

BOARD MEETING OF JUNE 30, 2011

C. Kent Conine, Chair



Tom Gann, Vice-Chair
Leslie Bingham Escareño, Member
Lowell Keig, Member
Juan Muñoz, Member
J. Paul Oxeer, Member

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

A G E N D A

**10:00 a.m.
June 30, 2011**

William B. Travis Building
1701 North Congress Avenue, Room 1-111
Austin, TX

**CALL TO ORDER, ROLL CALL
CERTIFICATION OF QUORUM**

Kent Conine, Chairman

Adoption of a resolution recognizing June as Home Ownership Month and announcement of "Lenders of the Year"

PUBLIC COMMENT

The Board will solicit Public Comment at the beginning of the meeting and will also provide for Public Comment on each agenda item after the presentation made by the department staff and motions made by the Board.

Various action items below, (including consent agenda items and other items) relating to awards under different programs list specific applicants by name. These lists are informational and do not limit the Board's ability to take action with respect to others under the specific program award action items.

CONSENT AGENDA

Items on the Consent Agenda may be removed at the request of any Board member and considered at another appropriate time on this agenda. Placement on the Consent Agenda does not limit the possibility of any presentation, discussion or approval at this meeting. Under no circumstances does the Consent Agenda alter any requirements under Chapter 551 of the Texas Government Code, Texas Open Meetings Act.

Item 1: Approval of the following items presented in the Board materials:

Executive

- a) Presentation, Discussion, and Possible Action regarding the Board Minute Summary for May 5, 2011
- b) Presentation, Discussion, and Possible Action to authorize the procurement of bond counsel
- c) Presentation, Discussion, and Possible Action to authorize the procurement of tax credit counsel

Brooke Boston
Board Secretary

Community Affairs

- d) Presentation, Discussion, and Possible Action on Approving Program Year 2011 Emergency Shelter Grant Program awards
- e) Presentation, Discussion, and Possible Action on Approving Program Year 2011 Community Services Block Grant Discretionary Awards for Innovative and Discretionary Projects
- f) Presentation, Discussion, and Possible Action on Approving the Draft Community Services Block Grant State Plan for Fiscal Years 2012-2013
- g) Presentation, Discussion, and Possible Approval of the 2012 Low Income Home Energy Assistance Program Draft State Plan

Bond Finance

- h) Presentation, Discussion, and Possible Action on Resolution 11-029 authorizing the final purchase of warehoused mortgage backed securities with proceeds of Residential Mortgage Revenue Bonds, Series 2011A (Program 77)

Tim Nelson
Dir. Bond Finance

Jeannie Arellano
Dir. HOME**HOME**

- i) Presentation Discussion, and Possible Action regarding the 2010 Single Family Homeowner Rehabilitation Assistance, Homebuyer Assistance, and Tenant-Based Rental Assistance Programs Award Recommendations

Tenant-Based Rental Assistance – Persons with Disabilities Set Aside

2010-0108	Community Action Corporation of South Texas	Alice
2010-0109	Spindletop Center	Beaumont
2010-0121	Mounting Horizons	League City
2010-0129	Coalition for the Homeless-Houston/Harris County	Houston
2010-0130	Service of the Emergency Aid Resource Center for the Homeless, Inc. (SEARCH)	Houston
2010-0136	Bering Omerga Community Services	Houston

- j) Presentation, Discussion, and Possible Action to Ratify HOME Program Reservation System Participants approved by the Executive Director

Neighborhood Stabilization ProgramTom Gouris
DED Housing Programs

- k) Presentation, Discussion, and Possible Action to approve the Second Neighborhood Stabilization Program 3 (NSP3) Substantial Amendment

- l) Presentation, Discussion, and Possible Action regarding the Neighborhood Stabilization Program 3 (NSP3) Award Recommendation

2011-101	Legacy Community Development Corporation	Port Arthur
2011-105	Community Development Corporation of Brownsville	Brownsville

- m) Presentation, Discussion, and Possible Action regarding the Neighborhood Stabilization Program – Program Income (NSP-PI) Reservation System Participants

2011-500	Foundation Communities, Inc.	Austin
2011-501	Community Development Corporation of Brownsville	Brownsville
2011-504	Austin Habitat for Humanity, Inc.	Austin

- n) Presentation, Discussion, and Possible Action regarding the recommendation to Amend the NSP1 Contract 77090000150 with Community Development Corporation of Brownsville and award funds to the City of La Feria

Texas Homeownership ProgramEric Pike
Dir. THP

- o) Approval of the Participating Lender List for the Single Family Mortgage Revenue Bond (MRB) and Mortgage Credit Certificate (MCC) Program

Rules

- p) Presentation, Discussion, and Possible Action regarding proposed amendments to 10 TAC Chapter 3, Colonia Self Help Center Program Rules, for public comment and publication in the *Texas Register*

Homero Cabello
Dir. OCI/HTF

- q) Presentation, Discussion, and Possible Action regarding proposed amendments to 10 TAC Chapter 2, Texas Bootstrap Loan Program Rules, for public comment and publication in the *Texas Register*

- r) Presentation, Discussion, and Possible Action regarding a proposed repeal of 10 TAC Chapter 51 §§51.1 – 51.16, Housing Trust Fund Rule, and a proposed new 10 TAC Chapter 51 §§51.1 – 51.11, Housing Trust Fund Rule, for public comment and publication in the *Texas Register*

- s) Presentation, Discussion, and Possible Action regarding the final order adopting the repeal of 10 TAC Chapter 1, §1.20, Asset Resolution and Enforcement, and the adoption of new 10 TAC Chapter 1, §1.20, Asset Review Committee, for publication in the *Texas Register*

Jeff Pender
Acting General Counsel

- t) Presentation, Discussion, and Possible Action regarding the final order adopting proposed amendments to 10 TAC Chapter 60, Subchapter B, §60.202, concerning a Multifamily housing project definition for publication in the *Texas Register*

Patricia Murphy
Chief Compliance and
Asset Oversight

- u) Presentation, Discussion, and Possible Action regarding the final order adopting proposed amendments to 10 TAC Chapter 9 Neighborhood Stabilization Program and 10 TAC §1.19 Deobligated Funds, for publication in the *Texas Register*

Tom Gouris
DED Housing Programs

ACTION ITEMS

Item 2: ARRA Accountability and Oversight:

- a) Status Report on the Implementation of the American Recovery and Reinvestment Act of 2009 (Recovery Act)

Brooke Boston
DED Community Based
Programs

Item 3: Housing Resource Center

- a) Presentation, Discussion, and Possible Action to Allow the Executive Director to proceed with the Procurement of a Provider to Perform a Phase 2 Analysis of Impediments (AI) to Fair Housing Choice for the State of Texas through a Request for Proposal (RFP)

Brooke Boston
DED Community Based
Programs

Item 4: Appeals:

- a) Presentation, Discussion, and Possible Action on Multifamily Program Appeals:

Robbye Meyer
Dir. Multifamily

11035	E. Thurman Walker Living Center
11086	La Belle Vie
11114	Green Haus
11136	Sphinx at Lawnview
11127	1400 Belleview
11214	Cobblestone Village
11094	Mariposa at Highway 6
11221	Stonebridge Place

Appeals Timely Filed

- b) Presentation, Discussion, and Possible Action on Tax Credit Assistance Program Appeals:

Tom Gouris
DED Housing Programs

Appeals Filed Timely

- c) Presentation, Discussion and Possible Action on Neighborhood Stabilization Program Appeals:

Appeals Filed Timely

- d) Presentation, Discussion, and Possible Action on HOME Program Appeals:

Tom Gouris
DED Housing Programs

Appeals Filed Timely

- e) Presentation, Discussion, and Possible Action on Underwriting Appeals:

Brent Stewart
Dir. REA

Appeals Filed Timely

Item 5: Multifamily Division Items – Tax Credit Program:

Robbye Meyer
Dir. Multifamily

- a) Presentation, Discussion, and Possible Approval to Issue a list of Approved Applications (as of June 23) for Housing Tax Credits ("HTC") in accordance with §2306.6724(e) of Texas Government Code

11020	The Grand Texan-Waxahachie	Waxahachie
11021	Candlestick Village	Fulton
11022	East Houston Gardens	Houston
11024	Zion Bayou	Houston
11025	Seaside Manor	Ingleside
11026	Walnut Springs	Seguin
11027	Brookview Village	Copperas Cove
11030	Pine Ridge Manor	Crockett
11031	La Hacienda Apartments.	Harlingen
11033	American GI Forum Village I & II	Robstown
11035	E. Thurman Walker Living Center	San Antonio
11036	Hidalgo Sr. Apartments.	Weslaco
11037	Spring Trace	Spring
11039	Timberbrook Village	Magnolia

11041	Riverwood Commons	Bastrop
11043	La Serena	Harlingen
11045	Lexington Vista	Corpus Christi
11046	Buckhorn Place	Huntsville
11048	La Privada	Edinburg
11049	The Palisades of Inwood	Houston
11050	Palm Gardens	Corpus Christi
11051	Sweetwater Bend	Galveston
11054	Beaumont Place of Grace	Beaumont
11055	Pilgrim Valley Manor	Fort Worth
11056	St. Paul Apartments	Dallas
11057	The Mercer	Bryan
11058	Connell Villa	Kingsville
11059	Colonia Guadalupe	Laredo
11061	Pioneer Crossing for Seniors Burkburnet	Burkburnett
11062	Pioneer Crossing for Seniors Mineral Wells	Mineral Wells
11065	Robinson Senior Villages	Robinson
11066	Anson Park III	Abilene
11067	Southwest Plains Villas	Lubbock
11068	North Desert Palms	El Paso
11070	Presidio Palms II	San Elizario
11071	Heritage Oak Hill	Austin
11072	The Landings at Westheimer Lakes	Houston
11073	Cypress Run	Universal City
11074	The Villas at Tuscany	Lubbock
11076	Saddlebrook Apartments	Burkburnett
11077	Main Street Commons	Taylor
11079	Lexington Landing	Corpus Christi
11080	Hidden Valley Estates	Houston
11081	Northwood Apartments	Navasota
11082	Oakwood Apartments	Madisonville
11083	Countrywood Apartments	Reno
11084	Southwood Apartments	Shepherd
11085	Whitetail Ridge	Hemphill
11086	La Belle Vie	Lumberton
11087	Tidwell Lakes Ranch	Houston
11089	Parkstone Senior Village Phase II	Wichita Falls
11090	Sutton Oaks II	San Antonio
11094	Mariposa at Highway 6	Bryan
11096	Mariposa at Calder Drive	League City
11097	RoseHill Ridge	Texarkana
11098	Hatcher Square	Dallas
11102	Christie's Cove	Harlingen
11105	Aster Villas	Del Rio
11107	Kinwest Manor	Irving
11112	Artisan at Dilley	Dilley
11114	Green Haus on the Santa Fe Trail	Dallas
11115	Castle Manor Apartments	Corpus Christi
11120	La Promesa Apartments	Odessa
11107	Kinwest Manor	Irving
11112	Artisan at Dilley	Dilley
11114	Green Haus on the Santa Fe Trail	Dallas
11115	Castle Manor Apartments	Corpus Christi
11120	La Promesa Apartments	Odessa
11122	Silver Spring Grand Heritage	Lavon
11123	Allegre Point	Austin
11124	Peoples El Shaddai	Dallas
11127	1400 Belleview	Dallas
11134	Grand Manor Apartments	Tyler
11135	Jourdanton Square Apartments	Jourdanton

11136	Sphinx at Lawnview	Dallas
11137	Genoa Ranch	Houston
11138	SilverLeaf at Gun Barrel City	Gun Barrel City
11139	Champion Homes at Copperidge	Dallas
11140	Villas of Giddings	Giddings
11142	Veterans Place	Dallas
11145	Evergreen at Marsh Lane	Carrollton
11148	Ivy Terrace	McAllen
11149	Branch Village Apartments	Houston
11150	New Hope Housing at Rittenhouse	Houston
11151	Sage Brush Apartments	Midland
11156	Montabella Senior	San Antonio
11157	Andalusia Pointe	Combes
11163	The Grove at Elm Park	Lubbock
11164	Oasis Cove	Canadian
11165	Playa Del Pueblo	Midland
11166	The Palms at Leopard	Corpus Christi
11167	The Monarch at Bay Prairie	Bay City
11168	The Trails at Nodding Pines	Corpus Christi
11169	Merritt Bryan Station Senior Village	Bryan
11171	South Fork Apartments	Stephenville
11175	Three Forks Ranch	Kaufman
11177	Trinity East Village	Houston
11178	Esperanza Cove Senior Apartments	Fort Worth
11179	Meadowlake Village Apartments	Mabank
11180	Rainy Creek Apartments	Abilene
11181	Dunes Apartments	Seminole
11183	Lakeside Village Homes	Fort Worth
11185	Azure Pointe	Beaumont
11193	Alexander Place Apartments	Baytown
11195	Stonebridge of Lubbock	Lubbock
11196	Central Village Apartments	Plainview
11197	Park Village Apartments	Big Spring
11198	Casa Orlando Apartments	Lubbock
11200	Silvercreek II Apartments	Houston
11202	Hunter's Chase Senior Apartments	Rockdale
11203	Woodside Village Apartments	McKinney
11205	Hawk Ridge Apartments	White Settlement
11206	Enclave on S. Main Apartments	Houston
11208	Amber Stone Apartments	Beeville
11214	Cobblestone Village	Bryan
11216	The Sierra on Pioneer Road	Mesquite
11217	The Overlook at Plum Creek	Kyle
11218	The Works at Pleasant Valley	Austin
11221	Stonebridge Place	Palestine
11222	Westway Place	Corsicana
11223	The Terrace at MidTowne	Midlothian
11224	Magnolia Acres	Angleton
11226	Clear Springs	Odessa
11227	Dolphin's Landing Apartments	Corpus Christi
11230	West Park Senior Housing	Corsicana
11231	Spring Hollow Apartments	Austin
11232	River Valley Apartments	Harlingen
11234	Villas at West Mountain	El Paso
11235	HomeTowne at Westheimer Lakes	Houston
11237	Summer Crest Senior Development	San Angelo
11238	The Sunningdale	Shenandoah
11239	Sansbury Senior	Greatwood
11241	Park Hudson Senior	Bryan
11243	HomeTowne at Kingwood	Houston

11244	E2 Flats	Dallas
11245	Bar T Apartments	Longview
11246	Tylor Grand	Abilene
11248	Singing Oaks	Denton
11249	Silvercreek I Apartments	Houston
11250	Cypress Creek at Four Seasons	Kyle
11251	Bluebonnet Village / Primrose Park	Bedford
11255	Justice Park Senior Villas	Houston
11257	Brazos Senior Villas	Rosenberg
11258	Brook Village Apartments	Dallas
11260	Bissonnet Gardens Apartments	Houston
11261	North Angelo Housing Estates	San Angelo
11262	The Millennium - McKinney	McKinney

b) Presentation, Discussion, and Possible Action regarding of Housing Tax Credit Amendments

70079	Emerald Run	North Richland Hills
060133	Las Fresas	Poteet
09943	Leona Apartments	Uvalde

c) Presentation, Discussion, and Possible Action on Housing Tax Credit and Exchange Program Extensions

07412	Mansions at Hastings Green	Houston
07413	Mansions at Hastings Green Senior	Houston
08258/09743	Lexington Court Phase II	Kilgore
08402	Mansions at Moses Lake	Texas City
09958/9100	Crestmoor Park South Apartments	Burleson
10007	Mexia Gardens	Mexia
10153	Britain Way	Irving
10226	Red Oak Apartments	Red Oak
10253	Brookwood Apartments	West Columbia
10271	Hudson Manor	Hudson
10279	Hudson Green	Hudson

d) Presentation and Discussion of Challenges Made in Accordance with §49.(10)(e) of the 2011 Qualified Allocation Plan and Rules (QAP) Concerning 2011 Housing Tax Credit (HTC) Applications

Item 6: Compliance and Asset Oversight

- a) Presentation, Discussion, and Possible Approval of final resolution for certain HOME rental developments

Patricia Murphy
Chief Compliance and
Asset Oversight

Recognition of Mike Gerber

REPORT ITEMS

Kent Conine, Chairman

1. TDHCA Outreach Activities, May 2011
2. Report Item on Secondary Market Activity on Single Family Variable Rate Debt
3. Executive Quarterly Report of Housing Tax Credit Program Amendments, Extensions, and Ownership Transfers

Tim Nelson
Dir. Bond Finance

Robbye Meyer
Dir. MF

EXECUTIVE SESSION

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

Kent Conine, Chairman

1. The Board may go into Executive Session Pursuant to Texas Government Code §551.074 for the purposes of discussing personnel matters including to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee;
2. Pursuant to Tex. Gov't. Code, §551.071(1) to seek the advice of its attorney about pending or contemplated litigation or a settlement offer, including:

- a) *The Inclusive Communities Project, Inc. v. Texas Department of Housing and Community Affairs, et al* filed in federal district court, Northern District of Texas;
 - b) *Claim of Gladys House filed with the EEOC;*
 - c) *Discrimination charge of Donald Willis to Health and Human Services regarding 2009 CSBG application;*
 - d) *Heston Emergency Housing, LP and Najj Al-Fouzan vs. Texas Department of Housing and Community Affairs, Michael Gerber, Martin Rivera, Jr., Marisa Callan, and Timothy Irvine; Civil Action No. H-11-1121 in the United States District Court for the Southern District of Texas, Houston Division*
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 this Tex. Gov't. Code, Chapter 551; or
 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.

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 Kent Conine, Chairman

ADJOURN

To access this agenda & details on each agenda item in the board book, please visit our website at www.tdhca.state.tx.us or contact Nidia Hiroms, 512-475-3934; TDHCA, 221 East 11th Street, Austin, Texas 78701, and request the information. Individuals who require auxiliary aids, services or sign language interpreters for this meeting should contact Gina Esteves, ADA Responsible Employee, at 512-475-3943 or Relay Texas at 1-800-735-2989 at least two days before the meeting so that appropriate arrangements can be made. Non-English speaking individuals who require interpreters for this meeting should contact Nidia Hiroms, 512-475-3934 at least three days before the meeting so that appropriate arrangements can be made.

Personas que hablan español y requieren un intérprete, favor de llamar a Jorge Reyes al siguiente número (512) 475-4577 por lo menos tres días antes de la junta para hacer los preparativos apropiados.

TEXAS HOMEOWNERSHIP DIVISION

LENDER OF THE YEAR AWARD

June 30, 2011

As part of June's celebration of Homeownership Month, the staff and TDHCA Governing Board would like to recognize the lending community for their contributions to affordable housing and their efforts to increase the homeownership rate in Texas during 2010. Through the issuance of mortgage revenue bond loans, TDHCA's network of participating mortgage lenders originated over \$148 million in first lien mortgage loans under the Texas First Time Homebuyer Program. Through their efforts, in a year that saw a slow down in the state's economy, 1,231 individuals and families were able to experience the benefits of homeownership.

The Texas Mortgage Credit Program was also very successful as a result of our lender network with 683 Mortgage Credit Certificates (MCCs) issued during the past year. The certificates were issued on mortgage loans totaling in excess of \$90 million. MCCs provide up to \$2,000 annually towards a borrower's federal tax liability. Launched in 2003, the Texas Mortgage Credit Program has become one of the largest and most successful MCC Programs in the nation.

In recognition of their efforts, the TDCHA Governing Board is recognizing the top two Texas First Time Homebuyer and Texas Mortgage Credit Program lending institutions and top two producing loan officers under these programs. The top lending institutions were selected for their overall production of mortgage loans and/or issuance of mortgage credit certificates under each of the programs and the corresponding dollar loan volume. The loan officers were selected based on their overall production level under each of the programs.

The following mortgage lenders have been selected for recognition of their achievements.

Cornerstone Mortgage Company – “Texas First Time Homebuyer Program Lender of the Year”

In 2010, Cornerstone Mortgage Company originated an impressive 349 mortgage loans totaling over \$44 million in production. They have participated in TDHCA's homebuyer programs for a number of years and have offices located throughout the state of Texas.

Rocky Mountain Mortgage Company – “Texas First Time Homebuyer Program Lender of the Year”

In 2010, Rocky Mountain Mortgage Company originated 92 mortgage loans totaling over \$9 million. They have participated in TDHCA's homebuyer programs for many years and have offices located in El Paso.

NTFN, Inc. dba Premier Nationwide Lending – “Texas Mortgage Credit Program Lender of the Year”

Premier Nationwide Lending was responsible for the issuance of 95 MCCs on mortgage loans totaling \$11 million. They were also the recipient of last year's lender of the year award and have offices located throughout the state.

Bank of America Home Loans – “Texas Mortgage Credit Program Lender of the Year”

Bank of America Home Loans was responsible for the issuance of 76 MCCs on mortgage loans totaling \$9 million. They too have participated in TDHCA homebuyer programs for a number of years and have offices located throughout the state.

Kim Lewis, NTFN, Inc. dba Premier Nationwide Lending, Flower Mound- “Loan Officer of the Year”

In 2010, Ms. Lewis closed 58 mortgage loans under the Texas First Time Homebuyer Program and was responsible for the issuance of 95 certificates under the Texas Mortgage Credit Program. She has worked in the mortgage industry for over 32 years and has participated in TDHCA’s Homebuyer Programs for approximately 20 years. She has considerable experience working with first time homebuyers and is an asset to the mortgage banking industry demonstrating true commitment to providing affordable housing to all Texans.

Robb Goedert, Cornerstone Mortgage Company, Houston- “Loan Officer of the Year”

In 2010, Mr. Goedert closed 59 mortgage loans under the Texas First Time Homebuyer Program. He has worked in the mortgage lending and residential Real Estate business for approximately 28 years and has worked for Cornerstone Mortgage Company for over 20 years. He is also an asset to the mortgage banking industry and is truly committed to providing affordable housing to all Texans.

BOARD SECRETARY
BOARD ACTION REQUEST
JUNE 30, 2011

Presentation, Discussion, and Possible Action regarding the Board Minutes Summary for May 5, 2011.

Recommended Action

Approve Board Meeting Minutes Summary for May 5, 2011.

RESOLVED, that the Board Meeting Minutes Summary for May 5, 2011, as having been specifically approved, is hereby approved as presented.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
BOARD MEETING

May 5, 2011; 9:00 a.m.

125 E. 11th Street
Dewitt C. Greer Building
Texas Department of Transportation
Ric Williamson Hearing Room
Austin, TX

SUMMARY OF MINUTES

CALL TO ORDER, ROLL CALL, CERTIFICATION OF QUORUM

The Board Meeting of the Texas Department of Housing and Community Affairs of May 5, 2011 was called to order by Chair, Kent Conine, at 9:00 a.m. It was held at the Dewitt C. Greer Building, Texas Department of Transportation, Ric Williamson Hearing Room, 125 E. 11th Street, Austin, Texas. Roll call certified a quorum was present.

Mr. Gerber introduced and welcomed Mr. J. Paul Ozer, new appointee to the Governing Board, who replaced Ms. Gloria Ray's position. Mr. Ozer was sworn into office by the Honorable Wallace Jefferson, Chief Justice of the Texas Supreme Court.

Members Present:

Kent Conine, Chair
Tom H. Gann, Vice Chair
Leslie Bingham-Escareño, Member
Juan Muñoz, Member (arrived at 9:35 a.m.)
Lowell Keig, Member
J. Paul Ozer, Member

PUBLIC COMMENT

The Board will solicit Public Comment at the beginning of the meeting and will also provide for Public Comment on each agenda item after the presentation made by the department staff and motions made by the Board.

Granger MacDonald, provided testimony announcing the inducement of Mr. Conine into the National Association of Homebuilders Hall of Fame and also recognized staff on work accomplished in the last two years..

Barry Kahn, provided testimony thanking Mr. Conine and staff for their efforts.

Dan Allgeier, provided testimony concerning the Housing Tax Credit appeals of staff decisions.

John Longoria, President, Corpus Christi Independent School Board, provided testimony in support of Project 11-166, referred to as Palms at Leopard.

Bill Newsome, developer of E2 Flats in Dallas, provided testimony in support of their forward application.

The Honorable State Representative Dee Margo, provided testimony in support of forward commitments in El Paso.

The Honorable State Representative James White, provided testimony requesting reconsideration and reinstatement of Timberlands Trails in Lufkin.

Larry Hamilton, provided testimony in support of the St. Paul Apartments project, number 11-056, in Dallas.

Mike Fienza, President and CEO of the Dallas Homeless Alliance, provided testimony in support of the St. Paul Apartments project, number 11-056, in Dallas.

John Greenan, Executive Director of Central Dallas Community Development Corporation, provided testimony in support of the St. Paul Apartments project, number 11-056, in Dallas.

Kenneth Hambro, provided testimony in support of Sandberry Senior Development, 11-239.

CONSENT AGENDA

Items on the Consent Agenda may be removed at the request of any Board member and considered at another appropriate time on this agenda. Placement on the Consent Agenda does not limit the possibility of any presentation, discussion or approval at this meeting. Under no circumstances does the Consent Agenda alter any requirements under Chapter 551 of the Texas Government Code, Texas Open Meetings Act.

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

Executive

- a) Presentation, Discussion, and Possible Action regarding the Board Minute Summary for March 3, 2011
- b) Presentation, Discussion, and Possible Action on Notice to the Board regarding administrative penalties for Southmore Park Apartments (HTC 94004)

Financial Administration

- c) Presentation of the Department's 2nd Quarter Investment Report

Compliance and Asset Oversight:

- d) Presentation, Discussion, and Possible Waiver of 10 TAC Chapter 60, Subchapter A, §60.124(b) For Seville Row and Buttercup Place Apartments

Community Affairs

- e) Presentation, Discussion, and Possible Action to Approve Staff Recommendations to award 2011 Community Services Block Grant (CSBG) State Discretionary Funds to Statewide, Migrant and Seasonal Farmworker, and Native American Projects

Multifamily Division Items - Housing Tax Credit Program

- f) Presentation, Discussion, and Possible Action regarding of Housing Tax Credit Amendments
 - 04488 Mission del Rio San Antonio
 - 05441 Cobblestone Manor Fort Worth
 - 060217 Mariposa Apartments at Reed Road Houston
 - 09712 City Walk at Akard Dallas
- g) Presentation, Discussion, and Possible Action on Housing Tax Credit and Exchange Program Extensions
 - 04015 Preston Trace Apartments Frisco
 - 060402 Hillcrest Manor Senior Community Lubbock
 - 060440 Town Square Apartments Converse
 - 07452 Elan Gardens Apartments San Antonio
 - 08200 Ingram Square San Antonio

Multifamily Division Items - Private Activity Bond Program

- h) Presentation, Discussion, and Possible Approval of Senior Managing, Co-Senior Managing, Co-Managing and/or Remarketing Agent Investment Banking Firms for Multifamily Mortgage Revenue Bond Transactions

HOME

- i) Presentation, Discussion, and Possible Action regarding the 2010 Single Family Homeowner Rehabilitation Assistance, Homebuyer Assistance, and Tenant-Based Rental Assistance Programs Award Recommendation:

Homebuyer Assistance

2010-0061	City of Center	Center
2010-0101	Southeast Texas Housing Finance Corporation	Houston

Homeowner Rehabilitation Assistance

2010-0059	Refugio County	Refugio
2010-0060	City of Miles	Miles
2010-0061	City of Center	Center
2010-0062	City of Corsicana	Corsicana
2010-0063	City of Kilgore	Kilgore
2010-0064	City of Columbus	Columbus
2010-0065	City of Josephine	Josephine
2010-0066	City of Matador	Matador
2010-0067	City of Roaring Springs	Roaring Springs
2010-0068	Loving County	Mentone
2010-0069	City of Abernathy	Abernathy
2010-0070	City of Electra	Electra
2010-0071	City of Bronte	Bronte
2010-0072	City of Hitchcock	Hitchcock

2010-0073	Pecos County	Fort Stockton
2010-0074	Floyd County	Floydada
2010-0075	City of Woodsboro	Woodsboro
2010-0076	City of Fort Stockton	Fort Stockton
2010-0077	City of Roscoe	Roscoe
2010-0078	Dickens County	Dickens
2010-0080	City of Petersburg	Petersburg
2010-0081	City of Mount Vernon	Mount Vernon
2010-0086	City of Refugio	Refugio
2010-0087	Town of Bayside	Bayside
2010-0088	City of Elkhart	Elkhart
2010-0089	Jim Wells County	Alice
2010-0090	City of Palacios	Palacios
2010-0091	San Patricio County	Sinton
2010-0096	City of Ralls	Ralls
2010-0097	City of Teague	Teague
2010-0099	Motley County	Matador
2010-0102	City of Huntsville	Huntsville
2010-0103	City of Roma	Roma
2010-0104	City of Turkey	Turkey
2010-0105	City of Eldorado	Eldorado
2010-0106	Dimmit County	Carrizo Springs
2010-0107	City of Eden	Eden

- j) Presentation, Discussion, and Possible Action to Ratify HOME Program Reservation System Participants approved by the Executive Director
- k) Presentation, Discussion, and Possible Approval of the HOME Single Family Programs Reservation System Notice of Funding Availability (NOFA)
- l) Presentation, Discussion, and Possible Action to Approve amendments to HOME CHDO Single Family Development Contract Number 1000785 and Operating Expense Contract Number 1000794 for the development of 6 single family homes by the Pharr Housing Development Corporation located in Pharr, Texas

Office of Colonia Initiatives

- m) Presentation, Discussion, and Possible Action on Colonia Self Help Center Program Awards to Webb, Starr and Maverick Counties through Community Development Block Grant (CDBG) Funding

Housing Trust Fund

- n) Presentation, Discussion, and Possible Action to authorize Housing Trust Fund (HTF) to award deobligations, repayments and earned funds through the remainder of the current fiscal year into active HTF Contracts and current Notices of Funding Availability

Neighborhood Stabilization Program

- o) Presentation, Discussion, and Possible Action to Approve the request for Waiver of NSP-R NOFA requirements
77090000217 FC Austin One Housing Corporation Austin

Disaster Recovery

- p) Presentation, Discussion, and Possible Action to Approve Amendment Requests to Amend Performance Statements and Budgets for CDBG Disaster Recovery Round 1 Contracts
70090001 City of Houston
70090008 City of Galveston
70090013 City of Brownsville
70090014 Galveston County
70090018 Willacy County
70090019 Hidalgo County

Pulled from Consent Agenda for further discussion.

John Hennenberger, co-director of the Texas Low Income Housing Information Service, provided testimony.

Veronica Chapa-Jones, Deputy Director with the City of Houston, provided testimony.

Sterling Patrick, Director of Grants and Housing for the City of Galveston, provided testimony.

Motion by Ms. Bingham-Escareño to approve staff recommendations for the City of Houston, City of Brownsville, Galveston County, Willacy Co., and Hidalgo Co.; postponing the decision for the City of Galveston request until the next meeting; duly seconded by Mr. Keig; passed unanimously.

- q) Presentation, Discussion, and Possible Action to Extend Contract End Dates and Benchmarks for CDBG Disaster Recovery Round 1 Contracts
- 70090001 City of Houston
 - 70090002 East Texas Council of Governments
 - 70090003 Harris County
 - 70090005 Montgomery County
 - 70090006 Liberty County
 - 70090007 Brazos Valley Affordable Housing Corporation
 - 70090008 City of Galveston
 - 70090011 Cameron County
 - 70090012 Deep East Texas Council of Governments
 - 70090013 Brownsville
 - 70090014 Galveston County
 - 70090015 Mission
 - 70090016 Houston-Galveston Area Council
 - 70090018 Willacy County
 - 70090019 Hidalgo County

Pulled from Consent Agenda for further discussion.

John Hennenberger, co-director of the Texas Low Income Housing Information Service, provided testimony.

Motion by Ms. Bingham-Escareño to approve staff recommendations for the City of Houston, East Texas Council of Governments, Harris Co. Montgomery Co. Liberty Co. Brazos Valley Affordable Housing Corp., Cameron County, Deep East Texas Council of Governments, Brownsville, Galveston Co., Mission, Houston-Galveston Area Council, Willacy Co., and Hidalgo Co.; postponing the decision for the City of Galveston request until the next meeting; duly seconded by Mr. Gann; passed unanimously.

- r) Presentation, Discussion, and Possible Action to Authorize Staff to Develop Plans for Improvement Related to CDBG Disaster Recovery Round 1 Subrecipients with Under-performing Programs
- 70090001 City of Houston
 - 70090004 South East Texas Regional Planning Commission
 - 70090009 Fort Bend
 - 70090010 Chambers County
 - 70090014 Galveston County

Pulled from Consent Agenda for further discussion.

John Hennenberger, co-director of the Texas Low Income Housing Information Service, provided testimony.

Motion by Ms. Bingham-Escareño to approve staff recommendations; duly seconded by Mr. Keig; passed unanimously.

- s) Presentation, Discussion, and Possible Action on the Rita Round I Action Plan to re-obligate unutilized disaster funds for additional housing related activities designed to remove debris created by Hurricane Rita

Rules

- t) Presentation, Discussion, and Possible Action regarding approval for publication in the *Texas Register* a final order adopting the repeal of 10 TAC Chapter 60, Subchapter C, and adopting new 10 TAC Chapter 60, Subchapter C, concerning Administrative Penalties
- u) Presentation, Discussion, and Possible Action regarding approval for publication in the *Texas Register* of a proposed repeal of 10 TAC §1.20 and a proposed new 10 TAC §1.20, concerning the Asset Review Committee
- v) Presentation, Discussion, and Possible Action regarding approval for publication in the *Texas Register* proposed amendments to 10 TAC Chapter 9 §§9.1 – 9.7 concerning the Neighborhood Stabilization Program and 10 TAC §1.19, concerning Deobligated Funds
- w) Presentation, Discussion, and Possible action regarding approval for publication in the *Texas Register* a final order adopting new 10 TAC Chapter 5, Subchapter H §5.802 concerning Local Operators for the Housing Choice Voucher Program
- x) Presentation, Discussion, and Possible Action regarding approval for publication in the *Texas Register* a final orders adopting amendments to 10 TAC Chapter 53, Subchapter C, §53.31, concerning the HOME Program Rule
- y) Presentation, Discussion, and Possible Action regarding approval of proposed amendments to 10 TAC Chapter 5, §§5.900 – 5.905, the Weatherization Assistance Program Department of Energy American Recovery And Reinvestment Act (WAP ARRA), for publication in the *Texas Register*, for public comment

Motion by Mr. Gann to approve the Consent Agenda with the additional conditions stated by staff for Item 1n, with the exception of items 1p, 1q, and 1r which were pulled for further discussion; duly seconded by Ms. Bingham-Escareño; with Dr. Muñoz absent; motion passed.

The Board took a short recess.

ACTION ITEMS

AGENDA ITEM 2: EXECUTIVE:

- a) Presentation, Discussion, and Possible Action to Authorize the Executive Director to Re-Obligate HERA and/or ARRA Contract Funds Among Subrecipients and to Grant Extension of Contract Terms
Motion by Mr. Keig to approve staff recommendation; duly seconded by Dr. Muñoz; passed unanimously.
- b) To provide for the acceptance of the resignation of Michael Gerber as Executive Director and the designation of Tim Irvine as Acting Director as provided for by Tex. Gov't. Code, §2306.038
Motion by Dr. Muñoz to approve staff recommendation; duly seconded by Mr. Keig; passed unanimously.

AGENDA ITEM 3: INTERNAL AUDIT:

- a) Report from the Audit Committee
No action taken.

AGENDA ITEM 4: COMPLIANCE AND ASSET OVERSIGHT:

- a) Presentation Discussion, and Possible Reinstatement of Housing Tax Credit Application number 10241, Timberland Trails
Mr. Gann recused himself from agenda item 4.
Frederick D. Schnurr, managing member of American Capital Group, provided testimony.
Cynthia Bast, Locke, Lord, Liddell, provided testimony.
Motion by Ms. Bingham-Escareño to approve staff recommendation; duly seconded by Mr. Oxer; passed unanimously.

AGENDA ITEM 5: MULTIFAMILY DIVISION ITEMS – HOUSING TAX CREDIT PROGRAM:

- a) Status Report for the 2011 Competitive Housing Tax Credit Cycle
Mary Hernandez, provided testimony in support of Palms of Leopard, Region 10, project 11-166.
No action taken.
- b) Presentation, Discussion, and Possible Action Regarding Waivers of Ineligibility for Applicants or Applications in the 2011 Competitive Housing Tax Credit Application Cycle
11248 Singing Oaks Denton
Lisa Stevens, Singing Oaks development, provided testimony.
Motion by Mr. Oxer to approve staff recommendation; duly seconded by Mr. Gann; Mr. Keig voted nay; Dr. Muñoz not present; motion passed.
11251 Bluebonnet Villa – Primrose Park Bedford
Withdrawn from consideration.

AGENDA ITEM 6: ARRA ACCOUNTABILITY AND OVERSIGHT:

- a) Status Report on the Implementation of the American Recovery and Reinvestment Act of 2009 (Recovery Act)
No action taken.

AGENDA ITEM 7: BOND FINANCE:

- a) Presentation, Discussion, and Possible Action on Resolution 11-026 authorizing application to the Texas Bond Review Board for reservation of single family private activity bond authority, the issuance of Residential Mortgage Revenue Bonds, Series 2011B, the conversion of second tranche of 2009C (Program 77) and approval of the Single Family Residential Mortgage Revenue Bonds Underwriting Team
Motion by Ms. Bingham-Escareño to approve Resolution 11-026; duly seconded by Mr. Gann; passed unanimously.
- b) Presentation, Discussion, and Possible Action on Resolution 11-027 authorizing down payment assistance funding sources for Program 77

Motion by Mr. Gann to approve Resolution 11-027; duly seconded by Mr. Keig; passed unanimously.

EXECUTIVE SESSION

At 12:10 p.m. Mr. Conine convened the Executive Session.

1. The Board may go into Executive Session Pursuant to Texas Government Code §551.074 for the purposes of discussing personnel matters including to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee;
2. Pursuant to Tex. Gov't. Code, §551.071(1) to seek the advice of its attorney about pending or contemplated litigation or a settlement offer, including:
 - a) *The Inclusive Communities Project, Inc. v. Texas Department of Housing and Community Affairs, et al* filed in federal district court, Northern District of Texas
 - b) *Claim of Gladys House* filed with the EEOC;
 - c) *Discrimination charge of Donald Willis to Health and Human Services regarding 2009 CSBG application*
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 this Tex. Gov't. Code, Chapter 551; or
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.

OPEN SESSION

At 1:30 p.m. Mr. Conine reconvened the Open Session and announced that no action had been taken during the Executive Session and certified that the posted agenda had been followed.

AGENDA ITEM 8: APPEALS:

- a) Presentation, Discussion, and Possible Action on Multifamily Program Appeals:

11085	Whitetail Ridge	Hemphill
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Withdrawn from consideration.

11221	Stoneridge Place	Palestine
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Withdrawn from consideration.

11114	Green Haus on the Santa Fe Trail	Dallas
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Bernadette Mitchell, Assistant Director Housing and Community Services, City of Dallas, provided testimony in support of 11114.
Linda McMahon, President and CEO of the Real Estate Council of Dallas and the Real Estate Council Foundation, provided testimony in support of 11114..
Chris Luna, provided testimony in support of 11114.
Motion to table by Dr. Muñoz; duly seconded by Mr. Ozer; passed unanimously.

11142	Veterans Place	Dallas
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Miguel Ayala, provided testimony in support of 11142.
Bernadette Mitchell, City of Dallas, provided testimony in support of 11142.
Gina Thompson, provided testimony in support of 11142.
Motion by Mr. Ozer to deny staff recommendation and grant the appeal based on a conforming plan change ; duly seconded by Ms. Bingham-Escareño; Dr. Muñoz abstaining; motion passed.

11218	The Works at Pleasant Valley	Austin
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Susan McDowell, Executive Director of Lifeworks, provided testimony in support of 11218.
Motion by Ms. Bingham-Escareño to approve staff recommendation to deny; duly seconded by Mr. Ozer; passed unanimously.
- b) Presentation, Discussion, and Possible Action on Tax Credit Assistance Program Appeals:

None filed.
- c) Presentation, Discussion and Possible Action on Neighborhood Stabilization Program Appeals:

None filed.
- d) Presentation, Discussion, and Possible Action on HOME Program Appeals:

None filed.
- e) Presentation, Discussion, and Possible Action on Underwriting Appeals:

None filed.

REPORT ITEMS

1. TDHCA Outreach Activities, April 2011
2. Release of the Request for Proposals (RFP) for Research and Report of the Prevalence of Contracts for Deed in Texas Colonias
3. Release of Land Use Restriction Agreement (LURA) for Anna House and Ridgeoak Way
4. Presentation and Discussion of the Disaster Recovery Division's Status Report on for Community Development Block Grant Contracts Administered by TDHCA
5. Neighborhood Stabilization Program Budget Transfer Reconciliation Report

ADJOURN

Since there was no other business to come before the Board, the meeting was adjourned at 2:50 p.m. on May 5, 2011.

Michele Atkins, Assistant Board Secretary

For a full transcript of this meeting, please visit the TDHCA website at www.tdhca.state.tx.us.

LEGAL SERVICES DIVISION
BOARD ACTION REQUEST
June 30, 2011

Presentation, Discussion, and Possible Action to authorize the procurement of Bond Counsel

Action Item

Approve issuance of a Request for Proposals (RFP) for Bond Counsel

RESOLVED, that the executive director and his designees and each of them be and are hereby authorized, empowered and directed, for and on behalf of this Department to publish a RFP for Bond Counsel and to bring their recommendations for selection of such counsel to this Board prior to the expiration of the current counsel contract.

Background and Recommendations

The Department utilizes outside counsel to serve as bond counsel. The current Outside Bond Counsel, Vinson & Elkins, L.L.P., contract was slated to expire on August 31, 2011, but was extended into November 2012.

Staff will develop and publish a request for proposals (“RFP”) to identify qualified counsels for recommendation to the Board. The RFP used will include language regarding the use of Historically Underutilized Businesses (HUBs). There have been no issues brought forward by staff during the course of the year regarding current bond counsel is eligible to submit new proposals.

LEGAL SERVICES DIVISION
BOARD ACTION REQUEST
June 30, 2011

Presentation, Discussion, and Possible Action to authorize the procurement of Tax Credit Counsel

Action Item

Approve issuance of a Request for Proposals (RFP) for Tax Credit Counsel

RESOLVED, that the executive director and his designees and each of them be and are hereby authorized, empowered and directed, for and on behalf of this Department to publish a RFP for Tax Credit Counsel and to bring their recommendations for selection of such counsel to this Board prior to the expiration of the current counsel contract.

Background and Recommendations

The Department utilizes outside counsel to answer complex tax credit program questions based on the Internal Revenue Service code, letter rulings and other technical advisory opinions. Because of the complexity of these issuances, it is both practical and necessary to receive outside legal counsel. Current Outside Tax Credit Counsels', Holland & Knight, L.L.P. and Nixon Peabody LLP contracts were slated to expire on August 31, 2011, but have been extended into November 2012.

Staff will develop and publish a request for proposals ("RFP") to identify qualified counsels for recommendation to the Board. The RFP used will include language regarding the use of Historically Underutilized Businesses (HUBs). There have been no issues brought forward by staff during the course of the year regarding current tax credit counsel(s) and both firms are eligible to submit new proposals.

**COMMUNITY AFFAIRS DIVISION
BOARD ACTION REQUEST
June 30, 2011**

Presentation, Discussion, and Possible Action on Approving Program Year 2011 Emergency Shelter Grant Program awards

Recommended Action

Approve the Emergency Shelter Grants Program (ESGP) Awards for Program Year 2011. Based on the Department's scoring and ranking of the 2011 ESGP applications, staff recommends that the Board approve the staff recommendations. A total of 44 applicants are recommended to receive funding totaling \$4,916,877, which includes \$4,000 in State administrative funds which must be shared with awardees that are units of local government. The Department has been notified by U.S. Department of Housing and Urban Development (HUD) to expect \$2,013,779 in additional funds to be awarded under the new Emergency Solutions Grant Program later in the program year. Because of the short time frame under which HUD historically requires these funds to be awarded, it is likely, based on any HUD rules or guidance on such future allocations, that staff may seek additional delegation of authority to administer those funds.

RESOLVED, that the 2011 Emergency Shelter Grants Program (ESGP) Awards totaling \$4,916,877 be and they hereby are approved as presented to this meeting.

Background

The Emergency Shelter Grants Program (ESGP) is funded by the U.S. Department of Housing and Urban Development (HUD). For Program Year 2011 the Department expects to receive total funding in the amount of \$5,171,449, of which 95%, or \$4,912,877, is available to be awarded. The State will retain \$258,572 for State administration and share \$4,000 of these funds with awardees that are units of local government. HUD requires that the Department commit ESGP grant awards within 65 days of official notification.

HUD will award the State an additional \$2,013,779 later this year, under separate regulations. Depending on any HUD rules or guidance on such future allocations and because of the short timeline that HUD historically requires these funds be awarded, staff may seek additional delegation of authority to administer those funds.

On November 10, 2010, the Department released a Notice of Funding Availability (NOFA) notifying prospective applicants of the availability of ESGP funds for Program Year 2011. Applications were due on January 6, 2011. The Department received 104 applications from the 13 Service Regions. The available funds were distributed to each region based on each region's allocation. Applicants were chosen based on a standardized scoring instrument that evaluated and scored eligible proposals. The attached table reflects all applications and denotes the recommended awardees, their original request and the recommended award amount. Funds that

were unallocated in a particular region were reallocated to applicants in the regions with funding below \$250,000.

The Emergency Shelter Grants Program is a limited program designed to provide additional resources and operational support to agencies assisting homeless individuals and families and those who may become homeless. Successful applicants must provide a match of 100% of the ESGP award.

FY 2011 Emergency Shelter Grants Program (ESGP) Award Recommendations

Region	Applicant Name	Final Score	Requested Amount	Award Amount
Region 1				
1	Panhandle Crisis Center, Inc.	846.00	\$78,701	\$78,701
1	Women's Protective Services of Lubbock, Inc.	709.00	\$104,350	\$100,000
1	City of Amarillo	644.00	\$151,150	\$0
1	The Salvation Army - Lubbock	638.00	\$100,000	\$0
1	South Plains Community Action Association	345.00	\$100,000	*** Ineligible
1	Subtotal			\$178,701
Region 2				
2	First Step of Wichita Falls, Inc.	524.00	\$50,000	* Ineligible
2	Subtotal			\$0
Region 3				
3	City of Irving	769.00	\$300,000	* Ineligible
3	The Salvation Army - Start Program	754.00	\$98,750	\$98,750
3	Grayson County Juvenile Alternative, Inc. dba North Texas Connection	724.00	\$599,988	\$599,988
3	Mission Granbury, Inc.	698.00	\$93,755	\$93,755
3	Johnson County Family Crisis Center	608.00	\$100,000	\$100,000
3	Presbyterian Night Shelter	593.00	\$100,000	\$100,000
3	Hope, Inc.	575.00	\$89,900	\$89,900
3	SafeHaven of Tarrant County	566.00	\$100,000	\$51,850
3	City of Dallas City of Dallas	538.00	\$400,000	*** Ineligible
3	Christian Community Action	520.00	\$100,000	*** Ineligible
3	Daniel's Den, Inc.	519.00	\$44,085	*** Ineligible
3	Denton Co Friends of the Family Inc.	510.00	\$100,000	*** Ineligible
3	The Salvation Army - Denton Corps	498.67	\$100,000	*** Ineligible
3	Arlington Life Shelter	492.00	\$100,000	*** Ineligible
3	The Salvation Army - Arlington Family Life Center	492.00	\$100,000	*** Ineligible
3	City of Plano	481.00	\$200,000	*** Ineligible
3	Promise House, Inc.	473.00	\$100,000	*** Ineligible
3	The Salvation Army - Carr P. Collins Social Service Center	440.00	\$93,200	*** Ineligible
3	Subtotal			\$1,134,243
Region 4				
4	East Texas Crisis Center	734.00	\$100,000	\$100,000
4	Shelter Agencies For Families in East Texas, Inc.	639.00	\$60,000	\$60,000
4	The Salvation Army - Tyler	625.00	\$100,000	\$100,000

FY 2011 Emergency Shelter Grants Program (ESGP) Award Recommendations

Region	Applicant Name	Final Score	Requested Amount	Award Amount
4	Sabine Valley Regional MHMR Center Center	624.00	\$51,359	\$0
4	Randy Sams' Outreach Shelter, Inc.	581.00	\$98,999	\$0
4	Subtotal			\$260,000
Region 5				
5	Love Inc. of Nacogdoches	756.00	\$100,000	\$100,000
5	Women's Shelter of East Texas	576.33	\$35,820	\$35,820
5	Port Cities Rescue Mission Ministries	536.00	\$100,000	\$44,946
5	The Salvation Army - Beaumont	460.00	\$79,752	*** Ineligible
5	Subtotal			\$180,766
Region 6				
6	Montrose Counseling Center, Inc.	712.00	\$100,000	\$100,000
6	Matagorda County Women's Crisis Center, Inc.	712.00	\$99,970	\$99,970
6	Westside Homeless Partnership	676.00	\$100,000	\$100,000
6	Bread of Life, Inc.	658.33	\$247,840	\$190,940
6	Humble Area Assistance Ministries	647.00	\$100,000	\$100,000
6	SEARCH Homeless Services	646.00	\$400,000	\$400,000
6	Northwest Assistance Ministries	636.00	\$100,000	\$80,374
6	Houston Area Women's Center	623.00	\$100,000	\$0
6	The Bridge Over Troubled Waters, Inc.	622.00	\$77,425	\$0
6	Bay Area Homeless Services, Inc.	618.00	\$94,237	\$0
6	Harris County Community Services Department	606.33	\$100,000	\$0
6	Covenant House Texas	594.00	\$99,720	\$0
6	Memorial Assistance Ministries	583.00	\$100,000	\$0
6	The Women's Home	581.00	\$95,150	\$0
6	Wellsprings Village	567.33	\$100,000	\$0
6	The Children's Center Inc.	553.00	\$100,000	\$0
6	Bay Area Turning Point	546.67	\$61,450	\$0
6	Harmony House, Inc.	538.00	\$100,000	\$0
6	Fort Bend County Women's Center	515.00	\$95,036	\$0
6	New Hope Counseling Center	481.67	\$199,991	*** Ineligible
6	Santa Maria Hostel, Inc.	480.33	\$99,981	*** Ineligible
6	Houston Area Urban League	473.00	\$100,000	*** Ineligible
6	Star of Hope Mission	461.67	\$100,000	*** Ineligible
6	Montgomery County Women's Center	237.00	\$44,315	*** Ineligible
6	Elnita McClain Transitional Women's Center	-22.00	\$100,000	* Ineligible
6	Subtotal			\$1,071,284
Region 7				
7	Advocacy Outreach	819.00	\$100,000	\$100,000
7	Youth and Family Alliance dba Lifeworks	714.00	\$100,000	\$100,000

FY 2011 Emergency Shelter Grants Program (ESGP) Award Recommendations

Region	Applicant Name	Final Score	Requested Amount	Award Amount
7	Safe Place - Travis County Domestic Violence & Sexual Assault Survival Center	710.33	\$80,000	\$80,000
7	Caritas of Austin	606.00	\$100,000	\$0
7	Williamson-Burnet County Oportunities, Inc.	595.00	\$60,000	\$0
7	Highland Lakes Family Crisis Center	575.33	\$60,000	\$0
7	Bastrop County Women's Shelter, dba Family Crisis Center	558.33	\$91,803	*** Ineligible
7	Community Action Inc of Hays, Caldwell and Blanco County	522.67	\$150,000	*** Ineligible
7	Subtotal			\$280,000
Region 8				
8	Families In Crisis, Inc.	735.00	\$99,980	\$99,980
8	Twin City Mission, Inc.	668.00	\$89,273	\$89,273
8	Family Abuse Center	659.33	\$99,959	\$99,959
8	Faith Mission and Help Center, Inc.	588.00	\$99,765	\$0
8	The Salvation Army - Waco	545.67	\$100,000	\$0
8	Subtotal			\$289,212
Region 9				
9	Seton Home	774.00	\$100,000	\$100,000
9	Family Violence Prevention Services, Inc.	688.00	\$100,000	\$100,000
9	** Bexar County	686.00	\$100,000	\$100,000
9	The Salvation Army - San Antonio	658.00	\$100,000	\$100,000
9	The Salvation Army - Kerrville	555.00	\$99,997	\$0
9	San Antonio Metropolitan Ministry, Inc.	520.00	\$500,000	*** Ineligible
9	St Peter - St. Joseph Children's Home	441.00	\$100,000	*** Ineligible
9	Subtotal			\$400,000
Region 10				
10	Mid-Coast Famiy Services, Inc.	854.00	\$99,999	\$99,999
10	The Salvation Army - Corpus Christi	674.00	\$100,000	\$100,000
10	Corpus Christi Hope House, Inc.	652.00	\$97,514	\$0
10	Women's Shelter of South Texas	638.00	\$99,996	\$0
10	Corpus Christi Metro Ministries, Inc.	518.00	\$100,000	*** Ineligible
10	Subtotal			\$199,999
Region 11				
11	Family Crisis Center	697.00	\$94,559	\$94,559
11	Catholic Charities of the Rio Grande Valley	654.00	\$100,000	\$100,000

FY 2011 Emergency Shelter Grants Program (ESGP) Award Recommendations

Region	Applicant Name	Final Score	Requested Amount	Award Amount
11	The Bishop Enrique San Pedro Ozanam Center, Inc.	620.00	\$100,000	\$100,000
11	Wintergarden Women Shelter	595.00	\$99,332	\$99,332
11	Loaves & Fishes of the Rio Grande Valley, Inc.	578.00	\$100,000	\$100,000
11	The Salvation Army - McAllen	548.00	\$99,780	\$99,780
11	Providence Ministry Corp. dba La Posada Providencia	479.00	\$98,058	*** Ineligible
11	South Texas Adult Resource and Training Center	462.00	\$99,965	*** Ineligible
11	Starr County	0.00	\$125,000	* Ineligible
11	Subtotal			\$593,671
Region 12				
12	The Salvation Army - Big Spring	585.00	\$50,000	\$50,000
12	The Salvation Army - Odessa	530.00	\$75,000	\$75,000
12	Subtotal			\$125,000
Region 13				
13	La Posada Home, Inc.	745.00	\$100,000	\$100,000
13	Center Against Family Violence, Inc.	652.00	\$100,000	\$100,000
13	El Paso Center for the Children	597.00	\$99,875	\$0
13	Sin Fronteras Organizing Project, Inc.	580.00	\$150,000	\$0
13	El Paso Human Services, Inc.	564.00	\$99,030	\$0
13	Opportunity Center for the Homeless	547.00	\$100,000	\$0
13	El Paso County	543.00	\$100,000	\$0
13	Child Crisis Center of El Paso	536.00	\$60,000	\$0
13	International AIDS Empowerment	510.00	\$89,000	*** Ineligible
13	Dame La Mano Crisis Emergency Center Inc.	422.00	\$100,000	*** Ineligible
13	Subtotal			\$200,000
	TOTALS		\$11,912,810	\$4,912,877
	** State administrative funds shared with units of local government.			\$4,000
	Total Awarded to 44 Applicants			\$4,916,877
	* Ineligible due to low expenditure rate in prior ESGP funding cycle.			
	*** Ineligible due to score being below funding threshold.			

**COMMUNITY AFFAIRS DIVISION
BOARD ACTION REQUEST
June 30, 2011**

Presentation, Discussion, and Possible Action on Approving Program Year 2011 Community Services Block Grant Discretionary Awards for Innovative and Discretionary Projects

Recommended Action

Approve awards from the Notice of Funding Availability (NOFA) for the 2011 Community Services Block Grant (CSBG) Discretionary Awards for Innovative and Demonstration Projects.

RESOLVED, that the staff funding award recommendations for 2011 Community Services Block Grant (CSBG) Discretionary Awards for Innovative and Demonstration Projects, with contracts to be effective July 1, 2011, be and they hereby are approved as presented to this meeting.

Background

The Department has set aside a total of \$500,000 in State CSBG discretionary funds to be awarded through a Notice of Funding Availability approved by the Board on December 17, 2010. A total of thirty-three (33) eligible applications were received, requesting a total of \$3,542,742 in funds. The maximum amount of the request was \$125,000. Based on the Department's scoring and ranking of the thirty-three applications, staff recommends that the Board approve a total of five (5) applicants to receive funding totaling \$499,588. Due to the amounts requested, the total amount awarded will fall short of the \$500,000 set aside and \$412 will be rolled back into the CSBG State Discretionary balance. These applicants were chosen based on a standardized scoring instrument. The attached table reflects all applications and denotes the recommended awardees, their award amount, and a description of the recommended projects.

Staff recommends the following organizations be awarded in the amounts indicated.

- West Central Texas Council of Governments (\$50,000)
- Project Quest, Inc. (\$125,000)
- Seton Home (\$125,000)
- De Pelchin Children's Center (\$123,409)
- Bexar County Commissioners Court (\$76,179)

2011 Community Services Block Grant (CSBG) State Discretionary Awards for Innovative and Demonstration Projects Award Recommendations FY 2011

Ranking	Applicant Name	Funds Requested	Final Score	Amount Recommended	Project Description
1	West Central Texas Council of Governments	\$50,000	184.67	\$50,000	Provide participant driven direct care services to CSBG eligible older persons and their caregivers, and/or persons with disabilities and their caregivers. Direct assistance to be provided to 233 individuals includes transportation, respite care, legal assistance, homemaker/chore services, and personal care/assistance through case management and coordination of current public services, resource identification, community referrals and crisis intervention.
2	Project Quest, Inc.	\$125,000	176.33	\$125,000	Provide comprehensive and individualized strategies to individuals to strengthen their education and employment skills. Services to be provided are education and training to 50 individuals, work and income supports to 100 individuals and wealth building and asset protection to 100 individuals.
3	Seton Home	\$125,000	175.33	\$125,000	Provide youth aging out of foster care and female head of households critical supplemental assistance while they obtain an education and/or seek employment. Vouchers for 60-75 households will be provided to cover the costs of daycare, clothing, school supplies, groceries, gas and incentives for completing school.

2011 Community Services Block Grant (CSBG) State Discretionary Awards for Innovative and Demonstration Projects Award Recommendations FY 2011

Ranking	Applicant Name	Funds Requested	Final Score	Amount Recommended	Project Description
4	DePelchin Children's Center	\$123,409	174.67	\$123,409	Assist former foster youths living in unstable, temporary, and/or unsuitable housing to build critical assets. Services provided to 6 participants will be: scattered site housing, linkages to school, job training, employment and support services, skills training; including social, financial management, healthy food choice and consumerism skills. Other services include assistance to create positive behaviors and healthy boundaries and community connections/affiliation for long term stability.
5	Bexar County Commissioners Court	\$76,179	169.33	\$76,179	Provide employment, training, and education services as well as various support services to a misdemeanor target population of the Bexar County specialty court system. Four (4) individuals will be assisted with tuition to local community colleges for heating, ventilation and air conditioning (HVAC) coursework. Six (6) individuals will be referred to local trade schools for medical decoding. Other support services that will be provided are: GED classes to five (5) individuals, tests for adult basic education (TABE) to twenty (20) individuals along with uniforms, tools and work related equipment, and two monthly bus passes to ten (10) individuals.
6	Concho Valley Community Action Agency	\$125,000	166.00	\$0	Not funded due to insufficient score.
7	Community Action Corporation of South Texas	\$125,000	164.33	\$0	Not funded due to insufficient score.
8	Safe Place	\$18,068	163.00	\$0	Not funded due to insufficient score.
9	Project Unity	\$125,000	160.67	\$0	Not funded due to insufficient score.
10	Catholic Charities Diocese of Forth Worth	\$125,000	158.00	\$0	Not funded due to insufficient score.

2011 Community Services Block Grant (CSBG) State Discretionary Awards for Innovative and Demonstration Projects Award Recommendations FY 2011

Ranking	Applicant Name	Funds Requested	Final Score	Amount Recommended	Project Description
11	SEARCH	\$125,000	156.67	\$0	Not funded due to insufficient score.
12	City of Irving	\$122,869	156.33	\$0	Not funded due to insufficient score.
13	Nueces County Community Action Agency	\$120,000	154.67	\$0	Not funded due to insufficient score.
14	City of Houston	\$125,000	154.67	\$0	Not funded due to insufficient score.
15	Combined Community Action, Inc.	\$49,447	154.00	\$0	Not funded due to insufficient score.
16	East Texas Council of Governments	\$125,000	153.33	\$0	Not funded due to insufficient score.
17	Boys & Girls Club of Walker County	\$94,548	152.33	\$0	Not funded due to insufficient score.
18	Harmony House	\$100,000	148.33	\$0	Not funded due to insufficient score.
19	Midcoast Family Services	\$57,320	146.67	\$0	Not funded due to insufficient score.
20	Habitat for Humanity of the Rio Grande Valley	\$117,268	146.00	\$0	Not funded due to insufficient score.
21	Bread of Life, Inc.	\$124,239	145.67	\$0	Not funded due to insufficient score.
22	Academia America	\$107,095	144.00	\$0	Not funded due to insufficient score.
23	Housing Authority of the City of Beaumont	\$125,000	142.33	\$0	Not funded due to insufficient score.
24	Montgomery County Homeless Coalition	\$97,500	126.00	\$0	Not funded due to insufficient score.
25	Community Action Council of South Texas	\$65,892	120.00	\$0	Not funded due to insufficient score.
26	County of Kleberg	\$125,000	102.67	\$0	Not funded due to insufficient score.
27	S.A.F.E. Grant	\$124,405	101.00	\$0	Not funded due to insufficient score.
28	Panhandle Community	\$125,000	99.67	\$0	Not funded due to insufficient score.
29	Troubled Waters, Inc.	\$69,425	97.67	\$0	Not funded due to insufficient score.
30	County of Duval	\$75,078	96.33	\$0	Not funded due to insufficient score.

