324	General	\$1,648,531	\$0	San Antonio Housing Trust Finance Corporation	John Kenny	(210) 735-2772	1/10/2017	12/31/2019*	\$24,000,000	N/A	Lord Road Apartments, Ltd.	John Kenny	(210) 735-2772	johnk@sahousingtrust.org							
18419	17422	Active	5/24/2018	St. Johns Apartments	222 East Mitchell Street	San Antonio	Bexar	78210	9	NC and Adaptive Reuse	228	General	\$1,177,934	\$0	San Antonio Housing Trust Public Finance Corporation	John Kenny	(210) 735-2772	1/12/2017	12/31/2019*	\$22,000,000	N/A	222 Mitchell Redevelopment, LP	Joel Pollack	(210) 354-3705	joel@210dg.com							
Total Units:											714	Total HTC:		\$3,679,010	\$0																	
18409		Active	5/24/2018	John Cramer Memorial Apartments	184 Barker Road	El Paso	El Paso	79915	13	Acq/Rehab	144	General	\$1,117,767	\$0	Alamito Public Facilities Corp.	Art Provenghi	(915) 849-3709	1/25/2018	6/24/2018	\$16,000,000	3	EP Cramer Three, LP	Tom Delye	(915) 849-3813	tdelye@hacep.org							
18410		Active	5/24/2018	Ambrosio Guillen Apartments	621 East 9th Avenue	El Paso	El Paso	79901	13	Acq/Rehab	130	General	\$1,144,281	\$0	Alamito Public Facilities Corp.	Art Provenghi	(915) 849-3709	1/25/2018	6/24/2018	\$17,000,000	3	EP Cramer Three, LP	Tom Delye	(915) 849-3813	tdelye@hacep.org							
18411		Active	5/24/2018	MLK Memorial Apartemnts	9101 Butternut Street	El Paso	El Paso	79907	13	Acq/Rehab	152	General	\$957,882	\$0	Alamito Public Facilities Corp.	Art Provenghi	(915) 849-3709	1/25/2018	6/24/2018	\$18,000,000	3	EP Cramer Three, LP	Tom Delye	(915) 849-3813	tdelye@hacep.org							
Total Units:											426	Total HTC:		\$3,219,930	\$0																	
Total Units:											3,298	Total HTC:		20,065,824	\$2,390,933	Total Bonds Reserved: \$330,090,308																

*Application received Traditional Carryforward from Bond Review Board

**One bond reservation that includes all five properties (18402 - 18406)



**Texas Department of Housing and Community Affairs
Non-Competitive (4%) Housing Tax Credit (HTC) Program
2018 Application Status Log - TDHCA as Bond Issuer**