2011 Community Services Block Grant (CSBG) State Discretionary Awards for Innovative and Demonstration Projects Award Recommendations FY 2011

Ranking	Applicant Name	Funds Requested	Final Score	Amount Recommended	Project Description
31	From Jails to Jobs, Inc.	\$125,000	72.33	\$0	Not funded due to insufficient score.
32	Dallas Urban League	\$225,000	70.33	\$0	Not funded due to insufficient score.
33	City of Fort Worth	\$100,000	55.33	\$0	Not funded due to insufficient score.
	TOTAL	\$3,542,742		\$499,588	

**COMMUNITY AFFAIRS DIVISION
BOARD ACTION REQUEST
JUNE 30, 2011**

Presentation, Discussion, and Possible Action on Approving the Draft Community Services Block Grant State Plan for Fiscal Years 2012-2013

Recommended Action

Approve Draft 2012-2013 Community Services Block Grant (CSBG) State Plan and Application for Publication in the Texas Register.

RESOLVED, that the Draft 2012-2013 Community Services Block Grant State Plan and Application for Publication in the Texas Register, and Barring Substantive Comments as a Result of said Publication will be Submitted as Final, be and hereby is approved as presented at this meeting.

Background

The U.S. Department of Health and Human Services, Office of Community Services (OCS) requires that the State of Texas submit a State plan and application every two years in order to receive its allotment of Community Services Block Grant (CSBG) funds. In response to such requirement, the Department has prepared the draft FFY 2012 and 2013 Community Services Block Grant (CSBG) State Plan and Application. Staff recommends approval of draft FFY 2012 and 2013 Community Services Block Grant (CSBG) State Plan and Application for posting on TDHCA website and public comment.

Texas Administrative Code, Title 10, Part 1, Chapter 5, Subchapter B, 10 TAC §5.209 requires that, in conjunction with the development of the State plan, the Department hold public hearings in different areas of the state to solicit public comment on the intended use of CSBG funds. The statute further requires that the Department provide notice of the public hearings regarding the State Plan not later than the 15th day before the date of the hearing and publish the Draft State Plan on the Department's web site at least 10 days before the first public hearing.

The Department will conduct a public hearing in Fort Worth, TX on July 18, 2011 and one in Austin, TX on July 29, 2011 and will post the draft Plan and Application on the Department's website in compliance with TAC requirements.

Staff recommends that if the Department does not receive significant public comment, the Board grant the Executive Director the authority to make necessary modifications and submit the State Plan and Application to the U.S. Department of Health and Human Services (USHHS) without returning to the Board.



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

DRAFT JUNE 23, 2011 DRAFT

STATE OF TEXAS

FFY 2012 and FFY 2013

COMMUNITY SERVICES BLOCK GRANT (CSBG)

STATE APPLICATION AND PLAN

Submitted by the

TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS

to

U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

August 2011

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August 28, 2011

Dr. Yolanda J. Butler
Acting Director
Office of Community Services
U. S. Department of Health and Human Services--ACF
Division of State Assistance
370 L'Enfant Promenade, SW, 5th Floor West
Washington, DC 20447

Re: State of Texas FFY 2012 and FFY 2013 Community Services Block Grant
State Application and Plan

Dear Dr. Butler:

Enclosed is the State of Texas Application and Plan for Federal Fiscal Years 2012 and 2013 funding under the Community Services Block Grant (CSBG) Act, 42 U.S.C. 9901 et seq. Administration of the Community Services Block Grant in Texas is also governed by state rule in the Texas Administrative Code--Title 10, Part 1, Chapter 5, Subchapter B. and Texas Government Code Subchapters 2306.092 (11) and 2306.097.

The Texas Department of Housing and Community Affairs (Department) is the state agency designated to administer these funds. The official to receive notices of grant awards for CSBG is Mr. Timothy K. Irvine, Interim Executive Director. The program contact person within the CSBG State Office is Mr. Stuart P. Campbell, Manager of the Community Services Section (CSS). The CSS phone number is (512) 475-3850, and the fax number is (512) 475-3539. The Department's fiscal contact person for the Community Services Block Grant is Esther Ku, Manager of Accounting Operations. Ms. Ku can be reached at (512) 475-3871, and documents can be faxed to her at (512) 472-7500.

The State of Texas appreciates the opportunity to continue administering the Community Services Block Grant. CSBG provides support to an array of programs that assist low-income individuals and families to create permanent change in their lives, and in 2010 enabled the State's Community Action Network to provide services to more than 540,576 unduplicated low-income individuals and to assist 1,484 persons to transition out of poverty. With the additional funding available through the American Recovery and Reinvestment Act, a total of 751,017 individuals were impacted by CSBG dollars in 2010.

If you require additional information regarding this document, please do not hesitate to contact this office.

Sincerely,

Timothy K. Irvine
Interim Executive Director

Enclosure

I. FEDERAL FISCAL YEARS COVERED BY THE STATE APPLICATION AND PLAN

The State Application and Plan covers Federal Fiscal Years 2012 and 2013.

II. LETTER OF TRANSMITTAL

Refer to transmittal letter.

III. EXECUTIVE SUMMARY

A. CSBG State Legislation

The state legislation that governs the Texas CSBG program is codified below and a copy of the provisions are included within this document as **Appendix H**.

Texas Administrative Code, Title 10, Part 1, Chapter 5, Sub-Chapter B. provides information and guidance on the program's purposes and goals, use and distribution of funds, state application and plan, the requirement for eligible entities to conduct community needs assessments and community action plans, requirements associated with tripartite boards, sub-recipient performance and reporting requirements, designation and re-designation of eligible entities in unserved areas, and procedures for sub-recipient contract termination and reduction of funding.

Texas Government Code 2306.092 requires that the Department administer state responsibilities for programs created under the federal Economic Opportunity Act of 1964, the Omnibus Budget Reconciliation Act of 1981, and other federal acts creating economic opportunity programs assigned to the Department.

Texas Government Code 2306.097 requires energy services programs that serve low-income individuals, such as the Weatherization Assistance Program (WAP) and the Low-Income Home Energy Assistance Program (LIHEAP), operate in conjunction with the Community Services Block Grant. Therefore, the majority of CSBG eligible entities administer the above-referenced energy efficiency programs in the State of Texas.

B. Designation of Lead State Agency to Administer the CSBG Program

The Texas Department of Community Affairs, which in 1991 was merged with the Texas Housing Agency to create the Texas Department of Housing and Community Affairs (the Department), began administering the Texas Community Services Block Grant in 1983 in accordance with state statute. In 1999, Governor George Bush designated the Department as the lead agency for this grant in response to Section 676(a) of the CSBG Act. Governor Rick Perry has continued this designation. A letter to this effect is included in the State Application as **Appendix I**.

Designated State Lead Agency: Texas Department of Housing and Community Affairs
Director/Administrator of Designated State Agency: Timothy K. Irvine

C. Public Hearing Requirements

- (1) Public Hearing: [A Public Hearing has no yet occurred. Below is draft language anticipating minimal comments. Substantive comments will be incorporated into the final Plan.] The Department compiled and distributed a draft Texas CSBG State Application and Plan that described the proposed use of CSBG funds for Federal Fiscal Years 2012 and 2013. Information on the intended use of the CSBG funds was presented at a public hearing held in Fort Worth, Texas on July 18, 2011 and in Austin, Texas on July 29, 2011. The hearing was announced in a notice in the Texas Register, a copy which is included in this application as **Appendix A**.
- (2) Legislative Hearing: The Texas State Legislature meets biennially during which time the budgets of all state agencies are considered. The CSBG budget is included in the review of the Department's overall budget. The Texas House of Representatives held its Legislative Appropriations Request hearing on February 22, 2011. The Texas Senate conducted its Legislative Appropriations Request hearing on March 1, 2011. **Appendix B** references additional detail on the State's Legislative Appropriations Request hearings process and certifies that such process serves to comply with the CSBG Act's requirement [42 U.S.C. Section 9008 (a) (3)] that at least one (1) legislative hearing be held every three years in conjunction with the state's development of its CSBG State Application and Plan.
- (3) Public Inspection of State Application and Plan: The draft Texas FFY 2012 and FFY 2013 CSBG State Application and Plan was made available to the Department's Board of Directors and then for public inspection/comment on the Department's web-site: www.tdhca.state.tx.us. Copies of the draft document were also made available at the July 29, 2011 public hearing conducted in Fort Worth, Texas and in Austin, Texas. In addition, copies of the final Texas FFY 2012 and FFY 2013 CSBG State Application and Plan will be made available to the Texas State Library and will remain there on file for future reference.

IV. STATEMENT OF FEDERAL AND CSBG ASSURANCES/CERTIFICATIONS

As part of the CSBG biennial application and plan required by Section 676 of the Community Services Block Grant Act, as amended (42 U.S.C. 9901 *et seq.*) (the Act), I, Timothy K. Irvine, Interim Executive Director of the Texas Department of Housing and Community Affairs (Department), hereby agree to the Assurances in Section 676 of the Act.

A. Programmatic Assurances

- (1) The State assures that funds made available through the CSBG will be used:
 - (a) To support activities that are designed to assist low-income families and individuals, including families and individuals receiving assistance under part A of title IV of the Social Security Act (42 U.S.C. 601 *et seq.*), homeless families and individuals, migrant or seasonal farmworkers, and elderly low income

individuals and families, and a description of how such activities will enable the families and individuals to:

- (i) remove obstacles and solve problems that block the achievement of self-sufficiency (including self-sufficiency for families and individuals who are attempting to transition off a State program carried out under Part A of Title IV. of the Social Security Act);
 - (ii) secure and retain meaningful employment;
 - (iii) attain an adequate education, with particular attention toward improving literacy skills of low-income families in the communities involved, which may include carrying out family literacy initiatives;
 - (iv) make better use of available income;
 - (v) obtain and maintain adequate housing and a suitable living environment;
 - (vi) obtain emergency assistance through loans, grants, or other means to meet immediate and urgent family and individual needs; and,
 - (vii) achieve greater participation in the affairs of the communities involved, including the development of public and private grassroots partnerships with local law enforcement agencies, local housing authorities, private foundations, and other public and private partners to:
 - a. document best practices based on successful grassroots intervention in urban areas to develop methodologies for widespread replication; and,
 - b. to strengthen and improve relationships with local law enforcement agencies, which may include participation in activities such as neighborhood or community policing efforts;
- (b) To address the needs of youth in low-income communities through youth development programs that support the primary role of the family, give priority to the prevention of youth problems and crime, and promote increased community coordination and collaboration in meeting the needs of youth, and support development and expansion of innovative community based youth development programs that have demonstrated success in preventing or reducing youth crime, such as:
- (i) programs for the establishment of violence free zones that would involve youth development and intervention models (such as models involving youth mediation, youth mentoring, life skills training, job creation, and entrepreneurship programs); and
 - (ii) after school child care programs; and,
- (c) To make more effective use of, and to coordinate with, other programs (including State welfare reform efforts). [676(b)(1)]

- (2) To describe how the State intends to use discretionary funds made available from the remainder of the grant or allotment described in Section 675C(b) of the Act in accordance with the Community Services Block Grant, including a description of how the State will support innovative community and neighborhood based initiatives related to the purposes of this subtitle; [676(b)(2)]
- (3) To provide information submitted by CSBG eligible entities in the State, including:
 - (a) a description of the service delivery system, for services provided or coordinated with funds made available through grants made under Section 675C(a) of the Act, targeted to low-income individuals and families in communities within the State;
 - (b) a description of how linkages will be developed to fill identified gaps in services, through the provision of information, referrals, case management, and follow-up consultations;
 - (c) a description of how funds made available through grants made under Section 675(a) will be coordinated with other public and private resources; and
 - (d) a description of how local CSBG eligible entities will use the funds to support innovative community and neighborhood-based initiatives related to the purposes of the community services block grant, which may include fatherhood initiatives and other initiatives with the goal of strengthening families and encouraging effective parenting. [676(b)(3)];
- (4) To ensure that CSBG eligible entities in the State will provide, on an emergency basis, for the provision of such supplies and services, nutritious foods, and related services, as may be necessary to counteract conditions of starvation and malnutrition among low-income individuals; [676(b)(4)]
- (5) To ensure that the State and the CSBG eligible entities in the State will coordinate, and establish linkages between, governmental and other social services programs to assure the effective delivery of such services to low-income individuals and to avoid duplication of such services, and State and the CSBG eligible entities will coordinate the provision of employment and training activities in the State and in communities with entities providing activities through statewide and local workforce investment systems under the Workforce Investment Act of 1998; [676(b)(5)]
- (6) To ensure coordination between antipoverty programs in each community in the State, and ensure, where appropriate, that emergency energy crisis intervention programs under Title XXVI. (relating to low-income home energy assistance) are conducted in such communities; [676(b)(6)]
- (7) To permit and cooperate with Federal investigations undertaken in accordance with Section 678D of the Act; [676(b)(7)]

- (8) To ensure that any eligible entity in the State that received funding in the previous fiscal year through a community services block grant under the community services block grant program will not have its funding terminated under this subtitle, or reduced below the proportional share of funding the entity received in the previous fiscal year unless, after providing notice and opportunity for a hearing on the record, the State determines that cause exists for such termination or such reduction, subject to review by the Secretary as provided in Section 678C(b) of the Act [676(b)(8)];
- (9) To ensure that the State and CSBG eligible entities in the State will, to the maximum extent possible, coordinate programs with and form partnerships with other organizations serving low-income residents of the communities and members of groups served by the State, including religious organizations, charitable groups, and community organizations [676(b)(9)];
- (10) To require each eligible entity in the State to establish procedures under which a low-income individual, community organization, or religious organization, or representative of low-income individuals that considers its organization, or low-income individuals, to be inadequately represented on the board (or other mechanism) of the eligible entity to petition for adequate representation [676(b)(10)];
- (11) To secure from each eligible entity in the State, as a condition to receipt of funding, a community action plan (which shall be submitted to the Secretary, at the request of the Secretary, with the State Plan) that includes a community needs assessment for the community served, which may be coordinated with community needs assessments conducted for other programs [676(b)(11)];
- (12) To ensure that the State and all CSBG eligible entities in the State will, not later than fiscal year 2001, participate in the Results-Oriented Management and Accountability System, or another performance measure system for which the Secretary facilitated development pursuant to Section 678E(b) of the Act [676(b)(12)]; and,
- (13) To provide information describing how the State will carry out these assurances. [676(b)(13)]. **(See Section V. Narrative CSBG State Plan)**

B. Administrative and Financial Assurances

The State further agrees to the following, as required under the Act:

- (1) To submit an application to the Secretary containing information and provisions that describe the programs for which assistance is sought under the community services block grant program prepared in accordance with and containing the information described in Section 676 of the Act. [675A(b)]
- (2) To use not less than 90 percent of the funds made available to the State by the Secretary under Section 675A and 675B of the Act to make grants to eligible entities for the stated purposes of the community services block grant program and to make such funds available to eligible entities for obligation during the fiscal year and the

succeeding fiscal year, subject to the provisions regarding recapture and redistribution of unobligated funds outlined below. [675C(a)(1) and (2)]

- (3) In the event that the State elects to recapture and redistribute funds to an eligible entity through a grant made under Section 675C(a)(1) when unobligated funds exceed 20 percent of the amount so distributed to such eligible entity for such fiscal year, the State agrees to redistribute recaptured funds to an eligible entity, or require the original recipient of the funds to redistribute the funds to a private, nonprofit organization, located within the community served by the original recipient of the funds, for activities consistent with the purposes of the community services block grant program. [675C(a) (3)]
- (4) To spend no more than the greater of \$55,000 or 5 percent of its grant received under Section 675A or the State allotment received under Section 675B for administrative expenses, including monitoring activities. [675C(b)(2)]
- (5) In states with a charity tax credit in effect under state law, the State agrees to comply with the requirements and limitations specified in Section 675(c) regarding use of funds for statewide activities to provide charity tax credits to qualified charities whose predominant activity is the provision of direct services within the United States to individuals and families whose annual incomes generally do not exceed 185 percent of the poverty line in order to prevent or alleviate poverty among such individuals and families. [675(c)]
- (6) That the lead agency will hold at least one hearing in the State with sufficient time and statewide distribution of notice of such hearing, to provide to the public an opportunity to comment on the proposed use and distribution of funds to be provided through the grant or allotment under Section 675A or 675B for the period covered by the State Plan. [676(a)(2)(B)]
- (7) That the chief executive officer of the State will designate an appropriate State agency for purposes of carrying out State Community Services Block Grant activities. [676(a)(1)]
- (8) To hold at least one legislative hearing every three years in conjunction with the development of the State Plan. [676(a)(3)]
- (9) To make available for the public inspection each plan or revised State plan in such a manner as will facilitate review of and comment on the plan. [676(e)(2)]
- (10) To conduct the following reviews of CSBG eligible entities:
 - (a) full on-site review of each such entity at least once during each three year period;
 - (b) an on-site review of each newly designated entity immediately after the completion of the first year in which such entity receives funds through the community services block grant program;

- (c) follow-up reviews including prompt return visits to eligible entities and their programs, that fail to meet the goals, standards, and requirements established by the State; and,
 - (d) other reviews as appropriate, including reviews of entities with programs that have had other Federal, State or local grants other than assistance provided under the community services block grant program terminated for cause. [678B(a)]
- (11) In the event that the State determines that an eligible entity fails to comply with the terms of an agreement or the State plan, to provide services under the community services block grant program or to meet appropriate standards, goals, and other requirements established by the State (including performance objectives), the State will comply with the requirements outlined in Section 678C of the Act, to:
- (a) inform the entity of the deficiency to be corrected;
 - (b) require the entity to correct the deficiency;
 - (c) offer training and technical assistance as appropriate to help correct the deficiency, and submit to the Secretary a report describing the training and technical assistance offered or stating the reasons for determining that training and technical assistance are not appropriate;
 - (d) at the discretion of the State, offer the eligible entity an opportunity to develop and implement, within 60 days after being informed of the deficiency, a quality improvement plan and to either approve the proposed plan or specify reasons why the proposed plan cannot be approved; and,
 - (e) after providing adequate notice and an opportunity for a hearing, initiate proceedings to terminate the designation of or reduce the funding to the eligible entity unless the entity corrects the deficiency. [678(C)(a)]
- (12) To establish fiscal controls, procedures, audits and inspections as required under Sections 678D(a)(1) and 678D(a)(2) of the Act.
- (13) To repay to the United States amounts found not to have been expended in accordance with the Act, or the Secretary may offset such amounts against any other amount to which the State is or may become entitled under the community services block grant program. [678D(a)(3)]
- (14) To participate, by October 1, 2001, and ensure that all eligible entities in the State participate in the Results-Oriented Management and Accountability (ROMA) System. [678E(a)(1)]
- (15) To prepare and submit to the Secretary an annual report on the measured performance of the State and its eligible entities, as described under 678E(a)(2) of the Act.
- (16) To comply with the prohibition against use of community services block grant funds for the purchase or improvement of land, or the purchase, construction, or permanent

improvement (other than low-cost residential weatherization or other energy-related home repairs) of any building or other facility, as described in Section 678F(a) of the Act.

- (17) To ensure that programs assisted by community services block grant funds shall not be carried out in a manner involving the use of program funds, the provision of services, or the employment or assignment of personnel in a manner supporting or resulting in the identification of such programs with any partisan or nonpartisan political activity or any political activity associated with a candidate, or contending faction or group, in an election for public or party office; any activity to provide voters or prospective voters with transportation to the polls or similar assistance with any such election, or any voter registration activity. [678F(b)]
- (18) To ensure that no person shall, on the basis of race, color, national origin or sex be excluded from participation in, be denied benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with community services block grant program funds. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.) or with respect to an otherwise qualified individual with a disability as provided in Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 1231 et seq.) shall also apply to any such program or activity. [678F(c)]
- (19) To consider religious organizations on the same basis as other non-governmental organizations to provide assistance under the program so long as the program is implemented in a manner consistent with the Establishment Clause of the first amendment to the Constitution; not to discriminate against an organization that provides assistance under, or applies to provide assistance under the community services block grant program on the basis that the organization has a religious character; and not to require a religious organization to alter its form of internal government except as provided under Section 678B or to remove religious art, icons, scripture or other symbols in order to provide assistance under the community services block grant program. [679]

C. Other Administrative Certifications

The State also certifies to the following:

- (1) To provide assurances that cost and accounting standards of the Office of Management and Budget (OMB Circulars A-110 and A-122) shall apply to a recipient of community service block grant program funds; and,
- (2) To comply with the requirements of Public Law 103-227, Part C. Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994, which requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18 if the services are funded by a Federal grant, contract, loan or loan guarantee. The State further agrees that it will require the language of this certification be included in any sub-

awards, which contain provisions for children's services and that all sub-recipients shall certify accordingly.

Timothy K. Irvine, Interim Executive Director
Texas Department of Housing and Community Affairs

Date

V. NARRATIVE STATE PLAN

A. Administrative Structure

(1) State Administrative Agency

- (a) Outline the mission and responsibilities of the lead agency designated to administer the State's Community Services Block Grant program.

The mission of the Texas Department of Housing and Community Affairs is to help Texans achieve an improved quality of life through the development of better communities. As the lead agency for the Community Services Block Grant, the responsibility of the Texas Department of Housing and Community Affairs is to ensure that CSBG eligible entities have a central administration, including financial management capabilities, to operate the CSBG program and other grant programs on behalf of the poor and that activities supported with CSBG funds meet the requirements of Section 676 of the CSBG Act. The Department is also committed to ensuring that all administrative and programmatic assurances are met at both the state and local levels.

- (b) Goals and Objectives: Outline the goals and objectives of the lead agency that administers the State's Community Services Block Grant program.

The Department's goal for CSBG is to support efforts in identifying and ameliorating or eliminating the causes of poverty and to help solve problems faced by clients that block the achievement of economic self-sufficiency. Its objectives are: to ease the hardships of poverty and homelessness; to assure the availability of a mechanism to address the problems of poverty by funding community action agencies (CAAs) and other human service delivery organizations; and, to ensure opportunities exist for increased participation of the poor in activities of their community so they can also assist in solving their own problems.

CSBG funds are also administered by the Texas Department of Housing and Community Affairs to ensure the provision of effective training and technical assistance and timely funds reimbursement to CSBG eligible entities and CSBG state discretionary sub-recipients.

(2) CSBG Eligible Entities

- (a) Provide a list of CSBG Eligible Entities.
Refer to **Appendix D.** for List of 2011 Texas CSBG Eligible Entities.
- (b) Show geographic areas served.
Refer to **Appendix E.** for List of 2011 CSBG Texas Program Service Areas.

(3) Distribution and Allocation of Funds –

- (a) Planned Distribution for Current Fiscal Year

The Department distributes funds utilizing an electronic contract and reporting system. Once the Department has received a notification from USHHS of the State's full allocation for the year, the Department notifies CSBG eligible entities of the amount of funds to be distributed for the year. For FFY 2011, the Department applied the formula referenced in Section V., Part B. below to allocate the 90% pass-through funds to 45 local CSBG eligible entities. Refer to **Appendix F.** for the List of 2011 Texas CSBG Allocations.

B. Description of Criteria and Distribution Formula

The Department utilizes a multi-factor funds distribution formula to equitably provide CSBG funds throughout its 254 counties that are served by the 45 CSBG eligible entities. The CSBG funds distribution formula includes four factors: a base award, a minimum floor, poverty population, and population density. The use of these factors ensures equity among all CSBG eligible entities, including the minimum operational funds driven by the floor factor and additional funds for organizations serving sparsely populated areas. The floor ensures that small organizations are provided a reasonable amount of operational funds sufficient to administer the Community Services Block Grant and any other grants designed to serve the area's low-income population. The population density factor ensures that additional funds are provided to those organizations with sparsely populated service areas.

Under the current State Plan, the Department distributes CSBG funds to CSBG eligible entities based on a distribution formula which incorporates the 2000 U. S. Census figures at 125% of poverty; a \$50,000 base; a \$150,000 floor; 98% weighted factor for poverty population; and, a 2% weighted factor for the inverse ratio of population density. The formula is applied as follows: each eligible entity receives a base award; then, the weighted factors of poverty population and population density are applied to the state's balance of the 90% funds. If the base and application of the weighted factors do not yield sufficient funds for the minimum floor per entity, then the minimum floor amount is reserved for each of those CSBG eligible entities under the floor figure. Then, the formula is re-applied to the balance of the 90% funds for distributing the remaining funds to the remaining CSBG eligible entities.

As updated data becomes available from the U.S. Census Bureau and the allocation formula incorporates the most recent data, the Department will meet periodically with the Texas CSBG Formula Committee for input on current and potential funds distribution methods. The committee is composed of representatives from Texas CSBG eligible entities, a member of the Texas Association of Community Action Agencies, and Department staff. On May 24, 2011, the Committee met; there was concurrence that for 2012 and 2013, the Department will use the same four formula factors as described above; however, the data will come from the most recently available U.S. Census Bureau Decennial 2010 Census and from the Small Area Income and Poverty Estimates (SAIPE) Program. Poverty data utilized will be at 100% of poverty level. The Department will update the formula with the most recent SAIPE Program data every two years.

Limitations on use of funds are based on the cost and accounting standards as outlined in the circulars issued by the Office of Management and Budget, the CSBG Act, the Cash Management Improvement Act and any Information Memorandums issued by USHHS. Each eligible entity is authorized to draw funds incrementally for an amount not to exceed a 30-day need. CSBG eligible entities may carry over CSBG funds from one contract period into the next contract period, with certain limitations. However, the Department may elect to recapture carry-over of more than 20% of the prior year's allocation and redistribute recaptured funds to another area eligible entity(ies).

C. Description of Distribution and Use of Restricted Funds

In 2012 and 2013, not less than 90% of the CSBG funds allotted to the State will be allocated to CSBG eligible entities based on the formula factors described in Part V. B. **Appendix F.** contains the distribution amounts allocated to each CSBG eligible entity in 2011 as well as the estimated allocations for 2012 based on level funding and utilizing the most recently available data from the U.S. Census Bureau SAIPE Program.

The Department determines the planned use of CSBG funds by reviewing the annual Community Action Plan (CAP Plan) submitted by each eligible entity. The CAP Plan must include a Community Needs Assessment due every five (5) years, a description of which of the identified needs are to be addressed, a description of the current service delivery system, a description of the linkages and funding coordination, a description of the case management system, identification of the programs operated and services offered by the CSBG eligible entity, and a description of the projects that are planned or currently in operation categorized by the National Goals and National Performance Indicators.

The duration of the CSBG contract between the Department and each of the CSBG eligible entities is twelve months, from January 1st to December 31st. Each December, the Department conducts desk reviews of all the CSBG eligible entities' expenditure rates and allows each CSBG eligible entity to request an extension to its twelve month contract. This procedure, coupled with the Department's flexibility and willingness to amend contract budgets, has kept unexpended funds at a minimum and negated the need to recapture contract funds.

When the Department determines that a CSBG eligible entity is having program compliance problems sufficient to warrant possible relinquishment of the CSBG Program and its eligible entity status, the Department abides by the procedures outlined in Section 678C of the CSBG Act and decides whether to de-obligate its allocated funds. In an effort to maintain CSBG services to clients in areas which may become temporarily unserved, the de-obligated funds are reserved for immediate short term use by another area CSBG eligible entity(ies) or for re-obligation on a long term basis to another service provider(s) selected based on a competitive applications process. The most recent instances in which funds have been recaptured and redistributed are listed below.

The **Institute for Rural Development, Inc. (IRD)**, headquartered in Kingsville, Texas was investigated for allegations of fraud that were substantiated by Department staff. As a result, IRD encountered major difficulties in complying with its contracts with the Department. In 2010 their CSBG contract was terminated by the Department.

The **Community Action Program, Inc. (CAP, Inc.)**, headquartered in Abilene, Texas, voted to voluntarily relinquish the entity's CSBG status effective October 1, 2010.

In both cases, there was a de-obligation and re-obligation process. The counties that had become unserved as a result of contract compliance problems were temporarily served by neighboring CSBG eligible entities until the Department selected another nearby CSBG eligible entity(ies) to absorb the unserved areas on a permanent basis.

D. Description of Distribution and Use of Discretionary Funds

Five percent (5%) of the Department's FFY 2012 and FFY 2013 annual CSBG allotted funds will be reserved to fund state discretionary projects and to provide funds to CSBG eligible entities to respond to emergency needs as a result of man-made or natural disasters, including hurricanes, tornadoes, and floods. The discretionary projects will support activities described in Section 676 (b) (1) for statewide initiatives and for projects which are innovative community or neighborhood-based endeavors.

The Department may also use some of its state discretionary funds to sponsor an annual Community Affairs Division training conference which would provide CSBG eligible entities with best practices methods and current information regarding programmatic reporting and administrative requirements. Depending on input from the State's CSBG Performance Awards Committee and the availability of annual funds, the Department may reserve a nominal portion of the state discretionary funds for performance awards or some other recognition to CSBG eligible entities with exemplary performance.

E. Description of Use of Administrative Funds

Not more than five percent (5%) of the Department's annual CSBG allocation is used to cover state administrative costs including salaries and benefits for state CSBG staff, a portion of operating costs (space, telephone, staff travel, etc.), and capital expenditures (furnishings, equipment, etc.). Indirect costs are charged based on the Department's approved indirect cost plan. The Department prepares an annual CSBG budget which is monitored by internal financial administration staff to ensure that administrative expenditures do not exceed budget line items or the 5% state administration cap. The Department will utilize a portion of its annual CSBG state administration funds for staff to attend state/national conferences and committee meetings and to attend other training sessions, including those held by the Texas Association of Community Action Agencies, the Community Action Partnership, the National Association for State Community Services Programs, etc. The attendance at these conferences, meetings, and hearings will enable a minimum of three key state CSBG staff members per year to receive

current information on CSBG initiatives, USDHHS requirements and guidance, peer-to-peer exchange, and best practices information.

The Texas State Auditor's Office examines the Department's fiscal records every year. A copy of the Department's Basic Financial Statements is included in this application. See **Appendix C.**, TDHCA Basic Financial Statements for Year Ended August 31, 2010.

The Charity Tax Credit Program is not applicable to this application.

F. State Community Services Program Implementation

(1) Program Overview

(a) The Service Delivery System

The State of Texas is comprised of 254 counties and each county is served by a CSBG eligible entity. Each entity is authorized to use CSBG funds to provide direct services to low-income clients and/or to provide administrative support for an array of services that are funded through other federal, state, local and private resources. The CSBG eligible entities offer a broad array of services including Head Start, education services, food, utility assistance, emergency assistance, employment support, income management programs, housing assistance, transportation, medical assistance, energy and weatherization services, senior meal programs, youth projects, case management services, information and referral services to link clients to other service providers in the area, and many other services on behalf of low-income clients.

Specific CSBG services vary among organizations; however, CSBG eligible entities are assigned to serve income eligible low-income individuals and families. During 2012, the level of income for client eligibility for CSBG services will continue to be 125% of the federal poverty income guidelines. The Department plans to maintain the same level of CSBG client income eligibility of 125% for 2013.

Although no attempt is made to dictate the types of services each CSBG entity is to provide, during the 2012-2013 Plan cycle, the Department intends to promote efforts on the part of CSBG eligible entities to increase direct services, family self-sufficiency, income, job-readiness, and other measures to ameliorate poverty and encourage self-sufficiency. The Department may accomplish this through establishing performance targets and outcome measure within contracts between the Department and subrecipients, incorporating rules in the Texas Administrative Code, or through other means.

Furthermore, the Department ensures that each county is represented by an eligible entity and that each entity provides services to counties in an equitable manner in accordance with the CSBG Act, the rules in the Texas Administrative Code, and contractual requirements. CSBG eligible entities are required to provide services to the service area counties designated in their contract. Since

the State of Texas has a land mass of 267,339 square miles, the Department does not require that CSBG eligible entities have a neighborhood/service center in each county of their service area. However, CSBG eligible entities must make services available in their entire service area. In remote and less populated counties where a neighborhood center is not located, CSBG eligible entities visit the county on a scheduled basis or enter into agreements with local governments, non-profit groups, or church organizations, to serve as intake centers for persons to apply for CSBG services. All CSBG eligible entities are encouraged to explore methods each year to enhance outreach efforts that will provide interested potential clients the ease to access CSBG and other area services. In urban areas of the State, multiple neighborhood centers are located throughout the county (ies) and service area.

The State Application and Plan document includes: **Appendix D.**, which is a List of 2011 Texas CSBG Eligible Entities; **Appendix E.**, which is a List of 2011 Texas CSBG Program Service Areas; and, **Appendix F.**, which is a List of 2011 Texas CSBG Allocations to CSBG Eligible Entities.

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(b) Linkages

CSBG eligible entities operate within a network of local service providers to reduce duplication of effort and to coordinate resources to address various client circumstances. Texas CSBG eligible entities have developed an extensive network of social service agencies to provide information and referral to clients. Some entities have “one stop” service centers to meet the many needs of the clients seeking services. Linkages are established within the service area and are utilized to connect individuals to an array of local programs and services to meet the needs of family members. The coordination and linkages are key to each CSBG eligible entity’s ability to meet the needs of their clients. CSBG eligible entities are to follow-up with clients and/or referral sources to determine if clients referred received the needed services. Similar linkage efforts as referenced above for 2011 will continue in FFY 2012 and FFY 2013.

As a condition of continued receipt of CSBG funds each year, each CSBG eligible entity is required to submit an annual Community Action Plan (CAP). Each Community Action Plan must include information on the implementation of an effective case management program which assists low-income individuals attain an income above the federal poverty income guidelines level utilized by CSBG. Clients interested in working to transition out of poverty are eligible to receive comprehensive case management services. The provision of case management includes an assessment of the household’s needs and a plan of action to meet those needs and regular follow-up to ensure that clients are making progress in meeting established goals. The Department facilitates the establishment of effective case management services by distributing a manual or guidance which outlines the requirements of a case management system and also provides training and technical assistance on case management to case managers. Each entity reports monthly on the number of clients who are working toward achieving an income above the federal poverty income guideline level utilized by CSBG and the number of clients that have achieved

incomes above that level. Case management procedures, as well as the overall progress on the number clients attaining self-sufficiency, are reviewed during the on-site CSBG monitoring process conducted by Department program officers. For 2012, the Department will use 125% of annualized poverty income for the level of client income eligibility for receiving CSBG services. For 2013, the same level of client income eligibility for receiving CSBG services will also apply.

(c) Coordination with Other Public and Private Resources

The Texas Government Code Section 2306.097 requires that CSBG operate in conjunction with energy programs for low-income individuals. In accordance with this requirement, the majority of the CSBG eligible entities administer the Comprehensive Energy Assistance Program (CEAP) funded with Low-Income Home Energy Assistance Program (LIHEAP) block grant funds, as well as the Weatherization Assistance Program for Low-Income Persons funded by the U.S. Department of Energy.

In addition, the annual Community Action Plan from each CSBG eligible entity must include a description of how the entity coordinates and mobilizes public and private resources to effect maximum leveraging for augmenting with CSBG funds. CSBG funds provide the infrastructure to enable CSBG eligible entities to operate an array of anti-poverty and social service programs. Coordination with public and private funding sources and organizations takes place at the local level in different ways. CSBG eligible entity program staff and/or administrators meet with other providers in the service area to determine how best to not duplicate services and to provide the maximum services needed to meet the emergency needs of low-income persons as well as to establish programs which assist low-income persons to transition out of poverty. In 2010, the Texas community action network administered programs supported with \$32,942,708 in local public funds and \$34,153,448 in private sector resources. It is anticipated that Texas CSBG eligible entities will leverage funds in FFY 2012 and in FFY 2013 at a similar level to what is on record for 2010.

(d) Innovative Community and Neighborhood-based Initiatives

Every five years, each CSBG eligible entity is required to conduct an assessment of the needs of the persons in their respective CSBG service area. After conducting the community needs assessment, the entity develops a plan on how to best identify, coordinate, and/or develop resources to address at least one of the needs identified in the community needs assessment. Additionally, in the annual CAP Plans, the eligible entities must describe the community improvement and revitalization projects to be operated and efforts to improve the quality of life and assets in low-income neighborhoods. The description of these projects and efforts is to include elaboration on the partners/collaborators and methods that will be used to evaluate progress in achieving each entity's goals. Information on examples of innovative community and neighborhood-based initiatives is provided below.

The **Big Bend Community Action Committee, Inc.** (BBCAC) is a CSBG eligible entity serving five (5) sparsely populated counties in the extreme western part of Texas. Among the persistent problems affecting this area's low-income population is the lack of medical transportation. In 2010, the BBCAC partnered with the Rio Grande Council of Governments Area Agency on Aging and the Permian Basin Rural Transportation Division to enhance efforts to address the transportation problem. The Rio Council of Governments Area Agency on Aging and Medicaid provided funds to offset the transportation costs encountered by the BBCAC. The Permian Basin Rural Transportation Division also solicited funds to pay for compensating drivers and for fuel costs. The BBCAC acquired 22 new vehicles and in 2010 completed 3820 trips providing transportation on behalf of low-income clients covering 144,788 road miles.

The **Texas Neighborhood Services, Inc.** (TNS), a CSBG eligible entity serving seven (7) counties in North Central Texas, procured a mobile medical unit to be used in a rural health initiative in collaboration with local medical facilities and organizations that serve health at-risk families and children. This initiative was based on needs information obtained directly from the members of the community during a recent community needs assessment of TNS's CSBG service area. The innovative part of the mobile medical service initiative was placing the CSBG-supported medical services in the immediate communities where TNS had no office facilities. It enabled low-income clients to obtain medical services close to home without having to worry about transportation or other related additional costs. The medical unit and its services are available to the area Head Start and Early Head Start Programs to also reach children needing health and dental checkups. The TNS continues to establish new partnerships with area medical centers and hospital systems to maximize the use of the unit on behalf of area low-income clients and families.

The Department set-aside \$500,000 in CSBG State Discretionary Funds to continue a limited number of innovative programs initiated under the American Recovery and Reinvestment Act (ARRA). As a result of this action, 11 CSBG eligible entities were awarded funds to support the continuation of projects initiated under ARRA.

Continuing in 2012 and 2013 will be a state initiative to expand the types of CSBG allowable services and assistance to clients to be supported with CSBG state discretionary funds. Efforts will continue to involve, among other things, more CSBG eligible entities in administering Individual Development Accounts (IDA's) projects, in yielding the benefits from the Internal Revenue Service's Earned Income Tax Credit component for eligible low income clients, and in competing for CSBG state discretionary funds to administer innovative or demonstration projects, including those promoting educational and training opportunities to enhance the employability of low-income individuals. An example of one of the new Individual Development Accounts initiatives in the State is administered by the Brazos Valley Community Action Agency (BVCAA). BVCAA is a CSBG eligible entity serving twelve (12) counties in

Central East Texas. It has been to foster new relationships with local organizations, including Citibank for donating matching funds required for its new IDA initiative. Qualifying CSBG participants were referred to the IDA initiative which allowed for a 2 to 1 ratio in matched funds to purchase a home, to open a small business, or to pay for higher education. The accumulating assets helped individuals build financial stability. BVCAA's improved efficiency and accessibility to low-income clients by providing additional case managers, sites, and daily hours, coupled with the individualized services/assistance from the IDA initiative, has enabled the BVCAA to reach more clients who could work towards transitioning out of poverty.

(2) Community Needs Assessments

In accordance with Assurance #11, Texas Administrative Code, Title 10, Part 1, Chapter 5, Subchapter B., and a state contract provision, the Department requires that each CSBG eligible entity submit an annual Community Action Plan and a Community needs Assessment at least every five years. The Department's guidance on the requirements for the development of the Community Needs Assessment reiterates to CSBG eligible entities that the needs assessment is a process used to determine unmet needs of low-income individuals, families, and communities. The guidance further states that conducting the periodic needs assessments are of great importance as it informs both the CSBG eligible entities as well as the State as to how to best direct CSBG funds toward meeting the needs of low-income persons in their CSBG service area in accordance with the assurances of the CSBG Act. Provided below is information on the local steps required for a CSBG eligible entity to conduct its Community Needs Assessment.

- Step 1. Designate a Coordinator
- Step 2. Determine Assessment Methodology
- Step 3. Develop a Plan of Action
- Step 4. Develop a Timetable
- Step 5. Development Assessment Tools
- Step 6. Conduct Research
- Step 7. Summarize and Analyze Results
- Step 8. Complete the Needs Assessment Report

The Department provides CSBG eligible entities sample documents to survey local elected officials, area service providers, community members, and tripartite members.

CSBG eligible entities are encouraged to coordinate the preparation of their CSBG Community Needs Assessment with other similar assessments required by other funding agencies. The state requests that CSBG eligible entities update their Community Needs Assessment when major changes occur (i.e., loss of a major employer, downturn in the local economy, etc.).

Based on the results of the Community Needs Assessment, CSBG eligible entities must choose at least one cause of poverty and mobilize community resources in a

plan to address that issue. Each entity reports to the Department on the progress on the issue identified and the results achieved.

(3) Tripartite Boards

The Texas Administrative Code (TAC) rule addresses how CSBG eligible entities must comply with Section 676B Tripartite Boards of the CSBG Act. There are six (6) TAC provisions which relate to the following: 1) board membership/meeting requirements; 2) board structure; 3) board administrative requirements; 4) board size; 5) board responsibilities; and, 6) board meeting requirements. An additional state provision and mandate requires that newly-elected CSBG board members who represent public sector local officials receive required training on open records and open meetings laws within 90 days of joining the board. The Texas Office of the Attorney General offers an online training video on the Open Meetings Act, to which CSBG eligible entities are subject. While the training mandate applies to public sector local officials, the Department recommends that all members serving on the Board of Directors receive the training. Each CSBG eligible entity is to maintain a copy of the board training certificate issued to the participants upon completion of the training.

The Department examines each entity's bylaws for the component which describes the method used to select representatives for the Board. In addition, on-site monitoring procedures include a full review of the entity's latest bylaws, board roster, attendance records, and minutes of board meetings. Board training is provided to CSBG eligible entities by the Department on a request basis, at the periodic Community Affairs Division training conference, or at the discretion of the Department, if the Department identifies significant board-related problems through the monitoring process.

(4) State Charity Tax Program

This Program is not applicable in the State of Texas.

(5) Programmatic Assurances

Describe how each of the assurances outlined in Section 676(b) of the CSBG Act will be carried out.

CSBG funds made available through the grant or allotment will be used:

(a) To support activities as listed in 676(b)(1)

- (1) The Department will meet this assurance through the annual review of the Community Action Plans (CAP Plan) submitted by each eligible entity prior to the state's commitment of the next year's CSBG funds. Each CAP Plan is required to describe the efforts that eligible entities will make in any of the areas outlined in 676(b)(1). CSBG program officers are assigned to review each year's CAP Plan 60 to 90 days prior to the beginning of the next CSBG program year. CAP Plans must include the services and

assistance that are to be supported with the allowable uses of CSBG funds and must identify how the services are to be coordinated with other service providers in the community. Compliance documentation with the OMB Circulars' federal requirements and regulations, with the CSBG Act, with CSBG contract provisions, and with the CAP Plan is reviewed during the on-site CSBG monitoring process.

Listed below are examples of the types of activities conducted to support compliance with this assurance.

- (i) to remove obstacles and solve problems that block the achievement of self-sufficiency: sponsorship of tutoring classes to facilitate obtainment of a high school diploma or a general equivalency diploma; payment of college supplies, materials, and tuition costs; and, case management sessions to enhance progress toward client self-sufficiency.
- (ii) to secure and retain meaningful employment: arrangements for job counseling sessions; conducting mock job interviews; and, sponsorship of job fairs.
- (iii) to attain an adequate education, with particular attention toward improving literacy skills: establishment of cooperative agreements with schools or universities to arrange classes or courses to meet local educational/training needs; payment of tuition costs; and, career counseling through case management sessions.
- (iv) to make better use of available income--arrangements for budget and financial counseling sessions; enrollment in case management programs and residential energy conservation sessions; and, participation in Individual Development Accounts (IDA's) projects to take advantage of matched savings accounts/initiatives.
- (v) to obtain and maintain adequate housing and a suitable living environment: provision of housing rent subsidies; payment of security deposits; and, issuance of housing vouchers to provide emergency housing or shelter accommodations in disaster situations.
- (vi) to obtain emergency assistance through loans, grants, or other means to meet immediate and urgent family and individual needs: issuance of rental payment vouchers to prevent eviction; use of controlled debit cards honored for allowable purchases in disaster assistance situations; and, participation in general disaster recovery assistance.
- (vii) to achieve greater participation in the affairs of the communities involved, including the development of public and private grassroots partnerships with local law enforcement agencies, local housing authorities, private foundations, and other public and private partners: adherence by local CSBG eligible entities to contract provisions to ensure adequate representation on the tripartite boards by the public, private, and low income sector groups; cooperative agreements with public housing authorities to honor housing

vouchers in times of addressing the emergency needs of disaster victims; and partnerships established between CSBG eligible entities and foundations or local banking institutions to obtain the matching funds required for Individual Development Account (IDA) projects on behalf of low-income clients.

- (2) To address the needs of youth in low income communities through youth development programs that support the primary role of the family, give priority to the prevention of youth problems and crime, and promote increased community coordination and collaboration in meeting the needs of youth, and support development and expansion of innovative community based youth development programs that have demonstrated the success in preventing or reducing youth crime, such as programs for the establishment of violence-free zones that would involve youth development and intervention models (such as models involving youth mediation, youth mentoring, life skills training, job creation, and entrepreneurship programs); and after-school child care programs as per 676(b)(1)(B).

CSBG eligible entities conduct a community needs assessment at least every five years, which enables each entity to prioritize and address the client needs identified. Several CSBG eligible entities routinely use CSBG funds to support the operation of youth mentoring programs, life skills training, jobs programs and after-school programs. Information on three examples of local youth projects/initiatives is provided below. The **Panhandle Community Services (PCS)**, a CSBG eligible entity in North Texas, used a portion of its 2010 CSBG funds to promote and support an educational opportunities project for youth and young adults. PCS partnered with West Texas A & M University to assist low-income college students with books, tuition and fees during a semester in 2010. Among PCS' initial steps of the project was to contact the Dean of Instruction and the Registrar's Office at the university to discuss the implementation of the joint educational initiative. The Dean then sent a notice through the student listserv indicating the presence of PCS staff on a given day to share information on the initiative and the eligibility criteria to be considered for the project's services/benefits. PCS brought to the university a mobile office complete with office equipment to deal with intake, the eligibility determination process, and to deliver services. The PCS assisted over 150 low-income students on that one day. The local partners in the mobilized efforts included the PCS, the university staff and student council, and the local newspaper.

The **Bee Community Action Agency (BCAA)**, a small CSBG eligible entity in South Texas, partnered with one of the State's Educational Service Center to have its Head Start program staff participate in the Texas Early Education Model (TEEMS) Project. Participation in the TEEMS project exposed program staff to additional training, books, and other educational resources key to career development for serving children and youth.

The **Hill Country Community Action Agency (HCCAA)**, CSBG eligible entity in Central Texas, contracted with the Central Texas Workforce to assist in funding a summer youth program. This program was administered From June 1, 2010 through August 6, 2010.

Six (6) community work projects were identified that enrolled 55 youth with a 93% of the participants completing the program. The Department also supports Individual Development Accounts (IDA) projects operated by CSBG eligible entities. IDA projects enable persons to establish savings plans and utilize savings to attend college, purchase a home, or capitalize a small business. Many of the persons enrolled in IDA programs are young adults.

As in 2011, the Department plans to make available in 2012 and in 2013 a portion of its 5% CSBG state discretionary funds for funding local innovative or demonstration projects. The optional uses of these monies will continue to include the use of funds for youth development, including promotion of educational and training opportunities for youth, and after-school child care projects.

- (3) To make more effective use of, and to coordinate with, other programs (including State welfare reform efforts) as per 676(b)(1)(C).

All CSBG eligible entities depend on a strong information and referral system to provide comprehensive assistance to program participants. Many CSBG eligible entities administer Head Start, Family Planning, Transportation, Housing, and Senior programs in conjunction with CSBG. State legislation, Texas Government Code 2306.097, requires that energy services programs that serve low-income individuals operate in conjunction with the CSBG Program. To ensure that all CSBG eligible entities maintain local coordination and collaboration with area service provider organizations from one year to the next, The Department requires that each CSBG eligible entity's annual Community Action Plan includes the following information: 1) process utilized by the eligible entity to link services and to enhance coordination with other area service provider organizations; 2) information on whether there is a formalized coalition of social service providers in the CSBG service area, including the name of the coalition and the usual participant organizations; and, 3) a listing of the CSBG eligible entity's staff members participating in group meetings, phone calls, or any other means of grouped organizations' communications.

The coordination with other programs' service providers in the community enables clients to receive a multitude of services needed such as education services to obtain a GED or attend college; to seek and obtain employment; to seek counseling and rehabilitative services; to learn budgeting and saving skills; to obtain adequate housing; to obtain emergency assistance such as food, utilities, clothing; to participate in the affairs of the community through attendance at community meetings, through participation in their child's school activities, and to serve on boards. The CSBG eligible entities often times do not have all the resources to meet the needs of entire households and therefore must provide a means for clients to receive other needed services through local collaborative efforts.

- (4) To ensure that CSBG eligible entities in the State will provide, on an emergency basis, for the provision of such supplies and services, nutritious foods, and related services as may be necessary to counteract conditions of starvation and malnutrition among low income individuals as per 676(b)(4).

All CSBG eligible entities either operate a food pantry on-site or they make referrals to a local pantry where needy families can have access to food items donated by members of the community. Some CSBG eligible entities administer the Women, Infants and Children (WIC) Program, other food programs sponsored by the U.S. Department of Agriculture, and senior congregate and home-delivered meals programs.

In addition to coordinating with local food pantries or administering federal food programs, some CBG eligible entities create their own special nutrition or food initiatives. For example, the **Panhandle Community Services (PCS)**, a CSBG eligible entity in North Texas, designed and administers the SnackPac Program. For the food insecure children, the program provides each Friday during the school year a plastic bag filled with 8-10 healthy weekend snacks. The volunteers in the PCS' Retired Seniors Volunteer Program assisted with preparing the snacks and other miscellaneous tasks to facilitate the food project. Supporting partners for the SnackPac Program in 2010 included the following: United Super Market; Sparky's Storage; City Church; Amarillo ISD; Atmos Energy; and, Paramount Baptist Church.

Depending on the location within the State, CSBG eligible entities will also coordinate with the Texas Association of Community Action Agencies for accessing donated game meat for low-income persons from the Texas Hunters for the Hungry Program.

- (5) To assure, as referenced in 676(b)(5), that the State and the eligible entities in the State will coordinate and establish linkages between governmental and other social services programs to assure the effective delivery of such services to low-income individuals, and to avoid duplication of such services, and State and eligible entities will coordinate the provision of employment and training activities in the State and in communities with entities providing activities through statewide and local workforce investment systems under the Workforce Investment Act of 1998.

CSBG eligible entities operate within a network of local service providers to reduce duplication of effort and to coordinate resources to address various client needs and circumstances. Many CSBG eligible entities have developed extensive information and referral networks and "one stop" service centers. Other CSBG eligible entities, such as the Hill Country Community Action Association (HCCAA), have established their own employment initiatives. In 2010, the HCCAA contracted with Central Texas Workforce Board to fund a summer youth program using CSBG ARRA funds to serve the population of ages 14 through 21 who were eligible for Workforce Investment Act (WIA) or Temporary Assistance for Needy Families (TANF). There were six (6) community projects that enrolled 55 youth. 51 youth completed the program that helped the youth gain real work experience by exposing them to work-based skills and the demands of a bona fide job. Another eligible entity, the City of San Antonio, administered The Bridges to Work Program, an extension of the U.S. Department of Labor's Youth Opportunity (YO) Program. The goal of the City of San Antonio YO Program was to provide to at risk youth the skills necessary for a young adult to become employed or return to school. Partner organizations with the City of San Antonio and employers included the local

Workforce Board, Alamo Community College District, and Bexar County. Through the provision of education or employment, the San Antonio YO Program helped move 66 low-income adults toward self-sufficiency.

The Community Action Plan of each CSBG eligible entity must include a description of how the entity coordinates public and private resources to leverage with CSBG funds. To facilitate coordination and public access by low-income clients to benefit programs throughout the State, the Department entered in 2010 into an interagency agreement with the Texas Health and Human Services Commission to access new software to enhance its 2-1-1 phone information system.

- (6) To assure, as indicated in 676(b)(6), that the State will ensure coordination between antipoverty programs in each community in the State, and ensure where appropriate, that emergency energy crisis intervention programs under Title XXVI (relating to low-income home energy assistance) are conducted in such communities.

Section 2306.097 of the Texas Government Code requires that the CSBG Program operate in conjunction with the Energy Services Program for Low-Income Individuals. Therefore, the majority of the CSBG eligible entities administer the Texas Comprehensive Energy Assistance Program (CEAP) as well as the Weatherization Assistance Program For Low-Income Persons using funds provided by the U. S. Department of Energy. In addition, several CSBG eligible entities have a working relationship with local Workforce Boards that administer welfare-to-work programs.

- (7) To assure, as indicated in 676(b)(9), that the State and CSBG eligible entities in the State will, to the maximum extent possible, coordinate programs and form partnerships with other organizations serving low-income residents of the communities and members of the groups served by the State, including religious organizations, charitable groups, and community organizations.

The Department is committed to working with local faith-based organizations. Some CSBG eligible entities subcontract with faith-based organizations to provide direct services and most have local partnership agreements. In addition, local organizations have traditionally partnered with faith-based organizations to expand resources and to provide services to low-income individuals and families.

When the Department releases a Notice of Funding Availability (NOFA) or a Request for Proposals (RFP) announcing competitive funds to serve low-income persons, either with the Community Services Block Grant State Discretionary Funds or with the Emergency Shelter Grants Program (ESGP) funds, the responses include collaborative applications where multiple organizations apply for funds in local joint ventures. Awardees successfully competing for the CSBG funds and the ESGP funds routinely include religious and charitable organizations, such as local Salvation Army posts, Catholic Charities Dioceses, etc.

H. Fiscal Controls and Monitoring

- (1) **State Program Monitoring:** Describe the lead agency's plans for conducting the following reviews of eligible entities, as required under Section 678B(a) of the Act:

- (a) Full on-site review of each such entity at least once during each three year period.

The Department will ensure that each CSBG eligible entity is monitored at least once every three years in accordance with the CSBG Act. It is the Department's goal to monitor each organization receiving CSBG funds at a minimum every two years. The Community Affairs Division conducts joint monitoring reviews since the majority of CSBG eligible entities also receive Weatherization and LIHEAP CEAP funds. Monitoring will be conducted in accordance with Section 678B(a) of the Community Services Block Grant Act and the guidance provided to states in Information Memorandum Transmittal No. 97.

The Department employs a risk-based monitoring system which considers an assessment of associated risks applied to each of the state's CSBG eligible entities. The factors include the status of the most recent monitoring report, timeliness of program reporting, results of the last on-site monitoring review, the number of programs funded by the Department, the funding amounts provided by the Department, and the single audit status. Organizations that attain the highest risk assessment score will have the highest monitoring priority. This procedure will allow the Department to first monitor entities with the highest risk factors and to identify any deficiencies early on and to provide training and technical assistance on specific needs which have been identified. CSBG eligible entities that are not monitored in a current year will automatically rate a higher risk assessment score the following year.

After an on-site monitoring visit, the CSBG Program Officer will provide a written monitoring report to the entity's executive director that documents the findings, corrective actions required, notes, and recommended improvements. CSBG eligible entities and other CSBG funded organizations monitored have 45 days to respond to the Department's report. The program officer will evaluate the adequacy of the responses and corrective action. A follow-up on-site monitoring will be scheduled as deemed necessary. A copy of the state's monitoring report is also provided to the presiding officer of the entity's governing board. For monitoring reviews of CSBG eligible entities, organizations have 45 days to respond to the Department's CSBG monitoring report. For CSBG/CEAP contract operations, the organizations have 45 days to respond to the Department's joint monitoring report.

- (b) An on-site review of each newly-designated entity immediately after the completion of the first year in which such entity receives funds through the Community Services Block Grant.

The Department will ensure that any new CSBG eligible entity designated in either FFY 2012 or FFY 2013 will receive comprehensive training and technical assistance during its first year of operation. Furthermore, the state

will schedule an on-site monitoring review of such new CSBG eligible entities and other CSBG funded organizations immediately after their first year of CSBG-supported operations.

- (c) Follow-up reviews including prompt return visits to eligible entities, and their Programs, that fail to meet the goals, standards, and requirements established by the State.

If the on-site monitoring of a CSBG eligible entity reveals serious deficiencies with operations under a CSBG contract with the State and the deficiencies are not corrected in a timely manner in accordance with requirements, the Department will assign a team of specialists to promptly conduct a follow-up on-site team monitoring review and to provide training and technical assistance to the entity as deemed necessary.

When a CSBG eligible entity is experiencing problems with programs other than CSBG, the Department maintains close contact with the entity to ensure that the State's staff members are available to provide training and technical assistance as deemed necessary for maintaining stability in the CSBG program operations.

- (d) Other reviews as appropriate, including reviews of entities with programs that have had other Federal, State or local grants (other than assistance provided under the Community Services Block Grant) terminated for cause.

In addition to conducting on-site monitoring of local CSBG program operations, the State also conducts routine in-house desk reviews which include an examination of performance progress and expenditure rates, based on monthly reports submitted to the Department by each CSBG eligible entity.

- (e) Specify the date of last audit conducted and the period covered by the audit for each eligible entity.

Appendix G. contains requested information regarding each CSBG eligible entity's audit period as well as the date of submission for the last audit conducted.

(2) **Corrective Action, Termination and Reduction of Funding**

Describe the State's plan for complying with the requirements of Section 678C of the Act. Section 678C of the Act requires states to comply with certain requirements in the event that the State determines that an eligible entity fails to comply with the terms of an agreement or the State Plan, to provide services under the Community Services Block Grant, or to meet appropriate standards, goals, and other requirements established by the State, including performance objectives.

When deficiencies are identified within a CSBG eligible entity's program operations, the Department evaluates the severity of the discrepancies and may

impose appropriate sanctions in accordance with Section 678C of the CSBG Act and Title 10 of the Texas Administrative Code. If the Department identifies possible instances of fraud, abuse, fiscal mismanagement, or other serious deficiencies in the sub-recipient's performance, the following sanctions will be applied: (1) deny the CSBG eligible entity's request for advances and place it on a cost reimbursement method of payment until proof of compliance with the rules and regulations are received by the Department; (2) withhold all payments from the sub-recipient (both reimbursements and advances) until proof of compliance with the rules and regulations is received by the Department; (3) suspend performance of the contract; and, (4) impose sanctions as deemed appropriate by the Department's Executive Director at any time.

If the Department has imposed sanctions against a sub-recipient and the sub-recipient has failed to comply with a Quality Improvement Plan (QIP) or a corrective action plan, the Department may request of the sub-recipient's Board of Directors the voluntary relinquishment of the CSBG program and their designation as a CSBG eligible entity.

Program deficiencies and corrective action requirements will be communicated to the CSBG eligible entity in writing. The Department's Director of the Community Affairs Division shall consider all recommendations for corrective action.

In the event that the Department determines that an eligible entity fails to comply with the terms of an agreement or the State's CSBG Plan, to provide services under the Community Services Block Grant, or to meet appropriate standards, goals, and other requirements established by the State (including performance objectives), the Department will:

- (a) inform the eligible entity of the deficiency(ies) to be corrected;
- (b) require the eligible entity to correct the deficiency(ies);
- (c) offer training and technical assistance, if appropriate, to help correct the deficiency, and prepare and submit to the Secretary a report describing the training and technical assistance offered; or, if the State determines that such training and technical assistance measures are not appropriate, prepare and submit to the Secretary a report stating the reasons for the determination;
- (d) at the discretion of the State (taking into account the seriousness of the deficiency and the time reasonably required to correct the deficiency), allow the entity to develop and implement after being informed of the deficiency, a quality improvement plan to correct such deficiency within a reasonable period of time, as determined by the State, and after receiving the proposed quality improvement plan, pursuant to subparagraph (A), either approve such proposed plan or specify the reasons why the proposed plan cannot be approved; and,
- (e) after providing adequate notice and an opportunity for a hearing, initiate proceedings to terminate the eligible entity designation status or reduce CSBG funding of the eligible entity, unless the entity corrects the deficiency(ies).

Department staff will be available, at every point in the corrective action process, to provide technical assistance to the CSBG entity's staff and its governing body.

(3) Fiscal Controls, Audits, and Withholding

Describe the State's systems of fiscal controls, procedures, and plans for audits and inspections, as required under Sections 678D(a)(1) and 678D(a)(2) of the Act. Describe how each of these assurances outlined in Section 676(b) of the Act will be carried out.

In compliance with assurance 678D(a)(1) and 678D(a)(2) of the Act, the Department provides for fiscal controls through fund accounting procedures that are maintained at both the state and sub-grantee levels. The Department has a comprehensive system of internal controls specifically designed to ensure compliance with the provisions of the CSBG Act. The Department's financial and other records are audited on an annual basis by the State Auditor's Office and a copy of the audit is submitted to the Texas Legislature and to the Secretary of the U.S. Department of Health and Human Services. The Department's Basic Financial Statements for the Year Ended August 31, 2010 are included in this CSBG State Application and Plan as **Appendix C**.

- (a) In compliance with assurance 676(b)(7),** cooperation with federal investigations.

The State will permit and cooperate with Federal investigations undertaken in accordance with Section 678D of the Act.

The Department will make appropriate program records available to federal investigators in a timely manner. In addition, the CSBG contractual agreements between the Department and CSBG eligible entities and other CSBG-funded organizations include a provision that the CSBG eligible entities and other CSBG-funded organizations agree to cooperate with any such investigations and requires that an eligible entity and its subcontractor(s) maintain records relating to the use of the CSBG funds for at least three years.

- (b) In compliance with assurance 676(b)(8)** on CSBG funding reduction/termination. Any eligible entity in the state that received funding in the previous fiscal year through a Community Services Block Grant under the Community Services Block Grant program will not have its funding terminated or reduced below the proportional share of funding the entity received in the previous fiscal year unless, after providing notice and an opportunity for a hearing on the record, the State determines that cause exists for such termination or such reduction, subject to review by the Secretary as provided in Section 678C(b) of the Act.

The Department will comply with 676(b)(8) and will not terminate funding or reduce funding below the proportional share of the funding received in the previous fiscal year of a CSBG eligible entity that received funding in the previous fiscal year, unless after providing notice and an opportunity for a hearing on the record, the State determines cause exists for termination or such reduction.

(c) In compliance with assurance 676(b)(10)

The State will require each eligible entity in the State to establish procedures under which a low-income individual, community organization, or religious organization, or representative of low-income individuals that considers its organization, or low-income individuals, to be inadequately represented on the board (or other mechanism) of the eligible entity to petition for adequate representation.

Guidance to the CSBG eligible entities on how to comply with Section 676B Tripartite Boards of the Act is provided through state training conferences, on-site board training and electronic notification documentation released by the Department. CSBG eligible entities must establish procedures whereby local organizations or individuals may petition for adequate representation on the governing board (or other mechanism) of the eligible entity. The Department's Program Officers will continue monitoring compliance with such requirement during the on-site monitoring review process. In those instances in which a tripartite board continues to be improperly constituted, the state TAC rule allows the Department to prescribe necessary remedial action, a timeline for implementation, and possible sanctions, which may include: 1) cost reimbursement method of payment; 2) withholding of funds; 3) contract suspension; and/or, 4) termination of funding.

I. Accountability and Reporting Requirements

(1) Annual Report:

Section 678E(a)(2) of the Act requires each state to prepare and submit to the Secretary an annual report on the measured CSBG performance of the Department and its CSBG eligible entities. The Department met this requirement through the submission of the **Texas 2010 National IS Survey** to the National Association for State Community Services Programs on March 31, 2011.

(2) Results Oriented Management and Accountability (ROMA):

Describe how the State will comply with the following assurance, in **676(b)(12)** of the Act: The State and all eligible entities in the State will, not later than fiscal year 2001, participate in the Results Oriented Management and Accountability System or another performance measurement system for which the Secretary facilitated development pursuant to Section 678E(b) of the Act.

CSBG eligible entities report performance data to the Department based on the National Goals and National Performance Indicators (NPI's) outlined below. The NPI performance and reporting system to be utilized in 2012 and in 2013 has been updated with the new set of National Performance Indicators to properly report outcome information and to facilitate completing portions of the state's yearly National Information System (IS) Survey.

CSBG National Performance Indicators

Goal 1: Low-Income People Become More Self-Sufficient

National Performance Indicator 1.1

Employment

The number and percentage of low-income participants in Community Action employment initiatives who get a job or become self-employed, as measured by one or more of the following:

- A. Unemployed and obtained a job
- B. Employed and maintained a job for at least 90 days (new)
- C. Employed and obtained an increase in employment income and/or benefits
- D. Achieved "living wage" employment and/or benefits

National Performance Indicator 1.2

Employment Supports

The number of low-income participants for whom barriers to initial or continuous employment are reduced or eliminated through assistance from Community Action, as measured by one or more of the following:

- A. Obtained skills/competencies required for employment
- B. Completed ABE/GED and received certificate or diploma
- C. Completed post-secondary education program and obtained certificate or diploma
- D. Enrolled children in before or after school programs
- E. Obtained care for child or other dependant
- F. Obtained access to reliable transportation and/or driver's license
- G. Obtained health care services for themselves or family member
- H. Obtained safe and affordable housing
- I. Obtained food assistance
- J. Obtained non-emergency LIHEAP energy assistance
- K. Obtained non-emergency WX energy assistance
- L. Obtained other non-emergency energy assistance
(State/local/private energy programs. Do Not Include LIHEAP or WX)
- M. Obtained tools, uniforms, school supplies, textbooks, tuition and other items in support of education and training
- N. Completed college preparatory classes, ESL or citizenship classes
- O. Received other assistance which removes barriers to employment

National Performance Indicator 1.3

Economic Asset Enhancement and Utilization

The number and percentage of low-income households that achieve an increase in financial assets and/or financial skills as a result of Community Action assistance, and the aggregated amount of those assets and resources for all participants achieving the outcome, as measured by one or more of the following:

Enhancement-A

1. Number and percent of participants in tax preparation program who qualified for any type of Federal or State tax credit and the expected aggregated dollar amount
2. Number and percentage of participants who obtained court-ordered child support payments and the expected annual aggregated dollar amount of payments
3. Number and percent of participants who were enrolled in telephone lifeline and/or energy discounts with the assistance of the agency and the expected aggregated dollar amount of savings
4. Other projects resulting in an increase in financial assets or financial skills (includes CEAP Education classes, clients receiving incentives for achieving goals and other assistance which resulted in an increase in financial assets)

Utilization-B

1. Number and percent of participants demonstrating ability to complete and maintain a budget for over 90 days
2. Number and percent of participants opening an Individual Development Account (IDA) or other savings account and increased savings, and the aggregated amount of savings
3. Number and percent of participants who increased their savings through IDA or other savings accounts and the aggregated amount of savings
4. Of participants in a Community Action assets development program (IDA and others):
 - a. Number and percent of participants capitalizing a small business with accumulated savings
 - b. Number and percent of participants pursuing post-secondary education with accumulated savings
 - c. Number and percent of participants purchasing a home with accumulated savings
 - d. Number and percent of participants purchasing other assets with accumulated savings includes use of savings for a retirement fund
5. Number and percent of participants who received assistance with enrollment in prescription assistance program
6. Number and percent of participants who received assistance to prevent loss of home and other homebuyer assistance

7. Number and percent of participants who enrolled in classes or projects to increase financial skills

Goal 2: The Conditions in Which Low-Income People Lives are Improved

This set of measures collects outcomes on successful CAA projects that build “community assets,” including not only material improvements, like affordable homes and safe streets, but even changes in public policy that will reduce the causes of poverty and revitalize the low-income community.

National Performance Indicator 2.1

Community Improvement and Revitalization

Increase in, or safeguarding of, threatened opportunities and community resources or services for low-income people in the community as a result of Community Action projects/initiatives or advocacy with other public and private agencies, as measured by one or more of the following:

- A. Jobs created, or saved, from reduction or elimination in the community
- B. Accessible “living wage” jobs created, or saved, from reduction or elimination in the community
- C. Safe and affordable housing units created in the community-only report HOME and other housing projects, do not report Weatherization here
- D. Safe and affordable housing units in the community preserved or improved through construction, weatherization or rehabilitation achieved by Community Action activity or advocacy
- E. Accessible safe and affordable health care services/facilities for low-income people created, or saved from reduction or elimination
- F. Accessible safe and affordable child care or child development placement opportunities for low-income families created, or saved from reduction or elimination
- G. Accessible before-school and after-school program placement opportunities for low-income families created, or saved from reduction or elimination
- H. Accessible new or expanded transportation resources, or those that are saved from reduction or elimination, that are available to low-income people, including public or private transportation
- I. Accessible or increased educational and training placement opportunities, or those that are saved from reduction or elimination, that are available for low-income people in the community, including vocational literacy, and life skill training, ABE/GED, and post secondary education
- J. Other community resources or services provided which resulted in community improvement and revitalization

National Performance Indicator 2.2

Community Quality of Life and Assets

The quality of life and assets in low-income neighborhoods are improved by Community Action initiative or advocacy, as measured by one or more of the following:

- A. Increases in community assets as a result of a change in law, regulation or policy, which results in improvements in quality of life and assets
- B. Increase in the availability or preservation of community facilities
- C. Increase in the availability or preservation of community services to improve public health and safety
- D. Increase in the availability or preservation of commercial services within low-income neighborhoods
- E. Increase in or preservation of neighborhood quality-of-life resources

National Performance Indicator 2.3

Community Engagement

The number of community members working with Community Action to improve conditions in the community.

- A. Number of community members mobilized by Community Action that participate in community revitalization and anti-poverty initiatives
- B. Number of volunteer hours donated to the agency (This will be ALL volunteer hours)

National Performance Indicator 2.4

Employment Growth from ARRA Funds

The total number of jobs created or saved, at least in part by ARRA funds, in the community.

- A. Jobs created at least in part by ARRA funds
- B. Jobs saved at least in part by ARRA funds

Goal 3: Low-Income People Own a Stake in Their Community

National Performance Indicator 3.1

Community Empowerment through Maximum Feasible Participation

Total number of volunteer hours donated by low-income individuals to Community Action (This is ONLY the number of volunteer hours from individuals who are low-income.)

National Performance Indicator 3.2

Community Empowerment through Maximum Feasible Participation

The number of low-income people mobilized as a direct result of Community Action initiative to engage in activities that support and promote their own well-being and that of their community as measured by one or more of the following:

- A. Number of low-income people participating in formal community organizations, government, boards or councils that provide input to decision-making and policy setting through community action efforts.
- B. Number of low-income people acquiring businesses in their community as a result of community action assistance.
- C. Number of low-income people purchasing their own homes in their community as a result of community action assistance.
- D. Number of low-income people engaged in non-governance community activities or groups created or supported by community action.

Goal 4: Partnerships Among Supporters and Providers of Service to Low-Income People are Achieved

National Performance Indicator 4.1

Expanding Opportunities through Community-Wide Partnerships

The number of organizations, both public and private, community action actively works with to expand resources and opportunities in order to achieve family and community outcomes.

- A. Non-Profit
- B. Faith Based
- C. Local Government
- D. State Government
- E. Federal Government
- F. For-Profit Business or Corporation
- G. Consortiums/Collaboration

- H. Housing Consortiums/Collaboration
- I. School Districts
- J. Institutions of post secondary education/training
- K. Financial/Banking Institutions
- L. Health Service Institutions
- M. Statewide associations or collaborations
- N. The total number of organizations CAAs work with to promote family and community outcomes

Goal 5: Agencies Increase Their Capacity to Achieve Results

National Performance Indicator 5.1

Agency Development

The number of human capital resources available to Community Action that increase agency capacity to achieve family and community outcomes, as measured by one or more of the following:

- A. Number of C-CAPs
- B. Number of ROMA Trainers
- C. Number of Family Development Trainers
- D. Number of Child Development Trainers
- E. Number of staff attending trainings
- F. Number of board members attending trainings
- G. Hours of staff in trainings
- H. Hours of board members in trainings

Goal 6: Low-Income People, Especially Vulnerable Populations, Achieve Their Potential by Strengthening Family and Other Supportive Environments

National Performance Indicator 6.1

Independent Living

The number of vulnerable individuals receiving services from community action that maintain an independent living situation as a result of those services

- A. Senior Citizens (seniors can be reported twice, once under Senior Citizens and again if they are disabled under Individuals with Disabilities, ages 55- over)
- B. Individuals with Disabilities
 - 1. Ages: 0-17
 - 2. 18-54

National Performance Indicator 6.2

Emergency Assistance

The number of households served by community action that sought emergency assistance and the percentage of those households for which assistance was provided, including such services as:

- A. Emergency Food
- B. Emergency fuel or utility payments funded by LIHEAP or other public and private funding sources
- C. Emergency Rent or Mortgage Assistance
- D. Emergency Car or Home Repair (i.e. structural, appliance, heating system, etc.)
- E. Emergency Temporary Shelter
- F. Emergency Medical Care
- G. Emergency Protection from Violence
- H. Emergency Legal Assistance
- I. Emergency Transportation
- J. Emergency Disaster Relief
- K. Emergency Clothing
- L. Other emergency assistance
- M. Assistance with items for holidays (food, toys, etc.)
- N. Assistance with school supplies for children

National Performance Indicator 6.3

Child and Family Development

The unduplicated number and percentage of all infants, children, youth, parents, and other adults participating in developmental or enrichment programs who achieve program goals, as measured by one or more of the following:

Infants and Youth-A

- 1. Infants and children obtain age-appropriate immunizations, medical, and dental care
- 2. Infant and child health and physical development are improved as a result of adequate nutrition
- 3. Children participate in pre-school activities to develop school readiness skills
- 4. Children who participate in pre-school activities are developmentally ready to enter Kindergarten or 1st Grade

Youth-B

- 1. Youth improve health and physical development
- 2. Youth improve social/emotional development
- 3. Youth avoid risk-taking behavior for a defined period of time
- 4. Youth have reduced involvement with criminal justice system
- 5. Youth increase academic, athletic, or social skills for school success
- 6. Youth Employment Projects

7. Youth Leadership Projects
8. Youth increase academic skills by completing educational requirements

Adults-C

1. Parents and other adults learn and exhibit improved parenting skills
2. Parents and other adults learn and exhibit improved family functioning skills

National Performance Indicator 6.4

Family Supports (Seniors, Disabled and Caregivers)

Low-income people who are unable to work, especially seniors, adults with disabilities, and caregivers, for whom barriers to family stability are reduced or eliminated, as measured by one or more of the following:

- A. Enrolled children in before or after school programs
- B. Obtained care for child or other dependant
- C. Obtained access to reliable transportation and/or driver's license
- D. Obtained health care services for themselves or family member
- E. Obtained safe and affordable housing
- F. Obtained food assistance
- G. Obtained non-emergency LIHEAP energy assistance
- H. Obtained non-emergency WX energy assistance
- I. Obtained other non-emergency energy assistance (State/local/private energy programs. Do Not Include LIHEAP or WX)

National Performance Indicator 6.5

Service Counts

The number of services provided to low-income individuals and/or families, as measured by one or more of the following:

- A. Food Boxes
- B. Pounds of Food
- C. Units of Clothing

D. Rides Provided

E. Information and Referral Calls

VI. Appendices

- A. Texas Register Public Hearing/Comment Notice
- B. Legislative Hearing Documentation
- C. TDHCA's Basic Financial Statements for the Year Ended August 31, 2010
- D. List of 2011 CSBG Eligible Entities
- E. List of 2011 CSBG Program Service Areas
- F. List of 2011 CSBG Allocations
- G. Audit Information for Texas CSBG Eligible Entities
- H. State Provisions--Texas Administrative Code/Texas Government Code
- I. Lead State Agency Designation Correspondence
- J. Certification Regarding Lobbying
- K. Certification Regarding Drug-Free Workplace
- L. Certification Regarding Debarment, Suspension, and Other Responsibility Matters
- M. Certification Regarding Pro-Children Act of 1994

Appendix A.

Texas Register Public Hearing/Comment Notice

Appendix B.

Legislative Hearing Documentation

Appendix C.

TDHCA's Basic Financial Statements for the Year Ended August 31, 2010

Appendix D.

List of 2011 Texas CSBG Eligible Entities

Appendix E.

List of 2011 Texas CSBG Program Service Areas

Appendix F.

List of Texas 2011 CSBG Allocations

Appendix G.

Audit Information for Texas CSBG Eligible Entities

Appendix H.

State Provisions

Texas Administrative Code/Texas Government Code

Appendix I.

Lead State Agency Designation Correspondence

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Certification Regarding Lobbying

Appendix K.

Certification Regarding Drug-Free Workplace

Appendix L.

Certification Regarding Debarment, Suspension, and Other Responsibility Matters

Appendix M.

Certification Regarding Pro-Children Act of 1994

**COMMUNITY AFFAIRS DIVISION
BOARD ACTION REQUEST
June 30, 2011**

Presentation, Discussion, and Possible Approval of the 2012 Low Income Home Energy Assistance Program Draft State Plan

Recommended Action

Approve the draft of the Program Year 2012 Low Income Home Energy Assistance Program (LIHEAP) State Plan for posting to the Department website, hosting of a public hearing to receive Public Comment and notification of the hearing published in the *Texas Register*.

RESOLVED, that the Program Year 2012 Low Income Home Energy Assistance Program (LIHEAP) State Plan is approved in the form presented to this meeting and staff is hereby authorized and directed to post said Plan to the Department's website, to hold a public hearing to receive Public Comment, and to publish notice of said hearing in the *Texas Register*

Background

The Texas Department of Housing and Community Affairs (the Department) develops and submits a Low Income Home Energy Assistance Program (LIHEAP) Plan each year on or before September 1 to the U.S. Department of Health and Human Services (HHS). HHS provides a model plan to guide the format and content. The draft, upon approval by the Board, will be released for public comment and a public hearing held. The public hearing provides the opportunity for comment from the public and the subrecipient network. Upon completion of the public hearing and public comment period, staff will modify the Plan, if appropriate, based on public comment. Staff will present the revised Plan to the Board for review and final approval in July 2011. Staff recommends that if the Department does not receive significant public comment, the Board grant the Executive Director the authority to submit the State Plan to the U.S. Department of Health and Human Services as drafted without further authorization by the Board.

LIHEAP funds, as reflected in the Plan, are utilized in the following three ways:

- The Department allocates 65% of the LIHEAP funds to the Comprehensive Energy Assistance Program (CEAP) which provides utility assistance to eligible households.
- The Department allocates 25% of the LIHEAP funds to weatherization assistance. It should be noted that there is greater flexibility with LIHEAP weatherization funds than Department of Energy weatherization funds, so continuing to allocate some portion of these funds for this activity allows some households to receive more comprehensive assistance than were they served solely by DOE WAP.
- 10% of LIHEAP funds are used for Department and Subrecipient administration.

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)



**DETAILED PLAN
PUBLIC LAW 97-35,
AS AMENDED
FISCAL YEAR (FY) 2012
DRAFT as of 6/23/11**

GRANTEE: TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

EIN:17426105429

**ADDRESS:.....P.O. Box 13941
.....Austin, TX 78711-3941**

NAME OF LIHEAP COORDINATOR: ...Sharon Gamble

EMAIL:.....sharon.gamble@tdhca.state.tx.us

TELEPHONE:(512) 475-0471 FAX: (512) 475-3935

PLEASE CHECK ONE: TRIBE STATE INSULAR AREA

**[Department of Health and Human Services \(Federal government web site:
http://www.acf.hhs.gov/programs/ocs/liheap/\)](http://www.acf.hhs.gov/programs/ocs/liheap/)
**Administration for Children and Families
Office of Community Services
Washington, DC 20447****

**August 1987, revised 05/92, 02/95, 03/96, 12/98, 11/01
OMB Approval No. 0970-0075
Expiration Date: 09/30/2012**

**THE PAPERWORK REDUCTION ACT OF 1995 (Pub. L. 104-13)
Use of this model plan is optional. However, the information requested is required in order to receive a Low Income Home Energy Assistance Program (LIHEAP) grant in years in which the grantee is not permitted to file an abbreviated plan. Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, gathering and maintaining the data needed, and reviewing the collection of information. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.**

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Assurances

The Texas Department of Housing & Community Affairs agrees to:

(Grantee Name)

(1) use the funds available under this title to--

- (A) conduct outreach activities and provide assistance to low income households in meeting their home energy costs, particularly those with the lowest incomes that pay a high proportion of household income for home energy, consistent with paragraph (5);
- (B) intervene in energy crisis situations;
- (C) provide low-cost residential weatherization and other cost-effective energy-related home repair; and
- (D) plan, develop, and administer the State's program under this title including leveraging programs,

and the State agrees not to use such funds for any purposes other than those specified in this title;

(2) make payments under this title only with respect to--

- (A) households in which one or more individuals are receiving--
 - (i) assistance under the State program funded under part A of title IV of the Social Security Act;
 - (ii) supplemental security income payments under title XVI of the Social Security Act;
 - (iii) food stamps under the Food Stamp Act of 1977; or
 - (iv) payments under section 415, 521, 541, or 542 of title 38, United States Code, or under section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978; or
- (B) households with incomes which do not exceed the greater of—
 - (i) an amount equal to 150 percent of the poverty level for such State; or
 - (ii) an amount equal to 60 percent of the State median income;

except that a State may not exclude a household from eligibility in a fiscal year solely on the basis of household income if such income is less than 110 percent of the poverty level for such State, but the State may give priority to those households with the highest home energy costs or needs in relation to household income.

(3) conduct outreach activities designed to assure that eligible households, especially households with elderly individuals or disabled individuals, or both, and households with high home energy burdens, are made aware of the assistance available under this title, and any similar energy-related assistance available under subtitle B of title VI (relating to community services block grant program) or under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 before the date of the enactment of this Act;

(4) coordinate its activities under this title with similar and related programs administered by the Federal Government and such State, particularly low-income energy-related programs under subtitle B of title VI (relating to community services block grant program), under the supplemental security income program, under part A of title IV of the Social Security Act, under

title XX of the Social Security Act, under the low-income weatherization assistance program under title IV of the Energy Conservation and Production Act, or under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 before the date of the enactment of this Act;

(5) provide, in a timely manner, that the highest level of assistance will be furnished to those households which have the lowest incomes and the highest energy costs or needs in relation to income, taking into account family size, except that the State may not differentiate in implementing this section between the households described in clauses 2(A) and 2(B) of this subsection;

(6) to the extent it is necessary to designate local administrative agencies in order to carry out the purposes of this title, to give special consideration, in the designation of such agencies, to any local public or private nonprofit agency which was receiving Federal funds under any low-income energy assistance program or weatherization program under the Economic Opportunity Act of 1964 or any other provision of law on the day before the date of the enactment of this Act, except that—

(A) the State shall, before giving such special consideration, determine that the agency involved meets program and fiscal requirements established by the State; and

(B) if there is no such agency because of any change in the assistance furnished to programs for economically disadvantaged persons, then the State shall give special consideration in the designation of local administrative agencies to any successor agency which is operated in substantially the same manner as the predecessor agency which did receive funds for the fiscal year preceding the fiscal year for which the determination is made;

(7) if the State chooses to pay home energy suppliers directly, establish procedures to --

(A) notify each participating household of the amount of assistance paid on its behalf;

(B) assure that the home energy supplier will charge the eligible household, in the normal billing process, the difference between the actual cost of the home energy and the amount of the payment made by the State under this title;

(C) assure that the home energy supplier will provide assurances that any agreement entered into with a home energy supplier under this paragraph will contain provisions to assure that no household receiving assistance under this title will be treated adversely because of such assistance under applicable provisions of State law or public regulatory requirements; and

(D) ensure that the provision of vendor payments remains at the option of the State in consultation with local grantees and may be contingent on unregulated vendors taking appropriate measures to alleviate the energy burdens of eligible households, including providing for agreements between suppliers and individuals eligible for benefits under this Act that seek to reduce home energy costs, minimize the risks of home energy crisis, and encourage regular payments by individuals receiving financial assistance for home energy costs;

(8) provide assurances that,

(A) the State will not exclude households described in clause (2)(B) of this subsection from receiving home energy assistance benefits under clause (2), and

(B) the State will treat owners and renters equitably under the program assisted under this title;

(9) provide that--

(A) the State may use for planning and administering the use of funds under this title an amount not to exceed 10 percent of the funds payable to such State under this title for a fiscal year; and

(B) the State will pay from non-Federal sources the remaining costs of planning and administering the program assisted under this title and will not use Federal funds for such remaining cost (except for the costs of the activities described in paragraph (16));

(10) provide that such fiscal control and fund accounting procedures will be established as may be necessary to assure the proper disbursement of and accounting for Federal funds paid to the State under this title, including procedures for monitoring the assistance provided under this title, and provide that the State will comply with the provisions of chapter 75 of title 31, United States Code (commonly known as the "Single Audit Act");

(11) permit and cooperate with Federal investigations undertaken in accordance with section 2608;

(12) provide for timely and meaningful public participation in the development of the plan described in subsection (c);

(13) provide an opportunity for a fair administrative hearing to individuals whose claims for assistance under the plan described in subsection (c) are denied or are not acted upon with reasonable promptness; and

(14) cooperate with the Secretary with respect to data collecting and reporting under section 2610.

(15) * beginning in fiscal year 1992, provide, in addition to such services as may be offered by State Departments of Public Welfare at the local level, outreach and intake functions for crisis situations and heating and cooling assistance that is administered by additional State and local governmental entities or community-based organizations (such as community action agencies, area agencies on aging and not-for-profit neighborhood-based organizations), and in States where such organizations do not administer functions as of September 30, 1991, preference in awarding grants or contracts for intake services shall be provided to those agencies that administer the low-income weatherization or energy crisis intervention programs.

*** This assurance is applicable only to States, and to territories whose annual regular LIHEAP allotments exceed \$200,000. Neither territories with annual allotments of \$200,000 or less nor Indian tribes/tribal organizations are subject to Assurance 15.**

(16) use up to 5 percent of such funds, at its option, to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance, including needs assessments, counseling, and assistance with energy vendors, and report to the Secretary concerning the impact of such activities on the number of households served, the level of direct benefits provided to those households, and the number of households that remain unserved.

Certification to the Assurances

As Chief Executive Officer, I agree to comply with the sixteen assurances contained in Title XXVI of the Omnibus Budget Reconciliation Act of 1981, as amended. By signing these assurances, I also agree to abide by the standard assurances on lobbying, debarment and suspension, and a drug-free workplace.

Signature of the Tribal or Board Chairperson or Chief Executive Officer of the State or Territory.

Signature: _____

Title: Acting Director_____

Date: August xx, 2011_____

The Governor of Texas has delegated the responsibility of signing this document to the Executive Director of the Texas Department of Housing and Community Affairs. A copy of the letter is attached.

The EIN (Entity Identification Number) of the Texas Department of Housing & Community Affairs, which receives the grant funds, appears on the cover of this application.

In the above assurances which are quoted from the law, "State" means the 50 States, the District of Columbia, an Indian Tribe or Tribal Organization, or a Territory; "title" of the Act refers to Title XXVI of the Omnibus Budget Reconciliation Act of 1981 (OBRA), as amended, the "Low Income Home Energy Assistance Act"; "section" means Section 2605 of OBRA; and, "subsection" refers to Section 2605(b) of OBRA.

Components Operated Under LIHEAP

[Statutory references](#)

<http://www.acf.hhs.gov/programs/ocs/liheap/guidance/index.html#sr>

2605(a) 2605(b)(1)	Please check which components you will operate under the LIHEAP program. (Note: You must provide information for each component designated here as requested elsewhere in this plan.)
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Use of Funds

	Program Component	Dates of Operation
<input checked="" type="checkbox"/>	heating assistance	December – February
<input checked="" type="checkbox"/>	cooling assistance	March – November
<input checked="" type="checkbox"/>	crisis assistance	January – December
<input checked="" type="checkbox"/>	weatherization assistance	April – March

2605(c)(1)(C)	➤ Please estimate what amount of available LIHEAP funds will be used for each component that you will operate: The total of all percentages must add up to 100%.	
Use of Funds	5%	heating assistance
	45%	cooling assistance
	10%	crisis assistance
2605(k)(1)	25%	weatherization assistance
	0%	carryover to the following fiscal year
2605(b)(9)	10%	administrative and planning costs
2605(b)(16)	5%	services to reduce home energy needs including needs assessment (assurance 16)
	0%	used to develop and implement leveraging activities (limited to the greater of 0.08% or \$35,000 for States, the greater of 2% or \$100 for territories, tribes and tribal organizations).
	100%	TOTAL

Alternate Use of Crisis Assistance Funds

2605(c)(1)(C)	➤ The funds reserved for winter crisis assistance that have not been expended by March 15 will be reprogrammed to:	
	<input type="checkbox"/>	Heating assistance
	<input type="checkbox"/>	Cooling assistance
	<input type="checkbox"/>	weatherization assistance
	<input checked="" type="checkbox"/>	Other(specify): Year-round crisis

➤ Do you accept applications for energy crisis assistance at sites that are geographically accessible to all households in the area to be served? (This is required by the statute.)

Yes No

Eligibility

2605(b)(2) 2605(c)(1)(A)	➤ What are your maximum eligibility limits? (Please check the components to which they apply.) <u>Current year guidelines must be used.</u> http://aspe.os.dhhs.gov/poverty/figures-fed-reg.shtml
<input type="checkbox"/>	150% of the poverty guidelines: <input type="checkbox"/> Heating <input type="checkbox"/> Cooling <input type="checkbox"/> Crisis <input type="checkbox"/> WX
<input checked="" type="checkbox"/>	125% of the poverty guidelines: <input checked="" type="checkbox"/> Heating <input checked="" type="checkbox"/> Cooling <input checked="" type="checkbox"/> Crisis <input checked="" type="checkbox"/> WX
<input type="checkbox"/>	110% of the poverty guidelines: <input type="checkbox"/> Heating <input type="checkbox"/> Cooling <input type="checkbox"/> Crisis <input type="checkbox"/> WX
<input type="checkbox"/>	60% of the State's median income: <input type="checkbox"/> Heating <input type="checkbox"/> Cooling <input type="checkbox"/> Crisis <input type="checkbox"/> WX

N/A	*	Households automatically eligible if one person is receiving						
	<input type="checkbox"/>	TANF	<input type="checkbox"/>	SSI	<input type="checkbox"/>	Food Stamps	<input type="checkbox"/>	WX
N/A	NONE	Certain means-tested veterans programs						
	<input type="checkbox"/>	Heating	<input type="checkbox"/>	Cooling	<input type="checkbox"/>	Crisis	<input type="checkbox"/>	WX

* Subrecipient agencies will base applicant household eligibility on TAC Title 10, Part 1, Chapter 5, Subchapter A, §5.19 and §5.20.

2605(c)(1)(A) 2605(b)(2) (eligibility)	➤ Do you have additional eligibility requirements for:	Yes	No
	Heating Assistance?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	➤ Do you use:		
	Assets test?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	➤ Do you give priority in eligibility to:		
	Elderly?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Disabled?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Young children?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Other: (If Yes, please describe) High energy burden, High energy consumption.	<input checked="" type="checkbox"/>	<input type="checkbox"/>

2605(c)(1)(A) 2605(b)(2) (eligibility)	➤ Do you have additional eligibility requirements for:	Yes	No
	Cooling Assistance?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	➤ Do you use:		
	Assets test?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	➤ Do you give priority in eligibility to:		
	Elderly?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Disabled?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Young children?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Other: (If Yes, please describe) High energy burden, High energy consumption.	<input checked="" type="checkbox"/>	<input type="checkbox"/>

2604(c) 2605(c)(1)(A) (eligibility)	➤ Do you have additional eligibility requirements for: Crisis Assistance?	Yes	No
		<input type="checkbox"/>	<input checked="" type="checkbox"/>
	➤ Do you use:		
	Assets test?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Must the household have received a shut-off notice or have an empty tank?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Must the household have exhausted regular benefit?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Must the household have received a rent eviction notice?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Must heating/cooling be medically necessary?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Other (Please explain):	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	➤ What constitutes a crisis? (Please describe) A utility disconnection notice may constitute an energy crisis. Extreme hot or cold weather, defined at the local level.		

2605(c)(1)(A) (eligibility)	➤ Do you have additional eligibility requirements for: Weatherization?	Yes	No
		<input type="checkbox"/>	<input checked="" type="checkbox"/>
	➤ Do you use:		
	Assets test?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Priority groups? (Please list)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Elderly?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Disabled?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Young children?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Other: (If Yes, please describe)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	High energy burden, High energy consumption.		
	➤ Are you using Department of Energy (DOE) Low Income Weatherization Assistance Program (LIWAP) rules (http://apps1.eere.energy.gov/weatherization/) to establish eligibility or to establish priority eligibility for households with certain characteristics?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	➤ If Yes, are there exceptions? Please list below. Texas Administrative Code Title 10, Part 1, Chapter 5, Subchapter E. http://info.sos.state.tx.us/pls/pub/readtac\$ext.ViewTAC?tac_view=5&ti=10&pt=1&ch=5&sch=E&rl=Y RULE §5.507 - Subrecipient Requirements for Establishing Priority for Eligible Households and Client Eligibility Criteria	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Outreach Activities

2605(b)(3) 2605(c)(3)(A)	➤ Please check the outreach activities that you conduct that are designed to assure that eligible households are made aware of all LIHEAP assistance available:	
	<input checked="" type="checkbox"/>	provide intake service through home visits or by telephone for the physically infirm (i.e. elderly or disabled).
	<input checked="" type="checkbox"/>	place posters/flyers in local and county social service offices, offices of aging, Social Security offices, VA, etc.
	<input checked="" type="checkbox"/>	publish articles in local newspapers or broadcast media announcements.
	<input checked="" type="checkbox"/>	include inserts in energy vendor billings to inform individuals of the availability of all types of LIHEAP assistance.
	<input type="checkbox"/>	Make mass mailing to past recipients of LIHEAP.
	<input checked="" type="checkbox"/>	inform low income applicants of the availability of all types of LIHEAP assistance at application intake for other low-income programs.
	<input checked="" type="checkbox"/>	execute interagency agreements with other low-income program offices to perform outreach to target groups.
	<input type="checkbox"/>	other (Please specify):

Coordination

2605(b)(4)	➤ <i>Please describe how you will assure that LIHEAP is coordinated with similar and related programs. The description provided applies to all components unless specifically noted.</i>	
2605 (b)(1)(C) 2605(b)4	Subrecipients coordinate with other social service agencies to provide services to eligible households. In particular, subrecipients make documented referrals to the local WAP subrecipient.	
2605(b)(7)(D)	Subrecipients coordinate with local energy vendors to arrange for arrearage reduction, reasonably reduced payment schedules, or cost reductions.	
2605(b)(6)	Community Action Agencies, local government entities, and private nonprofit agencies, administer the LIHEAP program. To share information, enhance and develop service capacities, and integrate resources, The Department works with the Texas Association of Community Action Agencies, the Public Utility Commission, the Texas Railroad Commission, utility companies, and other State entities serving the low-income population.	

Benefit Levels: Equal Treatment

2605(b)(5) 2605(b)(2) 2605(b)(8A)	➤ <i>The statute requires that there be no difference in the treatment of households eligible because of their income and those eligible because they receive benefits under TANF, Food Stamps, SSI, or certain means-tested veterans programs ("categorically eligible"). How do you ensure there is no difference when determining eligibility and benefit</i>	
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	<i>amounts? This applies to all components unless specifically noted below.</i>
	There is no difference in treatment based on the receipt or non-receipt of public assistance benefits. Subrecipients will base applicant household eligibility on TAC Title 10, Part 1, §5.19 (Client Income Guidelines) and §5.20 (Determining Income Eligibility) for all Community Affairs programs.

Determination of Benefits

Heating Component

2605(b)(5)	➤ Please check the variables you use to determine your benefit levels (check all that apply):	
	<input checked="" type="checkbox"/>	Income
	<input checked="" type="checkbox"/>	family (household) size
	<input checked="" type="checkbox"/>	home energy cost or need
	<input type="checkbox"/>	fuel type
	<input type="checkbox"/>	climate/region
	<input checked="" type="checkbox"/>	individual bill
	<input type="checkbox"/>	dwelling type
	<input checked="" type="checkbox"/>	energy burden (% of income spent on home energy)
	<input checked="" type="checkbox"/>	energy need
	<input type="checkbox"/>	other (describe):

Benefit Levels

2605(b)(5) 2605(c)(1)(B)	<input type="checkbox"/> <i>Describe how you will assure that the highest benefits go to households with the lowest incomes and the highest energy costs or needs in relation to income, taking into account family size.</i> <i>Please describe benefit levels or attach a copy of your payment matrix.</i>	
	Households With Incomes of:	Household may receive an amount needed to address their energy payment shortfall not to exceed:
	0 to 50% of Poverty	\$1,200.00
	50% to 75% of Poverty	\$1,100.00
	75% to 125% of Poverty	\$1,000.00
	➤ Do you provide in-kind (e.g., blankets, space heaters) and/or other forms of benefits?	
	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No If Yes, please describe.

Cooling Component

2605(b)(5) 2605(c)(1)(B)	➤ Please check the variables you use to determine your benefit levels (check all that apply):	
	<input checked="" type="checkbox"/>	Income
	<input checked="" type="checkbox"/>	family (household) size
	<input checked="" type="checkbox"/>	home energy cost or need
	<input type="checkbox"/>	fuel type
	<input type="checkbox"/>	climate/region
	<input checked="" type="checkbox"/>	individual bill
	<input type="checkbox"/>	dwelling type
	<input checked="" type="checkbox"/>	energy burden (% of income spent on home energy)
	<input checked="" type="checkbox"/>	energy need
	<input type="checkbox"/>	other (describe):

Benefit Levels

2605(b)(5) 2605(c)(1)(B)	➤ Describe how you will assure that the highest benefits go to households with the lowest incomes and the highest energy costs or needs in relation to income, taking into account family size. <i>Please describe benefit levels or attach a copy of your payment matrix.</i>	
	Households With Incomes of:	Household may receive an amount needed to address their energy payment shortfall not to exceed:
	0 to 50% of Poverty	\$1,200.00
	50% to 75% of Poverty	\$1,100.00
	75% to 125% of Poverty	\$1,000.00
	➤ Do you provide in-kind (e.g., blankets, space heaters, fans) and/or other forms of benefits?	
	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	If Yes, please describe.	

Crisis Component

2605(b)(5), 2605(c)(1)(B)	➤ How do you handle crisis situations?		
	<input checked="" type="checkbox"/> Separate component	<input type="checkbox"/> other (please explain)	
	➤ If you have a separate component, how do you determine crisis assistance benefits?		
	<input checked="" type="checkbox"/>	amount to resolve crisis, up to maximum	
	<input type="checkbox"/>	other (please describe)	

Benefit Levels

	➤ Please indicate the maximum benefit for each type of crisis assistance offered.		
	Heating	\$ n/a	maximum benefit
	Cooling	\$ n/a	maximum benefit
	Year-round	\$1,200	maximum benefit
	➤ Do you provide in-kind (e.g. blankets, space heaters, fans) and/or other forms of benefits?		
	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	If Yes, please describe.

WEATHERIZATION & OTHER ENERGY RELATED HOME REPAIR AND IMPROVEMENTS

2605(b)(5), 2605(c)(1), (B) & (D)	➤ What LIHEAP weatherization services/materials do you provide? (Check all categories that apply.)
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Types of Assistance

<input checked="" type="checkbox"/>	Weatherization needs assessments/audits.
<input checked="" type="checkbox"/>	Caulking, insulation, storm windows, etc.
<input checked="" type="checkbox"/>	Furnace/heating system modifications/repairs
<input checked="" type="checkbox"/>	Furnace replacement
<input checked="" type="checkbox"/>	Cooling efficiency modifications/repairs/replacement
<input checked="" type="checkbox"/>	Other <u>Energy Related Home Repair</u> (Please describe) a) roof, wall, and floor repair to complete weatherization measures; b) repair or replace essential electrical wiring to complete related weatherization measures, while complying with safety codes; c) solar screens or window film (where appropriate); d) replacement of refrigerators 1993 or older or metered to have an SIR of 1 or greater on the Departments refrigerator tool; e) mobile home skirting to protect belly insulation; f) overhangs to protect mobile home doors; g) carpentry work to protect outside water heater from exposure; and h) weatherization-related health and safety safeguards as defined by DOE.

Benefit Levels

	➤ Do you have a maximum LIHEAP weatherization benefit/expenditure per household?		
	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	If Yes, what is the maximum amount? \$6,000

Types of Rules (DOE or LIHEAP)

	➤ Under what rules do you administer LIHEAP weatherization? (Check only one.)	
	<input type="checkbox"/>	Entirely under LIHEAP (not DOE) rules
	<input type="checkbox"/>	Entirely under DOE LIWAP rules
	<input checked="" type="checkbox"/>	Mostly under LIHEAP rules with the following DOE LIWAP rule(s) where LIHEAP and LIWAP rules differ (Check all that apply):
	<input checked="" type="checkbox"/>	Weatherize buildings if at least 66% of units (50% in 2- & 4-unit buildings) are eligible units or will become eligible within 180 days
	<input checked="" type="checkbox"/>	Weatherize shelters temporarily housing primarily low income persons (excluding nursing homes, prisons, and similar institutional care facilities).
	<input checked="" type="checkbox"/>	Other (Please describe)
	<input type="checkbox"/>	Mostly under DOE LIWAP rules, with the following LIHEAP rule(s) where LIHEAP and LIWAP rules differ (Check all that apply.)
	<input checked="" type="checkbox"/>	Weatherization not subject to DOE LIWAP maximum statewide average cost per dwelling unit.
	<input checked="" type="checkbox"/>	Other <u>Energy Related Home Repair</u> (Please describe.) TDHCA will allow the use of a client's LIHEAP weatherization award for structural and ancillary repairs only if required to enable effective weatherization.

Agency Designation

2605(b)(6)	The state administers LIHEAP through the following types of local agencies:	
	<input type="checkbox"/>	county welfare offices
	<input checked="" type="checkbox"/>	community action agencies (weatherization component only)
	<input checked="" type="checkbox"/>	community action agencies (heating, cooling or crisis)
	<input checked="" type="checkbox"/>	charitable organizations (nonprofit)
	<input type="checkbox"/>	not applicable (i.e. state energy office)
	<input type="checkbox"/>	tribal office
	<input checked="" type="checkbox"/>	other, describe: Units of local government and Councils of Government.
	➤ Have you changed local administering agencies from last year?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	If Yes, please describe how you selected them. Request for Application (RFA)	
	➤ What components are affected by the change?	Heating, cooling, crisis, weatherization.

Targeting of Assistance

2605(c)(1)(E)	<p>➤ Please describe any additional steps (other than those described elsewhere in this plan) that will be taken to target assistance to households with high home energy burdens. (This applies to all components. If all steps to target households with high home energy burdens are described elsewhere in the plan, no further information is required here.)</p>

Energy Suppliers

2605(b)(7)	➤ Do you make payments directly to home energy suppliers?		
	Heating	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
	Cooling	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
	Crisis	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
	If Yes, are there exceptions?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	If Yes, please describe.		

2605(b)(7)(A)	<p>➤ If you make payments directly to home energy suppliers, how do you notify the client of the amount of assistance paid? (Please describe)</p> <p>When the client applies for assistance, the subrecipient determines eligibility, the amount of assistance, and the appropriate component. This information is given to the client along with the client agreement.</p>		
2605(b)(7), (B) & (C)	<p>➤ How do you make sure the home energy supplier performs what is required in this assurance? If vendor agreements are used, they may be attached. Indicate each component for which this description applies.</p> <p>Vendor agreements are used in all components. A sample copy is attached.</p>		

Owners & Renters

2605(b)(8)(B)	➤ Is there any difference in the way owners and renters are treated? If Yes, please describe.		
	Heating Assistance	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	Cooling Assistance	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	Crisis Assistance	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	Weatherization	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Program, Fiscal Monitoring, and Audit

2605(b)(10)	<p>➤ How do you ensure good fiscal accounting and tracking of LIHEAP funds? (Please describe. Include a description of how you monitor fiscal activities.)</p> <ol style="list-style-type: none"> 1. review annual audits; 2. monitor fiscal records; 3. review Monthly Expenditure and Performance Reports. 								
	<p>➤ How do you monitor program activities? (Please be sure to include a description of how you monitor eligibility and benefit determination.)</p> <ul style="list-style-type: none"> • The Department requires each subrecipient to submit monthly funding and performance reports. Reports are due on the fifteenth of the following month. • The Contract Specialist will complete a desk monitoring review of monthly funding and performance reports to ensure the subrecipient has the capacity to carry out program activities in a timely manner. • Assigned Program Officer for each subrecipient will track program compliance and performance activities. • Program Officers will perform an onsite monitoring visit of each subrecipient at least once every two years based on a Risk Assessment Module. On-site monitoring will be performed in conjunction with the Division’s Community Service Block Grant whenever possible. TDHCA may monitor a subrecipient more than once based on the previous monitoring report and current contract performance. • Program Officer will review the subrecipient’s financial records such as the single audit, general ledgers, receipts, bank statements, bank reconciliation reports, and checks to ensure that program funds are being expended on allowable program activities. • Program Officer will review individual client records to ensure the clients are eligible, prioritized, and served within the contract and TDHCA established guidelines. Client files will also be reviewed to ensure household needs have been identified, the client has been provided client education, and referred to other programs that have been identified by the subrecipient. • Program Officer will complete a monitoring check list and report that outlines findings and recommendations. • Upon the Manager’s review a report will be mailed to each subrecipient. • Subrecipient must submit a written response within 45 days of the report. The response must address any possible corrective actions if any. • A review of the response in order to ensure all possible corrective actions has been implemented by the subrecipient. 								
	<p>➤ How is your LIHEAP program audited?</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Under the Single Audit Act?</td> <td style="width: 15%; text-align: center;"><input checked="" type="checkbox"/> Yes</td> <td style="width: 15%; text-align: center;"><input type="checkbox"/> No</td> </tr> <tr> <td colspan="3">If not, please describe:</td> </tr> </table>			Under the Single Audit Act?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	If not, please describe:		
Under the Single Audit Act?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No							
If not, please describe:									
	<p>For States and Territories:</p>								
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">➤ Is there an annual audit of local administering agencies?</td> <td style="width: 15%; text-align: center;"><input checked="" type="checkbox"/> Yes</td> <td style="width: 15%; text-align: center;"><input type="checkbox"/> No</td> </tr> </table>			➤ Is there an annual audit of local administering agencies?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No			
➤ Is there an annual audit of local administering agencies?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No							

	<p>If not, please explain. TDHCA contract requires subrecipients that exceed \$500,000 in expenditures to follow the single Audit procedures and submit a copy of the Audit to the Department for review.</p>
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Timely and Meaningful Public Participation

2605(b)(12)	<p>➤ <i>How did you get timely and meaningful public participation in the development of the plan? (Please describe.)</i></p> <ul style="list-style-type: none"> • The Department prepared a Draft LIHEAP Plan for FFY 2012 as a means of informing interested parties prior to the annual LIHEAP Public Hearing on July 19, 2011. • The draft plan was submitted for The Department Board approval at the June 30, 2011 meeting – prior to publication. • A Texas Register announcement (see appendix), The Department website, and opt-in email distribution publication informed the Texas Legislature and general public about the public hearing. • The Draft LIHEAP Plan appeared on the Department Internet site beginning July 1, 2011. • The Department transmitted the Draft LIHEAP Plan by e-mail to all TDHCA Energy Assistance subrecipients, Weatherization Policy Advisory Committee members, and other interested parties and let them know the document’s internet location (http://www.tdhca.state.tx.us/ea.htm). • The Department accepted written and verbal comments within the public participation process through <u>July 19, 2011</u>, 5:00 p.m. The Department requested that comments be sent by e-mail to cate.taylor@tdhca.state.tx.us or by fax (512) 475-3935 or by postal service to TDHCA, Energy Assistance Section, P.O. Box 13941, Austin, Texas 78711-3941. • The Department incorporates public comments, including workable suggestions that do not alter the intent of LIHEAP, into the final plan. • The Department Board receives the final plan for approval on July 28, 2011. 		
2605(a)(2)	<p>➤ Did you conduct public hearings on the proposed use and distribution of your LIHEAP funds?</p>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
	<p>When? July 19, 2010; 1:30 p.m. – 3:30 p.m.</p>		
	<p>Where? Insurance Annex Building, 221 East 11th St., Room #116, Austin, Texas</p>		

Fair Hearing Procedures

Fair Hearings 2605(b)(13)	<p>➤ <i>Describe your fair hearing procedures for households whose applications are denied or not acted on in a timely manner. When are applicants informed of these rights?</i></p>		
	<p>The Department will ensure that subrecipients provide an opportunity for a fair administrative hearing to individuals whose application for assistance is denied or not acted upon in a timely manner by requiring subrecipients to:</p> <ul style="list-style-type: none"> • print information about clients’ rights on the application forms and information sheets; 		

	<ul style="list-style-type: none"> • provide opportunity for fair administrative hearings in cases of application denial, delay, or inaction; • Provide written notification to applicant of denial of assistance within ten (10) days of the adverse determination. Notification includes written instructions of the appeals process and specific reasons for the denial. Applicants wishing to appeal a decision must provide written notice to subrecipient within 10 days of receipt of the denial notice. <u>Subrecipient maintains documentation of appeals in the client files.</u> <p>Applicants may subsequently appeal to the Department. An applicant must provide a written appeal request to the Department within 10 days of receiving the subrecipient's second determination. The Department appeals committee composed of at least three persons hears the appeal within 10 days of receiving the appeal. The subrecipient provides to the Department an audio tape recording or detailed notes of its hearing and pertinent client files. The Department will review the recording and notes from the hearing, the committee's decision and any other relevant information. The Department will not take additional oral testimony. The Department will notify all parties in writing of its decision within 30 days of the receipt of the appeal.</p>
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Alternate Outreach and Intake

2605(b)(15)	For States and Puerto Rico only (not applicable to Tribes and tribal organizations, or to territories whose annual regular LIHEAP allotments are \$200,000 or less):	
	➤ Does the State agency that administers the following LIHEAP component also administer the State's welfare program?	
	Heating Assistance	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	If Yes, describe alternate process for outreach and intake:	
	Cooling Assistance	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	If Yes, describe alternate process for outreach and intake:	
	Crisis Assistance	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	If Yes, describe alternate process for outreach and intake:	

Assurance 16 Activities

2605(b)(16)	<p>➤ Do you use LIHEAP funds to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance? (This assurance refers to activities such as needs assessments, counseling, and assistance with energy vendors.)</p>
	<p style="text-align: center;"><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
	<p><i>If Yes, please describe these activities.</i></p> <ol style="list-style-type: none"> 1. Identify household needs. 2. Provide literature and energy conservation education. 3. Refer client to other appropriate programs. 4. Encourage responsible vendor and consumer behavior. <p>Subrecipients provide applications, forms, and energy education materials in Spanish, English, or other language when appropriate.</p>
	<p><i>If Yes, how do you ensure that you don't use more than 5% (statutory ceiling) of your LIHEAP funds for these activities?</i></p> <p>Assurance 16 activities are a separate budget category at both the state and subrecipient levels. Both the accounting and the reporting systems do not allow expenditures over the 5% cap.</p>

Leveraging

2607A	<p>➤ Please describe leveraging activities planned for the fiscal year. (This entry is optional.)* Complete this entry if you plan to apply for LIHEAP leveraging incentive funds and to include in your leveraging report resources/benefits provided to low income households this fiscal year under criterion (iii) in 45 CFR 96.87(d)(2). Provide the following information for each:</p> <ol style="list-style-type: none"> (1) Identify and described each resource/benefit; (2) Identify the source(s) of each resource; and (3) Describe the integration/coordination of each resource/benefit with the LIHEAP program, consistent with 1 or more of conditions A-H in 45 CFR 96.87(d)(2)(iii).
2607(A) 45CFR96 §96.87(d)(2) (i)	<p>In order for subrecipients to serve eligible households in a comprehensive manner, creation of partnerships with private industries and utility vendors is essential. LIHEAP staff members, both at the grantee and the subrecipient level, have devoted substantial time and resources in the negotiation and design of these partnerships.</p>
§96.87(d)(1)	<p>The resources leveraged by these activities are from non-federal sources such as utility companies. They are provided to the LIHEAP grantee or only accessible to LIHEAP clients. They represent a net addition to the total home energy resources available to low-income households, are measurable and</p>

	<p>quantifiable, and meet the requirements for countable resources.</p> <p>The following resources have been leveraged on behalf of LIHEAP clients:</p>
<p>§96.87(d)(2)(iii)(D), §96.87(d)(2)(iii)(E), §96.87(d)(2)(iii)(F), §96.87(e)(1)(i)</p>	<p>Subrecipients utilize state approved vendor agreements with energy providers. These agreements may provide for waivers on reconnection fees and waivers on deposits. These agreements ensure that the energy vendor will charge the eligible household only the difference between the cost of home energy actually consumed and the amount of the payment made by TDHCA through LIHEAP. Agreements ensure that energy vendors will treat LIHEAP clients with no disadvantage relative to all other customers.</p> <p>TDHCA currently uses written agreements with private, investor owned electric utility companies (IOUs) to provide funding for the following resources or services:</p>
<p>§96.87(d)(2)(ii) §96.87(e)(1)(iii) §96.87(e)(1)(vi)</p>	<p>IOU Weatherization Programs provide additional funding for the LIHEAP-funded Weatherization Assistance Program. Utility funds supplement work on housing units weatherized under the state’s WAP. TDHCA administers the funds through its LIHEAP WAP network of weatherization contractors.</p>

* Leveraged resources/benefits that are counted under criterion (iii) in 45 CFR 96.87(d)(2) must be identified and described in the grantee's LIHEAP plan and distributed as indicated in the plan. In addition, leveraging resources/benefits that are counted under criterion (ii) must be carried out under one or more components of the grantee's regular LIHEAP program.

ADDITIONAL CERTIFICATIONS AND REQUIREMENTS

Attached are additional certifications required as follows:

- **Lobbying certification**, which must be filed by all States and territories. If applicable, Form LLL, which discloses lobbying payments, must be submitted. (**Tribes and tribal organizations are EXEMPT**) (Above link shows source document only.)
- **Debarment and suspension certification**, which must be filed by all grantees. (Above link shows source document only.)
- **Drug-free workplace requirement certification**, which must be filed by all grantees, unless the grantee has filed a statewide certification with the Department of Health and Human Services. **STATES ONLY:** If you have filed a statewide certification for the drug-free workplace requirement, please check here: (Above link shows source document only.)
- One of the new requirements included in the 1994 reauthorization of the statute is that grantees must include in their annual application for funds a report on the number and income levels of households applying for and receiving LIHEAP assistance, and on the number of recipient households that have members who are elderly, disabled, or young children.

All Tribes and those territories with allotments of less than \$200,000 need only submit data on the number of households served by each component (heating, cooling, weatherization and crisis). The approval for the collection of information contained in the **LIHEAP Household Report** is covered by OMB approval number 0970-0060.

- Though not a part of this application, the report on funds to be carried over or available for reallocation as required by section 2607(a) for the preceding year must be submitted by August 1 of each year. A grant award for the current fiscal year may not be made until the carryover/reallocation report is received. The approval for the collection of information contained in the **LIHEAP Carryover and Reallocation Report** is covered by OMB approval number 0970-0106.

Attachments

1. FFY 2012 LIHEAP Program Integrity Assessment Supplement
 - A. TDHCA Recommended Practice on Fraud, Waste, and Abuse
 - B. Texas Administrative Code for TDHCA's LIHEAP programs.
 - C. Vendor Agreement Sample
 - D. Sample of Department approved Declaration of Income Statement
 - E. Sample TDHCA contract for PY 2011 CEAP Subrecipients
 - F. Sample TDHCA contract for PY 2011 LIHEAP Subrecipients
2. Preliminary FFY 2011 LIHEAP Household Report
3. [Contractors \(Subrecipient Agencies\)](http://www.tdhca.state.tx.us/ea/index.htm) <http://www.tdhca.state.tx.us/ea/index.htm>
4. Required Certifications
 - A. Lobbying Certification
 - B. Debarment and Suspension Certification
 - C. Drug-free Workplace requirement Certification
5. PY 2011 [DOE WAP State Plan](http://www.tdhca.state.tx.us/ea/docs.htm) <http://www.tdhca.state.tx.us/ea/docs.htm>
6. LIHEAP Designation Letter for TDHCA



PROGRAM INTEGRITY ASSESSMENT SUPPLEMENT

TEXAS FFY 2012 LIHEAP PLAN

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ABSTRACT:

HHS is requiring further detail from Grantees on their FY2012 plans for preventing and detecting fraud, abuse, and improper payments. HHS is also requiring that Grantees highlight and describe all elements of this FY2012 plan which represent improvements or changes to the Grantees' FY2011 plan for preventing and detecting fraud, abuse and improper payment prevention.

INSTRUCTIONS:

Please provide full descriptions of the Grantee's plans and strategy for each area, and attach/reference excerpts from relevant policy documents for each question/column. Responses must explicitly explain whether any changes are planned for the new FY.

1. RECENT AUDIT FINDINGS

Necessary outcomes from these systems and strategies: The timely and thorough resolution of weaknesses or reportable conditions as revealed by the audit.

- a. **Describe any audit findings of material weaknesses and reportable conditions, questioned costs and other findings cited in FY2011 or the prior three years, in annual audits, Grantee monitoring assessments, Inspector General reviews, or other Government Agency reviews of LIHEAP agency finances.**

During the 2009 Audit by the State Auditor's office (through KPMG) an audit finding was received regarding administrative privileges within the Genesis Community Affairs Contract System and the PeopleSoft system.

In FY 2010, Grantee monitoring assessment revealed inadequate management of LIHEAP programs by two subrecipient organizations. LIHEAP contracts with both organizations were terminated.

- b. **Please describe whether the cited audit findings or relevant operations have been resolved or corrected. If not, please describe the plan and timeline for doing so in FY2012.**

Resolved – The Texas Department of Housing and Community Affairs (TDHCA or the Department) has resolved the 2009 finding by establishing a new Community Affairs Contract System which replaced the Genesis Community Affairs Contract System in April 2009. No developers have production update access in the new system.

Resolved – Termination of contracts for the inadequate management of LIHEAP programs by two subrecipient organizations.

c. If there is no plan in place, please explain why not.

For the 2009 PeopleSoft finding, TDHCA removed production/database administration access from the developers as noted in the finding. This occurred in May 2009.

2. COMPLIANCE MONITORING

Necessary outcomes from these systems and strategies: A sound methodology, with a schedule for regular monitoring and a more effective monitoring tool to gather information.

a. Describe the Grantee's FY 2011 strategies that will continue in FY 2012 for monitoring compliance with State and Federal LIHEAP policies and procedures by the Grantee and local administering agencies.

The Department requires each subrecipient to submit monthly funding and performance reports. Reports are due on the fifteenth of each month.

Contract Specialists will complete a desk monitoring review of monthly funding and performance reports to ensure the subrecipient has the capacity to carry out program activities in a timely manner.

The assigned Program Officer for each subrecipient will track program compliance and performance activities.

Program Officers will perform an onsite monitoring visit of each subrecipient at least once every two years based on a Risk Assessment Module. On-site monitoring will be performed in conjunction with the Division's Community Service Block Grant (CSBG) program whenever possible. TDHCA may monitor a subrecipient more than once based on the previous monitoring report and current contract performance.

Program Officers will review the subrecipient's financial records such as the single audit, general ledgers, receipts, bank statements, bank reconciliation reports, and checks to ensure that program funds are being expended on allowable program activities.

Program Officers will review individual client records to ensure the clients are eligible, prioritized, and served within the contract and TDHCA established guidelines. Client files will also be reviewed to ensure household needs have been identified, the client has been provided client education, and referred to other programs that have been identified by the subrecipient.

Program Officers will complete a monitoring check list and report that outlines findings and recommendations. Upon the Manager's review, a report will be mailed to each subrecipient.

Subrecipient must submit a written response within 45 days of the report. The response must address any possible corrective actions if any.

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Program Officers will perform a review of the response in order to ensure all possible corrective actions have been implemented by the subrecipient.

Subrecipient monitoring policies are documented in the Texas Administrative Code (TAC) Title 10, Part 1, Chapter 5, Subchapter A, Rule 5.16: Monitoring of Subrecipients. All TAC rules referenced in the Program Integrity Assessment Supplement are included in Attachment B.

b. Please highlight any strategies for compliance monitoring from your plan which will be newly implemented as of FY 2012.

The Department has developed a monitoring results database for department staff to track subrecipient monitoring visits, reports, findings, and any action required by the Department and Subrecipient staff. Reports can be generated from this database to track subrecipient monitoring status and risk assessment.