Updated as of April 12, 2018

TDHCA #	Previous TDHCA#	Application Status	Board Meeting Date	Development Name	Development Address	City	County	ZIP Code	Region	Construction Type	Total Units	Target Population	Requested HTC Amount	Recommended HTC Amount	Recommended Bond Amount	Bond Reservation Date	Bond Expiration Date	Bond Reservation Amount	Bond Priority Designation	Applicant	Applicant Contact	Phone	Email								
18607	17610	Active	6/28/2018	Burk Village	716 Park Street	Burkburnett	Wichita	76354	2	Acq/Rehab	40	General	\$100,341	\$0	\$0	TBD	TBD	TBD	TBD	THF Burk Village, LLC	Wes Larmore	(213) 634-1566	Wlarmore@Related.com								
Total Units:											40	Total HTC/Bonds:											\$100,341	\$0	\$0						
18614	17602	Approved	3/22/2018	Springs Apartments	4702 Ambassador Way	Balch Springs	Dallas	75180	3	NC	221	General	\$1,314,707	\$1,314,707	\$20,000,000	1/17/2018	6/16/2018	\$20,000,000	3	LDG Springs Apartments, LP	Justin Hartz	(512) 351-9335	jhartz@ldgdevelopment.com								
18600	17426	Active	6/28/2018	Forestwood Apartments	4540 Lasater Road	Balch Springs	Dallas	75181	3	NC	220	General	\$1,340,973	\$0	\$0	TBD	TBD	TBD	TBD	LDG Forestwood, LP	Justin Hartz	(512) 351-9335	jhartz@ldgdevelopment.com								
Total Units:											441	Total HTC/Bonds:											\$2,655,680	\$1,314,707	\$20,000,000						
18604	17603	Active	5/24/2018	Crosby Plaza	6616 FM 2100	Crosby	Harris	77532	6	Acq/Rehab	86	General	\$408,430	\$0	\$0	3/9/2018	8/6/2018	\$8,800,000	3	Crosby Plaza 34 LLC	Christian Szymczak	(310) 698-0739	christian@thinkhousingdev.com								
18606	17609	Active	6/28/2018	Bay City	3301 Royal Street	Baytown	Harris	77521	6	Acq/Rehab	62	General	\$129,008	\$0	\$0	TBD	TBD	TBD	TBD	THF Bay City Village, LLC	Wes Larmore	(213) 634-1566	Wlarmore@Related.com								
18613	17618	Active	6/28/2018	Lantana Apartments	2200 North Adams Street	Beeville	Bee	78102	6	Acq/Rehab	92	General	\$303,144	\$0	\$0	TBD	TBD	TBD	TBD	THF Lantana Apartments, LLC	Wes Larmore	(213) 634-1566	Wlarmore@Related.com								
Total Units:											240	Total HTC/Bonds:											\$840,582	\$0	\$0						
18601		Active	5/24/2018	Riverside Townhomes (fka Fairway Village)	6118 Fairway Drive	Austin	Travis	78741	7	Acq/Rehab	128	General	\$917,364	\$0	\$0	4/6/2018	9/3/2018	\$20,000,000	3	THF Fairway, LP	Mark Mayfield	(830) 693-4521	mmayfield@txhf.org								
18602		Active	5/24/2018	Oaks on Lamar (fka Santa Maria Village)	8071 North Lamar Boulevard	Austin	Travis	78753	7	Acq/Rehab	176	General	\$893,259	\$0	\$0	4/6/2018	9/3/2018	\$20,000,000	3	THF SMV, LP	Mark Mayfield	(830) 693-4521	mmayfield@txhf.org								
18605	17608	Active	6/28/2018	Bastrop Oak Grove	1910 Wilson Street	Bastrop	Bastrop	78602	7	Acq/Rehab	48	General	\$131,595	\$0	\$0	TBD	TBD	TBD	TBD	THF Bastrop Oak Grove, LLC	Wes Larmore	(213) 634-1566	Wlarmore@Related.com								
18608	17613	Active	6/28/2018	Elgin Meadowpark	401 N. Highway 95	Elgin	Bestrop	78621	7	Acq/Rehab	28	General	\$67,346	\$0	\$0	TBD	TBD	TBD	TBD	THF Elgin Meadowpark, LLC	Wes Larmore	(213) 634-1566	Wlarmore@Related.com								
18615	17625	Approved	3/22/2018	The Preserve at Hunters Crossing	200 block of Hunters Crossing Blvd.	Bastrop	Bastrop	78602	7	New Construction	140	General	\$845,800	\$650,264	\$13,000,000	11/14/2017	4/13/2018	\$13,000,000	2	The Preserve at Hunters Crossing, L.P.	Lucille Jones	(830) 257-5323	ljones@macdonald-companies.com								
Total Units:											520	Total HTC/Bonds:											\$2,855,364	\$650,264	\$13,000,000						
18609	17614	Active	6/28/2018	Evant Tom Sawyer Place	411 Tom Sawyer Street	Evant	Coryell	76525	8	Acq/Rehab	18	General	\$47,191	\$0	\$0	TBD	TBD	TBD	TBD	THF Evant Tom Sawyer Place, LLC	Wes Larmore	(213) 634-1566	Wlarmore@Related.com								
18612	17617	Active	6/28/2018	Lampasas Gardens	1311 Plum Street	Lampasas	Lampasas	76550	8	Acq/Rehab	24	General	\$93,708	\$0	\$0	TBD	TBD	TBD	TBD	THF Lampasas Gardens, LLC	Wes Larmore	(213) 634-1566	Wlarmore@Related.com								
Total Units:											42	Total HTC/Bonds:											\$140,899	\$0	\$0						
18603		Pre-Application	1/18/2018*	McMullen Square Apartments	537 North General McMullen Drive	San Antonio	Bexar	78228	9	Acq/Rehab	100	General	\$412,778	\$0	\$0	TBD	TBD	TBD	TBD	TCD McMullen, LP	Don Herman	(949) 279-8684	donalderman@gmail.com								
18610	17615	Active	6/28/2018	Hondo Brian	231 Stage Coach Drive	Hondo	Medina	78861	9	Acq/Rehab	40	General	\$118,156	\$0	\$0	TBD	TBD	TBD	TBD	THF Hondo Brian Place, LLC	Wes Larmore	(213) 634-1566	Wlarmore@Related.com								
18611	17616	Active	6/28/2018	Hondo Gardens	3100 Avenue Q	Hondo	Medina	78861	9	Acq/Rehab	32	General	\$91,714	\$0	\$0	TBD	TBD	TBD	TBD	THF Hondo Gardens, LLC	Wes Larmore	(213) 634-1566	Wlarmore@Related.com								
Total Units:											172	Total HTC/Bonds:											\$622,648	\$0	\$0	\$0					
Total Units:											1,455	Total HTC/Bonds:											\$7,215,524	\$1,964,971	\$33,000,000	\$81,800,000					

*Pre-Applications being presented to the Board for consideration of an Inducement Resolution.