This database was developed and tested for Weatherization Assistance Program subrecipients (some of which administer a LIHEAP funds for Weatherization) in FFY 2010 and 2011. The Department intends to include all LIHEAP subrecipients in the database beginning in FFY 2012.

c. If you don't have a firm compliance monitoring system in place for FY 2011, please describe how the State is verifying that LIHEAP policy and procedures are being followed.

n/a

3. FRAUD REPORTING MECHANISMS

Necessary outcomes of these strategies and systems: Clear lines of communication for citizens, grantees, clients, and employees to use in pointing out potential cases of fraud or improper payments to State administrators.

a. For FY 2011 activities continuing in FY 2012, please describe all (a) mechanisms available to the public for reporting cases of suspected LIHEAP fraud, waste or abuse [These may include telephone hotlines, websites, email addresses, etc.]; (b) strategies for advertising these resources.

The Internal Audit Division of TDHCA has initiated a toll free hotline that can be used by the general public or other stakeholders, as well as the Department's employees, to anonymously report instances of fraud, waste and abuse.

Internal Audit contracts with The Network to provide the hotline services. The Network is a third-party administrator of anonymous hotlines. The hotline is available 24 hours a day, 365 days a year and calls are answered by employees of The Network. Information can be provided anonymously via a telephone call, a fax, a letter or an e-mail. If reports are made by fax or e-mail, The Network will ensure that the complaint remains anonymous.

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Matters brought to the attention of the Department in which fraud, waste or abuse of funds may have occurred will be forwarded to the State Auditor's Office as required by the Texas Government Code, Section 321.022.

(1) If the administrative head of a department or entity that is subject to audit by the state auditor has reasonable cause to believe that money received from the state by the department or entity or by a client or contractor of the department or entity may have been lost, misappropriated, or misused, or that other fraudulent or unlawful conduct has occurred in relation to the operation of the department or entity, the administrative head shall report the reason and basis for the belief to the state auditor.

The state auditor may investigate the report or may monitor any investigation conducted by the department or entity.

(2) The state auditor, in consultation with state agencies and institutions, shall prescribe the form, content, and timing of a report required by this section.

(3) All records of a communication by or to the state auditor relating to a report to the state auditor under Subsection (a) are audit working papers of the state auditor.

As posted on the TDHCA website at <http://www.tdhca.state.tx.us/fraud-waste-abuse.htm>, an incident of fraud, waste or abuse at the Texas Department of Housing and Community Affairs, can be reported in any of the following ways:

By Phone

Call toll free: 877-749-3316

By Mail

The Network

ATTN: Texas Department of Housing and Community Affairs

333 Research Court

Norcross, GA 30092

By Fax

770-409-5008

Faxes need to include the following information on the cover sheet:

TO: The Network

ATTN: The Texas Department of Housing and Community Affairs

By E-Mail

Reportline@tnwinc.com

Please include "Texas Department of Housing and Community Affairs" in the email text.

The public can also directly file a complaint with the State Auditor's Office at 1-800-TX-AUDIT or online at <https://sao.fraud.state.tx.us/Hotline.aspx>.

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In October 2010, TDHCA developed and distributed its Recommended Practice on Fraud, Waste, and Abuse to all TDHCA Employees, posted on the Department's website and distributed via the TDHCA ListServ email system.

This email system is open to the public but subscription is required of subrecipients for all Community Affairs programs, including all LIHEAP funded programs. Program-specific announcements, policy updates, changes in requirements, and other notifications are sent via this email system.

In July 2010, the Department created The Previously Weatherized Units (PW Units) module that is used to collect the address, city, zip, date weatherized, and subrecipient name for houses and units weatherized since September 30, 1994 through non-ARRA Department of Energy (DOE) WAP funds and Low Income Housing Energy Assistance Program (LIHEAP) WAP funds. This database is only available to subrecipient agencies of LIHEAP and DOE funds.

The data collected through this module will be used to ensure no houses or units in Texas have been weatherized twice since 1994 using non-ARRA DOE WAP or LIHEAP WAP funds. Subrecipients must search using this module prior to weatherizing units.

b. Please highlight any tools or mechanisms from your plan which will be newly implemented in FY 2012, and the timeline for that implementation.

TDHCA will continue to post information on the Department website and distribute Listserv announcements about fraud, waste, and abuse policies. Further, Program Integrity workshops will be held at the Community Affairs Division Annual conference for all LIHEAP subrecipient attendees.

c. If you don't have any tools or mechanisms available to the public to prevent fraud or improper payments, please describe your plan for involving all citizens and stakeholders involved with your program in detecting fraud.

n/a

4. VERIFYING APPLICANT IDENTITIES

Necessary outcomes from these systems and strategies: Income and energy supplier data that allow program benefits to be provided to eligible individuals.

a. Describe all FY 2011 Grantee policies continuing in FY2012 for how identities of applicants and household members are verified.

TDHCA policies for how identities of applicants and household members are documented are detailed in TAC Title 10, Part 1, Chapter 5:

(1) Subchapter A, Rule 5.19: Client Income Guidelines,

(2) Subchapter A, Rule 5.20: Determining Income Eligibility, and

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(3) Subchapter D, Rule 5.407: Subrecipient Requirements for Establishing Priority for Eligible Households and Client Eligibility Criteria.

TAC Rules are attached.

At this time, there are no policies in place for how identities of applicants and household members are verified.

TDHCA staff members have been actively participating in the National Program Integrity Workgroup and the Department has formed its own TX LIHEAP Program Integrity Workgroup comprised of members of the network of LIHEAP providers statewide, the Texas Association of Community Action Agencies (TACAA), and Department staff members. This workgroup is working to develop a system to verify identities of applicants and household members and will also look at implementation of the recommendations from HHS IM 2010-06 as described in the following sections.

Since the Program Integrity Assessment Supplement will be a required part of the annual State LIHEAP plan going forward, TDHCA will reconvene the LIHEAP Program Integrity Workgroup annually to review the Supplement and related program integrity policies.

b. Please highlight any policy or strategy from your plan which will be newly implemented in FY 2012.

In addition to the continuing work of the TX LIHEAP Program Integrity Workgroup described above, the Department is seeking partnerships with other state agencies that maintain systems and databases to verify individual or household member identities. Discussions have begun with The Texas Health and Human Services Commission, the state designated hub for Social Security Administration data.

Partnerships are being sought with agencies such as the Texas Workforce Commission, the Texas Department of State Health Services, and the Texas Department of Criminal Justice for linkages to new hire databases, state death records, and prisoner databases respectively.

The Department is also planning to move to a statewide database for all Community Affairs Division Programs, LIHEAP included. Currently, application intake and income verification are handled by the local subrecipient agencies. By centralizing this information in a statewide database, the Department will be able to more effectively and efficiently verify LIHEAP individual applicants and households. The Department is using the three year timeline for implementation that has been adopted by the National LIHEAP Program Integrity Workgroup.

c. If you don't have a system in place for verifying applicant's identities, please explain why and how the Grantee is ensuring that only authentic and eligible applicants are receiving benefits.

TDHCA does not have a system in place for verification of applicant's identities as there has previously been no requirement nationally. The Department has informed the statewide LIHEAP

network that the LIHEAP program is moving towards the implementation of the recommendations in IM-06.

With the achievement of the partnerships and statewide database described above, TDHCA will have more tools available to check the identity and eligibility of applicants receiving LIHEAP benefits statewide.

5. SOCIAL SECURITY NUMBER REQUESTS

Necessary outcomes from these systems and strategies: All valid household members are reported for correct benefit determination.

a. Describe the Grantee's FY 2012 policy in regards to requiring Social Security Numbers from applicants and/or household members applying for LIHEAP benefits.

According to the Texas Administrative Code (TAC), the Department does not currently require SSNs to verify eligibility of applicants and/or household members applying for LIHEAP benefits. See Subchapter D, Rule 5.407: Subrecipient Requirements for Establishing Priority for Eligible Households and Client Eligibility Criteria in the attached TAC Rules. As described in the previous sections, the Department is moving towards this requirement.

b. Please describe whether the State's policy for requiring or not requiring Social Security numbers is new as of FY2012, or remaining the same.

The Department's policy for not requiring Social Security numbers will remain the same for PY 2012. The TX LIHEAP Program Integrity Workgroup will address how and when this policy will change. The Department is moving towards implementation of HHS guidance from IM-2010-06 that strongly encourages States to establish and implement policies and procedures governing individual program application requirements to be used in requiring Social Security Numbers for recipients in LIHEAP, including the utility of information by local administering agencies that administer LIHEAP benefits. States are to ensure that adequate procedures are in place for the safeguarding of such information in the administration of the program.

c. If the Grantee is not requiring Social Security Numbers of LIHEAP applicants and/or household members, please explain what supplementary measures are being employed to prevent fraud.

As described in sections 2 and 3 above, the Department has a robust and effective compliance monitoring system and fraud reporting system in place. These systems will continue to be enhanced with the partnership with the Texas Health and Human Services Commission, the state designated hub for Social Security Numbers.

6. CROSS-CHECKING SOCIAL SECURITY NUMBERS AGAINST GOVERNMENT SYSTEMS/DATABASES

Necessary outcomes from these systems and strategies: Use of all available database systems to make sound eligibility determination.

- a. **Describe if and how the Grantee used existing government systems and databases to verify applicant or household member identities in FY 2011 and continuing in FY 2012. (Social Security Administration Enumeration Verification System, prisoner databases, Government death records, etc.)**

The Department does not currently use existing government systems and databases to verify applicant or household member identities.

As described above in Section 3, the Department uses its internal Previously Weatherized Units database to ensure no houses or units in Texas have been weatherized twice since 1994 using non-ARRA DOE WAP or LIHEAP WAP funds.

- b. **Please highlight which, if any, policies or strategies for using existing government databases will be newly implemented in FY 2012.**

As described above in section 4b, partnerships are being sought with agencies such as the Texas Workforce Commission, the Texas Department of State Health Services, and the Texas Department of Criminal Justice for linkages to new hire databases, state death records, and prisoner databases respectively. Partnership discussions have begun with The Texas Health and Human Services Commission, the state designated hub for Social Security Numbers.

- c. **If the Grantee won't be cross checking Social Security Numbers and ID information with existing government databases, please describe how the Grantee will supplement this fraud prevention strategy.**

In addition to the SSN database linkage described above, the Department will supplement the fraud prevention strategy by continuing the LIHEAP Program Integrity Workgroup. Continuing this workgroup will ensure that the newly implemented strategy is suitable for the Department, LIHEAP subrecipients, vendors, and clients.

The fraud, waste, and abuse policies described in section 3 will also continue to be practiced and enhanced as the LIHEAP program in administered statewide.

7. **VERIFYING APPLICANT INCOME**

Necessary outcomes from these systems and strategies: Effective income determination achieved through coordination across program lines.

- a. **Describe how the Grantee or designee used State Directories of new hires or similar systems to confirm income eligibility in FY 2011 and continuing in FY 2012.**

The Department does not currently use State Directories of new hires or similar systems to confirm income eligibility in FY2011.

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To determine income eligibility for program services, subrecipients must base annualized eligibility determinations on household income from thirty (30) days prior to the date of application for assistance. Each subrecipient must maintain documentation of income from all sources for all household members for the entire thirty (30) day period prior to the date of application and multiply the monthly amount by twelve (12) to annualize income. Income documentation must be collected from all income sources for all household members eighteen (18) years and older for the entire thirty (30) day period.

If proof of income is unavailable, the applicant must complete and sign a Department approved Declaration of Income Statement (DIS). A sample Declaration of Income Statement is attached.

b. Please highlight any policies or strategies for using new hire directories which will be newly implemented in FY 2012.

As stated in previous sections, the Department is seeking partnerships with other state agencies that maintain systems and databases to verify individual or household member identities. Partnership is being sought with the Texas Workforce Commission for linkage to a new hire database.

c. If the Grantee won't be using new hire directories to verify applicant and household member incomes how will the Grantee be verifying the that information?

Beginning in PY 2012, in an attempt to limit use of the DIS described above, all self-certifications of client income must include a notarized statement signed by the potential applicant indicating that the client has no other proof of income. Each affected client file must include evidence of the various attempts at proving eligibility.

All Declaration of Income Statements must be accompanied by a statement written by the client indicating that the client has no other proof of income and documenting efforts made to obtain income statements. The client statement must include a notarized signature.

8. PRIVACY-PROTECTION AND CONFIDENTIALITY

Necessary outcomes from these systems and strategies: Clear and secure methods that maintain confidentiality and safeguard the private information of applicants.

a. Describe the financial and operating controls in place in FY 2011 that will continue in FY 2012 to protect client information against improper use or disclosure.

Subrecipients maintain client information onsite. Each has policies and procedures in place to protect client confidentiality. Data submitted to TDHCA electronically is stored on a secure server.

The Department has a coding system in place for all monitoring reports that reference client data to ensure that no client information is released.

- b. Please highlight any controls or strategies from your plan which will be newly implemented as of FY 2012.**

The workgroup as described in the previous sections will address further controls to ensure the security and confidentiality of private information disclosed by applicants.

All agreements with statewide partners will require built in controls to ensure client confidentiality during data transfer.

- c. If you don't have relevant physical or operational controls in place to ensure the security and confidentiality of private information disclosed by applicants, please explain why.**

n/a

9. LIHEAP BENEFITS POLICY

Necessary outcomes from these systems and strategies: Authorized energy vendors are receiving payments on behalf of LIHEAP eligible clients.

- a. Describe FY 2011 Grantee policies continuing in FY 2012 for protecting against fraud when making payments, or providing benefits to energy vendors on behalf of clients.**

Federal law requires that all LIHEAP subrecipients have vendor agreements in place with energy vendors. The Department monitors each subrecipient to ensure that vendor agreements are in place. Monitoring practices are described in Section 2 above.

These vendor agreements ensure that no LIHEAP benefit payments are made directly to clients or to vendors without agreements.

- b. Please highlight any fraud prevention efforts relating to making payments or providing benefits which will be newly implemented in FY 2012.**

All policies described above will continue. There is nothing new for the 2012 plan.

- c. If the Grantee doesn't have policy in place to protect against improper payments when making payments or providing benefits on behalf of clients, what supplementary steps is the Grantee taking to ensure program integrity.**

n/a

10. PROCEDURES FOR UNREGULATED ENERGY VENDORS

Necessary outcomes from these systems and strategies: Participating vendors are thoroughly researched and inspected before benefits are issued.

- a. Describe the Grantee's FY 2011 procedures continuing in FY 2012 for averting fraud and improper payments when dealing with bulk fuel dealers of heating oil, propane, wood and other un-regulated energy utilities.**

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As above, Federal law requires that all LIHEAP subrecipients have vendor agreements in place with energy vendors. The Department monitors each subrecipient to ensure that vendor agreements are in place.

- b. Please highlight any strategies policy in this area which will be newly implemented in FY 2012.**

All policies described above will continue. There is nothing new for the 2012 plan.

- c. If you don't have a firm plan for averting fraud when dealing with unregulated energy vendors, please describe how the Grantee is ensuring program integrity.**

n/a

11. VERIFYING THE AUTHENTICITY OF ENERGY VENDORS

Necessary outcomes from these systems and strategies: An effective process that effectively confirms the existence of entities receiving federal funds.

- a. Describe Grantee FY 2011 policies continuing in FY 2012 for verifying the authenticity of energy vendors being paid under LIHEAP, as part of the Grantee's procedure for averting fraud.**

As above, Federal law requires that all LIHEAP subrecipients have vendor agreements in place with energy vendors. The Department monitors each subrecipient to ensure that vendor agreements are in place

- b. Please highlight any policies for verifying vendor authenticity which will be newly implemented in FY 2012.**

Vendor agreements will be amended to require a Tax Identification Number (TIN) from each vendor. This TIN will be verified with the Texas Comptroller and/or Secretary of State.

Further, the Department will begin to verify energy vendors through the Public Utilities Commission database of regulated electric vendors and the Texas Railroad Commission database of regulated propane vendors.

- c. If you don't have a system in place for verifying vendor authenticity, please describe how the Grantee can ensure that funds are being distributed through valid intermediaries?**

n/a

12. TRAINING AND TECHNICAL ASSISTANCE

Necessary outcomes from these systems and strategies: The timely and thorough resolution of weaknesses or reportable conditions as revealed by the audit.

- a. **In regards to fraud prevention, please describe elements of your FY 2011 plan continuing in FY 2012 for training and providing technical assistance to (a) employees, (b) non-governmental staff involved in the eligibility process, (c) clients, and (d) energy vendors.**

The Department provides training and technical assistance to employees, non-governmental staff involved in the eligibility process, clients, and energy vendors as requested. Further, the Department provides in person training and technical assistance at the Community Affairs Division Annual Conference.

- b. **Please highlight specific elements of your training regimen and technical assistance resources from your plan which will represent newly implemented in FY 2012.**

The Fraud Prevention training class developed for the Department's Weatherization Assistance Program will be made available online.

Subrecipient agencies will be required to post Fraud, Waste and Abuse posters where non-governmental staff involved in the eligibility process, (c) clients, and (d) energy vendors are present.

Any entity that has signed a vendor agreement will receive the Department's monitoring practices for fraud compliance.

- a. **If you don't have a system in place for anti-fraud training or technical assistance for employees, clients or energy vendors, please describe your strategy for ensuring all employees understand what is expected of them and what tactics they are permitted to employ.**

n/a

b. AUDITS OF LOCAL ADMINISTERING AGENCIES

Necessary outcomes from these systems and strategies: Reduce improper payments, maintain local agency integrity, and benefits awarded to eligible households.

- a. **Please describe the annual audit requirements in place for local administering agencies in FY 2011 that will continue into FY 2012.**

The Department's LIHEAP program is audited under the Single Audit Act. TDHCA contracts require subrecipients that exceed \$500,000 in expenditures to follow the single Audit procedures and submit a copy of the Audit to the Department for review.

Subrecipients not exempt from the single audit requirements are responsible for submitting their Single Audit Report within thirty (30) days of completion of their audit and no later than nine (9) months after the end of the audit period (fiscal year end) to the Department's Portfolio Management and Compliance Division as well as to the CA Division. Refer to 31 U.S.C. §7502.

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In addition to the Audit requirement described above, subrecipients are also subject to monitoring visits from the Department as described in section 2. Compliance Monitoring.

b. Please describe new policies or strategies to be implemented in FY 2012.

All policies described above will continue. There is nothing new for the 2012 plan.

c. If you don't have specific audit requirements for local administering agencies, please explain how the Grantee will ensure that LIHEAP funds are properly audited under the Single Audit Act requirements.

n/a

ADDITIONAL INFORMATION

Please attach further information that describes the Grantee's Program Integrity Policies, including supporting documentation from program manuals, including pages/sections from established LIHEAP policies and procedures.

Supplement Attachments

- A) TDHCA Recommended Practice on Fraud, Waste, and Abuse
- B) Texas Administrative Code for TDHCA's LIHEAP programs
- C) Vendor Agreement Sample
- D) Sample of Department approved Declaration of Income Statement
- E) Sample TDHCA contract for PY 2011 CEAP Subrecipients
- F) Sample TDHCA contract for PY 2011 LIHEAP Subrecipients

BOND FINANCE DIVISION

BOARD ACTION REQUEST

June 30, 2011

Requested Action

Adopt Resolution 11-029 authorizing the final purchase of warehoused mortgage backed securities with proceeds of Residential Mortgage Revenue Bonds, Series 2011A (Program 77)

Background

At the January 20, 2011 Board Meeting, Resolution 11-019 was approved authorizing the issuance of Residential Mortgage Revenue Bonds, Series 2011A, conversion of the first tranche of 2009C, and purchase of mortgage backed securities from the warehouse provider from Commitment Lots One through Eight with bond proceeds. On March 3, 2011, Resolution 11-024 was approved authorizing the purchase of mortgage backed securities from Commitment Lot #9. Today, staff is seeking approval to also include pools from Commitment Lots #10 and #11.

Since May 2010, TDHCA has originated loans under Program 77 and has purchased mortgage-backed securities backed by these mortgage loans into our warehouse facility. As of June 8, 2011, approximately \$235 million in mortgage loans have been committed; of which approximately \$169 million have been purchased by the master servicer, and approximately \$137 million have been pooled and purchased by the Warehouse Provider and subsequently purchased by the Trustee. Approximately \$14 million has been pooled and purchased by the Warehouse Provider in June 2011 and will be purchased to the Trustee to utilize all remaining Series 2011A funds.

TDHCA has issued thirteen Commitment Lots with unassisted first-lien mortgage rates between 4.20% and 4.99% and assisted first-lien mortgage rates between 4.95% and 5.74%. The first-lien mortgages are securitized and all mortgages have been marketed to very low, low and moderate income residents of the State of Texas. 1,250 new first-time homebuyers have taken advantage of this program to-date.

The TEFRA Hearing was held on January 7, 2011. No public comment was received.

Staff is seeking approval to include mortgage loans purchased and pooled from Commitment Lots 10 and 11 in the Series 2011A transaction. The list on the following pages include the final list of mortgage backed securities, including pools formed from mortgage loans purchased from Commitment Lots 10 and 11, that staff is seeking approval for the Trustee to purchase from the warehouse provider with bond proceeds:

Commitment Lots 10 - 11

Type	Trade Date	Pool	CUSIP	Pass-Through Rate	Original Face Amount	Purchased Face Amount
GNMA I (GN)	5/17/2011	763225	36176DVS9	4.8500%	\$ 3,388,397.00	\$ 3,388,397.00
GNMA I (GN)	6/14/2011	763470	36176D6F5	4.8500%	\$ 5,196,438.00	\$ 5,196,438.00
GNMA I (GN)	6/21/2011	770711	36176NAL5	4.8500%	\$ 2,250,801.00	\$ 2,250,801.00
GNMA I (GN)	6/21/2011	770712	36176NAM3	4.7000%	\$ 687,104.00	\$ 687,104.00
TOTAL					\$ 11,522,740.00	\$ 11,522,740.00

Commitment Lots 1 - 9

Type	Trade Date	Pool	CUSIP	Pass-Through Rate	Original Face Amount	Purchased Face Amount
GNMA II (G2)	8/24/2010	742189	3620AWRJ1	5.2400%	\$ 2,710,022.00	\$ 2,687,097.25
GNMA II (G2)	9/14/2010	742210	3620AWR77	5.2400%	\$ 2,200,721.00	\$ 2,185,348.04
GNMA II (G2)	9/21/2010	748810	3620C43T5	5.2400%	\$ 1,998,277.00	\$ 1,983,242.90
GNMA I (GN)	9/21/2010	748815	3620C43Y4	5.0000%	\$ 2,414,131.00	\$ 2,396,588.21
GNMA I (GN)	9/28/2010	748824	3620C44H0	5.0000%	\$ 1,056,662.00	\$ 1,049,588.45
GNMA I (GN)	10/19/2010	752512	36230LYH6	5.0000%	\$ 2,411,682.00	\$ 2,395,447.30
GNMA II (G2)	10/19/2010	752514	36230LYK9	5.2400%	\$ 2,523,905.00	\$ 2,509,888.65
GNMA I (GN)	10/28/2010	752611	36230L3U1	5.0000%	\$ 1,610,708.00	\$ 1,599,613.19
GNMA II (G2)	10/28/2010	752612	36230L3V9	5.7500%	\$ 1,194,440.00	\$ 1,186,121.02
GNMA II (G2)	10/28/2010	752617	36230L4A4	4.2500%	\$ 224,484.00	\$ 73,533.79
GNMA II (G2)	10/28/2010	752618	36230L4B2	4.9000%	\$ 5,345,841.00	\$ 5,313,045.98
GNMA II (G2)	10/28/2010	752619	36230L4C0	5.2400%	\$ 1,001,649.00	\$ 994,781.50
GNMA II (G2)	11/18/2010	752717	36230MAS6	4.9000%	\$ 2,779,738.00	\$ 2,766,031.47
GNMA II (G2)	11/18/2010	752718	36230MAT4	4.8500%	\$ 2,568,738.00	\$ 2,435,263.21
GNMA II (G2)	11/18/2010	752719	36230MAU1	4.9000%	\$ 2,449,100.00	\$ 2,436,152.64
GNMA II (G2)	11/18/2010	752720	36230MAV9	4.8500%	\$ 2,542,158.00	\$ 2,528,909.42
GNMA I (GN)	12/7/2010	757095	36230R3C8	5.0000%	\$ 1,191,339.00	\$ 1,186,577.37
GNMA I (GN)	12/21/2010	757145	36230R5E2	4.4900%	\$ 142,551.00	\$ 142,020.59
GNMA I (GN)	12/21/2010	757146	36230R5F9	4.2500%	\$ 70,935.00	\$ 70,251.61
GNMA I (GN)	12/21/2010	757147	36230R5G7	4.9000%	\$ 1,746,645.00	\$ 1,739,025.05
GNMA I (GN)	12/21/2010	757148	36230R5H5	4.8500%	\$ 3,755,170.00	\$ 3,742,231.64
GNMA I (GN)	12/21/2010	757149	36230R5J1	4.9000%	\$ 1,886,165.00	\$ 1,879,327.37
GNMA I (GN)	12/21/2010	757150	36230R5K8	4.8500%	\$ 2,264,431.00	\$ 2,256,052.90
GNMA I (GN)	12/21/2010	757151	36230R5L6	4.4900%	\$ 87,581.00	\$ 87,255.64
GNMA I (GN)	12/21/2010	757152	36230R5M4	4.1500%	\$ 29,884.00	\$ 29,742.01
GNMA I (GN)	12/21/2010	757154	36230R5P7	5.7500%	\$ 633,438.00	\$ 630,630.42
GNMA I (GN)	12/29/2010	757199	36230R7L4	5.0000%	\$ 680,063.00	\$ 675,923.16
FNMA (FN)	1/11/2011	AH2946	3138A4HY4	4.8500%	\$ 88,199.00	\$ 87,996.61
GNMA I (GN)	1/20/2011	759424	36230UPH6	4.8500%	\$ 1,982,769.00	\$ 1,977,210.23
GNMA I (GN)	1/20/2011	759425	36230UPJ2	4.8500%	\$ 3,668,543.00	\$ 3,658,648.17
GNMA I (GN)	1/20/2011	759426	36230UPK9	4.1500%	\$ 362,371.00	\$ 361,423.76

Type	Trade Date	Pool	CUSIP	Pass-Through Rate	Original Face Amount	Purchased Face Amount
GNMA I (GN)	1/20/2011	759427	36230UPL7	5.2400%	\$ 117,881.00	\$ 117,408.77
GNMA I (GN)	1/20/2011	759428	36230UPM5	4.8000%	\$ 3,254,583.00	\$ 3,246,351.02
GNMA I (GN)	1/26/2011	759457	36230UQJ1	4.9000%	\$ 609,185.00	\$ 607,020.05
GNMA I (GN)	1/26/2011	759458	36230UQK8	4.9000%	\$ 613,447.00	\$ 611,853.02
GNMA I (GN)	1/26/2011	759459	36230UQL6	5.0000%	\$ 80,643.00	\$ 80,463.10
GNMA I (GN)	1/26/2011	759460	36230UQM4	4.0500%	\$ 181,533.00	\$ 181,014.35
GNMA I (GN)	1/26/2011	759461	36230UQN2	4.8000%	\$ 5,101,471.00	\$ 5,087,852.78
GNMA I (GN)	1/26/2011	759462	36230UQP7	4.4500%	\$ 2,372,157.00	\$ 2,366,320.90
GNMA I (GN)	1/26/2011	759463	36230UQQ5	4.1000%	\$ 165,499.00	\$ 165,065.86
GNMA I (GN)	1/26/2011	759464	36230UQR3	4.4500%	\$ 2,364,703.00	\$ 2,358,677.50
GNMA I (GN)	2/15/2011	759276	36230UJV2	4.8000%	\$ 1,329,175.00	\$ 1,327,483.09
GNMA I (GN)	2/15/2011	759277	36230UJW0	4.8000%	\$ 2,031,635.00	\$ 2,028,825.68
GNMA I (GN)	2/15/2011	759278	36230UJX8	4.4500%	\$ 3,611,973.00	\$ 3,604,993.26
GNMA I (GN)	2/15/2011	759279	36230UJY6	4.4500%	\$ 3,077,728.00	\$ 3,073,112.70
GNMA I (GN)	2/24/2011	759307	36230UKU2	4.9000%	\$ 88,405.00	\$ 88,304.30
GNMA I (GN)	2/24/2011	759308	36230UKV0	4.8500%	\$ 592,511.00	\$ 591,774.42
GNMA I (GN)	2/24/2011	759309	36230UKW8	4.9000%	\$ 161,326.00	\$ 161,145.91
GNMA I (GN)	2/24/2011	759310	36230UKX6	4.8500%	\$ 986,613.00	\$ 984,659.05
GNMA I (GN)	2/24/2011	759311	36230UKY4	4.0500%	\$ 303,757.00	\$ 303,319.02
GNMA I (GN)	2/24/2011	759312	36230UKZ1	3.7000%	\$ 68,031.00	\$ 67,929.82
GNMA I (GN)	2/24/2011	759363	36230UML0	4.4500%	\$ 5,601,515.00	\$ 5,594,387.80
GNMA I (GN)	2/24/2011	759366	36230UMP1	4.8000%	\$ 1,045,463.00	\$ 1,044,258.60
GNMA I (GN)	2/24/2011	759367	36230UMQ9	4.4500%	\$ 3,070,823.00	\$ 3,065,966.03
GNMA II (G2)	2/24/2011	762667	36176DCC5	4.4500%	\$ 275,116.00	\$ 274,782.51
GNMA I (GN)	3/16/2011	762722	36176DD34	4.8000%	\$ 554,669.00	\$ 553,303.25
GNMA I (GN)	3/16/2011	762723	36176DD42	4.4500%	\$ 2,465,544.00	\$ 2,458,937.94
GNMA I (GN)	3/16/2011	762724	36176DD59	4.4500%	\$ 3,471,984.00	\$ 3,462,109.64
GNMA I (GN)	3/29/2011	762801	36176DGJ6	4.8500%	\$ 411,846.00	\$ 410,560.53
GNMA I (GN)	3/29/2011	762802	36176DGK3	4.4500%	\$ 2,611,281.00	\$ 2,604,718.59
GNMA I (GN)	3/29/2011	762944	36176DLZ4	3.7000%	\$ 672,123.00	\$ 670,216.62
GNMA I (GN)	3/29/2011	762945	36176DL27	4.4500%	\$ 1,120,414.00	\$ 1,117,476.43
GNMA II (G2)	3/29/2011	762948	36176DL50	4.4500%	\$ 302,094.00	\$ 301,342.85
GNMA I (GN)	3/29/2011	762958	36176DMF7	3.7000%	\$ 152,961.00	\$ 152,523.81
GNMA I (GN)	4/14/2011	763010	36176DN33	5.0000%	\$ 3,256,613.00	\$ 3,251,944.42
GNMA I (GN)	4/14/2011	763014	36176DN74	4.8000%	\$ 304,747.00	\$ 304,387.49
GNMA I (GN)	4/28/2011	763091	36176DRL9	5.0000%	\$ 1,933,880.00	\$ 1,931,441.26
GNMA II (G2)	4/28/2011	763092	36176DRM7	5.0000%	\$ 189,691.00	\$ 189,482.33
GNMA I (GN)	4/28/2011	763108	36176DR54	4.8500%	\$ 102,297.00	\$ 101,152.01
GNMA I (GN)	4/28/2011	763109	36176DR62	4.4500%	\$ 615,401.00	\$ 614,646.52
GNMA I (GN)	4/28/2011	763110	36176DR70	5.1000%	\$ 4,886,897.00	\$ 4,880,439.85
GNMA I (GN)	4/28/2011	763111	36176DR88	4.8000%	\$ 138,715.00	\$ 138,554.69
GNMA I (GN)	4/28/2011	763150	36176DTF0	4.4500%	\$ 1,070,974.00	\$ 1,069,665.08

Type	Trade Date	Pool	CUSIP	Pass-Through Rate	Original Face Amount	Purchased Face Amount
GNMA I (GN)	3/29/2011	762803	36176DGL1	5.0000%	\$ 6,606,774.00	\$ 6,588,465.44
GNMA I (GN)	4/28/2011	763009	36176DN25	4.4500%	\$ 1,457,202.00	\$ 1,455,232.88
GNMA I (GN)	4/28/2011	763011	36176DN41	5.1000%	\$ 2,963,788.00	\$ 2,959,523.61
GNMA I (GN)	5/17/2011	763219	36176DVL4	5.0000%	\$ 125,201.00	\$ 125,201.00
GNMA I (GN)	5/17/2011	763220	36176DVM2	4.8000%	\$ 208,529.00	\$ 208,529.00
GNMA I (GN)	5/17/2011	763221	36176DVN0	3.7000%	\$ 430,222.00	\$ 430,222.00
GNMA I (GN)	5/17/2011	763222	36176DVP5	4.4500%	\$ 731,459.00	\$ 731,459.00
GNMA I (GN)	5/17/2011	763223	36176DVQ3	5.0000%	\$ 3,228,217.00	\$ 3,228,217.00
GNMA I (GN)	5/17/2011	763224	36176DVR1	4.2500%	\$ 186,745.00	\$ 186,745.00
GNMA I (GN)	5/17/2011	763226	36176DVT7	4.3500%	\$ 721,263.00	\$ 721,263.00
GNMA I (GN)	5/17/2011	763227	36176DVU4	5.1000%	\$ 2,232,822.00	\$ 2,232,822.00
GNMA I (GN)	6/14/2011	763468	36176D6D0	4.4500%	\$ 204,135.00	\$ 204,135.00
GNMA I (GN)	6/14/2011	763469	36176D6E8	5.0000%	\$ 1,594,494.00	\$ 1,594,494.00
GNMA I (GN)	6/14/2011	763471	36176D6G3	4.3500%	\$ 82,742.00	\$ 82,742.00
GNMA I (GN)	6/14/2011	763472	36176D6H1	4.4500%	\$ 140,178.00	\$ 140,178.00
GNMA II (G2)	6/14/2011	763473	36176D6J7	5.1000%	\$ 183,270.00	\$ 183,270.00
FNMA (FN)	6/14/2011	A13586	3138AG6Y9	4.3500%	\$ 110,543.00	\$ 110,543.00
GNMA I (GN)	6/14/2011	770678	36176M6P3	5.1000%	\$ 3,417,470.00	\$ 3,417,470.00
TOTAL					\$ 139,614,698.00	\$ 138,911,354.31

GRAND TOTAL					\$ 151,137,438.00	\$ 150,434,094.31
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Resolution No. 11-029

RESOLUTION AUTHORIZING THE PURCHASE OF WAREHOUSED MORTGAGE
BACKED SECURITIES WITH PROCEEDS OF THE DEPARTMENT'S RESIDENTIAL
MORTGAGE REVENUE BONDS, SERIES 2011A (PROGRAM 77); 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 (the "Act"), as amended from time to time, for the purpose of providing a means of financing the costs of residential ownership, development and rehabilitation that will provide decent, safe and sanitary housing for individuals and families of low and very low income and families of moderate income (as described in the Act as determined by the Governing Board of the Department (the "Governing Board") from time to time) at prices they can afford; and

WHEREAS, the Act authorizes the Department: (a) to acquire, and to enter into advance commitments to acquire, mortgage loans (including participations therein) secured by mortgages on residential housing in the State of Texas (the "State"); (b) to issue its bonds for the purpose of obtaining funds to make and acquire such mortgage loans or participations therein, 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 mortgage loans or participations therein, and to mortgage, pledge or grant security interests in such mortgages, 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

WHEREAS, the Texas Housing Agency (the "Agency") or the Department, as its successor, has, pursuant to and in accordance with the provisions of the Act, issued, sold and delivered its residential mortgage revenue bonds pursuant to the Residential Mortgage Revenue Bond Trust Indenture dated as of November 1, 1987 (as amended by supplemental indentures numbered First through Thirtieth and any amendments thereto, collectively, the "RMRB Indenture") between the Department, as successor to the Agency, and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "Trustee"), to implement the various phases of the Agency's (now the Department's) single family mortgage purchase program by providing funds to make and acquire qualifying mortgage loans (including participations therein through the purchase of mortgage backed securities ("Mortgage Certificates") issued and guaranteed by Fannie Mae ("Fannie Mae"), Federal Home Loan Mortgage Corporation ("Freddie Mac") or Government National Mortgage Association ("Ginnie Mae")) (referred to herein as "Mortgage Loans"); and

WHEREAS, the Department issued, under the Act and the federal government's New Issue Bond Program ("NIBP"), its Residential Mortgage Revenue Bonds, Series 2009C (the "Series 2009C Bonds") pursuant to the RMRB Indenture and the Thirtieth Supplemental Residential Mortgage Revenue Bond Trust Indenture dated as of December 1, 2009, as amended by the First Amendment to Thirtieth Supplemental Residential Mortgage Revenue Bond Trust Indenture dated as of December 1, 2010, each between the Department and the Trustee (collectively, the "Thirtieth Series Supplement"); and

WHEREAS, in accordance with the Thirtieth Series Supplement and the provisions of the NIBP, the Department is entitled, on up to six separate dates occurring no later than December 31, 2011, to convert all or a portion of the Series 2009C Bonds previously issued as taxable bonds to tax-exempt bonds and, in connection with each such conversion, to release a portion of the proceeds of the Series 2009C Bonds held in escrow to be used with the proceeds of a series of tax-exempt Residential Mortgage Revenue Bonds to be issued in connection with the respective conversion to acquire Mortgage Certificates; and

WHEREAS, the Department has previously entered into an Amended and Restated Warehousing Agreement dated as of January 1, 2011 (the "Warehousing Agreement") with the Trustee, First Southwest

Company and PlainsCapital Bank (collectively, the “Warehouse Provider”), and The Bank of New York Mellon Trust Company, N.A., as custodian, providing for the acquisition and temporary warehousing by the Warehouse Provider of Mortgage Certificates acquired under the Department’s single family mortgage purchase program; and

WHEREAS, the Governing Board previously adopted (i) Resolution No. 11-019 authorizing the conversion and release of a portion of the Series 2009C Bonds to be designated “Series 2009C-1 Bonds” and authorizing the issuance of the Department’s Residential Mortgage Revenue Bonds, Series 2011A (the “Series 2011A Bonds”) pursuant to the RMRB Indenture, which Series 2011A Bonds were issued on March 10, 2011 for the purposes of providing funds to make and acquire qualifying Mortgage Loans through the purchase of Mortgage Certificates issued and guaranteed by Fannie Mae, Freddie Mac or Ginnie Mae under the Department’s single family mortgage purchase program designated as “Bond Program No. 77” (the “Program”), including Mortgage Loans described in Commitment Lot Notices 1 through 8; and (ii) Resolution No. 11-024 authorizing the purchase of Mortgage Certificates representing participations in Mortgage Loans as described in Commitment Lot Notice 9; and

WHEREAS, the Governing Board desires to authorize the purchase of Mortgage Certificates representing participations in Mortgage Loans described in Commitment Lot Notices 10 and 11; NOW, THEREFORE,

BE IT RESOLVED BY THE GOVERNING BOARD OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS:

Section 1.--Determination of Interest Rate. That the Governing Board of the Department hereby approves, in addition to the purchases authorized in Resolution No. 11-019 and Resolution No. 11-024, the purchase of Mortgage Certificates representing participations in Mortgage Loans under the Program with interest rates of 4.75% to 5.35% as described in its Commitment Lot Notice 10 and interest rates of 4.60% to 5.20% as described in its Commitment Lot Notice 11, and finds that such rates will produce, together with other available funds, the amounts required to pay for the Department’s costs of operation with respect to the Program and debt service on the Series 2011A Bonds and the Series 2009C-1 Bonds, and will enable the Department to meet its covenants with and responsibilities to the holders of the bonds issued under the RMRB Indenture without adversely affecting the exclusion from gross income for federal income tax purposes of interest on any of such tax-exempt bonds or the rating thereof.

Section 2.--Notice of Meeting. That written notice of the date, hour and place of the meeting of the Board at which this Resolution was considered and of the subject of this Resolution was furnished to the Secretary of State and posted on the Internet for at least seven (7) days preceding the convening of such meeting; that during regular office hours a computer terminal located in a place convenient to the public in the office of the Secretary of State was provided such that the general public could view such posting; that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof was discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended; and that written notice of the date, hour and place of the meeting of the Board and of the subject of this Resolution was published in the Texas Register at least seven (7) days preceding the convening of such meeting, as required by the Administrative Procedure and Texas Register Act, Chapters 2001 and 2002, Texas Government Code, as amended. Additionally, all of the materials made available to the Board relevant to the subject of this Resolution were posted on the Department’s website not later than the third day before the date of the meeting of the Board at which this Resolution was considered, and any documents made available to the Board by the Department on the day of the meeting were also made available in hard-copy format to the members of the public in attendance at the meeting, as required by Section 2306.032, Texas Government Code, as amended.

Section 3.--Effective Date. That this Resolution shall be in full force and effect from and upon its adoption.

PASSED AND APPROVED this 30th day of June, 2011.

Chairman, Governing Board

ATTEST:

Secretary to the Governing Board

(SEAL)

**HOME PROGRAM DIVISION
BOARD ACTION REQUEST
June 30, 2011**

Recommended Action

Approve the 2010 Single Family Homeowner Rehabilitation Assistance, Homebuyer Assistance, and Tenant-Based Rental Assistance Programs Award Recommendations.

WHEREAS, the Department received 6 applications for funding under the Persons with Disabilities set-aside which was included in the 2010 HOME Single Family Programs NOFA and, has reviewed and determined that funding is available to award 2 applications their requested funds, and,

WHEREAS, the Department has funds available under the Reservation System NOFA to address the needs of those applicants who are not being recommended for funding today, therefore be it

RESOLVED, that the award of contracts to Community Action Corporation of South Texas, and Services of the Emergency Aid Resource Center for the Homeless, Inc. (SEARCH) totaling \$600,000 in project funds and \$48,000 in administrative funds, resulting in assistance for 80 low-income persons with disabilities households, are hereby approved as presented to this meeting, and,

RESOLVED, that Mounting Horizons and Coalition for the Homeless - Houston/Harris County be ratified and approved as HOME Program Reservation System Participants.

Background

Staff is recommending the award of applications received in response to the 2010 HOME Single Family Programs NOFA under the Persons with Disabilities set-aside. The award recommendations total \$600,000 in project funds and \$48,000 in administrative funds to assist 80 households for the following 2 applications:

**Community Action Corporation
of South Texas, Inc.**

Located in Alice, Texas

**Service Area: The Counties of
Jim Wells, San Patricio,**

Applicant will receive \$300,000 in project funds to provide tenant-based rental assistance to at least 20 households. The rental assistance will be in the form of a grant for vouchers that can be used for a safe, decent and affordable housing unit of their choice.

**Aransas, Brooks, Duval, Jim
Hogg, Kenedy, Kleberg, Webb,
and Zapata.**

**Services of the Emergency Aid
Resource Center for the
Homeless, Inc. (SEARCH)**

Location in Houston, Texas

**Service Area: City of Houston
and Harris County**

Applicant will receive \$300,000 in project funds to provide tenant-based rental assistance to at least 60 households. The rental assistance will be in the form of a grant for vouchers that can be used for a safe, decent and affordable housing unit of their choice.

The NOFA, which was approved on September 9, 2010, and published in the Texas Register on September 24, 2010, made available approximately \$31,212,551 in HOME funds for the following Program Activities: Homeowner Rehabilitation Assistance; Homebuyer Assistance; Contract for Deed Conversion; Tenant-Based Rental Assistance; and set-asides for Persons with Disabilities, Disaster Relief, and Rehabilitation with Refinance. Each of the Program Activities and the Persons with Disabilities set-aside included a portion made available only under the Reservation System. The Contract for Deed Conversion Program, Disaster Relief, and Rehabilitation with Refinance set-asides were only made available under the Reservation System. Initially, funding that was subject to the Regional Allocation Formula (RAF) was also restricted by Program Activity. On December 1, 2010, the RAF set-aside expired and funds not awarded or requested were made available statewide. Lastly, on January 7, 2011, the Program Activity set-asides collapsed and funding remained available until Friday, April 29, 2011. The funding set-aside for use in the Reservation System also collapsed and the remaining balance (approximately \$10 million) is available under the 2011 Single Family Programs Reservation System NOFA that was approved by the Board on the May 5, 2011 and published in the Texas Register on May 27, 2011.

The total amount available under the 2010 Single Family Programs NOFA for the PWD set-aside was \$2,844,135. The PWD set-aside included \$1,596,494 for use in Non-Participating Jurisdictions (PJs) under the Reservation System only; \$623,820 for use in PJs and Non-PJs under the Reservation System only; and \$623,820 for contract awards for use in PJs and Non-PJs. Six applications were received requesting contract awards totaling \$1,713,000. Two applications are being recommended for funding totaling \$600,000, leaving a balance of \$23,820 from the \$623,820 originally available for contract awards under the PWD set-aside in the Single Family Programs NOFA. The remaining balance of \$23,820 is not sufficient to award the next eligible applicant; therefore the amount will be transferred to the PWD set-aside under the current Reservation System NOFA.

Although applicants were encouraged to apply as Reservation System Participants, the NOFA's PWD set-aside is oversubscribed by \$1,113,000 in contract funding requests associated with 4 applications and the application deadline was April 29, 2011. Staff

recommends that the oversubscribed applications for contract awards that have not previously been approved as RSPs be converted to RSP applications and ratified. Bering Omega Community Services submitted applications for both a contract award and a Reservation System Participant (RSP) and is on the list for Board ratification under a separate agenda item today. Spindletop Center applied for a contract award and to become a Reservation System Participant (RSP); however they were not eligible for a contract award due to not meeting application criteria from 10 TAC 53.24(5). Spindletop Center is being recommended for ratification as a Reservation System Participant (RSP) under a separate agenda item today.

All applications being recommended for funding are conditioned on a previous participation review conducted by the Compliance and Asset Oversight Division, and no issues of material non-compliance, unresolved audit findings or questioned or disallowed costs being identified.

Attached are the Application and Award Recommendations Logs.

2010 HOME Single Family Programs - Application Log

Application Acceptance Period: 9/09/2010 to 4/29/2011

Original Amount available for Contract Awards: **\$20,812,545**
 Balance Available for Award: **\$0**
 Oversubscription: **(\$13,062,739)**

HBA Set-Aside

Original Set-Aside Amount **\$2,478,309**

App number	Received Date	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2010-0035	11/30/2010	City of McKinney	3	\$345,000	\$12,000	30	\$345,000	\$12,000	30	Awarded 1/20/2011
2010-0046	1/21/2011	Midland Habitat for Humanity	12	\$120,000	\$4,800	12	\$120,000	\$4,800	12	Awarded 3/3/2011
2010-0061	2/24/2011	City of Center	5	\$265,000	\$9,600	10	\$265,000	\$9,600	10	Awarded 5/5/2011
2010-0101	4/12/2011	Southeast Texas HFC	6	\$345,000	\$12,000	30	\$190,261	\$7,070	9	Awarded 5/5/2011
Totals:				\$1,075,000	\$38,400	82	\$920,261	\$33,470	61	

HRA Set-Aside

Original Set-Aside Amount: **\$15,232,107**

App number	Received Date	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2010-0037	11/30/2010	City of Clarksville	4	\$480,000	\$20,000	6	\$480,000	\$17,520	6	Awarded 1/20/2011
2010-0042	1/3/2011	City of Bogata	4	\$522,000	\$19,200	6	\$522,000	\$19,200	6	Awarded 3/3/2011
2010-0051	2/9/2011	City of Eagle Lake	6	\$522,000	\$19,200	6	\$522,000	\$19,200	6	Awarded 3/3/2011
2010-0052	2/9/2011	City of Spur	1	\$435,000	\$16,000	5	\$435,000	\$16,000	5	Awarded 3/3/2011
2010-0048	2/9/2011	City of Wallis	6	\$522,000	\$19,200	6	\$522,000	\$19,200	6	Awarded 3/3/2011
2010-0049	2/9/2011	City of Coahoma	12	\$522,000	\$19,200	6	\$522,000	\$19,200	6	Awarded 3/3/2011

App number	Received Date	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2010-0050	2/9/2011	City of Stanton	12	\$522,000	\$19,200	6	\$522,000	\$19,200	6	Awarded 3/3/2011
2010-0053	2/10/2011	City of Gregory	10	\$522,000	\$19,200	6	\$522,000	\$19,200	6	Awarded 3/3/2011
2010-0059	2/24/2011	Refugio County	10	\$522,000	\$19,200	6	\$522,000	\$19,200	6	Awarded 5/5/2011
2010-0060	2/24/2011	City of Miles	2	\$522,000	\$19,200	6	\$522,000	\$19,200	6	Awarded 5/5/2011
2010-0061	2/24/2011	City of Center	5	\$522,000	\$19,200	6	\$522,000	\$19,200	6	Awarded 5/5/2011
2010-0062	2/28/2011	City of Corsicana	3	\$435,000	\$16,000	5	\$435,000	\$16,000	5	Awarded 5/5/2011
2010-0063	2/28/2011	City of Kilgore	4	\$435,000	\$16,000	5	\$435,000	\$16,000	5	Awarded 5/5/2011
2010-0064	3/1/2011	City of Columbus	6	\$522,000	\$19,200	6	\$522,000	\$19,200	6	Awarded 5/5/2011
2010-0065	3/1/2011	City of Josephine	3	\$522,000	\$19,200	6	\$522,000	\$19,200	6	Awarded 5/5/2011
2010-0066	3/1/2011	City of Matador	1	\$435,000	\$16,000	5	\$435,000	\$16,000	5	Awarded 5/5/2011
2010-0067	3/2/2011	City of Roaring Springs	1	\$435,000	\$16,000	5	\$435,000	\$16,000	5	Awarded 5/5/2011
2010-0068	3/4/2011	Loving County	12	\$435,000	\$16,000	5	\$435,000	\$16,000	5	Awarded 5/5/2011
2010-0069	3/4/2011	City of Abernathy	1	\$435,000	\$16,000	5	\$435,000	\$16,000	5	Awarded 5/5/2011
2010-0070	3/4/2011	City of Electra	2	\$435,000	\$16,000	5	\$435,000	\$16,000	5	Awarded 5/5/2011
2010-0071	3/10/2011	City of Bronte	12	\$522,000	\$19,200	6	\$522,000	\$19,200	6	Awarded 5/5/2011
2010-0072	3/10/2011	City of Hitchcock	6	\$522,000	\$19,200	6	\$522,000	\$19,200	6	Awarded 5/5/2011
2010-0073	3/10/2011	Pecos County	12	\$522,000	\$19,200	6	\$522,000	\$19,200	6	Awarded 5/5/2011
2010-0074	3/10/2011	Floyd County	1	\$435,000	\$16,000	5	\$435,000	\$16,000	5	Awarded 5/5/2011

App number	Received Date	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2010-0075	3/11/2011	City of Woodsboro	10	\$522,000	\$19,200	6	\$522,000	\$19,200	6	Awarded 5/5/2011
2010-0076	3/11/2011	City of Fort Stockton	12	\$522,000	\$19,200	6	\$522,000	\$19,200	6	Awarded 5/5/2011
2010-0077	3/15/2011	City of Roscoe	2	\$435,000	\$16,000	5	\$435,000	\$16,000	5	Awarded 5/5/2011
2010-0078	3/21/2011	Dickens County	1	\$410,000	\$15,000	5	\$410,000	\$15,000	5	Awarded 5/5/2011
2010-0080	3/21/2011	City of Petersburg	1	\$522,000	\$19,200	6	\$522,000	\$19,200	6	Awarded 5/5/2011
2010-0081	3/21/2011	City of Mount Vernon	4	\$522,000	\$19,200	6	\$522,000	\$19,200	6	Awarded 5/5/2011
2010-0086	3/23/2011	City of Refugio	10	\$522,000	\$19,200	6	\$522,000	\$19,200	6	Awarded 5/5/2011
2010-0087	3/23/2011	Town of Bayside	10	\$522,000	\$19,200	6	\$522,000	\$19,200	6	Awarded 5/5/2011
2010-0088	3/23/2011	City of Elkhart	4	\$522,000	\$19,200	6	\$522,000	\$19,200	6	Awarded 5/5/2011
2010-0089	3/23/2011	Jim Wells County	10	\$522,000	\$19,200	6	\$522,000	\$19,200	6	Awarded 5/5/2011
2010-0090	3/23/2011	City of Palacios	6	\$522,000	\$19,200	6	\$522,000	\$19,200	6	Awarded 5/5/2011
2010-0091	3/23/2011	San Patricio County	10	\$522,000	\$19,200	6	\$522,000	\$19,200	6	Awarded 5/5/2011
2010-0097	4/1/2011	City of Teague	8	\$435,000	\$16,000	5	\$435,000	\$16,000	5	Awarded 5/5/2011
2010-0096	4/4/2011	City of Ralls	1	\$435,000	\$16,000	5	\$435,000	\$16,000	5	Awarded 5/5/2011
2010-0099	4/4/2011	Motley County	1	\$410,000	\$15,000	5	\$410,000	\$15,000	5	Awarded 5/5/2011
2010-0102	4/14/2011	City of Huntsville	6	\$522,000	\$19,200	6				Ratified as RSP
2010-0103	4/15/2011	City of Roma	11	\$522,000	\$19,200	6				Ratified as RSP 5/5/2011
2010-0104	4/15/2011	City of Turkey	1	\$435,000	\$16,000	5				Ratified as RSP 5/5/2011

App number	Received Date	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2010-0105	4/15/2011	City of Eldorado	12	\$435,000	\$16,000	5				Ratified as RSP 5/5/2011
2010-0106	4/19/2011	Dimmit County	11	\$500,000	\$20,000	6				Ratified as RSP 5/5/2011
2010-0107	4/25/2011	City of Eden	12	\$435,000	\$16,000	5				Ratified as RSP 5/5/2011
2010-0123	4/27/2011	Starr County Self Help Center, Inc.	11	\$560,000	\$19,200	16				Pending RSP Ratification
2010-0110	4/29/2011	Rural Economic Assistance League	10	\$522,000	\$19,200	6				Pending RSP Ratification
2010-0111	4/29/2011	City of Ferris	3	\$522,000	\$19,200	6				Pending RSP Ratification
2010-0113	4/29/2011	City of Freer	10	\$522,000	\$19,200	6				Pending RSP Ratification
2010-0114	4/29/2011	City of Port Lavaca	10	\$522,000	\$19,200	6				Pending RSP Ratification
2010-0115	4/29/2011	City of Lometa	8	\$522,000	\$19,200	6				Pending RSP Ratification
2010-0116	4/29/2011	City of Odem	10	\$522,000	\$19,200	6				Pending RSP Ratification
2010-0117	4/29/2011	City of Seymour	2	\$522,000	\$19,200	6				Pending RSP Ratification
2010-0118	4/29/2011	City of Berryville	4	\$522,000	\$19,200	6				Pending RSP Ratification
2010-0119	4/29/2011	City of Caddo Mills	3	\$522,000	\$19,200	6				Pending RSP Ratification
2010-0120	4/29/2011	City of Poteet	9	\$522,000	\$19,200	6				Pending RSP Ratification
2010-0124	4/29/2011	WREM Literacy Group, Inc.	6	\$455,000	\$17,300	27				Pending RSP Ratification
2010-0125	4/29/2011	Crystal City	11	\$500,000	\$18,000	6				Pending RSP Ratification
2010-0126	4/29/2011	City of Malakoff	4	\$500,000	\$18,000	6				Pending RSP Ratification
2010-0127	4/29/2011	City of Hempstead	6	\$542,000	\$19,200	6				Pending RSP Ratification

App number	Received Date	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2010-0128	4/29/2011	City of Marlin	8	\$542,000	\$19,200	6				Pending RSP Ratification
2010-0131	4/29/2011	City of Fairfield	8	\$435,000	\$16,000	5				Under Review
2010-0132	4/29/2011	City of Lewisville	3	\$348,000	\$12,800	4				Pending RSP Ratification
2010-0134	4/29/2011	City of Hart	1	\$435,000	\$16,000	5				Pending RSP Ratification
2010-0135	4/29/2011	Culberson County	13	\$522,000	\$19,200	6				Pending RSP Ratification
Totals:				\$31,956,000	\$1,176,100	400	\$19,048,000	\$700,320	220	

TBRA Set-Aside

Original Set-Aside Amount: \$2,478,309

App number	Received Date	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2010-0038	12/14/2010	Affordable Caring Housing, Inc.	4, 8	\$220,464	\$17,637	20	\$220,464	\$17,637	20	Awarded 1/20/2011
Totals:				\$220,464	\$17,637	20	\$220,464	\$17,637	20	

PWD Set-Aside

Original Set-Aside Amount: \$623,820

App number	Received Date	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2010-0108	4/25/2011	Community Action Corporation of South Texas	10, 11	\$300,000	\$24,000	20	\$300,000	\$24,000	20	Pending Award
2010-0109	4/26/2011	Spindletop MHMR Services	5	\$225,000	\$13,500	25				Pending RSP Ratification
2010-0121	4/29/2011	Mounting Horizons	6	\$300,000	\$24,000	13				Pending RSP Ratification
2010-0129	4/29/2011	Coalition for the Homeless of Houston/Harris County	6	\$288,000	\$23,040	21				Pending RSP Ratification
2010-0130	4/29/2011	Services of the Emergency Aid Resource Center for the Homeless, Inc. (SEARCH)	6	\$300,000	\$24,000	60	\$300,000	\$24,000	60	Pending Award

App number	Received Date	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2010-0136	4/29/2011	Bering Omega Community Services	5, 6	\$300,000	\$24,000	15				Pending RSP Ratification
Totals:				\$1,713,000	\$132,540	154	\$600,000	\$48,000	80	
Grand Totals:				\$34,964,464	\$1,364,677	656	\$20,788,725	\$799,427	381	

2010 HOME Single Family Programs - Award Recommendations Log

Application Acceptance Period: 9/09/2010 to 4/29/2011

Balance Available for Award: **\$15,456,261**

PWD Set-Aside

App number	Received Date	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2010-0108	4/25/2011	Community Action Corporation of South Texas	10, 11	\$300,000	\$24,000	20	\$300,000	\$24,000	20	Pending Award
2010-0130	4/29/2011	Services of the Emergency Aid Resource Center for the Homeless, Inc. (SEARCH)	6	\$300,000	\$24,000	60	\$300,000	\$24,000	60	Pending Award
Totals:				\$600,000	\$48,000	80	\$600,000	\$48,000	80	
Grand Totals:				\$600,000	\$48,000	80	\$600,000	\$48,000	80	

**HOME PROGRAM DIVISION
BOARD ACTION REQUEST**

June 30, 2011

Recommended Action

Ratify HOME Program Reservation System Participants approved by the Executive Director.

RESOLVED, that 35 HOME Program Reservation System Participants, City of Socorro, Community Action Corporation of South Texas, Spindletop Center, Rural Economic Assistance League, City of Ferris, City of Deport, City of Freer, City of Port Lavaca, City of Lometa, City of Odem, City of Seymour, City of Berryville, City of Caddo Mills, City of Poteet, The Care Program, Inc., Starr County Self Help Center, Inc., WREM Literacy Group, Inc., City of Crystal City, City of Malakoff, City of Hempstead, City of Marlin, Services of the Emergency Aid Resource Center for the Homeless, Inc. (SEARCH), City of Lewisville, Central Texas Mental Health Mental Retardation Center dba The Center for Life Resources, City of Hart, Culberson County, Bering Omega Community Services, Burke Center, City of Asherton, City of LaFeria, Midland Community Development Corporation, City of Moody, City of Smithville, City of Bloomburg, and City of Pilot Point, are hereby ratified and approved as presented to this meeting.

Background

On September 9, 2010 the Board approved the HOME Program Rule at 10 TAC Chapter 53 and it was published in the Texas Register on September 24, 2010. The adopted rule includes provisions for a new allocation method for eligible Applicants to access HOME funds through a Reservation System.

Since approval of the HOME Program Rule in September, 101 applicants have submitted requests to become Reservation System Participants (RSPs) and the Board has ratified 61 RSPs. Each of the 35 RSPs recommended for ratification by the Board have completed the review process and were approved by the Executive Director. Following is a chart reflecting the program activities in which each RSP has elected to participate.

RSP Agreement Number	RSP Administrator Name	HOME Program Activity
2010-0092	City of Socorro	Homeowner Rehabilitation Assistance Homebuyer Assistance Contract for Deed Conversion Tenant-Based Rental Assistance
2010-0108	Community Action Corporation of South Texas	Homeowner Rehabilitation Assistance

2010-0109	Spindletop Center	Tenant-Based Rental Assistance-PWD
2010-0110	Rural Economic Assistance League	Homeowner Rehabilitation Assistance
2010-0111	City of Ferris	Homeowner Rehabilitation Assistance
2010-0112	City of Deport	Homeowner Rehabilitation Assistance
2010-0113	City of Freer	Homeowner Rehabilitation Assistance
2010-0114	City of Port Lavaca	Homeowner Rehabilitation Assistance
2010-0115	City of Lometa	Homeowner Rehabilitation Assistance
2010-0116	City of Odem	Homeowner Rehabilitation Assistance
2010-0117	City of Seymour	Homeowner Rehabilitation Assistance
2010-0118	City of Berryvill	Homeowner Rehabilitation Assistance
2010-0119	City of Caddo Mills	Homeowner Rehabilitation Assistance
2010-0120	City of Poteet	Homeowner Rehabilitation Assistance
2010-0122	The Care Program, Inc.	Homebuyer Assistance
2010-0123	Starr County Self Help Center, Inc.	Homeowner Rehabilitation Assistance
2010-0124	WREM Literacy Group, Inc.	Homeowner Rehabilitation Assistance
2010-0125	City of Crystal City	Homeowner Rehabilitation Assistance
2010-0126	City of Malakoff	Homeowner Rehabilitation Assistance
2010-0127	City of Hempstead	Homeowner Rehabilitation Assistance
2010-0128	City of Marlin	Homeowner Rehabilitation Assistance
2010-0130	Services of the Emergency Aid Resources Center for the Homeless, Inc. (SEARCH)	Tenant-Based Rental Assistance-PWD
2010-0132	City of Lewisville	Homeowner Rehabilitation Assistance
2010-0133	Central Texas Mental Health Mental Retardation Center dba The Center for Life Resources	Tenant-Based Rental Assistance – PWD
2010-0134	City of Hart	Homeowner Rehabilitation Assistance
2010-0135	Culberson County	Homeowner Rehabilitation Assistance
2010-0136	Bering Omega Community Services	Tenant-Based Rental Assistance-PWD
2010-0137	Burke Center	Tenant-Based Rental Assistance
2010-0138	City of Asherton	Homeowner Rehabilitation Assistance
2010-0139	City of LaFeria	Homeowner Rehabilitation Assistance

		Homebuyer Assistance
2010-0140	Midland Community Development Corporation	Homebuyer Assistance
2010-0141	City of Moody	Homeowner Rehabilitation Assistance
2010-0142	City of Smithville	Homeowner Rehabilitation Assistance
2010-0143	City of Bloomburg	Homeowner Rehabilitation Assistance
2010-0144	City of Pilot Point	Homeowner Rehabilitation Assistance

The RSP approvals being presented for ratification are currently being reviewed by the Compliance and Asset Oversight Division for issues of material non-compliance, unresolved audit findings, or questioned or disallowed costs. After clearance is received, the RSP Agreements will be sent to the RSP for execution.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

BOARD ACTION REQUEST

June 30, 2011

Recommended Action

Ratify the Neighborhood Stabilization Program Three (NSP3) Substantial Amendment to the One Year Action Plan

WHEREAS, the United States Department of Housing and Urban Development (HUD) has set aside \$7,284,978 under the third round of funding for the Neighborhood Stabilization Program to be administered by the Department for the State of Texas; and

WHEREAS, the Department submitted a Second Substantial Amendment, as required by HUD, to the State of Texas 2010 Action Plan to address the Neighborhood Stabilization Program on June 30, 2011, and the plan was available for public comment prior to submission; therefore

BE IT RESOLVED, that the Second Substantial Amendment to the State of Texas 2010 Action Plan for the Neighborhood Stabilization Program 3 is ratified and approved as presented to this meeting.

Background

The Neighborhood Stabilization Program (NSP) is a HUD-funded program authorized by HR3221, the "Housing and Economic Recovery Act of 2008" (HERA) (Pub. L 110-289, approved July 30, 2008), as a supplemental allocation to the Community Development Block Grant (CDBG) Program through an amendment to the existing State of Texas 2008 CDBG Action Plan. The NSP3 allocation of funds is provided under Section 1497 of the Wall Street Reform and Consumer Protection Act of 2010 (Pub. L. 111-203, approved July 21, 2010) (Dodd-Frank Act). The purpose of the program is to develop into affordable housing abandoned, foreclosed, and vacant properties in areas that are documented to have the greatest need for declining property values as a result of excessive foreclosures.

Texas will receive approximately \$18M, \$10M of which has already been identified by HUD as a direct allocation to 5 cities and counties with the greatest need as determined by HUD. The Texas Department of Housing and Community Affairs will administer the remaining \$7.285M of NSP3 funds to address areas of greatest need using the HUD NSP formula.

The amendment to the Action Plan includes a plan for the obligation of these funds to meet HUD requirements. NSP3 includes a statutory requirement that grantees, "establish procedures to create preferences for the development of affordable rental housing properties assisted with NSP3 funds." Due to this requirement, the NSP3 Substantial Amendment and NOFA included a scoring preference for rental properties in areas of highest need. Communities that wish to

access NSP funds for development of affordable ownership opportunities, land banking or demolition will be able to apply for NSP1 Program Income funds.

HUD has required that grantees include the specific areas that will be served in their NSP3 substantial amendments. In recognition of the difficulty that state grantees will experience in determining these areas prior to identification of subgrantees, HUD has allowed states to submit a second substantial amendment on June 30, 2011 detailing the specific locations for uses of NSP3 funds.

Expenditure of 50% of the allocated of NSP3 funds will be required by March 7, 2013, all funds must be expended by March 7, 2014.

The HUD notice for this program was initially published on October 19, 2010 and required that the substantial amendment to the Action Plan be submitted by March 1, 2011. The second substantial amendment will be submitted by June 30, 2011. The Department has published the draft amendments to the Action Plan on the Department's web site in order to solicit and receive public comment for the HUD- mandated 15 day public comment period.

The following comments were received on the second NSP3 Substantial Amendment during the comment period:

(comments to be inserted)

NSP3 SUBSTANTIAL AMENDMENT #2

Jurisdiction(s): State of Texas, Texas Department of Housing and Community Affairs	NSP3 Contact Person:	Megan Sylvester
Jurisdiction Web Address: http://www.tdhca.state.tx.us	Address:	Texas Department of Housing and Community Affairs 221 East 11 th Street Austin, Texas 78701
	Telephone:	(512) 463-2179
	Fax:	(512) 472-1672
	Email:	megan.sylvester@tdhca.state.tx.us

This document is a substantial amendment to the Action Plan for FFY 2010 submitted by the State of Texas. The Action Plan is the annual update to the Consolidated Plan for FFY 2010 through 2014. This amendment outlines the expected distribution and use of \$7,284,978.00 through the Neighborhood Stabilization Program (NSP), which the U.S. Department of Housing and Urban Development (HUD) is providing to the State of Texas. This allocation of funds is provided under Section 1497 of the Wall Street Reform and Consumer Protection Act of 2010 (Pub. L. 111-203, approved July 21, 2010) (“Dodd-Frank Act”).

A. SELECTION OF TARGET AREAS

The State of Texas (State) has established the priorities and scoring that were used in the application review process and were described in Substantial Amendment 1. While the criteria are important to demonstrate a successful proposal, the scoring structure was designed to ensure that the State complied with the requirements of the HUD Notice, designed to prioritize areas of greatest need, met applicable CDBG regulations, meets Department priorities, and efficiently and effectively expend the funds. Each applicant was required to submit a properly completed application. Each applicant’s organizational and financial capacity was evaluated. The Department accepted applications beginning on March 14, 2011, and received sufficient funding requests that meet the threshold scoring criteria on June 7, 2011. Applications with the highest scores will be presented to the Department’s Governing Board of Directors on June 30, 2011, for possible approval. The proposed census tracts are 48245995500 and 48061014100.

B. ACTIVITIES

The eligible activities to be funded are administration, acquisition/rehabilitation of foreclosed or abandoned properties, and acquisition/construction of vacant land or buildings. No more than 10% of the award will be spent on administration.

C. EXPECTED IMPACT

Based on the Department's submitted applications, the Department expects to fund 54 rental units of housing for low, moderate, and middle income households with a preponderance of these units serving households at 50% of AMFI. At a minimum 25% of the funding will serve households at 50% of AMFI or below.

D. PUBLIC COMMENT

The draft Substantial Amendment was advertised in the Texas Register and posted for comment on the Department's website from June 14, 2011 through June 29, 2011.

TEXAS NEIGHBORHOOD STABILIZATION PROGRAM

BOARD ACTION REQUEST

June 30, 2011

Recommended Action

Approve the Neighborhood Stabilization Program 3 (NSP3) Award Recommendations.

WHEREAS, the Department has received an allocation of funds under the NSP3 in the amount of \$7,284,978 that it must distribute in accordance with NSP rules and regulations; therefore it is,

RESOLVED, that the award of contracts to Legacy Community Development Corporation and Community Development Corporation of Brownsville, are hereby approved as presented to this meeting.

Background

The Neighborhood Stabilization Program (NSP) is a HUD-funded program authorized by HR3221, the “Housing and Economic Recovery Act of 2008” (HERA), as a supplemental allocation to the Community Development Block Grant (CDBG) Program through an amendment to the existing State of Texas 2008 CDBG Action Plan. The NSP3 allocation of funds is provided under Section 1497 of the Wall Street Reform and Consumer Protection Act of 2010 (Pub. L. 111-203, approved July 21, 2010) (Dodd-Frank Act) through an amendment to the existing 2010 State of Texas CDBG Action Plan. The purpose of the program is to redevelop into affordable housing, or acquire and hold, abandoned and foreclosed properties in areas that are documented to have the greatest need for arresting declining property values as a result of excessive foreclosures.

NSP3 includes a statutory requirement that grantees, “establish procedures to create preferences for the development of affordable rental housing properties assisted with NSP3 funds.” Due to this requirement, the NSP3 Notice of Funding Availability (NOFA) included a scoring preference for rental properties in areas of highest need. HUD has imposed a requirement that grantees submit the specific areas in which they will expend NSP3 funds as part of their substantial amendment process. Applications received as a result of the NSP3 NOFA were evaluated based on the scoring criteria, and the highest-scoring eligible applications are recommended for award and will be submitted to HUD in the second NSP3 Substantial Amendment on June 30, 2011.

Applications Received.

Application Number	Applicant Entity	Application Score
2011-100	County of Willacy	0
2011-101	Legacy Community Development Corporation	48
2011-102	Edinburg Housing Development Corporation	0
2011-103	ADJ Community Services, Inc. ⁱ	28
2011-104	ADJ Community Services, Inc. ⁱⁱ	28
2011-105	Community Development Corporation Brownsville	33

Staff is recommending the award of applications received in response to the NSP3 NOFA. The allocation of funds total \$6,556,480.20 in project funds and \$728,497.80 in administrative funds to assist approximately 54 households for the following 2 applicants:

**Legacy Community
Development Corporation**
Location: Port Arthur
Application Score: 48

Applicant will receive up to \$ 3,625,662 to acquire and rehabilitate 24-unit foreclosed multi-family property. Units will be rented to income-eligible households. A minimum of 5 units will be rented to households at or below 50% AMI.

**Community Development
Corporation of Brownsville**
Location: Brownsville
Application Score: 33

Applicant will receive up to \$ 2,930,818.20 to construct approximately 30 new single-family homes that will be rented to households at or below 50% AMI.

The award amounts are conditioned on projects meeting NSP requirements including underwriting, cost eligibility guidelines, environmental clearance, resolution of any administrative deficiencies, and continued availability of funds from HUD.

The Legacy Community Development Corporation award is also contingent on the Board, if necessary, waiving the 221d3 requirements. The property Legacy intends to rehabilitate is a Historical Property and as a result has greater costs associated with this status. Rehabilitation of Historical Properties was not contemplated by the NSP3 NOFA. If a waiver is required, it will be taken to a future board meeting.

ⁱ Appeal Pending.

ⁱⁱ Appeal Pending.

TEXAS NEIGHBORHOOD STABILIZATION PROGRAM

BOARD ACTION REQUEST

June 30, 2011

Recommended Action

Approve the Neighborhood Stabilization Program Reservation System Participants.

WHEREAS, the Department anticipates that it will receive funds from loan repayments under the Neighborhood Stabilization Program and that it will need to redistribute such funds in accordance with NSP rules and regulations, and;

WHEREAS, program income received will be made available to Reservation System Participants, in order that it can be used efficiently; therefore be it

RESOLVED, that the 3 NSP Reservation System Participants, Foundation Communities, Inc., Community Development Corporation of Brownsville, and Austin Habitat for Humanity, Inc., be and hereby are approved as presented to this meeting.

Background

The Neighborhood Stabilization Program (NSP) is a HUD-funded program authorized by HR3221, the "Housing and Economic Recovery Act of 2008" (HERA), as a supplemental allocation to the Community Development Block Grant (CDBG) Program through an amendment to the existing State of Texas 2008 CDBG Action Plan. The purpose of the program is to redevelop into affordable housing, or acquire and hold, abandoned and foreclosed properties in areas that are documented to have the greatest need for arresting declining property values as a result of excessive foreclosures.

As NSP subgrantees move forward with completion of their NSP projects, significant program income will be generated through the resale of properties to income-eligible households. A portion of funds will be received as mortgage loan payments from households at or below 50% AMFI that have accessed NSP permanent financing, along with loan payments from subrecipient organizations that are providing rental housing to low-income households. The balance of the program income available for redistribution will be generated by loan repayments as subrecipients sell non-set-aside homes to households over 50% AMFI.

On January 20, 2011, the Board approved the NSP1-Program Income NOFA. The application form was posted to the NSP webpage on February 21, 2011 and applications were accepted through April 29, 2011. 5 entities submitted applications to participate in the NSP Reservation System, 3 of which are recommended for approval.

Application Number	Applicant Name	NSP Activity
2011-500	Foundation Communities, Inc.	Use E: New Construction – rental
2011-501	Community Development Corporation of Brownsville	Use B: Purchase and Rehabilitation of foreclosed homes – ownership Use C: Land Bank Use D: Demolition Use E: New Construction – ownership
2011-502	Edinburg Housing Opportunities Corporation	None*
2011-504	Austin Habitat for Humanity, Inc.	Use B: Rehabilitation of foreclosed homes – ownership Use E: New Construction – ownership
2011-505	Tarrant County Housing Partnership	None **

* Application 2011-502 was incomplete, review was not possible and the application was disqualified – an appeal is pending

** Application 2011-505 was received after the deadline and was disqualified

TEXAS NEIGHBORHOOD STABILIZATION PROGRAM

BOARD ACTION REQUEST

June 30, 2011

Recommended Action

Approval of the award of Neighborhood Stabilization Program 1 (NSP1) Funds to the City of La Feria.

WHEREAS, Community Development Corporation of Brownsville (CDCB) was awarded \$3,868,571.00 for NSP Contract 77090000150 on July 16, 2009;

WHEREAS, The City of La Feria is a joint applicant and subrecipient of CDCB, with \$860,553 of project funds allocated to new construction;

WHEREAS, CDCB and the City of La Feria have agreed that it is in the best interest of both parties that the City of La Feria administer their portion of the NSP funds as a subrecipient of TDHCA, therefore be it

RESOLVED, that the CDCB NSP1 contract 77090000150 be reduced to \$2,965,011.00, with a corresponding amendment to Exhibit A, Performance Statement, and

RESOLVED, that the award of an NSP1 contract \$860,553.00 of project funds and \$43,027.00 of administrative funds to the City of La Feria is hereby approved as presented to this meeting.

Background

The Neighborhood Stabilization Program (NSP) is a HUD-funded program authorized by HR3221, the "Housing and Economic Recovery Act of 2008" (HERA), as a supplemental allocation to the Community Development Block Grant (CDBG) Program through an amendment to the existing State of Texas 2008 CDBG Action Plan. The purpose of the program is to redevelop into affordable housing, or acquire and hold, abandoned and foreclosed properties in areas that are documented to have the greatest need for arresting declining property values as a result of excessive foreclosures.

The original NSP1 NOFA encouraged eligible entities within Texas counties to collaborate in the application process, such that local needs could be met within the fund amounts allocated to each area. In response to that encouragement, CDCB and the City of La Feria submitted a joint application for NSP1 funds. In order to simplify administration of the funds and meet HUD regulatory requirements, the lead applicant, CDCB was awarded the funds and entered into a subrecipient agreement with the City of La Feria under which they would use \$860,533.00 of the project funds awarded for new construction in their community.

The City of La Feria originally planned to construct 8 new homes for sale to households at or below 120% of AMI using the allocated NSP funds. As they have continued their work toward completion of the project, changing economic conditions in their area have necessitated a change

to their original plan of ownership units. They now plan to construct 8 new homes that will be provided to households at or below 50% of AMI as permanent rental units. The new low-income rental units will fill a community need for affordable rental housing for families.

Under the NSP regulatory structure, the subrecipient of NSP funds used to create rental housing is responsible for compliance with all regulatory requirements for the duration of the affordability period. Through the proposed amendment to the CDDBC contract, and award of funds directly to the City of La Feria, CDCB is removed from potential liability in the future for the rental units, and the City of La Feria will be able to exercise local control throughout the affordability period.

The City of La Feria will make the funds for construction of the 8 new rental units available to a nonprofit developer yet to be selected. Prior to closing the NSP loan for construction, the project must meet NSP underwriting requirements. The NSP funds will be made available as a 0% interest loan, amortized over 30 years.



May 20, 2011

Ms. Marni Holloway
Program Manager
Texas Neighborhood Stabilization Program
201 East 11th Street
Austin, Texas 78721

Re: TDHCA Contract No. 77090000150 Texas NSP1

Dear Ms. Holloway,

The Community Development Corporation of Brownsville as Contractor entered into TDHCA Contract No. 770000150, a Contract with the Texas Department of Housing and Community Affairs Texas Neighborhood Stabilization Program for NSP1 funding in the amount of \$3,868,571. The NSP1 activities proposed by the Contract are shown in Exhibit C page 3 of 4, and they included *Eligible Use E. Redevelopment* with a contract amount of \$860,533 per Exhibit B, *Budget*. CDCB entered into a sub-recipient contract with the City of La Feria dated December 2, 2009 and awarded La Feria the Eligible Use E. Redevelopment activity and the NSP1 funding for this activity. The NSP1 activity proposed by the City of La Feria is shown in both the Contract with CDCB and in the TDHCA Contract No. 77090000150.

Please accept this letter as a formal request from the Community Development Corporation of Brownsville (CDCB) to withdraw the NSP1 funding for the City of La Feria contract in an amount of \$860,533.00 from TDHCA Contract No. 77090000150 executed with CDCB.

CDCB requests TDHCA to have the \$860,533 separated out from the TDHCA Contract No. 7709000150 award of \$3,868,571 and set up as a stand alone Contractor contract with the City of La Feria.

CDCB received a letter from the City of La Feria requesting that CDCB terminate the December 2, 2011 Contract for NSP1 funding that it has with the City of La Feria and to request of TDHCA NSP that the funding amount of \$860,533.00 be released from TDHCA Contract No. 770000150 (a copy of this letter is enclosed).

On February 18, 2011 I sent you an e-mail requesting forbearance and an extension of the current NSP1 contract for all of the eligible uses in TDHCA Contract No. 770000150 including Eligible Use E. Redevelopment. The extension for Eligible Use E was to May 30, 2011(a copy of this e-mail is enclosed). Additionally we ask that TDHCA amend the

forbearance granted to CDCB to extend the time to meet the eligible use benchmarks for the \$860,533 for Eligible Use E.

I also ask that TDHCA transfer the approved due diligence including the environmental review clearance currently under TDHCA Contract No. 77090000150 to the new TDHCA Contract number for the contract with the City of La Feria.

Please do not hesitate to call me at (956) 541-4955 should you have any questions.

Sincerely,

A handwritten signature in black ink, consisting of a large, stylized 'N' followed by a horizontal line extending to the right.

Nick Mitchell-Bennett
Executive Director
CDC of Brownsville

Cc: Sunny K. Philip, City of La Feria
Mark Moseley
Jose Gonzalez

CITY OF LA FERIA



May 13, 2011

Mr. Nick Mitchell-Bennett
Executive Director
Community Development Corporation of Brownsville
901 E. Levee Street
Brownsville, Texas 78759

Re: TDHCA Contract No. 77090000150 Texas NSP1

Dear Mr. Mitchell-Bennett,

The City of La Feria entered into a Contract with the Community Development Corporation of Brownsville dated December 2, 2009 to receive an award of NSP1 funds in the amount of \$860,533.00. These funds are a part of the Cameron County NSP1 award, the TDHCA Contract No. 77090000150 with Community Development Corporation of Brownsville (CDCB). Cameron County is one of the "Direct Pool counties" that received a direct allocation of NSP1 funds from the Texas Neighborhood Stabilization Program administered by TDHCA. The NSP1 activity proposed by the City of La Feria is shown in both the Contract with CDCB and in the TDHCA Contract No. 77090000150 Exhibit C page 3 of 4, *Eligible Use E. Redevelopment* with a contract amount of \$860,533 per Exhibit B, *Budget*.

Please accept this letter as a formal request from the City of La Feria to terminate the December 2, 2009 Contract that the City of La Feria has with CDCB and to withdraw its contract amount of \$860,533.00 from TDHCA Contract No. 77090000150 executed with CDCB.

The City of La Feria asks that CDCB submit a request to TDHCA to have the City of La Feria NSP1 award of \$860,533 be separated out from the TDHCA Contract No. 77090000150 award of \$3,868,571 and set up as a stand alone Contractor contract with TDHCA.

Additionally we ask that you request TDHCA to amend the forbearance granted to CDCB to extend the time to meet performance thresholds for the \$860,533 for Eligible Use E.

Mr. Nick Mitchell-Bennett
May 13, 2011
Page 2

We also ask that CDCB request TDHCA to transfer the approved due diligence including the environmental review clearance currently under TDHCA Contract No. 77090000150 to the new TDHCA Contract number for the contract with the City of La Feria.

We ask that you submit the request to TDHCA in writing at your earliest convenience.

Please do not hesitate to call me at (956) 797-2261 should you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Sunny K. Philip". The signature is fluid and cursive, with the first name "Sunny" being more prominent.

Sunny K. Philip
City Manager

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CITY OF LA FERIA



May 25, 2011

Ms. Marni Holloway
Program Manager
Texas Neighborhood Stabilization Program
P.O. Box 13941
Austin, Texas 78711-3941

Re: TDHCA Contract No. 77090000150 Texas NSP 1

Dear Ms. Holloway:

You may have received a letter from the Community Development Corporation of Brownsville (CDCB) requesting to separate out \$860,533.00 from the TDHCA Contract No. 77090000150 with CDCB and set up a stand alone contract with the City of La Feria to undertake eligible redevelopment activity E under the NSP1 guidelines.

This situation arose as the result of the City of La Feria wanting to use the development for rental purposes to address the need in the community and the prolonged reporting requirements required of CDCB. The City of La Feria is aware of the need to contract with a non-profit to own the developments, and the City is in the process of procuring the services of a non-profit serving the La Feria area.

The City of La Feria respectfully requests that TDHCA separate the contract from CDCB, enter into a new contract with the City of La Feria, and establish a new time frame to complete different stages of the contract. The City of La Feria will be able to complete the project within the deadline established for the NSP1 program. The City also requests that this item be placed on the June 30, 2011 Board Meeting agenda for approval.

A copy of the resolution of the City Commission of the City of La Feria approved on May 24, 2011 is attached for your consideration.

Ms. Marni Holloway
May 25, 2011
Page 2

If you have any questions or need any additional information, please do not hesitate to contact me at (956) 797-2261.

Sincerely,

A handwritten signature in blue ink, appearing to read "Sunny K. Philip". The signature is fluid and cursive, with a large initial "S" and "P".

Sunny K. Philip
City Manager

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Attachment

cc: Marie Esparza – TDHCA Texas NSP

RESOLUTION 2011-20

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF LA FERIA REQUESTING THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (TDHCA) TO SEPARATE THE NEIGHBORHOOD STABILIZATION PROGRAM (NSP) CONTRACT WITH THE COMMUNITY DEVELOPMENT CORPORATION OF BROWNSVILLE AND ENTER INTO A CONTRACT WITH THE CITY OF LA FERIA (CITY) TO UNDERTAKE REDEVELOPMENT ACTIVITIES AS AUTHORIZED UNDER THE NSP1 PROGRAM AND ESTABLISH NEW BENCHMARKS FOR THE NEW CONTRACT.

WHEREAS, the City of La Feria (City), Texas is a public agency and Home Rule Municipal Corporation formed pursuant to TEX. LOC. GOV'T CODE § 9.001, et seq.; and

WHEREAS, the Community Development Corporation of Brownsville (CDCB) entered into a contract with the Texas Department of Housing and Community Affairs (TDHCA), Contract No. 77090000150 under the Neighborhood Stabilization Program for NSP1, and

WHEREAS, the CDCB entered into a sub-recipient contract with the City of La Feria in the amount of \$860,533.00 to undertake redevelopment activity under Eligible Use E, and

WHEREAS, the City of La Feria intends to use the redeveloped properties for rental purposes which requires prolonged reporting requirements, and

WHEREAS, it will be more efficient if TDHCA will enter into a direct contract with the City of La Feria who ultimately is required to submit compliance reports to TDHCA for a prolonged period of time,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF LA FERIA, THAT:

1. The recitals set forth above are found to be true and correct, and they are hereby adopted by the City Commission and made a part of this resolution for all purposes.
2. The City Manager is authorized to file a request with the TDHCA for the change.
3. The City of La Feria commits to comply with the regulations of the Neighborhood Stabilization 1 Program guidelines.


PASSED AND APPROVED at a regular meeting of the City Commission of the City of La Feria, Texas on this 24th day of May 2011.

APPROVED:



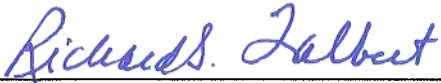
Steve Brewer, Mayor

ATTEST:



Olga Oberwetter, City Secretary

APPROVED AS TO FORM:



Richard S. Talbert, City Attorney

TEXAS HOMEOWNERSHIP DIVISION

**BOARD ACTION REQUEST
JUNE 30, 2011**

Recommended Action

Approve the attached Participating Lender List for the Single Family Mortgage Revenue Bond (MRB) and Mortgage Credit Certificate (MCC) Program(s).

Background

Invitations to originate mortgage loans are sent out to our existing lender network and other interested lenders when MRB and MCC Programs are released. At any time, new mortgage lenders interested in participating in an existing program are allowed to complete documentation for consideration and approval. To date, 87 lending institutions serving over 900 locations throughout the state have signed documents to participate in one or both of the programs.

In an effort to maintain a well trained and knowledgeable lender network, webinar lender trainings are periodically conducted by Bank of America staff on any current MRB Program to any existing and or new participating lender. Additionally, TDHCA staff conducts webinars or on-sight lender trainings for any new MCC participant upon request.

In accordance with Texas Government Code, Chapter 2306.149, staff is requesting the Board approve a list of mortgage lenders for use in conjunction with the Single Family MRB and MCC Program(s). We recommend the following list of participating lenders be approved by the Board.

APPROVED LENDERS

Academy Mortgage Corp.	IHS Mortgage, LLC
Affiliated Bank	Imortgage.com, Inc.
Affiliated Bank Mortgage Lending	InterLinc Mortgage, Inc.
Affiliated Mortgage Company	International Bank of Commerce
Allied Home Mortgage Corporation	JPMorgan Chase Home Finance
Amarillo National Bank	K. Hovnanian American Mortgage, LLC.
Amegy Bank	Mission Mortgage of Texas, Inc.
AmericaHomeKey, Inc.	Mortgage Solutions of Co., LLC
American National Bank	National Bank
American Southwest Mortgage Corp.	NationStar Mortgage
American State Bank	Network Funding, L.P.
AmeriPro Funding, Inc.	Nova Financial Investment Corp. (Nova Home Loans)
ARK-LA-TEX Financial Services LLC - <i>Benchmark Mortgage</i>	Patriot Mortgage Company
Aspire Financial, Inc. DBA TexasLending.com	PNC Mortgage
Bank of America	Premier Nationwide Lending (NTFN, Inc.)
Calvert Mortgage Company	PrimeLending, a Plains Capital Company
Capstar Lending, LLC	PrimeWest Mortgage Corp.
Castle & Cooke Mortgage, LLC	Prospect Mortgage fka Metrocities Mortgage, LLC
Cendera Funding	Pulte Mortgage
City Bank Mortgage	RANLife, Inc.
Classic Home Financial, Inc. (Finance Home America)	Republic State Mortgage Company
Coastal Bend Mortgage, Inc. dba Global Mortgage Group	Rocky Mountain Mortgage Company
Coastal Lending Financial Corp. dba Coastal Mortgage	Ryland Mortgage Company
Colonial Savings, F.A./Colonial National Mortgage	Schmidt Mortgage Co.
Community Development Corporation of Brownsville	Security National Mortgage Co.
Cornerstone Mortgage Company	Security State Bank
DHI Mortgage Company	Sente Mortgage
Elite Financing Group	Service First Mortgage Co. (SFMC)
Envoy Mortgage, Ltd	Standard Pacific Mortgage, Inc.
Fairway Independent Mortgage Corp.	Supreme Lending (Everett Financial)
Falcon International Bank	SWBC Mortgage Corporation
First Community Bank -Home Loan Center	Texas Loan Star, Inc
First Continental Mortgage Co.	The Lending Partners, LLC
First National Bank El Paso	TXL Mortgage Corp.
First National Bank Texas dba First Community Mortgage	U.S. Bank Home Mortgage
First Priority Financial	Universal American Mortgage Company
Georgetown Mortgage, LLC	Venta Financial Group, Inc.
Guaranty Bond Bank	Victorian Finance, LLC
Hancock Mortgage Partners	ViewPoint Bankers Mortgage, Inc.
High Point Mortgage Corp.	Wells Fargo Home Mortgage
Highlands Residential Mortgage	Whitney National Bank
Hometruster Mortgage Company	Willow Bend Mortgage
Homeway Mortgage fka Stanford Lending, LLC	WR Starkey Mortgage
Houstonian Mortgage Group, Inc.	

OFFICE OF COLONIA INITIATIVES
BOARD ACTION REQUEST
June 30, 2011

Presentation, Discussion, and Possible Action to publish proposed rules amendments for the Colonia Self Help Center Program, 10 TAC Chapter 3, for public comment and publication in the *Texas Register*.

Recommended Action

RESOLVED, that the proposed amendment rules for the Colonia Self Help Center Program, 10 TAC, Chapter 3, is hereby ordered and it is approved, together with the preambles presented to this meeting, for publishing in the *Texas Register*.

FURTHER 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 cause the draft Colonia Self Help Center Program rules, 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.

Background

The current Colonia Self Help Center (CSHC) Program rules were adopted by the Texas Department of Housing and Community Affairs (TDHCA) Governing Board on July 30, 2009. Proposed changes to the rules reflect the reality of implementing the program, issues that have arisen that have caused delays in funding and expenditures, and to further reduce risk to the Department.

The rules, upon publication, will be made available for public comment through the *Texas Register* and *TDHCA website*. The final (CSHC) Program rules will be presented for Board approval at the August 25, 2011 Board meeting.

Summary of Significant Changes

This section outlines some of the most significant staff recommendations. Other more operational or procedural revisions, details of revisions, formatting adjustments, and streamlining are not summarized, however, they are reflected in the attached draft rules.

I. §3.2 Definitions

§3.2(16) Needs Assessment. This definition was deleted. As a result of the Proposal Requirements currently in place and with one addition described below, the needs of colonia residents are clearly demonstrated with the submission of a new Proposal.

§3.2(15)(C) Extremely low-income families. This definition was added to define families earning less than 30% Area Median Family Income.

§3.2(22) TREC—Texas Real Estate Commission. This definition was added to define the acronym.

2. §3.4 Allocation and the Colonia Self Help Center Proposal Requirements (deletions and additions caused the numbering of sections to change).

§3.4(f)(2) Colonia Identification Form. This requirement was added to provide an overall description of what is available and what is lacking in each colonia to be served. The form identifies platting, mapping, and survey information, housing conditions, prevalence of water and wastewater systems, and road conditions. This section replaces the requirement for a comprehensive needs assessment. This change streamlines the process of identifying needs and provides a standardized format in which to determine the needs of each colonia to be served in new awards.

§3.4(f)(2) Comprehensive Needs Assessment. This section was deleted and replaced with the requirement to submit a Colonia Identification Form and the intent of identifying the needs of colonia residents is accomplished through the new section.

§3.4(f)(3) Description of Colonias. This section was deleted and replaced with the new section §3.4(f)(2).

§3.4(f)(5) Description of the Scope of Work. This section was deleted as it is a duplication of the existing requirement to submit a proposed Performance Statement that describes what will be accomplished in the contract.

§3.4(f)(4)(A) Contract Budget Direct Delivery Costs. The rehabilitation budget line item was changed to allow 15% direct delivery, an increase from 10%. Required licensed inspectors cost between \$100 and \$350 per inspection with some activities requiring two inspections per home. The self-help small home repair activity is typically capped at \$3,000 per home and a majority of rehabs are less than \$15,000 in construction costs. Increasing the allowable direct delivery amount for this budget line item reflects the reality in implementing the program and increased direct delivery costs due to the requirement to procure a licensed inspector.

§3.4(f)(7) Requirements for the Colonia Self Help Center Provider. This section was moved without change to §3.6.

§3.4(f)(11) Pre-agreement Costs. This section was deleted and the program will no longer allow for costs to be reimbursed prior to the award of a contract.

3. §3.6 Colonia Self Help Center Contract Operation and Implementation

§3.6(a)(1) Colonia Self Help Center Provider Requirements. This section was moved in its entirety from §3.4.

§3.6(d) Texas Residential Construction Commission. References to TRCC were deleted.

§3.6(f)(1) Draw Request Limitations. Most of this section was deleted and will be reintroduced in the Program Manual.

§3.6(g) Reporting. This section was changed to require Quarterly Reports to be submitted on the 10th day of the month following the end of a calendar quarter instead of the 20th day.

§3.6(h) Inspections. This section adds a requirement for procuring licensed TREC inspectors. Licensed inspectors cannot have any disciplinary actions taken against them within the previous five years and must be in good standing with TREC.

§3.6(h)(2) Final inspections for new construction and reconstruction cannot have any deficiencies to be deemed accepted. This replaces the requirement for the home to comply with the International Residential Code. This change was necessary because licensed TREC inspectors are not code enforcement officials.

§3.6(h)(6) References to TRCC were deleted. This section was replaced with potential construction deficiencies that may occur when housing is built utilizing self-help methodologies (i.e. cosmetic issues).

§3.6(i)(2) Amendments. This section was added to clearly allow for changes in deliverable activities and beneficiaries if the changes are justified. Contract changes that increase the number of units and beneficiaries will require a contract modification rather than a contract amendment.

§3.6(m) Deferred Forgivable Loans. This section was added to require that a lien be placed on a property secured by a deferred forgivable loan for homes that receive more than \$30,000 in construction costs.

§3.6(n) Blueprints. This section was added to require the submission of plans and specs for new and reconstruction prepared by an architect or engineer licensed by the state of Texas.

§3.6(o) Housing Activities Guidelines. This section was added to require housing guidelines to be approved by the Department and a county's commissioners' court prior to implementation.

§3.6(p) Access to Public Service Activities. As a result of the most recent Colonia Residents Advisory Committee, this section was added to require that public service

activities must be made available to colonia residents on at least two Saturdays a month and at least one day during each week after business hours for an amount of time preferable to colonia residents.

§3.6(q) Purchase of Tools and Computers. This section was added to limit the purchase of tools and computers to the first two years of the four-year contract so that purchased items can be utilized by colonia residents during the contract period in which they were purchased.

Recommendation

Staff is recommending publishing for public comment in the *Texas Register* the proposed draft rules governing the Colonia Self Help Center Program.

TITLE 10. COMMUNITY DEVELOPMENT

PART 1. TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

CHAPTER 3. COLONIA SELF-HELP CENTER PROGRAM

§3.1. Purpose and Services.

§3.2. Definitions.

§3.3. Colonia Self-Help Centers Establishment.

§3.4. Allocation and the Colonia Self Help Center Proposal Requirements.

§3.5. Colonia Residents Advisory Committee Duties and Awarding Contracts.

§3.6. Colonia Self Help Center Contract Operation and Implementation.

§3.7. Administrative Thresholds.

§3.8. Expenditure Thresholds and Closeout Requirements.

§3.1. Purpose and Services.

(a) The purpose of this chapter is to establish the requirements governing Colonia Self-Help Centers, created pursuant to Subchapter Z of Chapter 2306 of the Texas Government Code and its funding including the use and administration of all funds provided to the Texas Department of Housing and Community Affairs by the legislature of the annual Texas Community Development Block Grant allocation from the United States Department of Housing and Urban Development. Colonia Self-Help Centers are designed to assist individuals and families of low-income and very low-income to finance, refinance, construct, improve, or maintain a safe, suitable home in the colonias' designated service area or in another area the Department has determined is suitable.

(b) A Colonia Self-Help Center shall set a goal to improve the living conditions of residents in the colonias designated by the Department according to §2306.583 of the Texas Government Code, within a four (4) year period after a Contract is awarded.

(c) A Colonia Self-Help Center may serve individuals and families of low-income and very low-income by:

(1) providing assistance in obtaining loans or grants to build, rehabilitate, repair or reconstruct a home;

(2) teaching construction skills necessary to repair or build a home;

(3) providing model home plans;

(4) operating a program to rent or provide tools for home construction and improvement for the benefit of property owners in colonias who are building or repairing a residence or installing necessary residential infrastructure;

(5) helping to obtain, construct, access, or improve the service and utility infrastructure designed to service residences in a colonia, including potable water, wastewater disposal, drainage, streets, and utilities;

(6) surveying or platting residential property that an individual purchased without the benefit of a legal survey, plat, or record;

(7) providing credit and debt counseling related to home purchase and finance;

(8) applying for grants and loans to provide housing and other needed community improvements;

(9) providing other services that the Colonia Self-Help Center, with the approval of the Department, determines are necessary to assist colonia residents in improving their physical living conditions, including help in obtaining suitable alternative housing outside of a colonia's area;

(10) providing assistance in obtaining loans or grants to enable an individual or a family to acquire fee simple title to property that originally was purchased under a contract for a deed, contract for sale, or other executory contract;

(11) providing access to computers, the internet and computer training pursuant to the General Appropriations Act; and

(12) providing monthly programs to educate individuals and families on their rights and responsibilities as property owners;

(d) Through a Colonia Self-Help Center, a colonia resident may apply for any direct loan or grant program operated by the Department.

(e) Ineligible activities. Any type of activity not allowed by the Federal Housing and Community Development Act of 1974, (42 U.S.C. §§5301, et seq.) is ineligible for funding.

(f) A Colonia Self-Help Center may not provide grants, financing, or mortgage loan services to purchase, build, rehabilitate, or finance construction or improvements to a home in a colonia if water service and suitable wastewater disposal are not available.

(g) For a manufactured home to be approved for installation and use as a dwelling in a colonia:

(1) the home must be a HUD-code manufactured home, as defined by §1201.003, Occupations Code and in accordance to §2306.591 of the Texas Government Code;

(2) the home must be habitable, as described by §1201.453 of the Texas Occupations Code; and

(3) ownership of the home must be properly recorded with the manufactured housing division of the Department.

(h) An owner of a manufactured home is not eligible to participate in a grant loan program offered by the Department, including the single-family mortgage revenue bond program under §2306.142 of the Texas Government Code unless the owner complies with this section.

§3.2. Definitions.

The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise. Common definitions used under the Community Development Block Grant (CDBG) are incorporated herein by reference.

(1) Applicant--A unit of general local government who is preparing to submit or has submitted a Proposal for Colonia Self-Help Center funds.

(2) Beneficiary--A person or family benefiting from the activities of a Self-Help Center Contract.

(3) Board--The governing board of the Texas Department of Housing and Community Affairs.

(4) C-RAC--Colonia Residents Advisory Committee. Advises the Department's Governing Board and evaluate the needs of colonia residents, review programs that are proposed or operated through the Colonia Self-Help Centers and activities that may be undertaken through the Colonia Self-Help Centers to better serve the needs of colonia residents.

(5) Colonia--A geographic area located in a county some part of which is within one hundred-fifty (150) miles of the international border of this state that consists of eleven (11) or more dwellings that are located in close proximity to each other in an area that may be described as a community or neighborhood, and that: 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, Texas Water Code, and has the physical and economic characteristics of a colonia, as determined by the Department.

(6) Colonia Self-Help Center Provider--An organization with which the Contractor has an executed Contract to administer Colonia Self-Help Center activities.

(7) Community Action Agency--A political subdivision, combination of political subdivisions, or nonprofit organization that qualifies as an eligible entity under 42 U.S.C. §9902.

(8) Community Development Block Grant (CDBG) nonentitlement area funds--Funds awarded to the State of Texas pursuant to the Housing and Community Development Act of 1974, Title I, as amended, (42 U.S.C §§5301, et seq.) and the regulations promulgated thereunder in 24 CFR Part 570.

(9) Contract--A written agreement including all amendments thereto, executed by the Department and Contractor.

(10) Contract Budget--An exhibit in the Contract which specifies in detail the Contract funds by budget category, which is used in the drawdown processes. The budget also includes all other funds involved that are necessary to complete the Performance Statement specifics of the Contract.

(11) Contractor--A Unit of General Local Government with which the Department has executed a Contract.

(12) Department--The Texas Department of Housing and Community Affairs.

(13) HUD--The United States Department of Housing and Urban Development.

(14) Implementation Manual--A set of guidelines designed to be an implementation tool for the Contractor and Colonia Self-Help Center Providers that have been awarded Community Development Block Grant Funds and allows the Contractor to search for terms, regulations, procedures, forms and attachments.

(15) Income Eligible Families (~~includes both Low and Very low income families~~)--

(A) Low-income families--families whose annual incomes do not exceed 80% of the median income of the area as determined by HUD and published by the Department, with adjustments for family size; ~~and~~

(B) Very low-income families--families whose annual incomes do not exceed 60% of the median family income for the area, as determined by HUD and published by the Department, with adjustments for family size; ~~and~~

(C) Extremely low-income families-- families whose annual incomes do not exceed 30% of the median family income for the area, as determined by HUD and published by the Department, with adjustments for family size.

~~(16) Needs assessment--A demographic and characteristics study of the colonias residing in the target area and the housing needs that the Colonia Self-Help Center is designed to address, using qualitative and quantitative information and other source documentation that is required as a part of a Proposal.~~

(167) Nonentitlement area--An area which is not a metropolitan city or part of an urban county as defined in 42 U.S.C. §5302.

(178) Nonprofit organization--A public or private organization that:

(A) Is organized under state or local laws;

(B) Has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual;

(C) Has a current tax exemption ruling from the Internal Revenue Service (IRS) under §501(c)(3), a charitable, nonprofit corporation, or §501(c)(4), a community or civic organization, of the Internal Revenue Code of 1986, as amended, as evidenced by a certificate from the IRS that is dated 1986 or later. The exemption ruling or classification as a subordinate of a central organization nonprofit under the Internal Revenue Code, as

evidenced by a current group exemption letter, that is dated 1986 or later, from the IRS, must be effective throughout the length of the Contract.

(189) Performance Statement--An Exhibit in the Contract which specifies in detail the scope of work to be performed.

(1920) Proposal--A written request for Colonia Self-Help funds in the format required by the Department.

(204) Self-Help--Housing programs which allow low-, and very low-, and extremely low-income families to build or rehabilitate their homes through their own labor or volunteers.

(212) TDRA--Texas Department of Rural Affairs.

(22) TREC--Texas Real Estate Commission.

(233) Unit of General Local Government (UGLG)--A city, town, county, or other general purpose political subdivision of the state; a consortium of such subdivisions recognized by HUD in accordance with 24 CFR §92.101 and any agency or instrumentality thereof that is established pursuant to legislation and designated by the chief executive to act on behalf of the jurisdiction. A county is considered a unit of general local government under the Colonia Self-Help Center Program.

§3.3. Colonia Self-Help Centers Establishment.

(a) Pursuant to §2306.582 of the Texas Government Code, the Department has established Colonia Self-Help Centers in El Paso, Hidalgo, Starr, Webb, Cameron (also serves Willacy), Maverick and Val Verde Counties.

(b) The Department shall designate:

(1) appropriate staff in the Department to act as liaison to the Colonia Self-Help Centers to assist the centers in obtaining funding to enable the centers to carry out the center's programs;

(2) five (5) colonias in each service area to receive concentrated attention from the Colonia Self-Help Centers in consultation with the Colonia Resident Advisory Committee and the appropriate unit of local government; and

(3) a geographic area for the services provided by each Colonia Self-Help Center.

(c) The Department shall make a reasonable effort to secure:

(1) contributions, services, facilities, or operating support from the county commissioner's court of the county in which a Colonia Self-Help Centers is located which it serves to support the operation of that Colonia Self-Help Center; and

(2) an adequate level of funding to provide each Colonia Self-Help Center with funds for low interest mortgage financing, grants for self-help programs, revolving loan fund for septic tanks, a tool lending program, and other activities the Department determines are necessary.

(d) The El Paso Colonia Self-Help Center shall establish a technology center to provide internet access to colonia residents pursuant to the General Appropriations Act.

§3.4. Allocation and the Colonia Self Help Center Proposal Requirements.

(a) The Department distributes Colonia Self-Help Center funds to Unit of General Local Governments (UGLG) from the 2.5% set-aside of the annual Community Development Block Grant (CDBG) allocation to the State of Texas.

(b) The Department shall allocate no more than \$1.2 million per Colonia Self-Help Center award except as provided by §3.6(i)(32) of this chapter (relating to Colonia Self Help Center Contract Operation and Implementation). If there are insufficient funds available from any specific program year to fund a proposal fully, the awarded Contractor may accept the

amount available at that time and wait for the remaining funds to be committed upon the Department's receipt of the CDBG set-aside allocation from the next program year.

(c) With a baseline award beginning at \$700,000, the Department will add an additional \$100,000 for each expenditure threshold, as defined in §3.8 of this chapter, ~~(relating to Expenditure Thresholds and Closeout Requirements) (6-month, 18-month, 30-month, and 42-month),~~ met on the ~~current~~ previous Colonia Self Help Center Contract, and an additional \$100,000 for an accepted proposal submitted by the deadline. If a Contractor can demonstrate that any violation of an Expenditure Threshold was beyond the control of the Contractor, it may request of the Board that an individual violation be waived for the purpose of future funding. The Board, in its discretion and within the limits of federal and state law, may waive any one or more of the expenditure threshold requirements if the Board finds the waiver is appropriate to fulfill the purposes or policies, of the Texas Government Code, or for good cause, as determined by the Board.

(d) The Contractor shall submit its proposal no later than three (3) months before the expiration of its current Contract, ~~or~~ or when 90% of the funds under the current Contract have been expended, ~~which ever~~ whichever comes first. If this requirement is not met, the Department will apply the options outlined in subsection (c) of this section ~~and may~~ which will result in lost and delayed funding.

(e) Proposal reviews are conducted on a first-come first-serve basis until all Self Help Center funds for the current program year and deobligated Self Help Center funds are committed. Each complete proposal will be assigned a "received date" based on the date ~~and time~~ it is received by the Department.

(f) In order to be accepted, each proposal must include the following:

(1) Evidence of the submission of the Contractor's current annual single audit;

~~(2) A Colonia Identification Form for each colonia to be served, including all required back-up documentation as identified on the form, signed by the county judge;~~ ~~(2) A comprehensive needs assessment not older than three (3) years, for each of the five (5) colonias identified to receive concentrated attention from that center;~~

~~(3) A description of the five colonias to be served. Information should present an accurate picture of the areas to be served to include the number of houses, the number of platted and unplatted lots, water and wastewater services, utilities, housing conditions and number of residents;~~

~~(4) A boundary map for each of the five colonias;~~

~~(5) A description of the scope of work. Based on the results obtained by the needs assessments, the Contractor shall develop a scope of work for each colonia based on the activities as listed in §3.1(c) of this chapter (relating to Purpose and Services). In order to provide these services, the Contractor may be required to leverage funds, coordinate with financial institutions, prepare grant applications and coordinate with their contracted partners;~~

~~(6) A description of the method of implementation. For each colonia to be served by the Colonia Self Help Center, the Contractor shall describe the services and activities to be delivered. The Proposal must identify:~~

~~(A) The percentage (15% minimum) and scope of work that will be performed using self-help methodologies;~~

~~(B) The estimated percentage or services that will be contracted to the Colonia Self Help Center Provider; and~~

~~(C) The activities that the Contractor will be administering.~~

~~(7) Evidence that the contracted Colonia Self-Help Center provider selected by the Contractor has the capacity to administer and manage financial resources and provided~~

~~documentation and auditable programmatic compliance, as evidenced by previous experience in any of the following:~~

~~— (A) implementation of a CDBG contract;~~

~~— (B) affordable housing, including new construction; and housing rehabilitation, reconstruction, small repair; and experience in homebuyer and down payment assistance programs;~~

~~— (C) grantsmanship, project planning and development in housing and infrastructure, and project management;~~

~~— (D) home ownership counseling, home loan processing and coordinating with private financial institutions;~~

~~— (E) property development, including experience in processes related to surveying, platting, and recording of property records;~~

~~— (F) self-help programs related to housing or infrastructure, including operation of a tool library; and~~

~~— (G) managing state/federally funded projects or projects funded under private foundations and not have major outstanding monitoring or audit issues.~~

(58) The proposed Performance Statement. The Contractor must include the number of colonia residents to be assisted from each activity colonia, the activities to be performed (including all sub-activities under each budget line item), and corresponding budget;

(69) The proposed Contract Budget must address the following:

(A) The Administration line item may not exceed 15% of the total budget;

(B) The Public Service line item may not exceed more than 15% of the total budget;

(C) The proposal must identify at least 15% of the budget that will be allocated for direct Self-Help activities;

(D) The amount of leveraged funding, if applicable; and

(E) Direct Delivery Costs (soft costs) for all contractual activities cannot exceed 10% of each budget line item, with the exception of the Rehabilitation budget line item which cannot exceed 15%. Direct Delivery Costs (soft costs) are costs related to and identified with a specific housing unit or public service other than construction costs. Eligible direct delivery costs include:

(i) preparation of work write-ups, work specifications, and cost estimates;

(ii) architectural, engineering, or professional services required to prepare plans, drawings or specifications directly attributable to a particular housing unit or public service;

(iii) home inspections, inspections for lead-based paint, asbestos, termites, and interim inspections; and

(iv) other costs as approved by the Department's ~~executive director~~.

(740) Proposed housing guidelines (includes small repair, rehabilitation, reconstruction, new construction and all other housing activities).

~~(11) Pre-agreement costs request, if applicable.~~

~~(842) Evidence of model subdivision rules adopted by the Contractor.~~

~~(943) Written policies and procedures for the following, as applicable:~~

~~(A) solid waste removal;~~

~~(B) construction skill classes;~~

~~(C) homeownership classes;~~

~~(D) technology access;~~

~~(E) homeownership assistance; and/or~~

~~(F) tool lending library. All Colonia Self Help Centers are required to operate a tool lending library.~~

(1044) Authorized signatory form and accompanying UGLG resolution and direct deposit authorization.

(1145) Unit of General Local Government resolution authorizing the submission of the proposal and appointing the primary signator for all Contract documents.

(1246) Acquisition report (even if there is no acquisition activity).

(137) Certification of exemption for HUD funded projects.

(148) Initial disclosure report.

(g) Upon receipt of the Proposal, the Department will perform an initial review to determine whether the Proposal is complete and that each activity meets a national objective as required by §104(b)(3) of the Housing and Community Development Act of 1974 (42 U.S.C. §5304(b)(3)).

(h) The Department may reduce the funding amount requested in the proposal in accordance to subsection (c) of this section. Should this occur, the Department shall notify the appropriate Contractor ~~within ten (10) working days before the proposal is submitted to C-RAC for review, comments and approval.~~ The Department and the Contractor will work together to jointly agree on the performance measures and proposed funding amounts for each activity.

~~(i) If applicable, the Department shall coordinate with the Texas Water Development Board and TDRA to eliminate delay in water and wastewater hookups.~~

(ij) The Department shall execute a four (4) year Contract with Contractor. No Contract extensions will be allowed. If the Contractor requirements are completed prior to the end of the four (4) year contract period, the Contractor may submit a new proposal.

(jk) Decline to Fund. The Department may decline to fund any proposal if the activities do not, in the Department's sole determination, represent a prudent use of Colonia Self Help Center funds. The Department is not obligated to proceed with any action pertaining to any proposal which is received, and may decide it is in the Department's best interest to refrain from pursuing any selection process. ~~The Department through its executive director or its designee reserves the right to negotiate individual elements of any proposal.~~

§3.5. Colonia Residents Advisory Committee Duties and Awarding Contracts.

(a) The Board shall appoint not fewer than five persons who are residents of colonias to serve on the Colonia Residents Advisory Committee. The members of the Colonia Residents Advisory Committee shall be selected from lists of candidates submitted to the Department by local nonprofit organizations and the commissioner's court of a county in which a Colonia Self-Help Center is located.

(b) The Colonia Resident Advisory Committee members' terms will expire every four (4) years. Colonia Resident Advisory Committee members may be reappointed by the Board; however, the Board shall review and approve all members at least every four (4) years.

(c) The Board shall appoint one committee member to represent each of the counties in which a Colonia Self-Help Center is located. Each committee member:

(1) must be a resident of a colonia in the county the member represents; and

(2) may not be a board member, contractor, or employee of or have any ownership interest in an entity that is awarded a Contract under this chapter and cannot be in default on any Department obligation.

(3) The Department will conduct a compliance check on all members.

(d) The Department may also select to have an alternate member from the list for each county in the event that the primary member is unable to attend meetings.

(e) The Colonia Resident Advisory Committee shall advise the Board regarding:

(1) the housing needs of colonia residents;

(2) appropriate and effective programs that are proposed or are operated through the Colonia Self-Help Centers; and

(3) activities that might be undertaken through the Colonia Self-Help Centers to serve the needs of colonia residents better.

(f) The Colonia Resident Advisory Committee shall advise the colonia initiatives coordinator as provided by §775.005 of the Texas Government Code.

(g) Awarding Contracts:

(1) Upon reaching an agreement with the Contractor, the Department will set the date for the Colonia Resident Advisory Committee meeting. The Colonia Resident Advisory Committee shall meet before the 30th calendar day proceeding the date on which a contract is scheduled to be awarded by the Board for the operation of a Colonia Self-Help Center and may meet at other times.

(2) The Contractor shall be present at the Colonia Resident Advisory Committee if its Proposal is being considered to answer questions that the Colonia Resident Advisory Committee may have.

(3) After the Colonia Resident Advisory Committee makes a recommendation on a proposal, the recommendation will undergo the Department's award process.

~~(4) The Contractor whose Proposal is being presented to the Board shall be invited to attend the Board Meeting in which the award is an agenda item.~~

(h) Reimbursement of Colonia Resident Advisory Committee members for their reasonable travel expenses in the manner provided by §3.6(l) of this chapter (relating to Colonia Self Help Center Contract Operation and Implementation) is allowable and shall be paid by the Contractor.

§3.6. Colonia Self Help Center Contract Operation and Implementation.

(a) The Department shall contract with a Unit of General Local Government (UGLG) for the operation of a Colonia Self-Help Center. The UGLG shall subcontract with a local nonprofit organization, local community action agency, or local housing authority that has demonstrated the ability to carry out all or part of the functions of a Colonia Self-Help Center.

(1) The contracted Colonia Self-Help Center provider selected by the UGLG shall have the capacity to administer and manage financial resources and provided documentation and auditable programmatic compliance, as evidenced by previous experience in any of the following:

(A) implementation of a CDBG contract;

(B) affordable housing, including new construction; and housing rehabilitation, reconstruction, small repair; and experience in homebuyer and down payment assistance programs;

(C) grantsmanship, project planning and development in housing and infrastructure, and project management;

(D) home ownership counseling, home loan processing and coordinating with private financial institutions;

(E) property development, including experience in processes related to surveying, platting, and recording of property records;

(F) self-help programs related to housing or infrastructure, including operation of a tool library; and

(G) managing state/federally funded projects or projects funded under private foundations and not have major outstanding monitoring or audit issues.

(b) Upon award of Colonia Self-Help Center funds by the Board, the Department shall deliver a Contract based on the scope of work to be performed within thirty (30) days of the award date, unless extenuating circumstances do not allow for delivery. Any activity funded under the Colonia Self Help Center Program will be governed by a written Contract that identifies the terms and conditions related to the awarded funds. The Contract will not be effective until executed by all parties to the Contract.

(c) Environmental. Contractors are required to complete their environmental reviews in accordance with 24 CFR Part 58 and receive the Authority to Use Grant Funds from the Department before:

(1) Any commitment of Community Development Block Grant (CDBG) funds (i.e., execution of a legally binding agreement and expenditure of CDBG funds) for activities other than those that are specifically exempt from environmental review.

(2) Any commitment of non-CDBG funds associated with the scope of work in the Contract that would have an adverse environmental impact (i.e. demolition, excavating, etc.) or limit the choice of alternatives (i.e. acquisition of real property, rehabilitation of buildings or structures, etc.).

~~(d) All housing rehabilitation, reconstruction, and new construction contractor/builders, including Self Help Center Provider(s) performing any housing activities, as defined by the Texas Residential Construction Commission, making improvements to or reconstructing an existing home at a cost exceeding \$10,000 must be registered with the Texas Residential Construction Commission.~~

(e) All reconstruction and new construction activities must meet the accessibility requirements pursuant to §2306.514 of the Texas Government Code.

(f) Request for Payments. The Contractor shall submit a properly completed request for reimbursement, as specified by the Department, at a minimum on a quarterly basis; however the Department reserves the right to request more frequent reimbursement requests as it deems appropriate. The Department shall determine the reasonableness of each amount requested and shall not make disbursement of any such payment request until the Department has reviewed and approved such request. Payments under the Contract are contingent upon the Contractor's full and satisfactory performance of its obligations under the Contract.

(1) \$2,500 is the minimum amount for a draw to be processed, unless it is the final draw request. Exceptions to this rule are as follows:

~~—(A) The draw request exceeds 25% of a budgeted line item but less than \$2,500 and the Contractor is requesting funds only for that line item.~~

~~—(B) The draw request is for the final retainage of a construction contract.~~

~~—(C) The Contractor received prior approval from the Department.~~

~~—(D) The request is the final draw.~~

(2) Draw requests will be reviewed to comply with all applicable laws, rules and regulations. The Contractor is responsible for maintaining a complete record of all costs incurred in carrying out the activities of the Contract.

(3) Draw requests for all housing activities will only be reimbursed upon satisfactory completion of types of activities (i.e., all plumbing completed, entire roof is completed, etc.), consistent with the ~~work write-up and subsequent construction contract.~~

(4) The Contractor will be the principal contact responsible for reporting to the Department and submitting draw requests.

(g) Reporting. The Contractor shall submit to the Department reports on the operation and performance of the Contract on forms as prescribed by the Department. Quarterly Reports shall be due no later than the tenth (10) twentieth (20th) calendar day of the month after the

end of each calendar quarter. The Contractor shall maintain and submit to the Department up-to-date accomplishments in quarterly reports identifying quantity and cumulative data including the expended funds, activities completed and total number of Beneficiaries.

(h) Inspections. At a minimum, inspections will be required for all housing rehabilitation (initial and final), small home repair (initial only), reconstruction (initial and final) and new construction (final only) activities and must be inspected by a professional inspector licensed by the ~~Texas Real Estate Commission~~ TREC. Prior to awarding a contract with a licensed inspector, the inspector shall not have any disciplinary actions taken against the inspector within the last five years by TREC and shall be in good standing with TREC.

(1) The final inspections for housing rehabilitation must ensure that the construction on the house is complete, that the home is safe and that it meets at a minimum, ~~Colonia Housing Standards~~ Housing Quality Standards. A copy of the final inspection report must be given to the homeowner.

(2) The final inspections for reconstruction and new construction shall not include any deficiencies noted on the inspection report. ~~must ensure that the construction on the home is complete, that the home is safe, and that it meets, at a minimum, International Residential Code (IRC). IRC is a comprehensive residential code which establishes minimum construction requirements with plumbing, mechanical, energy, and electrical provisions. A copy of the final inspection report must be given to the homeowner.~~

(3) The initial inspections for small home repair will identify and prioritize areas in need of repair. Only the area being repaired under the small home repair activity must meet, at a minimum, ~~Colonia Housing Standards~~ Housing Quality Standards, unless otherwise approved by the Department.

(4) Homes receiving only ~~first-time water~~ utilities connections are not required to meet ~~Colonia Housing Standards~~ Housing Quality Standards, or have a third-party inspection.

(5) The Department will only reimburse for two inspection reports for housing rehabilitation and reconstruction, and one inspection report for new construction and small home repair.

(6) Cosmetic issues such as paint, wall texture, etc. identified as deficiencies on final inspection reports will not be required to be corrected if self-help construction is utilized.

~~(6) The Contractor must ensure and verify that each construction contractor performing activities in the amount of \$10,000 or more under the Contract is registered and maintains good standing with the Texas Residential Construction Commission.~~

~~(7) The Contractor must ensure and verify that each housing unit being rehabilitated in the amount of \$10,000 or more under the Contract is registered with the Texas Residential Construction Commission.~~

(i) Amendments. Any alterations, additions, or deletions to the terms of the Contract shall be submitted in writing to the Department. Reduced Beneficiaries or activities, due to extenuating or unforeseeable circumstances, may be allowed as approved by the Department. The Department's executive director or its designee, may authorize, execute, and deliver amendments to any Contract:

(1) Contract Time Extensions beyond the four (4) year contract period will not be allowed for Self-Help Center contracts.

(2) Changes in beneficiaries. Reductions in contractual deliverables and beneficiaries shall require a contract amendment. Increases in contractual deliverables and beneficiaries that do not shift funds, or cumulatively shift less than 10% of total contract funds, shall be completed through a contract modification rather than a contract amendment.

(32) The Department, at its discretion and in coordination with a Contractor, may increase a contract budget amount and the number of activities and beneficiaries based on the availability of Self Help Center funds, the exemplary performance in the implementation of a

Contractor's current contract, and the time available in the four (4) year contract period. Upon Board approval, the cap on the maximum contract amount may be exceeded if the terms of this paragraph are met by a Contractor.

(j) If the Contractor fails to meet a Contract requirement the awarded funds related to the lack of performance may be entirely or partially deobligated at the Department's sole discretion.

(k) Waiver. The Board, in its discretion and within the limits of federal and state law, may waive any one or more of the requirements of this chapter if the Board finds that waiver is appropriate to fulfill the purposes or policies, Chapter 2306 of the Texas Government Code, or for good cause, as determined by the Board.

(l) Travel. Costs incurred by Colonia Self Help Center employees and officers for travel, including costs of lodging, other subsistence, and incidental expenses, shall be considered reasonable and allowable only to the extent such costs do not exceed charges normally allowed by the State Comptroller's Travel Allowance Guide.

(m) Every new construction and reconstruction, and any rehabilitation construction costs exceeding thirty thousand dollars (\$30,000) in hard costs shall have a lien placed on the property secured by a deferred forgivable loan not shorter than five(5) years.

(n) Blueprints for new construction and reconstruction shall be required and submitted to the Department and must include the required construction requirements pursuant to §2306.514 of the Texas Government Code. All proposed blueprints submitted for approval must be prepared and executed by an architect or engineer licensed by the state of Texas.

(o) The Contractor's initial and any revised Housing Activity Guidelines shall be approved by commissioners' court and the Department prior to implementation.

(p) Access to all public service activities identified in the contract shall be provided at least two (2) Saturdays a month during hours preferable to colonia residents. In addition, access shall be provided at least one day during the workweek after hours for a period long enough to allow colonia residents to utilize the services.

(q) The purchase of new tools, new computers and computer equipment shall only occur within the first twenty four (24) months of the contract period. Any purchases of these items after twenty four (24) months shall be approved by the Department prior to purchase.

§3.7. Administrative Thresholds.

Administrative draw request. Administrative draw requests are funded out of the portion of the Contract Budget specified for administrative cost (Administration Line Item of the Contract Budget.) These costs are not directly associated with an activity. The administration line item will be disbursed as follows:

(1) Threshold 1. The initial administrative draw request allows up to 10% of the administration line item to be drawn down prior to the start of any project activity included in the Performance Statement of the Contract (provided that all pre-draw requirements, as described in the Contract, for administration have been met). Subsequent administrative funds will be reimbursed in proportion to the percentage of the work that has been completed as identified in paragraphs (2) - (8) of this section.

(2) Threshold 2. Allows up to an additional 15% (25% of the total) of the administration line item to be drawn down after a start of project activity has been demonstrated. For the purposes of this threshold, if Davis-Bacon labor standards are required for a given program activity, "start of project activity" is evidenced by the submission of a start of construction form. If labor standards are not required on a given project activity that has commenced (and for which reimbursement is being sought), the submission of a drawdown request that

includes sufficient back-up documentation for expenses of non-administrative project activities evidences a start of project activity. Direct delivery/soft costs charges will not constitute a start of project activity.

(3) Threshold 3. Allows up to an additional 25% (50% of the total) of the administration line item to be drawn down after compliance with the eighteen (18) month threshold requirement has been demonstrated as described in §3.8 of this chapter (relating to Expenditure Thresholds and Closeout Requirements).

(4) Threshold 4. Allows up to an additional 25% (75% of the total) of the administration line item to be drawn down after compliance with the thirty (30) month threshold requirement has been demonstrated as described in §3.8 of this chapter.

(5) Threshold 5. Allows up to an additional 15% (90% of the total) of the administration line item to be drawn down after compliance with the forty-two (42) month threshold requirement has been demonstrated as described in §3.8 of this chapter.

(6) Threshold 6. Allows an additional 5% (95% of the total) of the administration line item to be drawn down upon receipt of all required close-out documentation.

(7) Threshold 7. Allows the final 5% (100% of the total), less any administrative funds reserved for audit costs as noted on the Project Completion Report of the administration line item to be drawn down following receipt of the programmatic close-out letter issued by Department.

(8) Threshold 8. Any funds reserved for audit costs will be released upon completion and submission of an acceptable audit. Only the portion of audit expenses reasonably attributable to the Contract are eligible.

§3.8. Expenditure Thresholds and Closeout Requirements.

(a) Contractors must meet the following expenditure threshold requirements:

(1) Six-Month Threshold. An Environmental Assessment that meets the requirements outlined in the environmental clearance requirements of the Contract must be submitted to the Department within six (6) months from the start date of the Contract;

(2) Eighteen-Month Threshold. To meet this requirement the Contractor must have expended and submitted for reimbursement to the Department at least 30% of the total Colonia Self Help Center funds awarded within eighteen (18) months from the start date of the Contract;

(3) Thirty-Month Threshold. To meet this requirement the Contractor must have expended and submitted for reimbursement to the Department at least 60% of the total Colonia Self-Help Center funds awarded within thirty (30) months from the start date of the Contract; and

(4) Forty-two-Month Threshold. To meet this requirement the Contractor must have expended and submitted for reimbursement to the Department at least 90% of the total Colonia Self-Help Center funds awarded within forty-two (42) months from the start date of the Contract.

(b) For purposes of meeting a threshold, "expended and submitted" means that a draw request was received by the Department, is complete, and all costs needed to meet a threshold are adequately supported. The Department will not be liable for a threshold violation if a draw request is not received by the threshold date.

(c) The final draw request and complete closeout documents must be submitted no later than sixty (60) days after the Contract end date. If closeout documents are late, the remaining Contract balance may be subject to deobligation as the Department's liability for such costs will have expired. If a Contractor has reserved funds in the project completion report for a final draw request, the Contractor has ninety (90) days after the Contract end date to submit

the final draw request, with the exception of audit costs which may be reimbursed upon submission of the final single audit.

(d) If these thresholds are not met, the Department will apply its Administration Rules, Title 10, Part 1, Chapter 1, Texas Administrative Code.

OFFICE OF COLONIA INITIATIVES

BOARD ACTION REQUEST

June 30, 2011

Presentation, Discussion, and Possible Action to publish proposed rule amendments for the Texas Bootstrap Loan Program, 10 TAC Chapter 2, for public comment and publication in the *Texas Register*.

Recommended Action

RESOLVED, that the proposed rule amendments for the Texas Bootstrap Loan Program, 10 TAC, Chapter 2, is hereby ordered and it is approved, together with the preambles presented to this meeting, for publishing in the *Texas Register*.

FURTHER 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 cause the draft Texas Bootstrap Loan Program rules, 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.

Background

The current Program rules were adopted by the Texas Department of Housing & Community Affairs' (TDHCA) Governing Board on October 15, 2009. The recommended program rules presented today include changes from Senate Bill 992, which was approved during the 82nd Legislative Session and signed by the Governor on June 17, 2011 and also reflect staff's recommendations of necessary policy and administrative changes to further enhance and streamline operations. The rules, upon publication, will be made available for public comment through the *Texas Register* and *TDHCA website*. The final Program rules will be presented for Board approval at the August Board meeting.

Summary of Significant Changes

This section outlines some of the most significant staff recommendations. Other more operational or procedural revisions, details of revisions, formatting adjustments, and streamlining are not summarized, however, they are reflected in the attached Draft Texas Bootstrap Loan Program Rule.

I. §2.7 Distribution of Funds

§2.7(a) Set-Asides. The Set-Aside definition was revised by Senate Bill 992 as follows:

In accordance with §2306.753(d) of the Texas Government Code, at least two-thirds (2/3) of the dollar amount of loans made under this chapter in each fiscal year must be made to Owner-Builders whose property is in a census tract that has a median household income that is not greater than 75 percent of the median state household income for the most recent year for which statistics are available.

2. §2.9 Program Administration

§2.9(l)(1)(A) Performance Benchmark. This section was revised to provide clarification regarding the effective date of the commitment.

§2.9(r) Blueprints. This section was added to require the submission of plans and specs for new and reconstruction prepared by an architect or engineer licensed by the state of Texas.

§2.9(t)(11) Unacceptable Credit. The following sections are being amended in part to provide clarification to the participants in the program:

§2.9(t)(11)(A-H) amended to provide clarification regarding unacceptable credit.

§2.9(t)(12)(A-C) amended to provide clarification regarding acceptable credit

3. §2.12 Property Guidelines and Related Issues

§2.12(d) Combined Loan to Value. The following section was added to include lien amounts of all loans including forgivable loans.

Recommendation

Staff is recommending publishing for public comment in the *Texas Register* the proposed draft rules governing the Texas Bootstrap Loan Program.

TITLE 10. COMMUNITY DEVELOPMENT
PART 1. TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
CHAPTER 2. TEXAS BOOTSTRAP LOAN PROGRAM

- §2.1. Purpose.**
- §2.2. Definitions.**
- §2.3. Allocation of Funds.**
- §2.4. Participant Requirements.**
- §2.5. Program Activities.**
- §2.6. Prohibited Activities.**
- §2.7. Distribution of Funds.**
- §2.8. Criteria for Funding.**
- §2.9. Program Administration.**
- §2.10. Owner-Builder Qualifications.**
- §2.11. Types of Funding Transactions.**
- §2.12. Property Guidelines and Related Issues.**
- §2.13. Nonprofit Owner-Builder Housing Program (NOHP) Certification.**

§2.1. Purpose.

(a) This chapter clarifies the administration of the Texas Department of Housing and Community Affairs Texas Bootstrap Loan Program also known as the Owner-Builder Loan Program. The Texas Bootstrap Loan Program provides assistance to income-eligible individuals, families and households to purchase or refinance real property, on which to build new residential housing or improve existing residential housing. The Program is administered in accordance with Chapter 2306, Subchapter FF of the Texas Government Code.

(b) The Texas Bootstrap Loan Program is a self-help construction Program that is designed to provide very low-income families an opportunity to help themselves attain homeownership or repair their existing homes through sweat equity. All Owner-Builder applicants under this Program are required to provide through personal labor at least 65% of labor necessary to build or rehabilitate the home. All applicable building codes and housing standards are adhered to under this Program. In addition, nonprofit organizations can combine these funds with other sources of funds. The total amount of Amortized repayable loans made by the Department and other entities to an Owner-Builder may not exceed \$90,000 per housing unit.

§2.2. Definitions.

The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise.

(1) Activity--A form of assistance by which Texas Bootstrap Loan Program funds are used to provide incentives to develop and support affordable housing and homeownership through acquisition, existing, new construction, reconstruction, or rehabilitation of residential housing.

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(2) Administrative Deficiencies--The absence of information or a document from the Owner-Builder application as required by these rules and Program Manual.

(3) Amortized--A loan in which the principal as well as the interest, if applicable, is payable monthly or in some other periodic installment over the term of the loan.

(4) Board--The governing board of the Texas Department of Housing and Community Affairs.

(5) Colonia--A geographic area located in a county some part of which is within one-hundred fifty (150) miles of the international border of this state 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, Texas Water Code; or

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

(6) Colonia Self-Help Center--As defined under Chapter 2306, Subchapter Z of the Texas Government Code.

(7) Committed--Funds reserved for an Owner-Builder and approved by the Department.

(8) Competitive Application Cycle--A defined deadline by which Applications must be submitted according to a published NOFA. Competitive Applications will be reviewed for scoring criteria in accordance with the rules, and the NOFA.

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(9) Department--The Texas Department of Housing and Community Affairs.

(10) Development--Projects that have a construction component, either in the form of new construction or the rehabilitation of single family residential housing that meet the Texas Bootstrap Loan Program requirements.

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(11) Domestic Farm Laborer--Individuals (and the family) who receive a substantial portion of their income from the production or handling of agricultural or aquacultural products.

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(12) Drawn--Funds approved by the Department and disbursed to the Nonprofit Owner-Builder Housing Provider (NOHP).

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(13) Forgivable Loan-- Loans which the lender undertakes to waive repayment of under certain prescribed conditions.

Deleted: (11) Economically Distressed Area-- A county that contains an area that meets the criteria for an economically distressed area under §17.92(1), Texas Water Code; and has adopted and enforces the model rules under §16.343, Texas Water Code. ¶]

(14) Grant--Financial assistance that is awarded in the form of money for a specific purpose and that is not required to be repaid. A Grant includes a forgivable loan.

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(15) HUD--United States Department of Housing and Urban Development.

Deleted: to a housing sponsor

(16) Life of Loan Flood Certification--Life of Loan Flood Certification tracks the flood zone of the property for the life of the loan.

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(17) Loan Origination Agreement--A written agreement, including all amendments thereto between the Department and the Nonprofit Owner-Builder Housing Provider (NOHP), that authorizes the NOHP to originate certain loans under the Texas Bootstrap Loan Program.

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(18) New Construction--Any single-family structure not meeting the definition of Rehabilitation or Reconstruction.

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(19) NOFA--Notice of Funding Availability.

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(20) NOHP--Nonprofit Owner-Builder Housing Provider certified by the Department.

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(21) Nonprofit Organization--An organization that:

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(A) is organized under state or local laws;

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(B) has no part of its net earnings benefiting any member, founder, contributor, or individual;

(C) has a current tax exemption ruling from the Internal Revenue Service (IRS) under §501(c)(3), a charitable, nonprofit corporation, of the Internal Revenue Code of 1986, as evidenced by a certificate from the IRS that is dated 1986 or later. The exemption ruling must be effective on the date of the Application and must continue to be effective throughout the length of any contract agreements; or classification as a subordinate of a central organization nonprofit under §501(c)(3) of the Internal Revenue Code, as evidenced by a current group exemption letter, that is dated 1986 or later, from the IRS that includes the Applicant. The group exemption letter must specifically list the Applicant; and

(D) has a pending application for §501(c)(3) status cannot be used to comply with the tax status requirement.

(22) Open Reservation Cycle--A defined period during which an NOHP may submit Owner-Builder applications according to a published NOFA and which will be reviewed on a first come-first serve basis until all funds available are committed, or until the NOFA is closed. Owner-Builder applications will be reviewed in accordance with Program rules and the Program Manual. The Department may release funds in a two (2) year funding cycle or less than two (2) years.

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(23) Owner-Builder--A person, other than a person who owns or operates a construction business and who owns or purchases a piece of real property through a warranty deed and deed of trust; or is purchasing a piece of real property under a contract for deed entered into before January 1, 1999; and who undertakes to make improvements to that property.

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(24) Parity Lien--A lien position whereby two or more lenders share a security interest of equal priority in collateral.

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(25) Participant--An organization which submits an application to the Department to be certified as an NOHP.

(26) Program--Texas Bootstrap Loan Program also know as the Owner-Builder Loan Program.

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(27) Program Manual--A set of guidelines designed to be an implementation tool for the NOHP that has executed a Loan Origination Agreement and allows the NOHP to search for terms, statutes, regulations, forms and attachments. The Program Manual is developed by the Department and amended or supplemented from time-to-time.

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(28) Reconstruction--The rebuilding of a new single-family structure on the same lot where housing exists at the time of Owner-Builder loan application. Texas Bootstrap Loan Program funds may also be used to build a new foundation or repair an existing foundation.

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(29) Rehabilitation--Includes the alteration, improvement or modification of an existing single family structure. It may also include moving an existing single family structure to a foundation constructed with Texas Bootstrap Loan Program funds.

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(30) Reservation--An amount of funds set-aside for each individual Owner-Builder applicant registered into the Department's Texas Bootstrap Loan Program Registration website.

Deleted: (27) Related Party--As defined in §2306.6702 of the Texas Government Code. ¶

(31) Self-Help Housing Construction--The self-help housing process enables Owner-Builders to rehabilitate, reconstruct or construct their own homes, usually working together in groups on other eligible Owner-Builder's houses at the same time. Owner-Builders use their own "sweat equity" to reduce the cost of their homes.

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(32) Single family structure--A property designed and built to support the habitation of one person or one household may include an attached or detached unit.

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(33) Very Low-Income Families--Owner-Builders who do not have an annual income that exceeds 60% of the greater of the state or local median family income, as determined by the Department, when combined with the income of any person who resides with the Owner-Builder.

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§2.3. Allocation of Funds.

(a) The Department administers all Texas Bootstrap Loan Program funds provided to the Department in accordance with Chapter 2306, Subchapter FF of the Texas Government Code. The Department shall solicit gifts and grants to make loans under this chapter.

(b) The Department may also make loans under this chapter from:

(1) available funds in the housing trust fund established under §2306.201 of the Texas Government Code;

(2) federal block grants that may be used for the purposes of this chapter; and

(3) the Owner-Builder revolving loan fund established under §2306.7581 of the Texas Government Code.

(c) The Department shall establish an Owner-Builder revolving loan fund for the sole purpose of funding loans pursuant to §2306.7581 of the Texas Government Code.

(d) The Department shall deposit money received in repayment of a loan to the Owner-Builder revolving loan fund pursuant to §2306.7581 of the Texas Government Code.

(e) Each state fiscal year the Department shall transfer at least \$3 million to the Texas Bootstrap Loan Program revolving fund from money received under the federal HOME Investment Partnerships program established under Title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. §§12701, et seq.), from money in the housing trust fund; or from money appropriated by the legislature to the Department pursuant to §2306.7581 of the Texas Government Code.

(f) In a state fiscal year the Department may use not more than 10% of the revenue available to enhance the ability of tax-exempt organizations described by §2306.755(a) of the Texas Government Code to enhance the number of such organizations that are able to implement the Program. The Department shall use that available revenue to provide financial assistance, technical training and management support.

§2.4. Participant Requirements.

(a) Eligible Participants. The following organizations or entities are eligible to participate in the Texas Bootstrap Loan Program:

(1) Colonia Self Help Centers established under Chapter 2306, Subchapter Z of the Texas Government Code; or

(2) Nonprofit Owner-Builder Housing Provider (NOHP) certified by the Department pursuant to §2306.755 of the Texas Government Code.

(b) Ineligible Participants. The following violations may cause a Participant, and any applications they have submitted, to be ineligible:

(1) Previously funded Participant(s) who have been partially or fully deobligated due to failure to meet contractual obligations during twelve (12) month period prior to the NOFA published date;

(2) Participants who have not satisfied all eligibility requirements described in the Program rules and NOFA to which they are responding;

(3) Participants that have failed to make timely payment on fee commitments or on debt instruments held by the Department and for which the Department has initiated formal collection actions;

(4) Participants that have been debarred by HUD or the Department; or

(5) Participants whose staff violates the state's revolving door policy.

(c) Noncompliance. Each Participant will be reviewed for its compliance history by the Department. Participants found to be in material noncompliance, or otherwise violating the compliance rules of the Department, will be terminated.

(d) Eligibility requirements. Participant must be certified as an NOHP or must be a Colonia Self-Help Center and must have entered into a Loan Origination Agreement with the Department in order to be eligible to participate in the Texas Bootstrap Loan Program and as more fully described in the NOFA. The Participant must have the capacity to administer and manage resources as evidence by previous experience of managing state and/or federal programs.

(e) If indicated by the Department, comply with all requirements to utilize the Department's website to provide necessary data to the Department.

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§2.5. Program Activities.

Texas Bootstrap Loan Program funds may be used to finance affordable housing and promote homeownership through acquisition, existing, new construction, reconstruction, or rehabilitation of residential housing.

All eligible Participants that satisfy the requirements of §2.4 of this chapter (relating to Participant Requirements) may reserve funds and submit a loan application on behalf of an Owner-Builder applicant for the Texas Bootstrap Loan Program.

§2.6. Prohibited Activities.

The following activities are prohibited in relation to the origination of a Texas Bootstrap Loan Program loan, but may be charged as an allowable cost by a third (3rd) party lender for the origination of all other loans originated in connection with a Texas Bootstrap Loan Program loan:

- (1) Payment of delinquent property taxes or related fees or charges on properties to be assisted with Texas Bootstrap Loan Program funds;
- (2) Loan Origination Fees;
- (3) Application fee;
- (4) Discount fees;
- (5) Underwriter fee;
- (6) Loan Processing fees; and
- (7) Other fees not approved by the Department.

§2.7. Distribution of Funds.

(a) Set-Asides. In accordance with §2306.753(d) of the Texas Government Code, at least two-thirds (2/3) of the dollar amount of loans made under this chapter in each fiscal year must be made to Owner-Builders whose property is in a census tract that has a median household income that is not greater than 75 percent of the median state household income for the most recent year for which statistics are available.

(b) Balance of State. The remaining one-third (1/3) of the dollar amount of loans may be made to Owner-Builders statewide.

(c) Reservation procedures. Reservations of funds are available to the NOHP, on first-come, first-serve basis. In all cases the NOHP must register each Owner-Builder applicant on the Department's Internet Loan Reservation system. Maximum Reservations allowed for an NOHP at any given time may not exceed \$900,000 in total loan Reservations in the two-thirds set-aside as noted in §2306.753(d) of the Texas Government Code. The NOHP may not exceed \$450,000 in total loan Reservations at any given time under the Balance of the State set-aside. The NOHP may enter additional Reservations after a loan has closed.

(d) A Reservation of funds with respect to the Program may be subject to cancellation if all documents required in the Program Manual are not submitted to the Department within ten (10) business days of the date the registration was entered into the Reservation system and/or if the performance benchmarks outlined in these Program rules are not adhered to. Registration of an Owner-Builder applicant does not guarantee funding.

(e) Modification of Loan Reservation. After a Reservation has been secured and the Owner-Builder applicant has been deemed eligible to participate in the Program, the NOHP must notify the Department of any changes to the Owner-Builder application, such as a cancellation, change in the sales price, or change in the loan amount. The NOHP will not be permitted to change, exchange, replace or switch Owner-Builder applicants once the loan has been registered; unless construction has commenced and one of the following events

Deleted: located in a county that is eligible to receive financial assistance under Chapter 17, Subchapter K of the Texas Water Code. § (b) Balance of State. The remaining one-third (1/3) of the dollar amount of loans may be made to Owner-Builders in either a county under subsection (a) of this section or a county not eligible to receive financial assistance under Chapter 17, Subchapter K of the Texas Water Code.

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has occurred: death, illness, divorce, loss of income, nonperformance by Owner-Builder applicant or for other acceptable reasons, as approved by the Department, where the Owner-Builder applicant is unable to perform.

(f) Once a Reservation has been awarded, the Department may grant one forty-five (45) day extension of required benchmarks due to extenuating circumstances that were beyond the Owner-Builder's and/or the NOHPs control. If the NOHP cannot meet the required benchmarks after the forty-five (45) day extension, the Reservation will be cancelled. If funds are available the NOHP may receive another Reservation on the same Owner-Builder applicant and the NOHP must submit an updated application to ensure the Owner-Builder applicant still meets all guidelines and requirements under Texas Bootstrap Loan Program rules and Program Manual.

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§2.8. Criteria for Funding.

(a) All Notices of Funding Availability (NOFA) will be presented to the Board for approval. The Department will publish a NOFA in the *Texas Register* and on the Department's website. The NOFA may be published as an Open Reservation Cycle or a Competitive Application Cycle. The NOFA will establish and define the terms and conditions for the submission of Reservations and/or applications. The Department may also set a deadline for receiving reservations and/or applications. The NOFA will also indicate the approximate amount of available funds. The Department may increase the NOFA from time to time without republishing NOFA in *Texas Register* and website.

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(b) A nonprofit organization must have been certified by the Department as a Nonprofit Owner-Builder Housing Provider (NOHP) and must have executed a Loan Origination Agreement to be eligible to submit a Reservation on behalf of an Owner-Builder applicant. A Reservation containing false information will be disqualified. The Department staff will review and process all Owner-Builder applications in the order received. If the Department receives more than one Owner-Builder application on the same day the applications will be processed in the order entered into the Reservation system. The NOHP will be notified in writing of the Department's determination.

Deleted: and/or all documents required in the Program Manual are not received within ten (10) business days after the Reservation has been entered into the system will be disqualified.

(c) Reservations received by the Department in response to a NOFA will be handled in the following manner:

(1) The Department will accept Reservations until the all funds under the NOFA have been committed. The Department may limit the eligibility of Reservations in the NOFA.

(2) Each Reservation will be assigned a "received date" based on the date and time the Reservation was entered into the Texas Bootstrap Loan Program Reservation system. Each Reservation will be reviewed in accordance with the Program rules.

(3) Reservations and/or applications submitted on behalf of an Owner-Builder applicant must comply with all applicable Texas Bootstrap Loan Program requirements or regulations established in these rules. Reservations and/or applications submitted on behalf of an Owner-Builder applicant that do not comply with such requirements may be disqualified. The NOHP will be notified in writing of any cancelled and/or disqualified Reservations and/or applications submitted on behalf of an Owner-Builder applicant.

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(4) Administrative Deficiencies. If a Reservation contains deficiencies which, in the determination of the Department staff, require clarification or correction of information submitted at the time of the Reservation, the Department staff may request clarification or correction of such Administrative Deficiencies. The Department staff may request clarification or correction in a deficiency notice in the form of an email, facsimile or a telephone call to the NOHP advising that such a request has been transmitted.

Deleted: An NOHP may not change or supplement a Reservation in any manner after submission, except in response to a direct request from the Department. The NOHP must submit the requested information to the Department within five (5) business days of notification of deficiency. ¶

(5) Prior to issuing an applicant eligibility letter the Department may decline to fund any Reservation entered into the Reservation system if the proposed housing activities do not, in the Department's sole determination, represent a prudent use of the Department's funds. The Department is not obligated to proceed with any action pertaining to any Reservation which are entered, and may decide it is in the Department's best interest to refrain from committing the funds. If the Department has issued an applicant eligibility letter to the Owner-Builder applicant, but the NOHP and/or Owner-Builder applicant has not complied with all the Program rules and guidelines, the Department may suspend funding until the NOHP and/or Owner-Builder applicant has satisfied all requirements of the Program. If the NOHP is unable to cure any deficiencies within fifteen (15) days, the Department may provide a one-time fifteen (15) day extension or decline to fund the Reservation.

(6) In the event of a tie between two or more Reservations, the Department reserves the right to determine which Reservation will receive funding. The Department will give priority to Reservations to Owner-Builders with an annual income of less than \$17,500 and Reservations to Owner-Builders who will reside in counties and municipalities that agree in writing to waive the capital recovery fees, building permit fee or other fees related to the building of the houses to be built with the loan proceeds. Tied Reservations may also receive a partial recommendation for funding.

(d) Alternative Dispute Resolution Policy. In accordance with §2306.082 of the Texas Government Code, it is the Department's policy to encourage the use of appropriate alternative dispute resolution (ADR) procedures under the Governmental Dispute Resolution Act, Chapter 2009 of the Texas Government Code, to assist in resolving disputes under the Department's jurisdiction. As described in Chapter 154, Civil Practices and Remedies Code, ADR procedures include mediation. The Department also has administrative appeals processes to fairly and expeditiously resolve disputes. If at anytime an applicant or other person would like to engage the Department in an ADR procedure, the person may send a proposal to the Department's Dispute Resolution Coordinator. For additional information on the Department's ADR Policy, see the Department's General Administrative Rules.

§2.9. Program Administration.

(a) Per household assistance from the Department for any Texas Bootstrap Loan Program loans may not exceed \$45,000 per-household pursuant to §2306.754(b) of the Texas Government Code. The Owner-Builder must obtain the amount necessary that exceeds \$45,000 from other sources of funds including other Department funds with the exception of funds being utilized to implement the Texas Bootstrap Loan Program. The total amount of Amortized repayable loans made by the Department and other entities to an Owner-Builder under the Program may not exceed \$90,000 pursuant to §2306.754(b) of the Texas Government Code.

(b) A loan made by the Department shall be secured by a first (1st) lien on the real property if the Department's loan is the largest Amortized, repayable loan secured by the real property; or

(c) The Department may accept a Parity Lien position if the original principal amount of the leveraged loan is equal to or greater than the Department's loan; or

(d) The Department may accept a subordinate lien position if the original principal amount of the leveraged loan is at least \$1,000 or greater than the Department's loan. However liens related to other subsidized funds provided in the form of grants and nonamortizing loans, such as deferred payment or forgivable loans, must be subordinate to the Department's loan.

(e) The Department, through a Nonprofit Owner-Builder Housing Provider (NOHP), shall make loans for Owner-Builder applicants to enable them to:

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- (1) purchase or refinance real property on which to build new residential housing;
 - (2) build new residential housing; or
 - (3) improve existing residential housing.
- (f) The NOHP will be granted a 6% administration fee upon completion of the house and closing of each mortgage loan.
- (g) Loan Origination Agreement. Upon approval by the Department, the nonprofit organization certified as an NOHP or Colonia Self-Help Centers shall enter into, execute, and deliver to the Department the Loan Origination Agreement.
- (h) Amendments. The Department, acting by and through its Executive Director or his/her designee, may authorize, execute, and deliver modifications and/or amendments to any Program written agreement provided that:

(1) Time extensions. The Executive Director may collectively provide up to one six (6) month extension to the end date of any Loan Origination Agreement. Any additional time extension granted by the Executive Director shall include a statement by the Executive Director relating to unusual, non-foreseeable or extenuating circumstances. If the extension is longer than six (6) months and the Executive Director determines that a statement related to unusual, non-foreseeable, or extenuating circumstances cannot be issued, it will be presented to the Governing Board for approval, approval with modifications, or denial of the requested extension; and

(2) In the case of all other modifications or amendments, such modification or amendment does not, in the estimation of the Executive Director, significantly decrease the benefits to be received by the Department.

(i) Sanctions/Deobligation. The Department will apply its Administrative Rules under this title.

(j) The Department may use all applicable provisions and/or any relevant rules to assure compliance with these rules or Loan Origination Agreement.

(k) Additional Funds. In the event the Department has additional funds in the same funding cycle, the Department, with Board approval, will distribute funds in accordance with §2.7(a) - (b) of this chapter (relating to Distribution of Funds).

(l) The Department may terminate the Loan Origination Agreement in whole or in part. If the NOHP has not achieved performance benchmarks as outlined in Loan Origination Agreement, Program rules and Manual. Performance benchmarks must be satisfactorily completed as follows:

(1) If the Owner-Builder applicant qualifies for the Program, the Department will issue an applicant eligibility letter (approval letter) which reserves the funds (up to \$45,000 per Reservation) for twelve (12) months from the date of the applicant eligibility letter. Owner-Builder applicant will not be required to re-qualify for the Program if the Owner-Builder applicant closes on the loan on or before the expiration date stated on the applicant eligibility letter issued by the Department. If the Owner-Builder fails to close on the loan on or before the expiration date stated on the applicant eligibility letter, the Owner-Builder applicant will be required to re-qualify for the Program. In an effort to expedite expenditure of funds, the NOHP will be required to meet specific performance benchmarks on the home within twelve (12) months from the date of the applicant eligibility letter. If the NOHP fails to meet the required benchmarks, the Reservation may be subject to cancellation in accordance with the Loan Origination Agreement. The Department may provide one forty-five (45) day extension to benchmark deadlines due to extenuating circumstances that were beyond the Owner-Builder's and/or the NOHPs control. If the NOHP cannot meet the required benchmarks after the forty-five (45) day extension, the Reservation will be cancelled. In order to receive another Reservation on the same Owner-Builder applicant the NOHP will be instructed to submit an updated application if funds are available, to ensure the Owner-Builder applicant

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meets all Texas Bootstrap Loan Program rules. Once an Owner-Builder has been deemed eligible and funds have been reserved, the NOHP must meet the following performance benchmarks depending on the type of loan being requested:

(A) Purchase Money Loan:

(i) ~~Within one-hundred twenty (120) days of the date of the applicant eligibility letter construction must have started on the unit; and~~

(iii) ~~Within one (1) year of the date of the applicant eligibility letter the unit must be 100% complete and the purchase money loan must have closed with the Owner-Builder applicant.~~

(B) Interim and Residential Construction Loans:

(i) ~~Within ninety (90) days of the date of the applicant eligibility letter, the loan must close and construction must have started on the unit;~~

(ii) ~~Within one-hundred-eighty (180) days of the date of the applicant eligibility letter, the unit must be at 40% completion;~~

(iii) ~~Within two-hundred-seventy (270) days of the date of the applicant eligibility letter, the unit must be at 80% completion; and~~

(iv) ~~Within one (1) year of the date of the applicant eligibility letter, the unit must be 100% complete and the purchase money loan must have closed with the Owner-Builder applicant.~~

(2) Quarterly reports are due by the NOHP to the Department on the 10th of the month following the end of each calendar quarter. All funding may be suspended until reports are received.

(m) Roles and responsibilities for administering the Program contract. NOHPs are required to:

- (1) Qualify potential Owner-Builders for loans;
- (2) Provide Owner-Builder homeownership education classes;
- (3) Supervise and assist Owner-Builders in building and/or rehabilitate housing;
- (4) Facilitate loans made or purchased by the Department under the Program; and
- (5) Implement and administer the Program on behalf of the Department.

(n) Loan Origination/Loan Servicing. An NOHP must enter into a Loan Origination Agreement with the Department in order to participate in the Program. If the NOHP wishes to service the loans originated on behalf of the Department it must enter into a Loan Servicing Agreement with the Department. The Department may grant the request upon reviewing the NOHP capacity to implement those specific functions.

(o) First Year Consultation Agreement. The NOHP agrees that if notified by the Department that Owner-Builder has failed to make a scheduled payment due under the Program loan, or other payments due under the Program loan documents issued under the Program, within the first twelve (12) months of funding, the NOHP will be required to meet with the Owner-Builder and provide counseling and assistance until the payments are made current. After consultation and in the event that the Department and NOHP are not able to reach a consensus about NOHPs effort to bring the Program loan current as required under this chapter, the Department in accordance with its administrative rules may apply appropriate graduated sanctions leading up to, but not limited to deobligation of funds and future debarment from participation in the Program.

(p) Conflict of Interest. The NOHP shall ensure that no employee, officer, or agent of NOHP shall participate in the selection, or in the award or administration of a subcontract supported by funds provided under this Program if a conflict of interest, real or apparent, would be involved. Such conflict of interest would arise when the employee, officer, or agent; any member of his or her immediate family; his or her partner; or, any organization which employs, or is about to employ any of the above; has a financial or other interest in the firm or person selected to perform the subcontract. The NOHP may not accept an application from

Deleted: Within ninety (90) days of the respective Reservation date the NOHP must have initiated the preconstruction process, which includes the homeownership education and counseling programs of the organization; ¶ (ii) Within one-hundred-eighty (180)

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any of its officers or employees nor any spouse or person related within the third (3rd) degree of affinity (marriage) or consanguinity (blood) to any officer or employee of the NOHP.

(q) Administrative Fee. The NOHP may request their administrative fee upon completion of the house and closing of each mortgage loan.

(r) Blueprints. If NOHPs activity is interim or residential construction, NOHP must provide an original copy of the proposed blueprints to be approved by the Department prior to accepting applications. Blueprints must include the required construction requirements pursuant to §2306.514 of the Texas Government Code. All blueprints submitted for approval must be prepared and executed by an architect or engineer licensed by the state of Texas.

(s) Work Write-up. The NOHP must submit a work write-up for all rehabilitation projects. Work write-ups must be reviewed and approved by the Department, before rehabilitation is started.

(t) Loan Program requirements. The Department may purchase or originate loans that conform to the lending parameters and the specific loan Program requirements as follows:

(1) Maximum Loan amount not to exceed \$45,000. If it is not possible for the Owner-Builder to purchase necessary real property and build adequate housing for \$45,000, the NOHP must obtain additional funding from other sources of funds.

(2) Minimum Loan amount is \$1,000.

(3) The total amount of all Amortized repayable loans under the Program may not exceed \$90,000. Deferred forgivable loans are not included in these total loan calculations.

(4) May not exceed a term of thirty (30) years.

(5) Minimum loan term of five (5) years.

(6) Zero percent (0%) non-interest loans.

(7) When refinancing a contract for deed, the Department will not disburse any portion of the Department's loan until the Owner-Builder receives a deed to the property.

(8) Owner-Builder(s) must have resided in this state for the preceding six (6) months prior to the date of application.

(9) Total Debt-to-Income Ratio. Maximum of 45% (unless otherwise dictated by the mortgage insurer, if any).

(10) Credit Qualifications. Owner-Builder applicants must have a credit history that indicates reasonable ability and willingness to meet debt obligations. In order for the Department to make a reasonable determination, the Department will obtain a tri-merge credit report on all Owner-Builder applicants submitted to the Department for approval.

(11) Unacceptable credit includes, but is not limited to the following:

(A) Payments on any open consumer, retail and/or installment account (i.e. auto loans, signature loans, payday loans, credit cards or any other type of retail and/or installment loan) which has been delinquent for more than thirty (30) days on three (3) or more occasions within the last twelve (12) months, unless the Owner-Builder applicant has been current for the four (4) months immediately preceding the application date and must submit to the Department a written explanation of the cause for the previous delinquency, which is acceptable to the Department. For purposes of this subparagraph, the credit history of an Owner-Builder who is a Domestic Farm Laborer and receives a substantial portion of his/her income from the production or handling of agricultural or aquacultural products will not apply. However, Owner-Builder must still demonstrate the ability and willingness to meet debt obligations.

(B) A foreclosure which has been completed within the last twelve (12) months prior to the date of application.

(C) An outstanding Internal Revenue Service tax lien or any other outstanding tax liens where Owner-Builder applicant has made no satisfactory payment arrangements for at least six (6) months prior to the date of application.

Deleted: At a minimum, NOHP must ensure that the home will meet Colonia Housing Standard or Housing Quality Standards.

Deleted: The NOHP must also adopt a set of general specifications that provide detailed guidance to Owner-Builders and contractors on how to complete specific items in a work write-up. ¶

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(D) A court-created or court-affirmed obligation or judgment caused by nonpayment that is currently outstanding must be paid off. The Department may consider this account in good standing if the Owner-Builder applicant has made formal payment arrangements and has a satisfactory payment arrangement history for at least six (6) months prior to the date of application.

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(E) Any account (with the exception of a medical account) that has been placed for "collection," "profit and loss" or "charged off" within the last twelve (12) months prior to the date of application, unless the account has been or will be paid in full. Owner-Builder applicant must also have re-established at least one line of credit that must be in good standing with no delinquencies for at least six (6) months prior to the date of application.

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(F) Any delinquency on any government debt unless the Owner-Builder applicant has made formal and satisfactory payment arrangements for at least six (6) months prior the date of application.

(G) A bankruptcy that has been filed within the past twelve (12) months prior to the date of application.

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(H) Any delinquency on child support unless the Owner-Builder applicant has made formal and satisfactory payment arrangements for at least six (6) months prior the date of application.

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(12) The following will not be considered indicators of unacceptable credit:

(A) A bankruptcy in which debts were discharged more than twelve (12) months prior to the date of application. Owner-Builder applicant must also have re-established at least one line of credit that must be in good standing with no delinquencies for at least six (6) months prior to the date of application. In addition the Owner-Builder applicant must submit to the Department a letter of explanation regarding the circumstances that led to the bankruptcy which is acceptable to the Department.

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(B) Where an applicant successfully completed a debt restructuring plan and has demonstrated a willingness to meet obligations when due for the six (6) months prior to the date of application. If an applicant is currently participating in a debt management plan, the trustee or assignee must provide a letter to the Department stating that they are aware and agree with the Owner-Builder applicant in applying for a mortgage loan. In addition Owner-Builder applicant must have successfully completed at least six (6) months of the debt management plan with no delinquent payments.

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(C) Medical accounts that are delinquent or that have been placed for collection.

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(13) Liabilities. The Owner-Builder applicant's liabilities include all revolving charge accounts, real estate loans, alimony, child support, installment loans, and all other debts of a continuing nature with more than ten (10) monthly payments remaining. Debts for which the Owner-Builder applicant is a co-signer will be included in the total monthly obligations unless the other party to the debt provides evidence showing that the Owner-Builder applicant has not been making payments on the co-signed loans for the previous twelve (12) months. There may be no late payments within the past twelve (12) months or the debt will be included. Payments on installment debts which are paid off prior to funding are not included for qualification purposes. Payments on all revolving debts (i.e. credit cards, payday loans, lines of credit, unsecured loans) and certain types of installment loans that appear to be recurring in nature will be included in debt ratio calculation, even if the Owner-Builder applicant intends to pay off the accounts, since the Owner-Builder applicant can reuse those credit sources, unless the account is paid off and closed. Payments on any type of loan that have been deferred must be deferred for at least 12 months from the date of closing in order for the debt not to be included in the debt ratio calculation.

Deleted: (B) A judgment satisfied more than twelve (12) months before the date of application. ¶

Deleted: Any bankruptcy must have been discharged or dismissed in addition the Department will require that the Owner-Builder applicant to submit a letter of explanation regarding the circumstances that led to the bankruptcy.

(14) Must be a single-family detached or attached unit. Manufactured homes are not eligible. All property taxes must be current prior to closing.

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(15) The residence must be occupied as the principal residence of the Owner-Builder within thirty (30) days of the later of the end of the construction period or the closing of the loan. Any additional habitable structures must be removed from the property prior to closing. Portion of the former structure may be utilized as storage upon the Department's written approval prior to closing.

(16) Escrow Account--If the Department is in a first lien position and servicing the loan an account to which the borrower contributes monthly payments to cover the anticipated costs of real estate taxes, hazard and flood insurance premiums, and other related costs will be required. The Department may require that up to two (2) months of reserves for hazard and/or flood insurance and property taxes to be collected at the time of closing and these funds must be deposited with the Department. In addition, the Department will also require that the property taxes be prorated at the time of closing and those funds be deposited with the Department. The Owner-Builder will be required to deposit monthly funds to an escrow account with the Department in order to pay the taxes and insurance. This will ensure that funds are available to pay for the cost of real estate taxes, insurance premiums, and other assessments when they come due. These funds are included in the Owner-Builder's monthly payment to the Department. The Department will establish and administer the escrow accounts in accordance with the Real Estate Settlement and Procedures Act of 1974 (RESPA).

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(17) Non-Purchasing Spouse--An Owner-Builder applicant's spouse who does not apply for the loan will be required to execute the information disclosure form and the deed of trust as a "non-purchasing" spouse. The "non-purchasing" spouse will not be required to execute the note. For credit underwriting purposes the non-purchasing spouse's debts and obligations will be considered in the Owner-Builder total debt-to-income ratio. The Owner-Builder applicant will be qualified using obligations for which the Owner-Builder applicant and non-purchase spouse are personally or jointly liable. Only the income of the Owner-Builder applicant will be used in determining the total debt to income ratio. For Program eligibility purposes, the income of a non-applicant spouse or any other person(s) living in the home to be purchased must be included in the calculation of family income. Tax Returns, W2's and recent pay check stubs, or Verification of Employment must be submitted to document household income.

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(u) Loan Assumption--A Program loan is assumable if the Department determines that the Owner-Builder applicant complies with all Program requirements in effect at the time of the assumption.

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§2.10. Owner-Builder Qualifications.

The Owner-Builder must:

- (1) Own or be purchasing a piece of real property through a warranty deed or Contract for Deed;
- (2) Not have an annual household income that exceeds 60% of the greater of the state or local area median family income as determined by HUD income table;
- (3) Demonstrate the willingness and ability to repay the loan;
- (4) Execute a Self-Help Agreement committing to provide through personal labor at least 65% of the labor necessary to build or rehabilitate the proposed housing working through a state-certified NOHP; or provide an amount of labor equivalent to 65% in connection with building or rehabilitating housing for others through a state certified NOHP; provide through the noncontract labor of friends, family, or volunteers and through personal labor at least 65%

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of the labor necessary to build or rehabilitate the proposed housing by working through a state certified NOHP or if due to a documented disability or other limiting circumstances the Owner-Builder cannot provide the amount of personal labor otherwise required, provide through the noncontract labor of friends, family or volunteers at least 65% of the labor necessary to build or rehabilitate the proposed housing by working through a state certified NOHP;

(5) Not have cash assets in excess of \$25,000 (excluding retirement and/or 401K accounts);

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(6) Successfully complete an Owner-Builder homeownership education class prior to loan funding;

(7) Be given priority for loans if the Owner-Builder has an income of less than \$17,500 annually;

(8) Not have any outstanding judgments and/or liens on the property.

Deleted: (8) Not be currently in delinquency or in default with child support and/or government loans; ¶

§2.11. Types of Funding Transactions.

All mortgage loans will be evidenced by a promissory note and will be secured by a lien on the subject property. The following transaction types are permitted by the Department under the Program.

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(1) Purchase Money. In a purchase money transaction, all proceeds are used to finance the purchase of a single-family dwelling unit and/or a piece of real property which will be the Owner-Builder's primary residence within thirty (30) days of closing the loan. In this instance, a permanent loan is made and the Owner-Builder's repayment obligation begins immediately. In certain situations, eligible closing costs may be financed by the loan proceeds.

(2) Residential Construction (One Time Closing with Owner-Builder). An interim construction loan, also known as a residential construction loan, this transaction is treated as a purchase, because it is a one time closing with the Owner-Builder. Construction period may be up to twelve (12) months.

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(3) Interim Construction (Closing with NOHP). Interim construction is a commercial transaction between the NOHP and the Department. The construction period may be up to twelve (12) months; once the construction of the home is completed the closing with the Owner-Builder will take place as a purchase money transaction.

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(4) Purchase of Mortgage Loans. The Department may purchase and take assignments from mortgage lenders of notes and other obligations evidencing loans or interest in loans for purchase money transactions as described in paragraph (1) of this section or for residential construction transactions as described in paragraph (2) of this section.

§2.12. Property Guidelines and Related Issues.

(a) If the Nonprofit Owner-Builder Housing Provider (NOHP) is utilizing Program funds to construct the home they must conform to §2306.514 of the Texas Government Code.

(b) If the property is located within an incorporated area where certain building codes must be met, the Department will require a copy of the certificate of occupancy. If no certificate of occupancy is available from an incorporated area the NOHP must obtain a document from the local government entity showing that the home has passed all required building codes. A copy of the certificate of occupancy or any other document received from the local governing entity must be submitted to the Department upon completion of construction. If the property is located outside an incorporated area inspections will be required to be completed by a professional inspector licensed by the Texas Real Estate Commission. For all housing rehabilitation projects an initial and final inspection will be required. An initial inspection will be required for all reconstruction projects to determine that it is not cost effective for

rehabilitation and therefore needs to be reconstructed. If the property is located in an incorporated area a certificate of occupancy will be required for all completed reconstruction and new construction projects. If the property is located outside an incorporated area a final inspection will be required for reconstruction and new construction projects.

(1) The initial inspection for rehabilitation must identify and prioritize areas in need of repair. A copy of the initial inspection reports must be provided to the Department and the homeowner.

(2) The final inspections for housing rehabilitation must ensure that the construction on the house is complete, that the home is safe, sound and sanitary. A copy of the final inspection report must be provided to the Department and the homeowner.

(3) All final inspections must ensure that the construction on the house is complete and that the home is safe. In both instances any deficiencies noted on the certificate of occupancy or the third party inspector's report must be corrected prior to closing. Cosmetic issues such as paint, wall texture, etc. will not be required to be corrected since this is a self-help construction Program. A copy of the final inspection report must be provided to the Department and the homeowner.

(4) The NOHP and/or the Owner-Builder applicant will be responsible for the selection and/or the fee of a licensed inspector.

(c) Appraisals are required by the Department on each property prior to funding.

(d) Loan to value ratio may not exceed 95%, the lien amounts of forgivable loans and/or grants will not be included in the loan-to-value calculation.

(e) Combined loan to value may not exceed 100%, the lien amounts of forgivable loan will be included in the combined loan to value ratio.

(f) Improvement Surveys are required on each property.

(g) Lot Surveys are required for all interim and residential construction loans. Upon completion of construction an improvement survey must also be provided.

Insurance requirements:

(1) Title Insurance. The title insurance must be written by a title insurer licensed to do business in the jurisdiction where the mortgaged property is located.

(A) Title Commitment. A copy of the preliminary title report including complete legal description, and copies of covenants, conditions and restrictions, easements, and any supplements thereto is required. The preliminary title report should not be more than thirty (30) days old at the time the submission package (Submission or Funding Package) is sent to the Department.

(B) Mortgagee's Policy. The Department requires a Mortgagee's policy of title insurance in the amount of the loan. The Mortgagee named shall be: "Texas Department of Housing and Community Affairs." Required endorsements include T-36 Environmental Endorsement for all loans made by the Department.

(2) Property Insurance.

(A) Builder's Risk is required where construction of the residence is being financed by the Department. At the end of the construction period, the binder must be endorsed to remove the "pending disbursements" clause.

(B) Hazard Insurance. The Department requires property insurance for protection against loss or damage from the following perils: fire, windstorm, hail, explosion, riot, and civil commotion, damage by aircraft, vehicles or smoke. Homeowner's policies or package policies that provide property and liability coverage are acceptable. All risk policies are acceptable. The amount of hazard insurance coverage at the time the loan is funded must be no less than 100% of the current insurable value of improvements. The Department will require that

Deleted: (3) The final inspections for reconstruction and new construction must ensure that the construction on the home is complete, that the home is safe, and that it meets, at a minimum, International Residential Code (IRC). IRC is a comprehensive residential code which establishes minimum construction requirements with plumbing, mechanical, energy, and electrical provisions. A copy of the final inspection report must be provided to the Department and the homeowner. ¶

Deleted: (4) The Contractor must ensure and verify that each construction contractor performing activities in the amount of \$10,000.00 or more under the Contract is registered and maintains good standing with the Texas Residential Construction Commission. ¶

(5) The Contractor must ensure and verify that each housing unit being rehabilitated in the amount of \$10,000.00 or more under the Contract is registered with the Texas Residential Construction Commission. ¶

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Deleted: If the Texas Residential Construction Commission registrations required in this chapter are no longer required by operation of law, such registrations must be obtained from the entity that succeeds to the applicable registration functions of the Texas Residential Construction Commission, if any. ¶

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the premium for a twelve (12) month homeowner's policy and up to two (2) months of reserve be collected at closing and name the Department as loss payee.

(C) Flood insurance is required for all structures located in special flood hazard areas where the U.S. Federal Emergency Management Agency (FEMA) has mandated flood insurance coverage. In addition the Department requires a Life of Loan Flood Certification on all loans. The flood certification must be part of the Funding Package. Flood insurance is not required if the NOHP or Owner-Builder applicant obtains a Letter of Map Amendment from FEMA stating that the area is no longer classified as a special flood hazard area. The letter must include a map illustrating the amended flood hazard area. An Owner-Builder applicant may elect to obtain flood insurance even though flood insurance is not required. However, the Owner-Builder applicant may not be coerced into obtaining flood insurance unless it is required in accordance with this section. Evidence of insurance must be obtained prior to loan funding. Insurance premiums for at least twelve (12) months and up to two (2) months of reserves may be collected at closing. The Department must be named as loss payee on the policy.

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§2.13. Nonprofit Owner-Builder Housing Program (NOHP) Certification.

(a) Definitions and Terms. The following words and terms, when used in this section, shall have the following meanings, unless the context clearly indicates otherwise.

(1) Applicant--A nonprofit organization that has submitted a request for certification as a NOHP to the Department. An Applicant for the Texas Bootstrap Loan Program must be a NOHP certified by the Department.

(2) Articles of Incorporation--A document that sets forth the basic terms of a corporation's existence and is the official recognition of the corporation's existence. The documents must evidence that they have been filed with the Office of the Secretary of State.

(3) Bylaws--A rule or administrative provision adopted by a corporation for its internal governance. Bylaws are enacted apart from the articles of incorporation. Bylaws and amendments to bylaws must be formally adopted in the manner prescribed by the organization's articles or current bylaws by either the organization's board of directors or the organization's members, whoever has the authority to adopt and amend bylaws.

(4) Resolutions--Formal action by a corporate board of directors or other corporate body authorizing a particular act, transaction, or appointment. Resolutions must be in writing and state the specific action that was approved and adopted, the date the action was approved and adopted, and the signature of person or persons authorized to sign resolutions. Resolutions must be approved and adopted in accordance with the corporate bylaws.

(b) Application Procedures for Certification of NOHP. An Applicant requesting certification as a NOHP must submit an application for NOHP certification in a form prescribed by the Department. The NOHP application must be submitted prior to submitting an application for Texas Bootstrap Loan Program Reservation system, and must be recertified every three (3) years. The application must include documentation evidencing the requirements of this subsection.

(1) Applicant must have the following legal status at the time of application to apply for certification as a NOHP:

(A) The Applicant must be organized as a nonprofit organization under the Texas Nonprofit Corporation Act or other state not-for-profit/nonprofit statute as evidenced by Charter or Articles of Incorporation.

(B) The Applicant must be registered and in good standing with the Office of the Secretary of State, and the State Comptroller's Office to do business in the State of Texas.

Deleted: and the Texas Residential Construction Commission

(C) No part of the nonprofit organization's net earnings may inure to the benefit of any member, founder, contributor, or individual, as evidenced by Charter or Articles of Incorporation.

(D) The Applicant must have the following tax status:

(i) A current tax exemption ruling from the Internal Revenue Service (IRS) under §501(c)(3), a charitable, nonprofit corporation, of the Internal Revenue Code of 1986, as evidenced by a certificate from the IRS that is dated 1986 or later. The exemption ruling must be effective on the date of the application and must continue to be effective while certified as a NOHP; or

(ii) Classification as a subordinate of a central organization non-profit under the Internal Revenue Code §501(c)(3), as evidenced by a current group exemption letter, that is dated 1986 or later, from the IRS that includes the Applicant. The group exemption letter must specifically list the Applicant.

(iii) A nonprofit organization's pending application for §501(c)(3) status cannot be used to comply with the tax status requirement under this subparagraph.

(E) The Applicant must have among its purposes the provision of decent housing that is affordable to low and moderate income people as evidenced by a statement in the organization's Charter, Articles of Incorporation, Resolutions or Bylaws.

(2) An Applicant must have the following capacity and experience listed in subparagraphs (A) and (B) of this paragraph.

(A) Conforms to the financial accountability standards of "Standards for Financial Management Systems" as evidenced by:

(i) notarized statement by the Executive Director or chief financial officer of the organization in a form prescribed by the Department; or

(ii) certification from a Certified Public Accountant.

(B) Has a demonstrated capacity of at least one (1) year for carrying out mortgage loan origination and self-housing construction activities, as evidenced by resumes and/or statements that describe the experience of key staff members who have successfully completed projects similar to those to be assisted with Texas Bootstrap Loan Program funds; or contract(s) with consultant firms or individuals who have housing experience similar to projects to be assisted with Texas Bootstrap Loan Program funds, to train appropriate key staff of the organization.

(3) An Applicant must submit a current roster of all Board of Directors, including names and mailing addresses.

(4) A local or state government and/or public agency cannot qualify as a NOHP, but may sponsor the creation of a NOHP.

(5) Religious or Faith-based Organizations may sponsor a NOHP if the NOHP meets all the requirements of this section. While the governing board of a NOHP sponsored by a religious or a faith-based organization remains subject to all other requirements in this section, the faith-based organization may retain control over appointments to the board. If a NOHP is sponsored by a religious organization, the following restrictions also apply:

(A) Housing developed must be made available exclusively for the residential use of Program beneficiaries and must be made available to all persons regardless of religious affiliations or beliefs;

(B) A religious organization that participates in the Texas Bootstrap Loan Program may not use Texas Bootstrap Loan Program funds to support any inherently religious activities such as worship, religious instruction, or proselytizing; and

(C) Texas Bootstrap Loan Program funds may not be used for the acquisition, construction, or rehabilitation of structures to the extent that those structures are used for

Deleted: 24 CFR §84.21.

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inherently religious activities. Sanctuaries, chapels, or other rooms which a faith-based NOHP uses as its principal place of worship are always ineligible;

(D) Compliance with subparagraphs (A) - (C) of this paragraph may be evidenced by the Organizations By-laws, Charter or Articles of Incorporation.

(6) A Colonia Self-Help Center as defined under Chapter 2306, Subchapter Z of the Texas Government Code is not required to complete the NOHP Certification process as long as it provides a letter from the appropriate funding entity demonstrating a good standing performance and/or certification standing.

(c) Program Design. Organizations must provide written evidence on how the Owner-Builder will meet the 65% sweat equity requirement.

(d) Applicant must provide details, such as number of houses they are proposing to build, type of proposed financing structure and construction timeliness in order to show evidence of its ability to carry out the Texas Bootstrap Loan Program.

(e) Applicant must provide copies of Program guidelines used to qualify Owner-Builders and homebuyer course curriculum in order to show evidence of its experience in qualifying potential Owner-Builders; providing education classes, counseling and training.

(f) Applicant must submit any past due audit to the Department in a satisfactory format on or before the Application deadline.

(g) Applicants must be in compliance in any existing or prior contracts awarded by the Department.

(h) The Department may certify NOHPs meeting all of the above criteria operated by a tax-exempt organization listed under §501(c)(3), Internal Revenue Code of 1986 to:

- (1) qualify potential Owner-Builders for loans under this chapter;
- (2) provide Owner-Builder education classes;
- (3) assist Owner-Builders in building or rehabilitating housing; and
- (4) originate and/or service loans.

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AN ACT

relating to the allocation of loans made under the owner-builder loan program.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subsection (d), Section 2306.753, Government Code, is amended to read as follows:

(d) At least two-thirds of the dollar amount of loans made under this subchapter in each fiscal year must be made to borrowers whose property is in a census tract that has a median household income that is not greater than 75 percent of the median state household income for the most recent year for which statistics are available [~~located in a county that is eligible to receive financial assistance under Subchapter K, Chapter 17, Water Code~~].

SECTION 2. The change in law made by this Act in amending Section 2306.753, Government Code, applies only to owner-builder loans granted by the Texas Department of Housing and Community Affairs on or after the effective date of this Act. An owner-builder loan granted before the effective date of this Act is governed by the law in effect at the time the loan was granted, and the former law is continued in effect for that purpose.

SECTION 3. This Act takes effect September 1, 2011.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 992 passed the Senate on April 7, 2011, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 992 passed the House on May 20, 2011, by the following vote: Yeas 145, Nays 4, one present not voting.

Chief Clerk of the House

Approved:

Date

Governor

HOUSING TRUST FUND DIVISION
BOARD ACTION REQUEST
June 30, 2011

Presentation, Discussion, and Possible Action regarding a proposed repeal of 10 TAC Chapter 51 §§51.1 – 51.16, Housing Trust Fund Rule, and a proposed new 10 TAC Chapter 51 §§51.1 - 51.11, Housing Trust Fund Rule, for public comment and publication in the *Texas Register*.

Recommended Action

RESOLVED, that the proposed repeal of 10 TAC Chapter 51 §§51.1 – 51.16, Housing Trust Fund Rule, and a proposed new 10 TAC Chapter 51 §§51.1 -51.11, Housing Trust Fund Rule, is hereby ordered and it is approved, together with the preambles presented to this meeting, for publishing in the *Texas Register*.

FURTHER 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 cause 10 TAC Chapter 51, Housing Trust Fund Rule, 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.

Background

Attached behind this Board Action Item is the Draft Housing Trust Fund Rule which reflects staff's recommendations for revisions. This draft rule ensures compliance with all statutory requirements, removes any redundant or unnecessary references to other federal or state statutes, and includes recommendations for necessary policy and administrative changes to further enhance and streamline operations.

The rule, upon publication, will be made available for public comment and a hearing held in July 2011. The final rule will be presented for Board approval at the Department's Board meeting on August 25, 2011.

Attachment A: Preamble and Proposed New Rule 10 TAC Chapter 51, §§51.1 – 51.11

The Texas Department of Housing and Community Affairs (the "Department") proposes new 10 TAC Chapter 51, §§51.1 – 51.11 Housing Trust Fund Rule. The new section is proposed in order to remove any redundant or unnecessary references to other federal or state statutes, and includes recommendations for necessary policy and administrative changes to further enhance and streamline operations.

The Department has determined that for the first five-year period the proposed section is in effect there will be no fiscal implications for state or local governments as a result of enforcing or administering the section as proposed.

The Department has also determined that for each year of the first five years the section is in effect the public benefit anticipated as a result of enforcing the section will be enhanced compliance with formalized policy, all contractual and statutory requirements.

There will be no effect on small businesses or persons. There is no anticipated economic cost to persons who are required to comply with the section as proposed. The proposed section will not impact local employment.

The public comment period will be held between July 15, 2011 to August 5, 2011 to receive input on this section. Written comments may be submitted to Texas Department of Housing and Community Affairs, 2011 Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941, by e-mail to the following address: tdhcarulecomments@tdhca.state.tx.us, or by fax to (512) 475-1672. ALL COMMENTS MUST BE RECEIVED BY 5:00 PM AUGUST 5, 2011.

§51.1. Purpose.

This chapter clarifies the administration of the Texas Housing Trust Fund (HTF). The Housing Trust Fund provides loans, grants or other comparable forms of assistance to income-eligible individuals, families and households. The Housing Trust Fund is administered in accordance with Chapter 2306 of the Texas Government Code.

§51.2. Definitions.

The following words and terms, when used in this chapter, shall have the following meanings unless the context or the NOFA indicate otherwise. Lack of capitalization of a term or word in this chapter does not indicate that the term is undefined. Other definitions may be found in Chapter 2306, Texas Government Code.

(1) Activity--A form of assistance by which HTF funds are used to provide incentives to develop and support affordable housing and homeownership through acquisition, new construction, reconstruction, and rehabilitation of residential housing.

(2) Administrative Deficiencies--The absence of information or a document from the Application as required by these rules and program manuals.

(3) Administrator-- A unit of government, nonprofit entity or other party who has an executed written agreement or contract with the Department committing the Department to provide funds upon the completion of certain actions called for in the agreement or contract.

- (4) Amortized--A loan in which the principal as well as the interest, if applicable, is payable monthly or in some other periodic installment over the term of the loan.
- (5) Applicant--A Person who has submitted an Application for Department funds or any other form of assistance.
- (6) Application-- A request for funds submitted to the Department in a form prescribed by the Department, including any exhibits or other supporting material.
- (7) Application Acceptance Period-- The period of time that Applications may be submitted to the Department as more fully described in the applicable Notice of Funding Availability (NOFA).
- (8) Articles of Incorporation--A document that sets forth the basic terms of a corporation's existence and is the official recognition of the corporation's existence. The documents must evidence that they have been filed with the Office of the Secretary of State.
- (9) Bylaws--A rule or administrative provision adopted by a corporation for its internal governance. Bylaws are enacted apart from the articles of incorporation. Bylaws and amendments to bylaws must be formally adopted in the manner prescribed by the organization's articles or current bylaws by either the organization's board of directors or the organization's members, whoever has the authority to adopt and amend bylaws.
- (10) Chapter 2306-- Chapter 2306 of the Texas Government Code
- (11) Contract--The executed written agreement between the Department and an Administrator performing an activity related to a program that outlines performance requirements and responsibilities assigned by the document.
- (12) Contract Period--The length of time between the contract's Effective Date (starting date) through its ending date.
- (13) Combined Loan to Value (CLTV)--Value of all liens against the property and/or loans, including forgivable loans.
- (14) Committed--Funds approved by the Department to provide assistance to an individual or family.
- (15) Competitive Application Cycle--A defined deadline in which all Applications must be submitted in accordance with the NOFA.
- (16) Department--The Texas Department of Housing and Community Affairs.
- (17) Deobligation--The cancellation of funds involving some or all of a financial obligation between the Department and an Administrator.
- (18) Development--A Project in which an Applicant, Administrator, or Development Owner has or will have an ownership interest and that has a construction component, either in the form of New Construction or Rehabilitation of multi-unit or single family residential housing.
- (19) Development Owner--Any person, general partner, or affiliate of a person who owns or proposes a Development or expects to acquire control of a development under a purchase contract and is the person responsible for performing under the Contract with the Department.
- (20) Development Site--The area, or if scattered site, areas for which the Development is proposed to be located.

(21) Domestic Farm Laborer-- Individuals (and the family) who receive a substantial portion of their income from the production or handling of agricultural or aquacultural products.

(22) Draw--Funds requested by the Administrator, approved by the Department and subsequently disbursed to the Administrator.

(23) Effective Date--The date on which the Department's Governing Board approved action or when all applicable parties have signed a contract or agreement.

(24) First time Homebuyer--A First-Time Homebuyer is:

(a) An individual who has had no ownership in a principal residence in Texas during the three year period ending on the date of purchase of the property.

(b) A single parent who has only owned with a former spouse while married.

(c) An individual who is a displaced homemaker and has only owned with a spouse.

(d) An individual who has only owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations.

(e) An individual who has only owned a property that was not in compliance with State, local building codes and which cannot be brought into compliance for less than the cost of constructing a permanent structure.

(25) Forgivable Loan--Financial assistance in the form of money that, in an executed agreement, is not required to be repaid.

(26) General Partner--A Person, or Persons, who is identified as the general partner of the partnership that is the Development Owner and that has general liability for the partnership. In addition, unless the context shall clearly indicate the contrary, if the Development Owner in question is a limited liability company, the term "General Partner" shall also mean the managing member or other party with management responsibility for the limited liability company.

(27) Grant--Financial assistance that is awarded in the form of money for a specific purpose and that is not required to be repaid. A Grant includes a forgivable loan.

(28) Household--One or more persons occupying a housing unit. May also be referred to as a "Family".

(29) Housing Trust Fund (HTF)--The fund created under Chapter 2306 of the Texas Government Code and governed by this title.

(30) HUD--United States Department of Housing and Urban Development

(31) Income and Rent Limits--Limits in place for maximum allowable incomes and rents for specific programs administered by the Department, as provided by the Department.

(32) Individuals and families of Low-Income--Individuals and families individuals or families whose annual incomes do not exceed 80% of the greater of state or local median income as provided by the Department.

(33) Individuals and families of Very Low-Income--individuals or families whose annual incomes do not exceed 60% of the greater of state or local median income as provided by the Department.

(34) Individuals and families of Extremely Low Income--individuals or families whose annual incomes do not exceed 30% of the greater of state or local median income as provided by the Department.

(35) Lien--A claim against a property that provides security for repayment of a debt or obligation of the property owner.

(36) Loan-- Financial assistance in the form of money that is required to be repaid in accordance with terms and interest rates provided in the executed agreement.

(37) Loan Assumption—An HTF loan may be assumable if the Department determines that all program requirements in effect at the time of the assumption are met.

(38) Loan to Value (LTV)-- The amount of the outstanding mortgage loan divided by the property's appraised value. The LTV for an HTF Loan cannot exceed 100%.

(39) Land Use Restriction Agreement (LURA)--An agreement between the Department and a Person related to a specific Property or Properties which is filed with the responsible recording authority.

(40) Manufactured Housing Unit (MHU)--A structure transportable in one or more sections which, in traveling mode, is 8 body-feet or more in width or 40 body-feet or more in length, or when erected on site, is 320 square feet, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required facilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein. MHUs must comply with §19(1) of the Texas Manufactured Housing Standards Act.

(41) Multifamily Structure--a property designed and built to support the habitation of more than one person or one household may include an attached or semi-detached unit.

(42) New Construction--A project in which the main purpose of funds is to create additional dwelling units and is not a Rehabilitation or Reconstruction.

(43) NOFA--Notice of Funding Availability.

(44) Nonprofit Organization--An organization, institution or agency that:

(a) is organized under state or local laws;

(b) has no part of its net earnings benefiting any member, founder, contributor, or individual; and

(c) is a tax exempt 501(c) organization. A pending application for §501(c) status cannot be used to comply with the tax status requirement.

(45) Open Reservation Cycle--A defined period during which an Administrator may submit Applications according to a published NOFA and which will be reviewed on a first come-first serve basis until all funds available are committed, or until the NOFA is closed. Applications will be reviewed in accordance with NOFA and manual for the applicable HTF program.

(46) Parity Lien--A lien position whereby two or more lenders share a security interest of equal priority in collateral.

(47) Person--Any individual, partnership, corporation, association, local unit of government, community action agency, or public or private organization of any character

(48) Persons with Disabilities--An individual who has a disability that is a physical or mental impairment that substantially limits one or more major life activities.

(49) Principal Residence--The primary housing unit that an individual or family inhabits.

(50) Program Manual--A set of guidelines designed to be an implementation tool for the Administrator that has executed an agreement and allows the Administrator to search for terms, statutes, regulations, forms and attachments. The program manual may be developed by the Department and amended or supplemented from time-to-time.

(51) Property--The real estate and all improvements thereon which are the subject of the HTF funds whether currently existing or proposed to be built thereon in connection with the funds.

(52) Public Housing Authority--A housing authority established under Chapter 392 of the Texas Local Government Code.

(53) Received Date--The date an Application is verified to be received by the Department.

(54) Reconstruction--The rebuilding of an existing structure on the same lot where housing exists at the time of Application. HTF funds may also be used to build a new foundation or repair an existing foundation.

(55) Rehabilitation--Includes the alteration, improvement or modification of an existing structure. It may also include moving an existing structure to a foundation constructed with HTF funds.

(56) Reservation--An amount of funds set-aside for each individual Applicant registered into the Department's HTF registration website.

(57) Resolution--Formal action by a corporate board of directors or other corporate body authorizing a particular act, transaction, or appointment. Resolutions must be in writing and state the specific action that was approved and adopted, the date the action was approved and adopted, and the signature of person or persons authorized to sign resolutions. Resolutions must be approved and adopted in accordance with the corporate bylaws.

(58) Setup-- The submission of required information into the Reservation System in order to reserve funds for activities specified in the applicable NOFA.

(59) Senior Lien-- A lien that takes priority over the Department's lien and any subsequent liens.

(60) Single family structure-- A property designed and built to support the habitation of one person or one household. This includes an attached or detached unit, including structures such as a single-family detached unit, condominium unit, and/ or a single unit in a duplex or triplex.

(61) TAC--Texas Administrative Code.

(62) Title Commitment--A document from a title company showing the status of a property's ownership and pledging to issue a title insurance policy when the requirements shown therein are met.

§51.3. Allocation of Funds.

(a) The Department administers all HTF funds provided to the Department in accordance with Chapter 2306. The Department may solicit gifts and grants to endow the fund.

(b) Pursuant to §2306.202(b) of the Texas Government Code, use of the HTF is limited to providing:

(1) Assistance for individuals and families of low and very low income;

(2) Technical assistance and capacity building to nonprofit organizations engaged in developing housing for individuals and families of low and very low income;

(3) Security for repayment of revenue bonds issued to finance housing for individuals and families of low and very low income; and

(4) Subject to the limitations in §2306.251 of the Texas Government Code, the Department may also use the fund to acquire property to endow the fund.

(c) Regional Allocation. Funds shall be allocated to achieve broad geographic dispersion by awarding funds in accordance with §2306.111(d) and (g) of the Texas Government Code.

(d) Set-Asides. In accordance with §2306.202(a) of the Texas Government Code and program guidelines:

(1) In each biennium the first \$2.6 million available through the HTF for loans, grants, or other comparable forms of assistance shall be set aside and made available exclusively for Local Units of Government, Public Housing Authorities, and Nonprofit organizations.

(2) Any additional funds may also be made available to for-profit organizations provided that at least 45 percent of available funds, as determined on September 1 of each state fiscal year, in excess of the first \$2.6 million shall be made available to nonprofit organizations.

(3) The remaining portion shall be distributed to nonprofit organizations, for-profit organizations, and other eligible entities, pursuant to §2306.202 of the Texas Government Code.

§51.4. Use of Funds.

(a) Use of Additional or Deobligated Funds. In the event the Department receives additional funds, such as loan repayments, donations and interest earnings, the Department will redistribute the funds in accordance with the HTF Plan in effect at the time the additional funds become available.

(b) Reprogramming of Funds. If funding for a program is undersubscribed or funds not utilized, within a timeframe as determined by the Department, remaining funds may be reprogrammed at the discretion of the Department consistent with the HTF Plan in effect at the time.

(c) Deobligation of Funds. The Department may deobligate all or a portion of the awarded or committed amount if such amount is not expended in a timely manner in accordance with the NOFA and contract or Reservation agreement.

(d) The Department may terminate an agreement in whole or in part if the Administrator does not achieve performance benchmarks as outlined in agreement, NOFA, contract or Reservation agreement.

(e) Amendments. The Department may authorize, execute, and deliver modifications and/or amendments to any program written agreement provided that:

(1) Time extensions. The Department may collectively provide up to one six (6) month extension to the end date of any agreement. Any additional time extension granted by the Department shall

include a statement by the Department relating to unusual, non-foreseeable or extenuating circumstances. If the extension is longer than six (6) months and the Department determines that a statement related to unusual, non-foreseeable, or extenuating circumstances cannot be issued, it will be presented to the Governing Board for approval, approval with modifications, or denial of the requested extension; and

(2) In the case of all other modifications or amendments, such modification or amendment does not, in the estimation of the Department, significantly decrease the benefits to be received by the Department.

§51.5. Prohibited Activities

(a) Conflict of Interest.

(1) Conflict Prohibited. No person described in paragraph (2) of this subsection who exercises, has the power or ability to exercise, or has exercised any functions or responsibilities with respect to HTF activities under Chapter 2306, or who is in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from a HTF assisted activity, or have any interest, directly or indirectly, legally or beneficially, in any HTF contract, subcontract or agreement or the proceeds hereunder, either for themselves or those with whom they have family or business ties, during their tenure and for one year thereafter.

(2) Persons Covered. The conflict of interest provisions of paragraph (1) of this subsection apply to any person (“Covered Persons”) who is an employee, agent, consultant, officer, trustee, director, member of a governing board or other oversight body, elected official or appointed official of the Administrator, or any person acting in any such capacity or role, however designated..

(3) No employee, officer or agent of the Administrator shall participate in selection, or in the award or administration of a agreement supported by HTF funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:

(i) Covered Person;

(ii) any member of his or her immediate family;

(iii) his or her partner;

(iv) an organization which employs, or is about to employ, anyone listed in subparagraphs

(i) - (v) of this paragraph; or

(v) an organization controlled by any such person.

(4) has a financial or other interest a firm under consideration to be selected for award or certified to administer funds.

(5) The Covered Persons of the Administrator will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to sub-agreements. Administrators may set minimum rules where the gift is an unsolicited item of nominal intrinsic value. To the extent permitted by state or local law or regulations, such standards or conduct will provide for penalties, sanctions, or other disciplinary actions for violations of such standards by the officers, employees, or agents of the Administrator, or by

contractors or their agents. The awarding agency may in regulation provide additional prohibitions relative to real, apparent, or potential conflicts of interest.

(b) The following activities are prohibited in relation to the origination of a HTF loan, but may be charged as an allowable cost by a third (3rd) party lender for the origination of all other loans originated in connection with an HTF loan:

(1) Payment of delinquent property taxes or related fees or charges on properties to be assisted with HTF funds;

(2) Loan Origination fees;

(3) Application fee;

(4) Discount fees;

(5) Underwriter fee;

(6) Loan processing fees; and

(7) Other fees not approved by the Department.

(c) Persons receiving or benefiting from HTF funds, as determined by the Department, may not be currently in delinquency or in default with child support and/or government loans.

(d) Unless otherwise provided in the NOFA, Persons receiving or benefiting from HTF funds that are provided as a Loan, as determined by the Department, may not have any outstanding judgments and/or liens on the property.

§51.6. Administrator Eligibility and Requirements.

(a) The following organizations or entities are eligible to participate in HTF programs:

(1) Any eligible entity listed in 2306.202 of the Texas Government Code; or

(2) Other eligible entities approved by the Department, such as, but not limited to colleges, universities, institutions of higher education and other public agencies.

(b) Ineligible Administrators. The following violations may cause a Participant, and any Applications they have submitted, to be ineligible to participate in programs or receive funding:

(1) Administrators that have failed to make timely payment on fee commitments or on debt instruments held by the Department and for which the Department has initiated formal collection actions.

(2) Administrator that have been debarred by HUD or the Department.

(c) Current or previous noncompliance. Each Administrator will be reviewed for its compliance history by the Department. Administrators found to be in material noncompliance, or otherwise violating the compliance rules of the Department, will be terminated and/or not recommended for future funding.

(d) Administrator must enter into an agreement with the Department in order to be eligible as more fully described in the NOFA.

(e) Determination of annual income. The method used to determine annual income will be provided in the NOFA or Program Manual.

(f) Procurement. Administrators must comply with all applicable state, and local laws, regulations, and ordinances for making procurements with HTF funds.

(g) Administrators may not retain any program income generated through the operation of a HTF program or activity.

(h) Records retention. Administrator shall be required to maintain records pertinent to an assisted household's files for a period of at least 3 years as required by the Department or, if applicable, Chapter 60, Subchapter A of this title, related to Compliance Monitoring.

(i) Other requirements may be specified in the NOFA or other release of funds (such a Request for Qualifications (RFQ), Request for Proposals (RFP)).

§51.7. General Application Procedures and Requirements

(a) The Department will state within a NOFA, Request for Qualifications (RFQ), Request for Proposals (RFP) or other documentation for the release of funding the submission and eligibility guidelines. Applicants to the Department must verify and ensure the accuracy, sufficiency and receipt of all submissions to the Department.

(b) Application Deadline. All Applications must be received during business hours (8:00 a.m. to 5:00 p.m. Central Time) on any business day. Completion and submission of the Application includes the entire Application and any other supplemental forms which may be required by the Department.

(c) The Department reserves the right to reduce the amount requested in an Application based on activity or Project feasibility, underwriting analysis, or availability of funds.

(d) The Department may decline to fund any Application if the proposed activities do not, in the Department's sole determination, represent a prudent use of the Department's funds. The Department is not obligated to proceed with any action pertaining to any Applications which are received, and may decide it is in the Department's best interest to refrain from pursuing any selection process. The Department reserves the right to negotiate individual elements of any Application.

§51.8. Criteria for Reservation System Funding.

(a) This section applies to Reservation system programs as further outlined in the applicable NOFA. The NOFA will establish and define the terms and conditions for the submission of Reservations. The NOFA will also indicate the approximate amount of available funds.

(b) An Administrator must have been approved by the Department and must have executed an agreement to be eligible to submit Reservations on behalf of Households. A Reservation containing false information and/or all documents required are not received within ten (10) business days after the Reservation has been entered into the system may be cancelled. The Department staff will review and process all Reservations in the order received. If the Department receives more than one Reservation on the same day, the Reservations will be processed in the order entered into the Reservation system. The Administrator will be notified in writing of the Department's determination.

(c) Reservations of funds are available to the Administrator on first-come, first-served basis. In all cases the Administrator must register each household as outlined in the NOFA. The Administrator may enter additional Reservations after a loan has closed.

(d) Reservations received by the Department in response to a NOFA will be handled in the following manner:

(1) The Department will accept Reservations until all funds under the NOFA have been committed or the availability of funds expires. The Department may limit the eligibility of Reservations in the NOFA.

(2) Each Reservation will be assigned a Received Date based on the date and time the Reservation was entered into the HTF Reservation System. Each will be reviewed in accordance with the NOFA.

(3) Reservations and/or applications submitted on behalf of a Household must comply with all applicable HTF requirements or regulations established in these rules. Reservations and/or applications submitted on behalf of a Household that do not comply with such requirements will be disqualified. The Administrator will be notified in writing of any cancelled and/or disqualified Reservations and/or Applications submitted on behalf of an Applicant.

(4) Administrative Deficiencies. If a Reservation contains deficiencies which, in the determination of the Department staff, require clarification or correction of information submitted at the time of the Reservation, the Department staff may request clarification or correction of such Administrative Deficiencies. The Department staff may request clarification or correction in a deficiency notice in the form of an email, facsimile or a telephone call to the Administrator advising that such a request has been transmitted. An Administrator may not change or supplement a Reservation in any manner after submission, except in response to a direct request from the Department.

(5) Prior to approval, the Department may decline to fund any Reservation entered into the Reservation system if the proposed housing activities do not, in the Department's sole determination, represent a prudent use of the Department's funds. The Department is not obligated to proceed with any action pertaining to any Reservation which are entered, and may decide it is in the Department's best interest to refrain from committing the funds. If the Department has approved the Applicant, but the Administrator and/or Household has not complied with all the program rules and guidelines, the Department may suspend funding until the Administrator and/or Household has satisfied all requirements of HTF.

(b) A Reservation of funds may be subject to cancellation if all required documents are not submitted to the Department within ten (10) business days of the date the registration was entered into the Reservation system and/or if the performance benchmarks outlined in these HTF rules are not adhered to. Submission of a Reservation on behalf of a Household does not guarantee funding.

(c) Maximum Pending Setups. At any one time, the Administrator may have up to ten (10) unapproved Setups awaiting approval ("pending") in the Reservation System. If the Administrator has the maximum ten (10) Setups pending, new Setups will only be reviewed by the Department once an existing unapproved Setup becomes a Reservation (if approved) or is cancelled.

(d) Modification of Reservation. After a Reservation has been secured and the Household has been approved to participate in HTF, the Administrator must notify the Department of any changes to the Setup, such as a cancellation, change in the sales price, or change in the loan amount. The Administrator will not be permitted to change, exchange, replace or switch Households once the Reservation has been approved; unless construction has commenced and one of the following events has occurred: death, illness, divorce, loss of income, nonperformance by the Household or for other acceptable reasons, as approved by the Department, where the Household is unable to perform.

(e) Once a Reservation has been approved, the Department may grant one forty-five (45) day extension of required benchmarks due to extenuating circumstances that were beyond the Administrator's control. If the Administrator cannot meet the required benchmarks after the forty-five (45) day extension, the Reservation will be cancelled. If funds are available, another Reservation on the same Household the Administrator must submit an updated Application to ensure the Household still meets all guidelines and requirements for the NOFA.

§51.9. Loan, Lien and Mortgage Requirements.

(a) The requirements in this section shall apply to HTF Loans unless otherwise provided in the NOFA or waived by the Department.

(b) Lien position requirements:

(1) A loan made by the Department shall be secured by a first (1st) lien on the real property if the Department's loan is the largest Amortized, repayable loan secured by the real property; or

(2) The Department may accept a parity lien position if the original principal amount of the leveraged loan is equal to or greater than the Department's loan; or

(3) The Department may accept a subordinate lien position if the original principal amount of the leveraged loan is at least \$1,000 or greater than the Department's loan. However liens related to other subsidized funds provided in the form of grants and non-amortizing loans, such as deferred payment or forgivable loans, must be subordinate to the Department's loan.

(c) Sanctions/Deobligation. The Department will apply its Administration Rules of this title.

(d) Encumbrances.

(1) Real property taxes assessed on the housing unit must be current and/or the household must be participating in an approved payment plan with the taxing authority.

(2) The property must not be encumbered with tax liens or child support liens.

(3) The Department may require the owner to be current on any existing mortgage loans or home equity loans.

(e) Affordability periods.

(1) In the event that the housing unit ceases to be the Principal Residence, the forgiveness of the loan or grant agreement will cease.

(2) If a housing unit transfers by devise, descent or operation of law upon the death of the assisted homeowner, the Loan may be forgiven at the discretion of the Department.

§51.10. Property Guidelines and Related Issues.

(a) The requirements in this section shall apply unless otherwise provided in the NOFA.

(b) If the Administrator is utilizing HTF funds to construct the home they must conform to §2306.514 of the Texas Government Code.

(c) All work performed that utilizes HTF funds must meet HUD Housing Quality Standards (HQS), at a minimum, as well as other property standards required in the NOFA.

§52.11. Waiver

The Board, in its discretion and within the limits of the law, may waive any one or more of the requirements of this chapter if the Board finds that waiver is appropriate to fulfill the purposes or policies, Chapter 2306, or for good cause, as determined by the Board.

Attachment B: Preamble and Proposed Repeal 10 TAC Chapter 51, §§51.1 – 51.16

The Texas Department of Housing and Community Affairs (the “Department”) proposes the repeal of 10 TAC Chapter 51, §§51.1 – 51.16, concerning the Housing Trust Fund. This repeal is proposed in order to simplify the existing rules for the Housing Trust Fund.

The Department has determined that for the first five-year period the repeal is in effect there will be no fiscal implications for state or local governments as a result of enforcing or administering the repeal.

The Department has also determined that for each year of the first five-years the repeal is in effect the public benefit anticipated as a result of enforcing the repeal will be to permit the adoption of new rules to enhance the State's ability to provide decent, safe and sanitary housing administered by the Department. There will be no effect on small businesses or persons. There is no anticipated economic cost to persons who are required to comply with the repeal as proposed. The proposed repeal will not impact local employment.

The adoption of new rules to enhance the State’s ability to provide decent, safe and sanitary housing administered by the Department. There will be no effect on small businesses or persons. There is no anticipated economic cost to persons who are required to comply with the repeal as proposed.

The proposed repeal is proposed pursuant to the authority of the Texas Government Code, Chapter 2306 which provide the Department with the authority to adopt rules governing the administration of the Department and its programs.

No other statutes, articles, or codes are affected by this proposed repeal.

§51.1 Purpose and Use of the Housing Trust Fund

§51.2 Definitions

§51.3 Eligible and Ineligible Applicants and Applications

§51.4 Communication with Department Employees

§51.5 General Application Procedures and Requirements

§51.6 Application Review Process

§51.7 Criteria for Funding

§51.8 General Process for Awards

§51.9 Additional Requirements for Development and Development Applications

§51.10 Contract Administration Requirements

§51.11 Mortgage Loans and Loan Support Documentation

§51.12 Other Program Requirements

§51.13 Records to be Maintained

§51.14 Amendments

§51.15 Events Creating Deobligation of Housing Trust Funds

§51.16 Citizen Participation

LEGAL SERVICES DIVISION

BOARD ACTION REQUEST

June 30, 2011

Presentation, Discussion, and Possible Action regarding approval for publication in the *Texas Register* of the adoption of the repeal of 10 TAC Chapter 1, §1.20, Asset Resolution and Enforcement, and the adoption of new 10 TAC Chapter 1, §1.20, Asset Review Committee.

Requested Action

RESOLVED, that the adoption of the repeal of 10 TAC Chapter 1, §1.20, Asset Resolution and Enforcement, and the adoption of new 10 TAC Chapter 1, §1.20, Asset Review Committee, are hereby ordered and are approved, together with the preambles presented to this meeting, for publication in the *Texas Register*.

FURTHER RESOLVED, that the Executive Director and his designees be and each of them is hereby authorized, empowered and directed, for and on behalf of the Department, to cause the repeal and the new rule, in the form presented to this meeting, to be published in the *Texas Register* for final adoption and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing.

Background

At the May 5th meeting The Board approved publication of the proposed repeal of the current 10 TAC §1.20 and the proposed new 10 TAC §1.20. The proposals were published for comments through June 20, 2011. No comments were received.

Attachment A: Preamble for Adoption of Repeal of 10 TAC Chapter 1, § 1.20, Asset Resolution and Enforcement

The Texas Department of Housing and Community Affairs (“Department”) adopts the repeal of 10 TAC Chapter 1, §1.20, concerning Asset Resolution and Enforcement, as published in the May 20, 2011 issue of the *Texas Register* (36 Tex. Reg. 3149).

This repeal of the current 10 TAC Chapter 1, §1.20 allows the Department to separately adopt a new rule that will improve the efficiency of the Asset Review Committee and focus the scope of its authority.

The public comment period ran from May 20, 2011 to June 20, 2011. No comments were received.

This repeal is adopted pursuant to authority under Gov’t Code §2306.142 which provides that the Department may adopt rules regarding the making of mortgage loans, the regulation of borrowers, and the resale or disposition of real property, or an interest in the property that is financed by the Department.

§1.20. Asset Resolution and Enforcement.

Attachment B: Preamble and Proposed New 10 TAC Chapter 1, §1.20, Asset Review Committee

The Texas Department of Housing and Community Affairs ("Department") adopts new 10 TAC Chapter 1, §1.20, concerning the Asset Review Committee, without changes to the proposed text as published in the May 20, 2011 issue of the *Texas Register* (36 Tex. Reg. 3149).

The purposes of this new rule are to abolish the existing Review Committee, as established in the current 10 TAC §1.20, and establish a new Asset Review Committee that operates under a more efficient structure and reduced scope of authority; to remove debarment recommendation authority from the Review Committee, and to eliminate the authority of the Review Committee to impose penalty actions for the non-performance of Department contracts. Under new 10 TAC §1.20, the role of the new Asset Review Committee will be limited to resolving issues with the Department's single and multifamily loan portfolio.

Public comments were accepted between May 20, 2011 and June 20, 2011. No comments were received.

The new section is adopted pursuant to authority under §2306.142 of the Texas Government Code which provides that the Department may adopt rules regarding the making of mortgage loans, the regulation of borrowers and the resale or disposition of real property, or an interest in a property, that is financed by the Department.

§1.20. Asset Review Committee.

(a) Purpose. The purposes of this section are:

- (1) to establish a committee within the Department to oversee the development of asset specific strategies to address risks of falling into non-compliance;
- (2) to resolve non-performing real estate loans;
- (3) to dispose of real estate owned; and
- (4) to set forth a non-exclusive list of options available to the Committee to accomplish these tasks. Except as otherwise provided herein, capitalized terms shall have the same meaning as assigned in §1.1 of this chapter (relating to Definitions for Housing Program Activities).

(b) Asset Review Committee is established.

- (1) The executive director shall appoint six employees of the Department to serve on the Asset Review Committee ("Committee"). The appointees shall designate an alternate who shall attend Committee meetings and vote in the absence of the appointee. An appointee and its alternate shall serve at the pleasure of the executive director. The Committee shall exercise the authority of the Department in resolving non-performing real estate loans, disposing of real estate owned, and may delegate decisions to the asset management division.
- (2) The legal services division shall advise the Committee.
- (3) A Committee Secretary shall be appointed by the Committee and shall serve at the pleasure of the Committee. The Committee Secretary shall be responsible for overseeing the development of the Committee agenda, calling meetings, which may be held electronically when necessary,

keeping minutes and communicating with department staff and with outside parties on administrative matters.

(c) Resolving non-performing real estate loans:

(1) Upon referral of an asset, the Committee shall meet to evaluate options for resolving the issues presented. The Committee may invite the Responsible Party or any other person to meet with the Committee if the Committee believes such invitation(s) will assist the Committee in choosing or developing the appropriate resolution for the non-performing loan or other issue.

(2) The Committee shall have the sole discretion to implement none or any one or more of the following resolutions, or to devise a different resolution as circumstances require.

Subparagraphs (A) – (G) of this paragraph do not preclude the Committee from using any other legal or equitable remedies otherwise available to the Committee or to the Department in carrying out its responsibilities:

(A) Debt forgiveness;

(B) Charge-off;

(C) Forbearance;

(D) Loan Modification;

(E) Pre-foreclosure sale;

(F) Deed-in-lieu of foreclosure; or

(G) Foreclosure.

(d) Resolving non-performance of properties in bankruptcy. A Responsible Party or other Person receiving information that a property receiving loan assistance from the Department may be involved in bankruptcy proceedings shall notify the Compliance and Asset Oversight Division Director or the Department's General Counsel of that fact. All Department efforts regarding collection of past due amounts, and efforts to require compliance with program requirements shall cease until it is determined that such actions are not prohibited by an automatic stay or other court order.

(e) Disposing of real estate owned. The Committee shall exercise the authority of the Department regarding the transfer, acquisition and disposition of all real, personal, or mixed property, or an interest in property owned by the Department to the full extent authorized under §§2306.174 and 2306.175 of the Texas Government Code.

Compliance and Asset Oversight
BOARD ACTION REQUEST
June 30, 2011

Presentation, Discussion, and Possible Action regarding the final order adopting a proposed amendment to 10 TAC Chapter 60, Subchapter B, §60.202, concerning a Multifamily housing project definition for publication in the *Texas Register*.

RECOMMENDED ACTION

RESOLVED, that the adoption of the proposed amendment to 10 TAC, Chapter 60, Subchapter B, §60.202 related to a Multifamily housing project definition is hereby ordered and it is approved, together with the preamble presented to this meeting, for publication in the *Texas Register*.

FURTHER 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 cause the proposed repeal of and proposed new 10 TAC, Chapter 60, Subchapter B, §60.202 in the form presented to this meeting, to be published in the *Texas Register* for final adoption, and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing.

BACKGROUND

After the March Board meeting, the proposed amendment to 10 TAC, Chapter 60, Subchapter B, §60.202 was published in the *Texas Register*. The public comment period ran through April 7, 2011. One public comment was received from Kevin Jewell with the Texas Low Income Housing Information Service. Staff agreed with the comment and the made the suggested changes which are shown in Attachment 1.

Attachment 1: Preamble and Reasoned Response for Adoption of an Amendment to 10 TAC, Chapter 60, Subchapter B, §60.202

The Texas Department of Housing and Community Affairs (the "Department") adopts amendments to 10 TAC Chapter 60, Subchapter B, Accessibility. Section 60.202 is adopted with change to the proposed text as published in the March 18, 2011 issue of the *Texas Register* (36 TexReg 1787). Specifically, the amendment changes the definition of a multifamily housing project to include single family projects.

The amendment brings Department policy and rules in line with HUD guidance issued during the Tax Credit Assistance Program ramp-up in "TCAP Questions and Answers: Section 504 of the Rehabilitation Act of 1973...." which notes "five single family units covered by a single contract or a single building with five units each constitute a multifamily housing project."

The public comment period ran through April 7, 2011. One comment was received from Kevin Jewell with the Texas Low Income Housing Information Service. Staff agrees with the comment and the changes based on the comment are shown in a black line below.

REASONED RESPONSE TO PUBLIC COMMENT AND STAFF RECOMMENDATION ON THE PROPOSED ADOPTION OF THE AMENDMENT TO 10 TAC CHAPTER 60, SUBCHAPTER B, ACCESSIBILITY, SECTION 60.202.

§60.202(5)

PUBLIC COMMENT: Commenter recommended new language to the proposed amendment as follows: ~~A project may consist of five single family homes or a single building with five units.~~ A project may consist of a single building with five or more units or may consist of five or more units in multiple buildings with one or more units.

STAFF RESPONSE: Staff agreed with the comment and made the suggested change.

The Board approved the final order adopting the amended section on June 30, 2011.

The amended section is adopted pursuant to the authority Chapter 2306 of the Texas Government Code, which provides the Department with the authority to adopt rules governing the administration of the Department and its programs.

§60.202. Definitions.

The following terms are used for purposes of this subchapter:

(1) Accessible route--A continuous unobstructed path connecting accessible elements and spaces in a facility or building that complies with the space and reach requirements of an applicable accessibility standard. In cases of rehabilitation, an accessible route is not required to serve units that are occupied by persons with hearing or vision impairments. (*Source: 24 CFR §8.3 Definitions. Definition of Accessible Route*)

(2) Alteration--Any physical change in a facility or its permanent fixtures or equipment. It includes, but is not limited to, remodeling, renovation, rehabilitation, reconstruction, changes or rearrangements in structural parts and extraordinary repairs. It does not include normal maintenance or repairs, reroofing, interior decoration, or changes to mechanical systems. (*Source: 24 CFR §8.3 Definitions. Definition of Alteration*)

(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. Nothing in this subpart requires that a dwelling be made available to an individual whose tenancy would constitute a direct threat to the health or safety of other individuals or whose tenancy would result in substantial physical damage to the property of others. (Source: 24 CFR §8.3 Definitions. Definition of Individual with Handicaps. 24 CFR §§100.201, 202(d))

(4) Federal financial assistance--Any assistance provided or otherwise made available by the department through any grant, loan, contract or any other arrangement, in the form of:

(A) Funds;

(B) Services of personnel; or

(C) Real or personal property or any interest in or use of such property, including transfers or leases of the property for less than fair market value or for reduced consideration. (Source: 24 CFR §8.3 Definitions. Definition of Federal Financial Assistance)

(5) Multifamily housing project--A project that includes five or more dwelling units. ~~A project may consist of five single family homes or a single building with five units.~~ A project may consist of a single building with five or more units or may consist of five or more units in multiple buildings with one or more units. A project includes the whole of one or more residential structures and appurtenant structures, equipment, roads, walks, and parking lots which are covered by a single contract or application for federal financial assistance, or which are treated as a whole for processing purposes, whether or not located on a common site. (Source: 24 CFR Definitions. Definition of multifamily housing project and definition of project; TCAP Questions and Answers: Section 504 of the Rehabilitation Act of 1973) 24 CFR Part 8

(6) Recipient--Includes a subrecipient and means any State or its political subdivision, any instrumentality of a State or its political subdivision, any public or private agency, institution, organization, or other entity, or any person to which Federal financial assistance is extended for any program or activity directly or through another recipient, including any successor, assignee, or transferee of a recipient, but excluding the ultimate beneficiary of the assistance. Recipients include private entities in partnership with recipients to own or operate a program or service. (Source: 24 CFR §8.4 Definitions. Definition of recipient)

(7) Replacement cost--The total development cost for construction and equipment for a newly constructed housing facility of the size and type being altered. Construction and equipment costs do not include the cost of land, demolition, site improvements, non-dwelling facilities or administrative costs for project development activities. (Source: 24 CFR §8.4 Definitions. Definition of replacement cost)

NEIGHBORHOOD STABILIZATION PROGRAM

BOARD ACTION REQUEST

June 30 , 2011

Item 1. u) Presentation, Discussion, and Possible Action regarding the final order adopting proposed amendments to 10 TAC Chapter 9 Neighborhood Stabilization Program and 10 TAC §1.19 Deobligated Funds, for publication in the *Texas Register*

Action Items

RESOLVED, that final amended 10 TAC, Part 1, Chapter 9, Texas Neighborhood Stabilization Program Rule, and 10 TAC, §1.19 be approved for posting in the *Texas Register*.

FURTHER 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 cause the Texas Neighborhood Stabilization Program Rule, in the form presented to this meeting, to be published in the *Texas Register* for final adoption, and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing.

Background

The Neighborhood Stabilization Program (NSP) is a HUD-funded program authorized by HR3221, the “Housing and Economic Recovery Act of 2008” (HERA), as a supplemental allocation to the Community Development Block Grant (CDBG) Program through an amendment to the existing State of Texas 2008 CDBG Action Plan (Action Plan) and provided under Section 1497 of the Wall Street Reform and Consumer Protection Act of 2010 (Pub. L. 111-203, approved July 21, 2010) (Dodd-Frank Act) through an amendment to the existing State of Texas 2010 CDGB Action Plan. The purpose of the program is to redevelop into affordable housing, or acquire and hold, abandoned, foreclosed, and vacant properties in areas that are documented to have the greatest need for arresting declining property values. Program funds are obligated to subgrantees.

The draft NSP rules were approved for publication on May 5, 2011. The public comment period was held between May 20, 2011 to June 19, 2011 to receive input on this amendments. No comments were received in response to publication.

The amended and new sections are proposed pursuant to the authority of the Texas Government Code, Chapter 2306 which provides the Department with the authority to adopt rules governing the administration of the Department and its programs.

The proposed amended section affects no other code, article or statute.

Attachment A: Preamble and Amended Rule 10 TAC, Part 1, Chapter 9

The Texas Department of Housing and Community Affairs (the "Department") adopts amendments to 10 TAC, Part 1, Chapter 9, Texas Neighborhood Stabilization Program Rule, without changes to the proposed text as published in the May 20, 2011, issue of the *Texas Register* (35 TexReg 3151) and will not be republished.

The purpose for the amendments is to incorporate program changes, preexisting guidance and state and federal statutory requirements.

The Department accepted public comments between May 20, 2011 and June 19, 2011. Comments regarding the amendments were accepted in writing and by email. No comments were received concerning the proposed amended section.

The amended section is adopted pursuant to the authority of the Texas Government Code, Chapter 2306 which provides the Department with the authority to adopt rules governing the administration of the Department and its programs.

§9.1. Purpose.

This chapter clarifies the administration of the Texas Neighborhood Stabilization Program (Texas NSP). Texas NSP funds are administered by the Texas Department of Housing and Community Affairs (TDHCA) in partnership with the Texas Department of Rural Affairs (TDRA). The Texas NSP awards funding to Subgrantees to acquire foreclosed, abandoned, or vacant property in order to redevelop that property to prevent it from otherwise becoming a source of blight and a contributor to declining property values.

§9.2. Definitions.

The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise. These definitions are:

- (1) Board--The Governing Board of the Department.
- (2) Department--The Texas Department of Housing and Community Affairs or the Texas Department of Rural Affairs.
- (3) Developer-- A nonprofit entity that receives NSP assistance for the purpose of:
 - (A) acquiring homes and residential properties to rehabilitate for use for residential purposes; and
 - (B) constructing new housing in connection with the redevelopment of demolished or vacant properties.

(4) Executive Director--Executive Directors of either the Texas Department of Housing and Community Affairs or the Texas Department of Rural Affairs.

(5) Expended--For the purposes of contract milestones and thresholds, "Expended" means that a complete drawdown request is submitted with back-up documentation adequate to process a draw; it is not necessary for staff to have processed a draw to meet a benchmark. For all other purposes, "Expended" means that an eligible cost was incurred and staff has processed a draw to reimburse the expense with Texas NSP funds.

(6) HUD--U.S. Department of Housing and Urban Development.

(7) Land Bank--A governmental or nongovernmental nonprofit organization established, at least in part, to assemble, temporarily manage and dispose of vacant land for the purposes of stabilizing neighborhoods and encouraging re-use or redevelopment of urban property.

(8) NOFA--Notice of Funding Availability.

(9) Obligated--When NSP funding has been encumbered through contracts for goods, services or acquisition of property or other forms of similar transactions requiring payment that have been determined by the Department to meet NSP requirements.

(10) Subgrantee--A Subrecipient or a Developer.

(11) Subrecipient--Units of General Local Government and nonprofit organizations with whom the Department contracts and provides funding in order to undertake activities eligible for such assistance.

(12) Texas NSP--Texas Neighborhood Stabilization Program.

(13) The "State"--Collectively refers to either or both the Texas Department of Housing and Community Affairs and the Texas Department of Rural Affairs.

§9.3. General Provisions.

(a) All assisted properties must be located in eligible areas as defined by HUD and by the applicable NOFA.

(b) The contract term is based upon varying types of activities included in the contract between the State and the State's Subgrantee. Exhibit C, Project Implementation Schedule, of the contract, provides an outline of specific timelines, milestones and thresholds.

(1) Milestones. Performance under the contract will be evaluated according to the benchmarks described in each contract.

(c) Administrative Threshold. Administrative draw requests are funded from the administration or developer fee line item in Exhibit B, Budget, of the contract. Reimbursement of eligible administrative expenses is regulated as follows:

(1) Threshold 1. Cumulative administrative draw requests may allow up to 10% of the administration or developer fee line item to be drawn down prior to the start of any project

activity included in the performance statement of the contract (provided that all pre-draw requirements, as described in the contract, for administration have been met). This draw may be limited by NOFA, underwriting report, or by contract. Subsequent administrative expenditures will be reimbursed in the percentage amounts indicated, provided that all contract benchmark requirements have been met, as identified in subsection (a) of this section;

(2) Threshold 2. Subsequent administrative draw requests are allowed in proportion to the direct project funds drawn on the contract; up to 90% of the total administration or developer fee line item. The cumulative total percentage of administrative funds requested may not exceed the cumulative total percentage of project funds expended for hard and soft costs directly attributable to activities under the contract;

(3) Threshold 3. The final 10% of the administration or developer fee line item is the administrative retainage. Half of the retainage or, in other words, an additional 5% (95% of the total), may be drawn down after submission of complete contract close-out documents;

(4) Threshold 4. The final 5% (100% of the total), less any administrative funds reserved for audit costs as noted on the Project Completion Report, may be drawn down following receipt of the programmatic contract close-out letter issued by the State; and

(5) Threshold 5. Any funds reserved for audit costs will be released upon completion and submission of an acceptable audit and a documented drawdown request for the expenses. Only the portion of audit expenses reasonably attributable to the contract is eligible.

(d) Forbearances. Contract expenditure thresholds and milestones are included in Exhibit C, Project Implementation Schedule, of the contract; violations of which will subject the Subgrantee to the requirements found in §9.5 of this chapter (relating to Sanctions/Deobligation). At the Department's discretion, forbearances of thresholds and milestones may be granted upon request and documentation of extenuating circumstances.

(e) Waivers. Program administrative regulations set forth in any Texas NSP NOFA, by the Department's Governing Board or terms in the contract may be waived by the Department, acting by and through its Executive Director or his/her designee, up to the limits of Texas NSP regulations and guidance as previously established, periodically updated, or updated in the future by HUD.

(f) The Executive Director or his/her designee may waive the Texas NSP purchase discount to the limits of the purchase discount as allowed by the NSP Bridge Notice. The Texas NSP NOFA and the NSP Federal Register Notice (Docket No. FR-5255-N-01) published in the Federal Register (73 FR 58330), require a minimum discount of 5% for any individual property and 15% for a portfolio of properties to be acquired utilizing Texas NSP funds. (If only acquiring one property, the one property constitutes a portfolio.) The NSP Bridge Notice allows for up to a 1% discount for individual properties and portfolios.

§9.4. Amendments.

The Department, acting by and through its Executive Director or his/her designee, may authorize, execute, and deliver modifications and/or amendments to any NSP written agreement provided that:

(1) Contract Time Extensions. Extensions of up to one (1) year may be granted due to extenuating circumstances demonstrated by the Subgrantee;

(2) Contract Modifications and Amendments. Modifications or amendments to the contract or to the Exhibits of the contract may be approved provided that the changes do not, in the estimation of the Executive Director, significantly decrease the benefits to be received by the Department;

(3) Award Increase. Up to a 25% increase in individual contracts may be added to the funding originally awarded by the Department's Governing Board. Requests for increases in funding will be evaluated by staff on a first-come, first-served basis to assess the capacity to manage additional funding, the demonstrated need for additional funding in the project and the ability of the increase in funding to contribute to the stabilization of neighborhoods. The minimum requirement for an increase in funding will be adherence to Contract benchmarks and reporting requirements. Funding may come from deobligated awards or program income. Qualifying requests will be recommended to the Executive Director.

(4) Award Decrease. The Executive Director may decrease an award for any good cause including but not limited to at the request of the subgrantee, if NSP eligible project costs are insufficient to support the award, or for failure to meet project deadlines;

(5) Budget Transfers. The Executive Director may approve a transfer of funds among budget items for good cause; and

(6) Any amendments requests exceeding the above parameters may be taken to a regularly scheduled meeting of the Department's Governing Board for consideration.

§9.5. Sanctions/Deobligation.

The Department will apply §1.19 of this title (relating to Deobligated Funds), if applicable.

§9.6. Reassignment of Funds.

(a) Funds deobligated may either be reassigned utilizing the Amendment procedure or be subject to redistribution through a methodology to be approved by the Department's Governing Board.

(b) If the NSP Program Income Reservation System has a fund balance of \$1,000,000 for more than 30 days, the Executive Director may lower the target score required for funding of a project to twelve, if the project fulfills a local at-risk priority as identified on the Texas NSP website.

§9.7. Compliance and Monitoring.

(a) All properties will be monitored using the procedures outlined in §60 of this title

(b) All owners will be required to file reports with the Department as in §60 of this title.

(c) Owners of rental properties will be required to pay the monitoring and compliance fees established by the Department from time to time, as assessed, in this title, by NOFA, or by contract.

Attachment B: Preamble and Revised Rule 10 TAC §1.19

The Texas Department of Housing and Community Affairs (the "Department") adopts amendments to 10 TAC §1.19, without changes to the proposed text as published in the May 20, 2011, issue of the *Texas Register* (35 TexReg 3147) and will not be republished.

The purpose for the amendments is to incorporate program changes, preexisting guidance and state and federal statutory requirements.

The Department accepted public comments between May 20, 2011 and June 19, 2011. Comments regarding the amendments were accepted in writing and by email. No comments were received concerning the proposed amended section.

The amended section is adopted pursuant to the authority of the Texas Government Code, Chapter 2306 which provides the Department with the authority to adopt rules governing the administration of the Department and its programs.

The amendments are proposed pursuant to the authority of the Texas Government Code, Chapter 2306 which provides the Department with the authority to adopt rules governing the administration of the Department and its programs.

§1.19. Deobligated Funds.

(a) Purpose. The Governing Board and the Department seek to facilitate the use of public funds to provide for safe decent and affordable housing for Texans in a timely manner. From time-to-time, it becomes necessary to make changes to previously awarded funds to either expedite the delivery of the funds, meet state or federal guidelines or statutes, or to meet unexpected needs like disaster relief or leveraging of additional funds. To best achieve these goals, the Department has determined that a policy is necessary to provide the public with clear and consistent rules as to how Deobligated funds occur, the reporting of Deobligated Funds and how the Department will treat Deobligated funds after an initial award has been made. The funds covered by this section are previously awarded funds under a program administered by the Department, or funds that become available to the Department through program income. The purposes of this section are:

- (1) To establish procedures and Board policy on the events creating Deobligated Funds for applicable Department programs,
- (2) To identify standards for reporting and maintaining Deobligated Fund balances, and
- (3) To provide guidance for the reprogramming and reobligation of Deobligated or otherwise unexpended funds and program income.

(b) Definitions.

- (1) Administrator--A unit of government, non-profit entity or other party who has a written signed Agreement with the Department committing the Department to provide funds upon the completion of certain actions called for in the Agreement.
- (2) Agreement--A written executed agreement between the Department and an Administrator or Contractor outlining the obligations of all parties involved in the related transaction.
- (3) Contract--A written executed contract between the Department and an Administrator or Contractor outlining the obligations of all parties involved in the related transaction.
- (4) Contractor--A party who has a Contract with the Department to administer a program using funds provided under explicit terms and conditions in a written Contract with the Department.
- (5) Deobligated Funds--The funds released by an Administrator or Contractor or recovered by the Department canceling a contract or award involving some or all of a contractual financial obligation between the Department and an Administrator or Contractor.
- (6) Department--The Texas Department of Housing and Community Affairs as authorized in Chapter 2306 of the Texas Government Code.
- (7) Expenditure--Approved expense evidenced by documentation submitted by the Administrator or Contractor to the Department for purposes of drawing funds from HUD's Integrated Disbursement and Information System (IDIS) for work completed, inspected and certified as complete, and as otherwise required by the Department.
- (8) Executive Director--The person hired by the Governing Board with administrative duties to manage the affairs of the Department as provided under Texas Government Code §2306.036.
- (9) Governing Board--The Governing Board of the Department.
- (10) HOME--The HOME Investment Partnership Program at 42 United States Code §§12701-12839 and the regulations promulgated thereafter at 24 CFR Part 92 and governed by the Rules in 10 Texas Administrative Code §53.50 et seq.
- (11) Housing Trust Fund--The fund created under Texas Government Code §2306.201 and governed by the Rules found at 10 Texas Administrative Code §51.1 et seq.
- (12) HUD--United States Department of Housing and Urban Development.
- (13) Program Income--Funds generated through the activities related to a program that are made available to the Department for use in funding authorized actions of the Department.
- (14) Neighborhood Stabilization Program or "NSP" as authorized by the Housing and Economic Recovery Act of 2008 as an adjunct to the Community Development Block Grant Program. Housing and Economic Recovery Act of 2008, Pub. L. 110-289, 112 STAT 2850. It also refers to funds provided under Section 1497 of the Wall Street Reform and Consumer Protection Act of 2010 (Pub. L. 111-203, approved July 21, 2010) ("Dodd-Frank Act") and to future allocations from HUD.

(c) Events Creating Deobligated Funds.

- (1) The Department reserves the right to release their commitment to any Administrator or Contractor resulting in Deobligated funds in the event of any one of the following circumstances:

(A) Department has notified Administrator or Contractor of any outstanding compliance issues and the Administrator or Contractor has failed to either resolve the issue or take sufficient action to correct the compliance matter;

(B) Department has notified Administrator or Contractor that they have failed to meet the required timelines and/or commitment deadlines, including Expenditure of funds, per the Agreement or Contract and Administrator or Contractor has not sufficiently corrected the deficiency;

(C) The Department provides notice of default to Administrator or Contractor on any Agreement or Contract by and between Administrator and Contractor and the default has not been cured within the required time frame;

(D) Applicant materially misrepresents facts to the Department during an application process, award of contract, request for amendment, or administration of any contract;

(E) Department has notified Administrator or Contractor of their inability to provide adequate financial support to administer the contract as called for in the Agreement or Contract or meet any other material conditions and the Administrator or Contractor has failed to sufficiently correct the matter;

(F) Department has notified Administrator or Contractor of their inadequate or insufficient management controls and the Administrator or Contractor has failed to sufficiently correct the matter;

(G) Administrator or Contractor declines funds;

(H) Administrator or Contractor fails to expend all funds awarded and voluntarily releases the funds;

(I) Program income received by the Department that is used in lieu of awarded contract funds; or

(J) Other circumstances approved by the Board as warranting Deobligation.

(2) The Department shall have the sole discretion to determine whether sufficient progress or cure has been made under paragraph (1)(A) - (C) of this subsection and the sole discretion to determine what constitutes materiality in paragraph (1)(D) of this subsection, subject to appeal under 10 Texas Administrative Code §1.7.

(3) During the pendency of a challenge of an event described under paragraph (1) of this subsection by Administrator or Contractor, the Department shall not take any action resulting in Deobligated funds until an appeal as provided for under 10 TAC §1.7 has been completed. The Department may suspend reimbursement of funds during the appeal. If an appeal has not been requested, the Department may take action as allowed under this policy.

(d) Maintenance of Deobligated funds.

(1) The Department will produce a report for the Executive Director and the Board related to Deobligated funds separate from original balances and program income, including fees earned and loan repayments, as part of the accounting of program funds at both the program and Department level.

(2) The Department will ensure that HOME Deobligated fund balances are reconciled at least monthly against the unexpended fund balances maintained by HUD. The Department shall confirm balances with HUD prior to recommendation to the Board for the use of any Deobligated funds.

(3) Housing Trust Fund Deobligated funds, or any other Deobligated funds deriving from a state general revenue source, will be included in the report in paragraph (1) of this subsection, but shall not be used to establish reserve balances. The Department will initiate efforts to reprogram and reassign Deobligated funds from the Housing Trust Fund or any other state general revenue source within three months of Deobligation upon reaching a cumulative amount of Deobligated funds that facilitates reprogramming.

(4) The Department shall not retain Deobligated funds from any program in any amount that exceeds 15% of the most current annual allocation for three consecutive months and must initiate efforts to reprogram or reassign funds in excess of that standard within 90 days of the figure reaching the 15% threshold. For purposes of determining the 15% threshold, funds that are subject to disbursement under a Notice of Federal Funding, but are not yet committed are not included in the 15% threshold. Submitting a proposal for reprogramming or reassigning Funds to the Board for approval shall constitute an initiation of efforts.

(e) Reassignment of Funds. Under this policy, the Governing Board and the Department, intend to create a policy to direct staff and the public on the uses of funds that are either characterized as Deobligated Funds under this policy or Program funds.

(1) The Department shall not recommend to reprogram or reassign Deobligated funds from the HOME Program or other programs with Deobligated funds other than state general revenue funds described in subsection (d)(3) of this section for purposes other than disaster relief unless the remaining Deobligated fund balance after reprogramming of funds is an amount equivalent to or greater than 5% of the most current annual allocation of such funds, for example the annual allocation of HOME funds from HUD.

(2) NSP funds may be partially or wholly deobligated from contracts and must be reassigned to NSP-eligible uses as determined by HUD.

(3) It is the policy of the Department that funds not reserved for disaster relief may be used for any of the activities listed below as needed in the Department's discretion subject to the approval of the Governing Board:

(A) Successful appeals related directly to the program funds available as allowable under program rules and regulations;

(B) Leveraging of funds with other local, state or federal resources for applications made to the Department for any one or more of the programs operated by the Department;

(C) Funding of projects identified as beneficial by the Department and identified in a Notice of Funding Availability approved by the Board;

(D) Disaster relief including but not limited to disaster declarations or documented extenuating circumstances such as imminent threat to health and safety;

(E) Funding of applications for program funds on existing Department waiting lists or reservation systems;

(F) Funding to existing previously awarded eligible contracts in need of additional resources for circumstances considered unique or extenuating by the Department's Board;

(G) Funding of applications or programs that serve individuals with special needs;

(H) Settlement of litigation or HUD compliance matters;

(I) Use in Asset Resolution/Enforcement Rule activities;

(J) Funding applications or programs that serve Colonias; or

(K) Other projects/uses as determined by the Executive Director and/or Board including the next year's funding cycle for each respective program.

(f) After adoption in final form and publication in the Texas Register, this policy shall supersede any other rule or policy governing the use of Deobligated funds for the Department regardless of where published, unless any portion of this rule conflicts with statutory language or Federal rules, in which case those shall be controlling.

(g) Any portion of this rule may be waived for good cause by the Governing Board of the Department.

OFFICE OF RECOVERY ACT ACCOUNTABILITY AND OVERSIGHT

**BOARD REPORT ITEM
June 30, 2011**

Report Item

Presentation and Discussion on a Status Report on the Implementation of the American Recovery and Reinvestment Act of 2009 (Recovery Act). This item provides an update on the status of the activity relating to each of the Recovery Act programs as well as a summary of the quarterly Section 1512 jobs reporting submitted for January 1, 2011 through March 31, 2011.

Recovery Act Program Summary

Program	Activities	Program Status	Total Funding Expended to Date* Percent Expended	Served to Date**	1512 Reported Data Reported Program Expenditures^^ Jobs Created or Retained^	Timeline / Contract Period
Weatherization Assistance Program	Minor home repair to increase energy efficiency, maximum \$6,500 per household. Households at or below 200% of poverty.	<ul style="list-style-type: none"> Contracts executed for 100% of funds, subrecipients drawing funds. Fund movements among contracts are being executed and have been submitted to DOE consistent with production forecasting. 	\$326,975,732 \$202,181,048 61.83%	36,699 households	\$165,072,766 884.77 jobs	<ul style="list-style-type: none"> Obligation required by September 30, 2010. (Achieved) Recipients will be required to expend all funds within a two year contract period (August 31, 2011); subrecipients taking on additional funds have been granted extensions. Federal funding expiration date is March 31, 2012, with a 90 day close out period.
Homelessness Prevention and Rapid Re-Housing Program	Rental asst, housing search, credit repair, deposits, moving cost assistance, & case management. Persons at or below 50% AMI.	<ul style="list-style-type: none"> All contracts executed and subrecipients currently drawing funds. October 2010 letter from HUD indicating State on target for expending all funds. Fund movements among contracts are being executed. 	\$41,472,772 \$32,132,434 77.48%	34,443 persons	\$24,033,823 154.36 jobs	<ul style="list-style-type: none"> HUD requires 60% of funds expended in 2 years (Achieved Early); 100% in 3 years. Recipients will be required to expend all funds by December 31, 2011. Federal funding expiration date is July 16, 2012.
Community Services Block Grant Program	Assists existing network of Community Action Agencies with services including child care, job	<ul style="list-style-type: none"> COMPLETE CSBG ARRA funds expired Sept 30, 2010 	\$48,148,071 \$48,117,069	99,325 persons	\$48,119,270	<ul style="list-style-type: none"> Program complete.

Program	Activities	Program Status	Total Funding Expended to Date* Percent Expended	Served to Date**	1512 Reported Data Reported Program Expenditures^^ Jobs Created or Retained^	Timeline / Contract Period
	training, and poverty-related programs. Persons at or below 200% of poverty.		99.94%			
Tax Credit Assistance Program	Provides assistance for 2007, 2008 or 2009 Housing Tax Credit awarded developments. Households at or below 60% AMI.	<ul style="list-style-type: none"> Written Agreements executed for sixty-four (64) awards as of January 7, 2011. Sixty-four(64) loans have closed; Amount Awarded: \$148,354,769 (100%) Amount Closed: \$148,354,769 (100%) 	\$148,354,769 \$125,199,994 84.39%	8,346 households	\$122,212,744 180.91 jobs	<ul style="list-style-type: none"> Commitment of 75% of funds required by February 17, 2010. (Achieved) State must expend 75% of funds by Feb 17, 2011. (Achieved) Owners must expend 100% of funds by February 17, 2012.
Housing Tax Credit Exchange Program^^^	Provides assistance to 2007, 2008 or 2009 Housing Tax Credit awarded developments. Households at or below 60% AMI.	<ul style="list-style-type: none"> Written agreements have been executed for 89 out of 89 awards as of December 6, 2010. Amount Awarded: \$594,091,929 (100%) Amount Closed: \$594,091,929 (100%) 	\$594,091,929 \$462,802,553 77.90%	8,015 households	9,351 jobs	<ul style="list-style-type: none"> State must award all funds by December 31, 2010. (Achieved) Owners must incur 30% of costs by December 31, 2010. (Achieved) Unused funds to be returned by December 2011.
Total			\$1,159,043,273 \$870,433,098 75.10%	133,768 persons 53,060 households	\$754,278,889 1512: 1,223.51 jobs this quarter Exchange: 9,351 jobs cumulatively	

*This table includes updated expenditure data as of 6/10/2011.

**Total served data through 3/31/2011 for HPRP and 12/31/2010 for CSBG; 6/20/11 for WAP, 2/2/2011 for TCAP; and 12/10/2010 for HTC Ex. For TCAP and HTC Ex, households represent closed transactions.

^Jobs created or retained between 1/1/2011 and 3/31/2011. Note that Section 1512 reporting is not required for HTC Exchange and the figure includes total estimated jobs to be created or retained as reported to the U.S. Department of Treasury for 12/31/2010.

^^ Program expenditures reported for each program includes subrecipient and TDHCA administrative expenses. Information is updated quarterly. Data was submitted to Recovery.gov for quarter ending 3/31/2011.

^^^ The Housing Tax Credit Exchange Program is not subject to 1512 reporting requirements.

HOUSING RESOURCE CENTER

BOARD ACTION REQUEST

June 30, 2011

Recommended Action

Authorize and direct the Executive Director to Move Forward with the Procurement of a Provider to Perform a Phase 2 Analysis of Impediments (AI) to Fair Housing Choice for the State of Texas through a Request for Proposal (RFP).

WHEREAS, the State of Texas as a recipient of federal appropriations from the U.S. Department of Housing and Urban Development is required to have a current AI to fair housing choice;

WHEREAS, the Department, as the state agency statutorily directed to administer most state and federal housing programs, has been tasked with the responsibility of ensuring that the required analysis is performed;

WHEREAS, the Department received U.S. Department of Housing and Urban Development approval of the Phase 1 AI on May 13, 2011;

WHEREAS, this Board desires that the Department move as expeditiously as possible to complete the update to the AI and ensure that it is thorough and has comprehensive analysis; and

WHEREAS, this Board demands compliance with all applicable legal requirements and strongly supports developing a well-prepared and thoroughly-documented AI to fair housing choice

It is hereby:

RESOLVED, that the Executive Director and his designees and each of them be and they hereby are directed, authorized, and empowered, for and on behalf of this Department, to procure a qualified third party to perform Phase 2 of the AI to Fair Housing Choice as required by the U.S. Department of Housing and Urban Development; and

FURTHER RESOLVED, the Executive Director and his designees are authorized and empowered, for and on behalf of the Department, to take such actions; prepare and circulate such requests for proposal, bids, or similar procurement documents; execute and deliver such other contracts, documents, instruments, and writings; and perform such other acts and deeds as they or any of them may deem necessary or advisable to effectuate the foregoing; **PROVIDED**, however, that if the Executive Director at any time deems it not to be in the best interest of the Department to pursue such procurements or execute such contracts, he may decline to proceed, and

FURTHER RESOLVED, that the Executive director shall provide the Board with updates on any action taken with regard to the foregoing; and

FURTHER RESOLVED, that the Executive Director is hereby requested to bring to this Board any necessary recommendations for adjustments to the Department's operating budget to provide for the funding of such procurement.

Background

As part of the Consolidated Planning process, the U.S. Department of Housing and Urban Development (HUD) requires the State to certify that it will affirmatively further fair housing (AFFH). AFFH is defined by HUD as (1) preparing an AI to Fair Housing, (2) taking appropriate actions to overcome the effects of any impediments identified through the analysis, and (3) maintaining records reflecting the analysis and actions.

The AI is a review of impediments to fair housing choice. The analysis covers public and private policies, practices, and procedures affecting housing choice. Impediments to fair housing choice include, but are not limited to:

- Any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status, or national origin that restrict housing choices or the availability of housing choice; and
- Any actions, omissions, or decisions that have the effect of restricting housing choices or the availability of housing choices on the basis of race, color, religion, sex, disability, familial status, or national origin.

The AI serves as the basis for fair housing planning, provides essential information to policy makers, administrative staff, housing providers, lenders, and fair housing advocates, and assists in building public support for fair housing efforts.

As presented to the Board in January 2010, the Department last revised the AI to Fair Housing in January 2003. The 2003 AI was conducted in-house and required significant resources to develop. The Department started the process to update its AI in late 2010 and on March 24, 2011, the Department submitted an updated AI, known as the Phase 1, which covered a sixty-three (63) county area eligible to receive hurricane recovery funds as a result of hurricanes that occurred in 2008. The Phase 1 AI identified 16 impediments in four categories: education, training, planning, and enforcement, and received HUD approval on May 13, 2011.

TDHCA will release a Request for Proposals, consistent with the Phase 1 HUD approval letter, seeking a qualified firm that has experience in the development of AIs with which to contract for the preparation of the Phase 2 AI.

**To Be Posted
three days
prior to the meeting**

**To Be Posted
three days
prior to the meeting**

**To Be Posted
three days
prior to the meeting**

**To Be Posted
three days
prior to the meeting**

**To Be Posted
three days
prior to the meeting**

MULTIFAMILY FINANCE PRODUCTION DIVISION
BOARD ACTION REQUEST
June 30, 2011

Requested Action

Issue a list of Approved Applications (as of June 23) for Housing Tax Credits (“HTC”) in accordance with §2306.6724(e) of Texas Government Code from the 2011 State Housing Credit Ceiling.

WHEREAS, in accordance with §2306.6724(e) of Texas Government Code, the Board shall review the recommendations of Department staff regarding applications and shall issue a list of approved applications each year in accordance with the Qualified Allocation Plan not later than June 30.

It is hereby:

RESOLVED, that the List of Approved Applications for the 2011 Competitive Housing Tax Credit Cycle eligible for consideration for an award is hereby approved in the form presented in this meeting.

Background

The Texas Department of Housing and Community Affairs’ (the “Department”) Board is required by §2306.6724(e) of Texas Government Code to “review the recommendations of department staff regarding applications and shall issue a list of approved applications each year in accordance with the qualified allocation plan no later than June 30.” As required by §2306.6724(f) of Texas Government Code, the Board “shall issue final commitments for allocations of housing tax credits each year in accordance with the qualified allocation plan not later than July 31.” At the July 28, 2011 Board meeting, the list presented to the Board will clearly identify those applications being recommended for a Commitment Notice.

There are two lists for Board approval of all current approved applications from which the July 28, 2011 awards of housing tax credits will be selected. These include the At-Risk and Regional Lists. There were 239 Pre-Applications submitted reflecting a total request for housing tax credits of \$187M. Subsequently there were 152 full applications submitted of which 10 applications have been withdrawn or terminated. There are 20 active applications currently remaining under the “At-Risk” and “USDA” set-asides totaling \$14.8M in requests. There are 122 active applications remaining in the Competitive Regions totaling \$171M in requests.

Not all of the 142 approved applications will be recommended for an award and receive a commitment of housing tax credits; this list today merely reflects the pool of applications from which awarded applications may be selected. In fact, staff currently anticipates that there will only be funds sufficient to award forty-two new developments this year. The lists

attached include the current score for each active application as well as relevant application information.

In addition to the 142 approved applications currently competing for housing tax credits, the attached lists include applications that received forward commitments by the Board in 2010 out of the 2011 State Housing Tax Credit Ceiling. The Developments that received forward commitments are indicated by an "A" in the column titled "Status" as they have already received an award from the 2011 cycle. The approved applications to be considered by the Board for an award at the July 28, 2011 meeting are indicated by a "PA" or "APP" in the "Status" column excluding the applications that have TERM or WITH indicated in the "Notes" column on the right of the report.

At this time, not all applications have been reviewed for financial feasibility or compliance history; all applications are subject to those reviews. Through this review some applications may be found to be financially infeasible or ineligible based on compliance history, in which case they will be removed from the list of approved applications. Further, the credit amount reflected on this list is the requested credit amount and may change to reflect a recommended credit amount and/or may have conditions placed on the allocation at the time of the July 28, 2011 commitments. In addition to applications that may be removed from the list for issues of financial feasibility, applications may also be added to or removed from the list of approved applications by the Executive Director as determinations are made on appeals.

Staff Recommendation

Staff recommends that the Board issue the attached recommended list of approved applications, and as amended by the Board during this meeting, for 2011 Competitive Housing Tax Credits pursuant to §2306.6724(e).

2011 Competitive HTC At-Risk Set-Aside Application Submission Log June 23, 2011
Sorted by Awarded Score

Estimated State Ceiling to be Allocated: \$8,182,646

File #	Region Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP AR	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	Credit Request	Owner Contact	TDHCA HOME	Awd Score	Notes ⁶
11003	3 A	Wynnewood Seniors Housing	Approx. 1500 Block of S. Zang Blvd. (W. side of street)	Dallas	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	140	140	E	NC	\$1,606,374	Brian L. Roop	<input type="checkbox"/>	300	FWD
							Total:	140	140			\$1,606,374			
11251	3 P	Bluebonnet Village / Primrose Park	3100 Blessing Ct.	Bedford	Urban	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	103	104	E	AC/RH	\$984,991	Michelle Norris	<input type="checkbox"/>	214	PA
11030	5 P	Pine Ridge Manor	1100 MLK Jr. Dr.	Crockett	Rural	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	70	70	G	AC/RH	\$600,000	Ike Akbari	<input checked="" type="checkbox"/>	213	PA
11224	6 P	Magnolia Acres	108 Deborah Dr.	Angleton	Rural	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	66	67	E	AC/RH/RC	\$669,724	Michelle Norris	<input type="checkbox"/>	211	PA
11203	3 P	Woodside Village Apts	703 Bumpas	McKinney	Urban	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	100	100	G	AC/RH	\$968,227	Sarah Rucker	<input checked="" type="checkbox"/>	210	PA
11055	3 P	Pilgrim Valley Manor	1701 E Robert St.	Fort Worth	Urban	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	168	168	G	AC/RH	\$1,400,000	Ike Akbari	<input type="checkbox"/>	209	PA
11120	12 P	La Promesa Apts	4590 N Texas St.	Odessa	Urban	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	136	136	G	AC/RH	\$1,558,301	Chris Barnes	<input type="checkbox"/>	208	PA
11112	9 P	Artisan at Dilley	400 Anne St.	Dilley	Rural	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	46	46	G	AC/RH/RC	\$957,690	Sandra McGowan	<input checked="" type="checkbox"/>	207	PA
11134	4 P	Grand Manor Apts	2700 N Grand Ave.	Tyler	Urban	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	120	120	G	AC/RH	\$1,267,523	Ross Stiteley	<input type="checkbox"/>	205	PA
11197	12 P	Park Village Apts	1905 Wasson Rd.	Big Spring	Rural	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	76	76	G	AC/RH	\$646,315	Daniel F. O'Dea	<input type="checkbox"/>	204	PA
11033	10 P	American GI Forum Village I & II	1801 Bosquez St., Box 81	Robstown	Rural	<input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	76	76	G	AC/RH	\$944,918	Walter Martinez	<input checked="" type="checkbox"/>	202	APP
11198	1 P	Casa Orlando Apts	1810 Third St.	Lubbock	Urban	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	70	70	G	AC/RH	\$632,687	Daniel F. O'Dea	<input type="checkbox"/>	200	PA
11196	1 P	Central Village Apts	910 W 28th St.	Plainview	Rural	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	84	84	G	AC/RH	\$719,572	Daniel F. O'Dea	<input type="checkbox"/>	193	PA
11231	7 P	Spring Hollow Apts	4803 & 4804 Loyola Ln.	Austin	Urban	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	100	100	G	AC/RH	\$758,602	Gary Gill	<input type="checkbox"/>	192	PA
11179	3 P	Meadowlake Village Apts	209 S Grand Ave.	Mabank	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	40	40	G	RH	\$413,499	Warren L. Maupin, Jr.	<input checked="" type="checkbox"/>	190	APP
11084	5 P	Southwood Apts	2050 South Byrd Ave.	Shepherd	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	48	48	G	AC/RH	\$357,215	Ronald Potterpin	<input checked="" type="checkbox"/>	178	PA

1 = Status of Award Abbreviation: Development Previously Awarded 2011 Housing Tax Credits=A, Pending/ Non-Awarded Applications=P, Not Active=N

2 = Allocation: Rural Regional Allocation or Urban Regional Allocation

3 = Set-Aside Abbreviations: TRDO-USDA=USDA, Nonprofit=NP, At-Risk=AR. Only USDA applications proposing Rehabilitation are reflected on this log. USDA applications proposing New Construction will be attributed to, and come from, the applicable Uniform State Service Region, and are located on the "Regional" log.

4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G, Supportive Housing=S

5 = Housing Activity: New Construction=NC, Acquisition/Rehabilitation=AC/RH, Adaptive Reuse=ADR, Reconstruction=RC

6 = Notes: 2010 Applications Awarded from the 2011 Ceiling=FWD, Pending Applications=PA, Terminated Applications=TERM, Withdrawn Applications=WITH, Applications under Appeal=APP

Region File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³			LI	Total	Target ⁴	Housing ⁵	Credit	Owner	Contact	TDHCA	Awd	Notes ⁶
						USDA	NP	AR	Units	Units	Pop	Activity	Request			HOME	Score	
11135	9 P	Jourdanton Square Apts	2701 Zanderson	Jourdanton	Rural	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	52	52	G	AC/RH	\$394,010	Dennis Hoover		<input checked="" type="checkbox"/>	166	PA
11148	11 P	Ivy Terrace	2801 W Maple Ave.	McAllen	Urban	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	80	80	G	AC/RH	\$750,502	Bryon Gongaware		<input type="checkbox"/>	164	PA
11083	4 P	Countrywood Apts	7080 Lamar Rd.	Reno	Rural	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	24	24	G	AC/RH	\$197,271	Ronald Potterpin		<input checked="" type="checkbox"/>	162	PA
11082	8 P	Oakwood Apts	701 N. Madison St.	Madisonville	Rural	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	36	36	G	AC/RH	\$291,886	Ronald Potterpin		<input type="checkbox"/>	158	PA
11081	8 P	Northwood Apts	516 Laredo St.	Navasota	Rural	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	48	48	G	AC/RH	\$340,306	Ronald Potterpin		<input type="checkbox"/>	155	PA
									Total:	1,543	1,545			\$14,853,239				
11174	3 N	Criswell Apts.	3115 Crestview Dr.	Dallas	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	36	36	G	AC/RH/RC	\$931,992	Angela Johnson Fisher		<input type="checkbox"/>	0	TERM
									Total:	36	36			\$931,992				
22 Total Applications		Sum of Awarded Credits:		Sum of Pending Credits:					1,719	1,721			\$17,391,605					
		\$1,606,374		\$14,853,239														

1 = Status of Award Abbreviation: Development Previously Awarded 2011 Housing Tax Credits=A, Pending/ Non-Awarded Applications=P, Not Active=N

2 = Allocation: Rural Regional Allocation or Urban Regional Allocation

3 = Set-Aside Abbreviations: TRDO-USDA=USDA, Nonprofit=NP, At-Risk=AR. Only USDA applications proposing Rehabilitation are reflected on this log. USDA applications proposing New Construction will be attributed to, and come from, the applicable Uniform State Service Region, and are located on the "Regional" log.

4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G, Supportive Housing=S

5 = Housing Activity: New Construction=NC, Acquisition/Rehabilitation=AC/RH, Adaptive Reuse=ADR, Reconstruction=RC

6 = Notes: 2010 Applications Awarded from the 2011 Ceiling=FWD, Pending Applications=PA, Terminated Applications=TERM, Withdrawn Applications=WITH, Applications under Appeal=APP

2011 Competitive HTC Regional Application Submission Log June 23, 2011
Sorted by Region, Allocation and Awarded Score

Estimated State Ceiling to be Allocated: \$46,911,792

Region	File #	Status	Development Name	Address	City	Allocation	Set-Asides USDA NP	LI Units	Total Target Units	Housing Pop	Activity	Credit Request	Owner Contact	TDHCA HOME	Awd Score	Notes
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Region: 1

Allocation Information for Region 1:	Total Credits Available for Region: \$2,054,155	Urban Allocation: \$1,189,699	Rural Allocation: \$864,456
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Applications Submitted in Region 1: Urban

11195	1	P	Stonebridge of Lubbock	NWC of 71st St. and Ironton Ave.	Lubbock	Urban	<input type="checkbox"/> <input type="checkbox"/>	152	152	G	NC	\$1,879,591	Victoria W. Spicer	<input type="checkbox"/>	210	APP
11163	1	P	The Grove at Elm Park	approx. .18 miles W of 34th St. and Milwaukee Ave.	Lubbock	Urban	<input type="checkbox"/> <input type="checkbox"/>	128	128	G	NC	\$1,768,281	Shari Flynn	<input type="checkbox"/>	206	PA
11067	1	P	Southwest Plains Villas	E 4th & Guava St.	Lubbock	Urban	<input type="checkbox"/> <input type="checkbox"/>	120	120	G	NC	\$1,999,908	R. J. Collins	<input type="checkbox"/>	203	PA
11074	1	P	The Villas at Tuscany	SWC of Lola Ave. and 66th St.	Lubbock	Urban	<input type="checkbox"/> <input type="checkbox"/>	80	80	E	NC	\$788,972	Brett Johnson	<input type="checkbox"/>	197	APP
Total:								480	480			\$6,436,752				

Applications Submitted in Region 1: Rural

11164	1	P	Oasis Cove	N corner of N 7th St. and 9th Ave.	Canadian	Rural	<input type="checkbox"/> <input type="checkbox"/>	56	64	G	NC	\$760,840	Mark Mayfield	<input checked="" type="checkbox"/>	204	APP	
11170	1	N	Cedars Apts	Dowden Rd. near 82nd St.	Wolfforth	Rural	<input type="checkbox"/> <input type="checkbox"/>	79	80	G	NC	\$895,705	Justin Zimmerman	<input type="checkbox"/>	0	WITH	
Total:								56	64			\$760,840					
Total:								79	80			\$895,705					
6 Applications in Region								Region Total:	615	624			\$8,093,297				

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4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G, Supportive Housing=S

5 = Housing Activity: New Construction=NC, Acquisition/Rehabilitation=AC/RH, Adaptive Reuse=ADR, Reconstruction=RC

6 = Notes: 2010 Applications Awarded from the 2011 Ceiling=FWD, Pending Applications=PA, Terminated Applications=TERM, Withdrawn Applications=WITH, Applications under Appeal=APP

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Region: 2

Allocation Information for Region 2:	Total Credits Available for Region: \$1,268,773	Urban Allocation: \$703,775	Rural Allocation: \$564,998
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Applications Submitted in Region 2: Urban

11246	2 P	Tylor Grand	4249 Catclaw Dr.	Abilene	Urban	<input type="checkbox"/> <input type="checkbox"/>	119	120	G	NC	\$1,395,109	Louis Wolfson III	<input type="checkbox"/>	212	PA
11180	2 P	Rainy Creek Apts	Griffith Rd. at Scottish Rd.	Abilene	Urban	<input type="checkbox"/> <input type="checkbox"/>	84	84	G	NC	\$967,134	Justin Zimmerman	<input type="checkbox"/>	203	PA
11066	2 P	Anson Park III	2820 Old Anson Rd.	Abilene	Urban	<input type="checkbox"/> <input type="checkbox"/>	76	80	G	NC	\$1,068,981	Jay Collins	<input type="checkbox"/>	201	APP
11089	2 P	Parkstone Senior Village Phase II	Approximately 1401 W Rathgeber Rd.	Wichita Falls	Urban	<input type="checkbox"/> <input type="checkbox"/>	64	64	E	NC	\$721,737	Randy Stevenson	<input type="checkbox"/>	197	PA
Total:							343	348			\$4,152,961				

Applications Submitted in Region 2: Rural

11076	2 P	Saddlebrook Apts	SE Quadrant of Preston and Kramer	Burkburnett	Rural	<input type="checkbox"/> <input type="checkbox"/>	80	80	G	NC	\$990,345	Brett Johnson	<input checked="" type="checkbox"/>	212	PA
11061	2 P	Pioneer Crossing for Seniors Burkburnet	1100 Christie Ln.	Burkburnett	Rural	<input type="checkbox"/> <input type="checkbox"/>	80	80	E	NC	\$950,004	Noorallah Jooma	<input checked="" type="checkbox"/>	206	PA
Total:							160	160			\$1,940,349				
11028	2 N	Villas of Brownwood Apts. II	4200 block Hwy 377 S	Brownwood	Rural	<input type="checkbox"/> <input type="checkbox"/>	36	36	G	NC	\$456,188	Lucille Jones	<input checked="" type="checkbox"/>	0	TERM
11173	2 N	Whispering Pines Apts.	Davis Ln. and W Austin Ave.	Brownwood	Rural	<input type="checkbox"/> <input type="checkbox"/>	79	80	G	NC	\$928,933	Kelly Holden	<input type="checkbox"/>	0	TERM
Total:							115	116			\$1,385,121				
8 Applications in Region							Region Total:	618	624			\$7,478,431			

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5 = Housing Activity: New Construction=NC, Acquisition/Rehabilitation=AC/RH, Adaptive Reuse=ADR, Reconstruction=RC

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Region: 3

Allocation Information for Region 3:	Total Credits Available for Region: \$10,117,034	Urban Allocation: \$8,946,980	Rural Allocation: \$1,170,054
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Applications Submitted in Region 3: Urban

11012	3 A	Hillside West Seniors	Near 32 Pinnacle Park Blvd.	Dallas	Urban	<input type="checkbox"/> <input type="checkbox"/>	130	130	E	NC	\$1,632,728	Brandon Bolin	<input type="checkbox"/>	300	FWD	
11004	3 A	North Court Villas	South side Stonebrook Pkwy between Woodstream Dr & Preston Rd	Frisco	Urban	<input type="checkbox"/> <input type="checkbox"/>	150	150	G	NC	\$2,000,000	Cherno M. Njie	<input type="checkbox"/>	300	FWD	
11007	3 A	Terrell Homes I	Scattered Sites (N. of Hwy 287, E. of Hwy 35W, S. of Hwy 30 and W. of MLK Jr. Hwy)	Fort Worth	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/>	54	54	G	NC	\$1,136,782	Jesus Chapa	<input type="checkbox"/>	300	FWD	
11011	3 A	Sedona Ranch	6101 Old Denton Rd.	Fort Worth	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/>	172	172	E	NC	\$1,940,000	Manish Verma	<input type="checkbox"/>	300	FWD	
							Total:	506	506			\$6,709,510				
11248	3 P	Singing Oaks	307 N Loop 288	Denton	Urban	<input type="checkbox"/> <input type="checkbox"/>	122	126	G	AC/RH	\$1,395,468	Mitchell Friedman	<input type="checkbox"/>	215	PA	
11216	3 P	The Sierra on Pioneer Road	SEC of Pioneer Rd. and Sierra Dr.	Mesquite	Urban	<input type="checkbox"/> <input type="checkbox"/>	84	92	E	NC	\$900,000	Janine Sisak	<input checked="" type="checkbox"/>	211	PA	
11223	3 P	The Terrace at MidTowne	SWC of George Hopper Rd. and Abigail	Midlothian	Urban	<input type="checkbox"/> <input type="checkbox"/>	84	96	E	NC	\$1,037,692	Diana McIver	<input checked="" type="checkbox"/>	211	PA	
11098	3 P	Hatcher Square	NWC of Scyene Rd. at Hatcher Blvd.	Dallas	Urban	<input type="checkbox"/> <input type="checkbox"/>	136	136	G	NC	\$2,000,000	Jon Edmonds	<input type="checkbox"/>	210	PA	
11258	3 P	Brook Village Apts	6852 Shady Brook Ln.	Dallas	Urban	<input type="checkbox"/> <input type="checkbox"/>	213	213	G	AC/RH	\$2,000,000	Deepak Sulakhe	<input type="checkbox"/>	210	APP	
11145	3 P	Evergreen at Marsh Lane	Approx 2800 Block of Running Duke Dr.	Carrollton	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/>	140	140	E	NC	\$1,680,698	Don Maison	<input checked="" type="checkbox"/>	210	PA	
11183	3 P	Lakeside Village Homes	Scattered sites bordered by W Vickery Blvd., W Rosedale St., Bryant Irvin Rd., Camp Bowie W Blvd. and Hulen St.	Fort Worth	Urban	<input type="checkbox"/> <input type="checkbox"/>	36	36	G	NC	\$733,139	Jesus Chapa	<input type="checkbox"/>	209	PA	
11178	3 P	Esperanza Cove Senior Apts	2819 E Belknap St.	Fort Worth	Urban	<input type="checkbox"/> <input type="checkbox"/>	61	61	E	NC	\$775,979	Jesus Chapa	<input type="checkbox"/>	206	PA	
11127	3 P	1400 Belleview	1401 Browder St.	Dallas	Urban	<input type="checkbox"/> <input type="checkbox"/>	164	164	G	NC	\$2,000,000	Kristian Teleki	<input type="checkbox"/>	206	APP	
11124	3 P	Peoples El Shaddai	2836 E Overton Rd.	Dallas	Urban	<input type="checkbox"/> <input type="checkbox"/>	100	100	G	AC/RH	\$1,168,597	Jeff Huggett	<input type="checkbox"/>	199	PA	

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4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G, Supportive Housing=S

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Region	File #	Status	Development Name	Address	City	Allocation	Set-Asides USDA NP	LI Units	Total Units	Target Pop	Housing Activity	Credit Request	Owner Contact	TDHCA HOME	Awd Score	Notes	
	11114	3 P	Green Haus on the Santa Fe Trail	4611 East Side Ave.	Dallas	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/>	24	24	G	NC	\$191,228	Maria Machado	<input type="checkbox"/>	199	APP*	
	11056	3 P	St. Paul Apts	1801 Young St. & 1818 Wood St.	Dallas	Urban	<input type="checkbox"/> <input type="checkbox"/>	146	146	G	NC	\$1,408,163	Lawrence E. Hamilton III	<input type="checkbox"/>	199	APP	
	11139	3 P	Champion Homes at Copperidge	5522 Maple Ave.	Dallas	Urban	<input type="checkbox"/> <input type="checkbox"/>	126	252	G	NC	\$2,309,382	Saleem Jafar	<input type="checkbox"/>	196	APP*	
	11142	3 P	Veterans Place	4623 S Lancaster Rd.	Dallas	Urban	<input type="checkbox"/> <input type="checkbox"/>	150	150	G	NC	\$1,703,127	Yigal Lelah	<input type="checkbox"/>	192	APP	
	11205	3 P	Hawk Ridge Apts	9200 block of Dale Ln.	White Settlement	Urban	<input type="checkbox"/> <input type="checkbox"/>	144	144	G	NC	\$1,468,620	Bert Magill	<input type="checkbox"/>	191	PA	
	11136	3 P	Sphinx at Lawnview	4120 Lawnview Ave.	Dallas	Urban	<input type="checkbox"/> <input type="checkbox"/>	120	120	E	NC	\$1,553,932	Jay O. Oji	<input type="checkbox"/>	191	APP	
	11244	3 P	E2 Flats	211 N Ervay	Dallas	Urban	<input type="checkbox"/> <input type="checkbox"/>	119	119	G	ADR	\$1,759,015	Bill Newsome	<input type="checkbox"/>	184	PA	
	11107	3 P	Kinwest Manor	1500 block of Kinwest Pkwy	Irving	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/>	156	156	E	NC	\$1,913,438	Bradley Kyles	<input type="checkbox"/>	183	PA	
	11262	3 P	The Millennium - McKinney	McKinney Ranch Rd. and Stacy Rd.	McKinney	Urban	<input type="checkbox"/> <input type="checkbox"/>	172	172	G	NC	\$2,000,000	Brandon Bolin	<input type="checkbox"/>	165	PA	
								Total:	2,297	2,447			\$27,998,478				
Applications Submitted in Region 3: Rural																	
	11005	3 A	Silver Spring at Forney	SEC of FM 548 and Reeder Ln.	Forney	Rural	<input type="checkbox"/> <input type="checkbox"/>	80	80	E	NC	\$802,682	Alice Wong	<input type="checkbox"/>	300	FWD	
								Total:	80	80			\$802,682				
	11062	3 P	Pioneer Crossing for Seniors Mineral Wells	1500 Martin Luther King St.	Mineral Wells	Rural	<input type="checkbox"/> <input type="checkbox"/>	36	36	E	NC	\$517,747	Noorallah Jooma	<input checked="" type="checkbox"/>	210	PA	
	11122	3 P	Silver Spring Grand Heritage	SWC of Hwy 78 and CR 484	Lavon	Rural	<input type="checkbox"/> <input type="checkbox"/>	80	80	E	NC	\$986,853	Alice Wong	<input type="checkbox"/>	210	PA	
	11230	3 P	West Park Senior Housing	W Park Row and 44th St.	Corsicana	Rural	<input type="checkbox"/> <input checked="" type="checkbox"/>	48	48	E	NC	\$636,948	Emanuel H. Glockzin, Jr.	<input checked="" type="checkbox"/>	204	PA	
	11222	3 P	Westway Place	44th St., off W Park Row	Corsicana	Rural	<input type="checkbox"/> <input type="checkbox"/>	36	36	G	NC	\$546,156	Emanuel H. Glockzin, Jr.	<input checked="" type="checkbox"/>	204	PA	
	11175	3 P	Three Forks Ranch	US Hwy 175 and State Hwy 34	Kaufman	Rural	<input type="checkbox"/> <input checked="" type="checkbox"/>	80	80	E	NC	\$939,820	Monique Allen	<input type="checkbox"/>	203	PA	
	11171	3 P	South Fork Apts	Lockhart Rd. at W Washington St.	Stephenville	Rural	<input type="checkbox"/> <input type="checkbox"/>	59	60	G	NC	\$729,975	Justin Zimmerman	<input type="checkbox"/>	193	PA	
	11020	3 P	The Grand Texan-Waxahachie	SEC of U.S. Hwy 77 and Park Hills Dr.	Waxahachie	Rural	<input type="checkbox"/> <input type="checkbox"/>	65	80	E	NC	\$705,431	Kenneth H. Mitchell	<input type="checkbox"/>	190	PA	
								Total:	404	420			\$5,062,930				
31 Applications in Region								Region Total:		3,287	3,453			\$40,573,600			

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Region: 4

Allocation Information for Region 4:	Total Credits Available for Region: \$2,083,120	Urban Allocation: \$795,395	Rural Allocation: \$1,287,725
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Applications Submitted in Region 4: Urban

11097	4 P	RoseHill Ridge	1125 Stuckey	Texarkana	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/>	122	122	G	AC/RH/RC	\$2,000,000	Naomi W. Byrne	<input type="checkbox"/>	206	APP
11245	4 P	Bar T Apts	NW Quadrant of Bill Owens and Heather	Longview	Urban	<input type="checkbox"/> <input type="checkbox"/>	115	116	G	NC	\$1,396,034	Michael Wohl	<input type="checkbox"/>	191	PA

Total: 237 238 \$3,396,034

Applications Submitted in Region 4: Rural

11138	4 P	SilverLeaf at Gun Barrel City	400 Block Church St.	Gun Barrel City	Rural	<input type="checkbox"/> <input type="checkbox"/>	80	80	E	NC	\$941,119	J Michael Sugrue	<input checked="" type="checkbox"/>	199	PA
11221	4 P	Stonebridge Place	S Royall St.	Palestine	Rural	<input type="checkbox"/> <input checked="" type="checkbox"/>	76	80	E	NC	\$975,341	Emanuel H. Glockzin, Jr.	<input checked="" type="checkbox"/>	193	APP

Total: 156 160 \$1,916,460

4 Applications in Region Region Total: 393 398 \$5,312,494

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5 = Housing Activity: New Construction=NC, Acquisition/Rehabilitation=AC/RH, Adaptive Reuse=ADR, Reconstruction=RC
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Thursday, June 23, 2011

Region: 5

Allocation Information for Region 5:	Total Credits Available for Region: \$2,450,629	Urban Allocation: \$758,501	Rural Allocation: \$1,692,128
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Applications Submitted in Region 5: Urban

11185	5 P	Azure Pointe	Hwy 69/96 & Chinn Ln.	Beaumont	Urban	<input type="checkbox"/> <input type="checkbox"/>	140	140	G	NC	\$1,962,797	Robert Reyna	<input type="checkbox"/>	210	PA	
11054	5 P	Beaumont Place of Grace	approx. 4400 Warren St.	Beaumont	Urban	<input type="checkbox"/> <input type="checkbox"/>	112	128	E	NC	\$1,705,637	Christopher Akbari	<input type="checkbox"/>	190	PA	
							Total:	252	268			\$3,668,434				

Applications Submitted in Region 5: Rural

11085	5 P	Whitetail Ridge	355 FM 83	Hemphill	Rural	<input type="checkbox"/> <input type="checkbox"/>	36	36	E	NC	\$479,094	Melda Bartholdi	<input type="checkbox"/>	199	PA	
11086	5 P	La Belle Vie	350 ft SE of Shakespeare Ln. on W side of N LHS Dr.	Lumberton	Rural	<input type="checkbox"/> <input type="checkbox"/>	80	80	E	NC	\$945,833	Donald R. Ball	<input checked="" type="checkbox"/>	189	APP	
							Total:	116	116			\$1,424,927				
11201	5 N	Southwinds Senior Apts	N side of Roberts Dr., W of Bland Dr.	Bridge City	Rural	<input type="checkbox"/> <input type="checkbox"/>	80	80	E	NC	\$1,000,000	Gary Maddock	<input type="checkbox"/>	0	WITH	
							Total:	80	80			\$1,000,000				
5 Applications in Region							Region Total:	448	464			\$6,093,361				

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2 = Allocation: Rural Regional Allocation or Urban Regional Allocation

3 = Set-Aside Abbreviations: TRDO-USDA=USDA, Nonprofit=NP. Only USDA applications proposing New Construction are reflected on this log. USDA applications proposing Rehabilitation will be attributed to, and come from, the At-Risk Set-Aside, and are located on the "At-Risk" log.

4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G, Supportive Housing=S

5 = Housing Activity: New Construction=NC, Acquisition/Rehabilitation=AC/RH, Adaptive Reuse=ADR, Reconstruction=RC

6 = Notes: 2010 Applications Awarded from the 2011 Ceiling=FWD, Pending Applications=PA, Terminated Applications=TERM, Withdrawn Applications=WITH, Applications under Appeal=APP

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Region: 6

Allocation Information for Region 6:	Total Credits Available for Region: \$11,343,600	Urban Allocation: \$10,145,991	Rural Allocation: \$1,197,609
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Applications Submitted in Region 6:		Urban														
11238	6 P	The Sunningdale	N side of Wellman, W of IH-45	Shenandoah	Urban	<input type="checkbox"/>	<input type="checkbox"/>	130	130	E	NC	\$1,766,562	Keith Short	<input type="checkbox"/>	213	PA
11193	6 P	Alexander Place Apts	2401 N Alexander Dr.	Baytown	Urban	<input type="checkbox"/>	<input type="checkbox"/>	36	36	G	NC	\$610,094	Joyce Young	<input type="checkbox"/>	212	PA
11200	6 P	Silvercreek II Apts	4619 W 34th St.	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	148	148	G	AC/RH	\$1,734,146	Michael Robinson	<input type="checkbox"/>	212	PA
11260	6 P	Bissonnet Gardens Apts	7500 Bissonnet	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	140	140	G	AC/RH/RC	\$1,630,932	Amay Inamdar	<input type="checkbox"/>	211	PA
11080	6 P	Hidden Valley Estates	NEC of Veterans Memorial Dr. & Dewalt Rd.	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	150	150	G	NC	\$1,978,636	Dru Childre	<input type="checkbox"/>	210	PA
11087	6 P	Tidwell Lakes Ranch	15.69 acre tract approx. 1000' N of 12900 block of Tidwell/W of the approx. 9000 block of E Sam Houston Pkwy N	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	94	95	G	NC	\$1,890,742	W. Barry Kahn	<input type="checkbox"/>	210	PA
11149	6 P	Branch Village Apts	7601 Curry St.	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	160	160	G	AC/RH	\$1,674,049	Mark Moorhouse	<input type="checkbox"/>	209	PA
11096	6 P	Mariposa at Calder Drive	approx. the 1100 block of M 517 W	League City	Urban	<input type="checkbox"/>	<input type="checkbox"/>	176	180	E	NC	\$2,000,000	Stuart Shaw	<input checked="" type="checkbox"/>	209	PA
11022	6 P	East Houston Gardens	7600 E Houston Rd.	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	86	86	G	AC/RH/RC	\$1,097,180	Amanda Haney	<input type="checkbox"/>	207	PA
11024	6 P	Zion Bayou	5200-5390 Airport Blvd.	Houston	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	84	84	G	NC	\$1,244,498	L. David Punch	<input type="checkbox"/>	207	PA
11255	6 P	Justice Park Senior Villas	Justice Park Dr. N of W 43rd	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	144	144	E	NC	\$1,799,961	Chris Richardson	<input type="checkbox"/>	207	PA
11137	6 P	Genoa Ranch	16.97 acre tract E of MLK Jr., S of East Orem, and N of the approx. 4800 block of Almeda-Genoa	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	78	79	G	NC	\$1,583,573	John E. Hettig	<input type="checkbox"/>	206	PA
11049	6 P	The Palisades of Inwood	5800 W Mount Houston Rd.	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	127	127	E	NC	\$1,633,534	Marvalette Hunter	<input checked="" type="checkbox"/>	204	APP
11243	6 P	HomeTowne at Kingwood	E side of Winford Square Dr., N of Kellington Dr.	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	144	144	E	NC	\$1,573,597	Craig Spaulding	<input type="checkbox"/>	204	PA
11177	6 P	Trinity East Village	14 contiguous parcels bordered by St. Charles St., Tuam St., Live Oak St. and McGowen St.	Houston	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	70	70	E	NC	\$977,500	Tina Council	<input type="checkbox"/>	202	PA
11051	6 P	Sweetwater Bend	NWC of Stewart Rd. at 7 Mile Rd.	Galveston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	76	76	G	NC	\$1,192,398	Mark Lechner	<input type="checkbox"/>	197	APP

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Region File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	Credit Request	Owner Contact	TDHCA HOME	Awd Score	Notes ⁶
11150	6 P	New Hope Housing at Rittenhouse	7020 Stuebner Airline Rd.	Houston	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/>	160	160	G	NC	\$989,141	Joy Horak-Brown	<input type="checkbox"/>	195	PA
11249	6 P	Silvercreek I Apts	3200 Mangum	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	128	128	G	AC/RH	\$1,712,569	Michael Robinson	<input type="checkbox"/>	194	PA
11239	6 P	Sansbury Senior	SWQ of Sansbury and Crabb River Rd.	Greatwood	Urban	<input type="checkbox"/> <input type="checkbox"/>	90	90	E	NC	\$1,228,922	Kenneth W. Fambro	<input type="checkbox"/>	191	PA
11235	6 P	HomeTowne at Westheimer Lakes	5.37 acres on S side FM 1093, W of FM 723	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	126	126	E	NC	\$1,691,058	Richard E. Simmons	<input type="checkbox"/>	177	PA
11037	6 P	Spring Trace	W side Aldine Westfield Rd., N of Gwenfair Dr., E of Hardy Toll Rd., S of Cypresswood Dr.	Spring	Urban	<input type="checkbox"/> <input type="checkbox"/>	180	180	E	NC	\$2,000,000	David Mark Koogler	<input type="checkbox"/>	176	PA
11206	6 P	Enclave on S. Main Apts	12001 S Main St.	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	144	144	G	NC	\$1,880,249	Bert Magill	<input type="checkbox"/>	163	PA
11072	6 P	The Landings at Westheimer Lakes	N side Canyon Fields Dr., W of FM 723	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	96	96	G	NC	\$1,265,692	Craig H. Lintner	<input type="checkbox"/>	158	PA
							Total:	2,767	2,773			\$35,155,033			
11256	6 N	Gardens at Friendswood Lakes II	1423 W. Parkwood Ave.	Friendswood	Urban	<input type="checkbox"/> <input type="checkbox"/>	36	36	E	NC	\$582,552	Les Kilday	<input type="checkbox"/>	0	WITH
11023	6 N	Zion Valley	2635 FM 2920	Spring	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/>	192	192	E	NC	\$1,549,524	L. David Punch	<input type="checkbox"/>	0	TERM
11078	6 N	Light Rail Lofts at Midtown Terrace	4600 Main St.	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	105	105	G	ADR	\$755,960	Tim Cantwell	<input type="checkbox"/>	0	WITH
							Total:	333	333			\$2,888,036			
Applications Submitted in Region 6:		Rural													
11257	6 P	Brazos Senior Villas	SEC of FM 2218 and Reading Rd.	Rosenberg	Rural	<input type="checkbox"/> <input type="checkbox"/>	80	80	E	NC	\$1,047,374	Les Kilday	<input type="checkbox"/>	207	PA
11167	6 P	The Monarch at Bay Prairie	12th St., NW of Moore Ave. Intersection	Bay City	Rural	<input type="checkbox"/> <input checked="" type="checkbox"/>	74	80	E	NC	\$975,021	Ron Williams	<input checked="" type="checkbox"/>	206	PA
11039	6 P	Timberbrook Village	E side of Nichols Sawmill Rd. b/t Sara Ln. and Sanders St.	Magnolia	Rural	<input type="checkbox"/> <input type="checkbox"/>	80	80	G	NC	\$1,060,000	David Mark Koogler	<input type="checkbox"/>	200	PA
11046	6 P	Buckhorn Place	NWC of IH-45 & Smither Rd.	Huntsville	Rural	<input type="checkbox"/> <input type="checkbox"/>	76	76	G	NC	\$1,099,408	Chris Dischinger	<input type="checkbox"/>	177	PA
							Total:	310	316			\$4,181,803			
30 Applications in Region							Region Total:	3,410	3,422			\$42,224,872			

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Region: 7

Allocation Information for Region 7:	Total Credits Available for Region: \$2,574,457	Urban Allocation: \$1,979,019	Rural Allocation: \$595,439
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Applications Submitted in Region 7:		Urban														
11217	7 P	The Overlook at Plum Creek	4000 block of Cromwell Dr.	Kyle	Urban	<input type="checkbox"/>	<input type="checkbox"/>	80	94	E	NC	\$962,308	Diana McIver	<input checked="" type="checkbox"/>	210	PA
11123	7 P	Allegre Point	IH-35 and Fleischer Rd.	Austin	Urban	<input type="checkbox"/>	<input type="checkbox"/>	180	184	G	NC	\$2,000,000	Kenneth Lewis	<input type="checkbox"/>	208	PA
11071	7 P	Heritage Oak Hill	8922 Manchaca Rd.	Austin	Urban	<input type="checkbox"/>	<input type="checkbox"/>	96	96	E	NC	\$1,311,149	Daniel Allgeier	<input type="checkbox"/>	206	PA
11218	7 P	The Works at Pleasant Valley	835 N. Pleasant Valley Rd.	Austin	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	36	36	G	NC	\$488,350	Susan McDowell	<input type="checkbox"/>	204	PA
11250	7 P	Cypress Creek at Four Seasons	approx. 0.1 miles E of FM 150 & Lehman Rd. on Lehman Rd.	Kyle	Urban	<input type="checkbox"/>	<input type="checkbox"/>	156	160	G	NC	\$2,060,759	Stuart Shaw	<input checked="" type="checkbox"/>	185	PA
								Total:	548	570			\$6,822,566			
Applications Submitted in Region 7:		Rural														
11077	7 P	Main Street Commons	E side of Main St., S of Carlos Parker	Taylor	Rural	<input type="checkbox"/>	<input type="checkbox"/>	75	75	E	NC	\$1,061,857	Michael Roderer	<input checked="" type="checkbox"/>	211	PA
11140	7 P	Villas of Giddings	40 lots in Rolling Oaks Subdivision	Giddings	Rural	<input type="checkbox"/>	<input type="checkbox"/>	35	36	G	NC	\$733,728	Kelly Garrett	<input checked="" type="checkbox"/>	205	APP
11041	7 P	Riverwood Commons	SEC of Old Austin Hwy & Hasler Blvd.	Bastrop	Rural	<input type="checkbox"/>	<input type="checkbox"/>	36	36	E	NC	\$622,937	Will Markel	<input checked="" type="checkbox"/>	199	APP
								Total:	146	147			\$2,418,522			
8 Applications in Region								Region Total:	694	717			\$9,241,088			

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Region: 8

Allocation Information for Region 8:	Total Credits Available for Region: \$2,587,219	Urban Allocation: \$1,991,475	Rural Allocation: \$595,744
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Applications Submitted in Region 8: Urban

11027	8 P	Brookview Village	100 block W Hwy 190	Copperas Cove	Urban	<input type="checkbox"/> <input type="checkbox"/>	96	96	E	NC	\$1,038,574	Granger MacDonald	<input type="checkbox"/>	200	PA
11057	8 P	The Mercer	Austin's Colony Pkwy b/t Hwy 6 & Boonville Rd.	Bryan	Urban	<input type="checkbox"/> <input type="checkbox"/>	152	156	G	NC	\$1,760,291	Mark Musemeche	<input type="checkbox"/>	196	APP
11169	8 P	Merritt Bryan Station Senior Village	N of Hwy 6 and W of Old Reliance Rd.	Bryan	Urban	<input type="checkbox"/> <input type="checkbox"/>	144	144	E	NC	\$1,811,478	Colby Denison	<input type="checkbox"/>	196	APP
11241	8 P	Park Hudson Senior	SWC of Cross Park and FM 158	Bryan	Urban	<input type="checkbox"/> <input type="checkbox"/>	90	90	E	NC	\$1,245,984	Paul Milosevich	<input type="checkbox"/>	196	APP
11214	8 P	Cobblestone Village	Highpoint Dr. near Braircrest Dr.	Bryan	Urban	<input type="checkbox"/> <input type="checkbox"/>	68	68	E	NC	\$870,480	Emanuel H. Glockzin, Jr.	<input checked="" type="checkbox"/>	192	APP
11065	8 P	Robinson Senior Villages	San Benito Rd. & Santa Anna Rd.	Robinson	Urban	<input type="checkbox"/> <input type="checkbox"/>	120	120	E	NC	\$1,649,897	Tim Lang	<input type="checkbox"/>	191	APP
11094	8 P	Mariposa at Highway 6	approx. 0.15 miles S of Boonville Rd. and Wildflower Dr. (W side of Wildflower Dr.)	Bryan	Urban	<input type="checkbox"/> <input type="checkbox"/>	156	160	E	NC	\$1,888,178	Stuart Shaw	<input type="checkbox"/>	186	PA

Total: 826 834 \$10,264,882

Applications Submitted in Region 8: Rural

11202	8 P	Hunter's Chase Senior Apts	N side of E Belton Ave., E of Yoakum	Rockdale	Rural	<input type="checkbox"/> <input type="checkbox"/>	80	80	E	NC	\$1,000,000	Gary Maddock	<input checked="" type="checkbox"/>	202	PA
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Total: 80 80 \$1,000,000

8 Applications in Region

Region Total: 906 914 \$11,264,882

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Region: 9

Allocation Information for Region 9:	Total Credits Available for Region: \$3,622,744	Urban Allocation: \$2,966,715	Rural Allocation: \$656,029
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Applications Submitted in Region 9: Urban

11006	9 A	The Terrace at Haven for Hope	N. San Marcos & Perez St.	San Antonio	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/>	140	140	G	NC	\$1,638,351	Meghan Garza-Oswald	<input type="checkbox"/>	300	FWD
							Total:	140	140		\$1,638,351				
11156	9 P	Montabella Senior	NWC of Lakeview Dr. & Foster Rd.	San Antonio	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/>	90	90	E	NC	\$1,145,528	Susan R. Sheeran	<input type="checkbox"/>	206	PA
11035	9 P	E. Thurman Walker Living Center	301 Spriggsdale	San Antonio	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/>	200	200	E	NC	\$2,000,000	Fernando Godinez	<input type="checkbox"/>	206	APP
11090	9 P	Sutton Oaks II	approx. 750 Runnels Ave.	San Antonio	Urban	<input type="checkbox"/> <input type="checkbox"/>	162	208	G	NC	\$2,000,000	Lourdes Castro Ramirez	<input type="checkbox"/>	206	PA
							Total:	452	498		\$5,145,528				

Applications Submitted in Region 9: Rural

11073	9 P	Cypress Run	Kitty Hawk Rd. across from Wagon Crossing	Universal City	Rural	<input type="checkbox"/> <input type="checkbox"/>	80	80	G	NC	\$1,070,658	Craig H. Lintner	<input type="checkbox"/>	206	PA
11026	9 P	Walnut Springs	1300 E Walnut St.	Seguin	Rural	<input type="checkbox"/> <input type="checkbox"/>	80	80	E	NC	\$902,870	Granger MacDonald	<input checked="" type="checkbox"/>	201	PA
							Total:	160	160		\$1,973,528				
6 Applications in Region							Region Total:	752	798		\$8,757,407				

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Region: 10

Allocation Information for Region 10:	Total Credits Available for Region: \$1,969,583	Urban Allocation: \$1,202,967	Rural Allocation: \$766,616
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Applications Submitted in Region 10: Urban

11227	10 P	Dolphin's Landing Apts	6402 Weber Rd.	Corpus Christi	Urban	<input type="checkbox"/>	<input type="checkbox"/>	218	218	G	AC/RH	\$2,000,000	Michael Nguyen	<input type="checkbox"/>	215	PA
11115	10 P	Castle Manor Apts	655 Castle Park Dr.	Corpus Christi	Urban	<input type="checkbox"/>	<input type="checkbox"/>	62	62	G	AC/RH	\$655,519	Paul Patierno	<input type="checkbox"/>	215	PA
11045	10 P	Lexington Vista	NWC of Downing St.	Corpus Christi	Urban	<input type="checkbox"/>	<input type="checkbox"/>	100	100	E	NC	\$1,365,970	Mark Lechner	<input type="checkbox"/>	212	PA
11050	10 P	Palm Gardens	NEC of Sandra Ln.	Corpus Christi	Urban	<input type="checkbox"/>	<input type="checkbox"/>	156	156	G	NC	\$1,996,605	Mark Lechner	<input type="checkbox"/>	212	PA
11166	10 P	The Palms at Leopard St.	Palm Ave. b/t Lipan St. & Leopard St.	Corpus Christi	Urban	<input type="checkbox"/>	<input type="checkbox"/>	120	120	G	NC	\$1,653,271	M. Steven Henderson	<input type="checkbox"/>	211	PA
11079	10 P	Lexington Landing	1455 Southgate Dr.	Corpus Christi	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	156	156	G	AC/RH/RC	\$2,000,000	Richard J. Franco	<input type="checkbox"/>	209	PA
11025	10 P	Seaside Manor	SWC of FM 1069 and Gallion St.	Ingleside	Urban	<input type="checkbox"/>	<input type="checkbox"/>	100	100	E	NC	\$1,097,081	Justin MacDonald	<input checked="" type="checkbox"/>	197	PA
11168	10 P	The Trails at Nodding Pines	SW corner of Holly Road and Nodding Pines	Corpus Christi	Urban	<input type="checkbox"/>	<input type="checkbox"/>	84	88	G	NC	\$1,100,000	Janine Sisak	<input type="checkbox"/>	188	PA
								Total:	996	1,000			\$11,868,446			

Applications Submitted in Region 10: Rural

11208	10 P	Amber Stone Apts	208 & 210 E Crockett St.	Beeville	Rural	<input type="checkbox"/>	<input type="checkbox"/>	54	54	G	AC/RH/RC	\$689,273	Adrian Iglesias	<input checked="" type="checkbox"/>	214	PA
11058	10 P	Connell Villa	1605 E Santa Gertrudis	Kingsville	Rural	<input type="checkbox"/>	<input type="checkbox"/>	36	36	G	AC/RH/RC	\$618,132	Cory Hinojosa	<input checked="" type="checkbox"/>	208	PA
11021	10 P	Candlestick Village	3901 Hwy 35 N	Fulton	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	E	NC	\$1,048,780	Charles Holcomb	<input type="checkbox"/>	198	PA
								Total:	170	170			\$2,356,185			

11 Applications in Region

Region Total: 1,166 1,170 \$14,224,631

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Region: 11

Allocation Information for Region 11:	Total Credits Available for Region: \$4,114,753	Urban Allocation: \$2,655,037	Rural Allocation: \$1,459,716
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Applications Submitted in Region 11: Urban

11008	11 A	Champion Homes at Canyon Creek	1700 N. Minnesota Ave.	Brownsville	Urban	<input type="checkbox"/> <input type="checkbox"/>	100	100	G	NC	\$1,348,738	Saleem Jafar	<input type="checkbox"/>	300	FWD
						Total:	100	100			\$1,348,738				
11059	11 P	Colonia Guadalupe	2000 San Francisco Ave.	Laredo	Urban	<input type="checkbox"/> <input type="checkbox"/>	144	144	G	AC/RH/RC	\$1,710,260	Laura Llanes	<input type="checkbox"/>	214	PA
11031	11 P	La Hacienda Apts.	3567 W. Business 83	Harlingen	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/>	55	56	G	AC/RH/RC	\$783,316	Nick Mitchell-Bennett	<input checked="" type="checkbox"/>	214	PA
11232	11 P	River Valley Apts	702 S. M St.	Harlingen	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/>	104	104	G	AC/RH/RC	\$1,132,577	Rick J. Deyoe	<input type="checkbox"/>	213	APP
11048	11 P	La Privada	10+/- acres off Chapin Rd. SEC	Edinburg	Urban	<input type="checkbox"/> <input type="checkbox"/>	156	156	G	NC	\$2,000,000	Scott Brian	<input type="checkbox"/>	212	PA
11043	11 P	La Serena	10 acres SWC Hwy 83 and Tamm Ln.	Harlingen	Urban	<input type="checkbox"/> <input type="checkbox"/>	156	156	G	NC	\$2,000,000	Scott Brian	<input type="checkbox"/>	212	PA
11157	11 P	Andalusia Pointe	approx. 2200 SE of Hwy 77 & County Rd. 508	Combes	Urban	<input type="checkbox"/> <input type="checkbox"/>	104	104	G	NC	\$1,455,633	Jared Hockema	<input type="checkbox"/>	204	APP
11102	11 P	Christie's Cove	Ramsey Rd. and Lafayette Ave.	Harlingen	Urban	<input type="checkbox"/> <input type="checkbox"/>	125	125	G	NC	\$1,961,722	Ana Silveria Sierra	<input type="checkbox"/>	191	PA
11036	11 P	Hidalgo Sr. Apts.	8.75 acres of the SWC of 2.5 Mile Rd. and 8 Mile Rd.	Weslaco	Urban	<input type="checkbox"/> <input type="checkbox"/>	120	120	E	NC	\$1,414,753	Kimberly Keener	<input type="checkbox"/>	180	PA
						Total:	964	965			\$12,458,261				

Applications Submitted in Region 11: Rural

11009	11 A	Sunflower Estates	404 Lion's Villa Ave.	La Feria	Rural	<input type="checkbox"/> <input checked="" type="checkbox"/>	77	80	G	NC	\$1,010,136	Sunny K. Philip	<input checked="" type="checkbox"/>	300	FWD
						Total:	77	80			\$1,010,136				
11105	11 P	Aster Villas	2800 block of Veterans Blvd.	Del Rio	Rural	<input type="checkbox"/> <input type="checkbox"/>	80	80	G	NC	\$1,034,797	Clifton Phillips	<input type="checkbox"/>	198	PA
						Total:	80	80			\$1,034,797				
11 Applications in Region						Region Total:	1,221	1,225			\$15,851,932				

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Region: 12

Allocation Information for Region 12:	Total Credits Available for Region: \$1,619,625	Urban Allocation: \$1,054,563	Rural Allocation: \$565,061
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Applications Submitted in Region 12: Urban

11165	12 P	Playa Del Pueblo	Approx 400 linear feet East of S Terrell St. & IH-20	Midland	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/>	96	96	G	NC	\$1,315,954	David Diaz	<input type="checkbox"/>	203	PA
11151	12 P	Sage Brush Apts	Tradewinds Blvd. N of IH-20 Business	Midland	Urban	<input type="checkbox"/> <input type="checkbox"/>	77	78	E	NC	\$942,786	Vaughn C. Zimmerman	<input type="checkbox"/>	202	PA
11237	12 P	Summer Crest Senior Development	N side of Summer Crest Dr., W of FM 2288	San Angelo	Urban	<input type="checkbox"/> <input type="checkbox"/>	90	90	E	NC	\$1,180,971	Chuck Hammonds	<input type="checkbox"/>	186	PA
11226	12 P	Clear Springs	7700 E Bankhead Hwy	Odessa	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/>	140	140	E	NC	\$1,753,480	Maribel Estrella	<input type="checkbox"/>	182	PA
11261	12 P	North Angelo Housing Estates	various scattered sites	San Angelo	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/>	36	36	G	NC	\$494,376	Terry Shaner	<input type="checkbox"/>	181	APP
Total:							439	440			\$5,687,567				

Applications Submitted in Region 12: Rural

11181	12 P	Dunes Apts	SE Ave. G at SE 3rd St.	Seminole	Rural	<input type="checkbox"/> <input type="checkbox"/>	59	60	G	NC	\$664,268	Kelly Holden	<input type="checkbox"/>	165	PA
Total:							59	60			\$664,268				
Region Total:							498	500			\$6,351,835				

6 Applications in Region

1 = Status of Award Abbreviation: Development Previously Awarded 2011 Housing Tax Credits=A, Pending/ Non-Awarded Applications=P, Not Active=N

2 = Allocation: Rural Regional Allocation or Urban Regional Allocation

3 = Set-Aside Abbreviations: TRDO-USDA=USDA, Nonprofit=NP. Only USDA applications proposing New Construction are reflected on this log. USDA applications proposing Rehabilitation will be attributed to, and come from, the At-Risk Set-Aside, and are located on the "At-Risk" log.

4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G, Supportive Housing=S

5 = Housing Activity: New Construction=NC, Acquisition/Rehabilitation=AC/RH, Adaptive Reuse=ADR, Reconstruction=RC

6 = Notes: 2010 Applications Awarded from the 2011 Ceiling=FWD, Pending Applications=PA, Terminated Applications=TERM, Withdrawn Applications=WITH, Applications under Appeal=APP

* = Reflects Applicant's self score plus points awarded for QCP and State Representative/Senator input.

Region: 13

Allocation Information for Region 13:	Total Credits Available for Region: \$1,965,011	Urban Allocation: \$1,384,139	Rural Allocation: \$580,872
--	--	--------------------------------------	------------------------------------

Applications Submitted in Region 13: Urban

11000	13 A	Canutillo Palms	Parcel directly South of Canutillo High School. 200 ft West of I-10	El Paso	Urban	<input type="checkbox"/> <input type="checkbox"/>	172	172	G	NC	\$2,000,000	R. L. Bowling, IV	<input type="checkbox"/>	300	FWD
							Total:	172	172		\$2,000,000				
11234	13 P	Villas at West Mountain	NWC Helen of Troy and Northwestern	El Paso	Urban	<input type="checkbox"/> <input type="checkbox"/>	156	156	G	NC	\$1,719,033	Ike J. Monty	<input type="checkbox"/>	202	PA
11068	13 P	North Desert Palms	100' NW of Angora Loop & Dyer St. off of Dyer	El Paso	Urban	<input type="checkbox"/> <input type="checkbox"/>	149	172	G	NC	\$1,996,938	R. L. Bowling, IV	<input type="checkbox"/>	178	PA
							Total:	305	328		\$3,715,971				

Applications Submitted in Region 13: Rural

11070	13 P	Presidio Palms II	behind 12960 Alnor St.	San Elizario	Rural	<input type="checkbox"/> <input type="checkbox"/>	80	80	G	NC	\$1,056,218	R. L. Bowling, IV	<input type="checkbox"/>	166	PA
							Total:	80	80		\$1,056,218				
11069	13 N	San Elizario Palms II	behind 13850 Socorro Rd.	San Elizario	Rural	<input type="checkbox"/> <input type="checkbox"/>	80	80	G	NC	\$1,076,517	R. L. Bowling, IV	<input type="checkbox"/>	0	WITH
							Total:	80	80		\$1,076,517				
							Region Total:	637	660		\$7,848,706				

5 Applications in Region

139 Total Applications	Sum of Awarded Credits:	Sum of Pending Credits:	14,645	14,969	\$183,316,536
	\$13,509,417	\$162,561,740			

1 = Status of Award Abbreviation: Development Previously Awarded 2011 Housing Tax Credits=A, Pending/ Non-Awarded Applications=P, Not Active=N

2 = Allocation: Rural Regional Allocation or Urban Regional Allocation

3 = Set-Aside Abbreviations: TRDO-USDA=USDA, Nonprofit=NP. Only USDA applications proposing New Construction are reflected on this log. USDA applications proposing Rehabilitation will be attributed to, and come from, the At-Risk Set-Aside, and are located on the "At-Risk" log.

4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G, Supportive Housing=S

5 = Housing Activity: New Construction=NC, Acquisition/Rehabilitation=AC/RH, Adaptive Reuse=ADR, Reconstruction=RC

6 = Notes: 2010 Applications Awarded from the 2011 Ceiling=FWD, Pending Applications=PA, Terminated Applications=TERM, Withdrawn Applications=WITH, Applications under Appeal=APP

* = Reflects Applicant's self score plus points awarded for QCP and State Representative/Senator input.

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

June 30, 2011

Recommended Action

Presentation, Discussion, and Possible Action regarding Housing Tax Credit Amendments.

WHEREAS, the tax credit award relating to HTC 70079, Emerald Run Apartments (FKA Copper Creek Apartments), was awarded by the Board based on certain premises, including the rehabilitation of 108 units with 94,864 square feet of Net Rentable Area, and

WHEREAS, after twenty-one years in service, the new development owner, Community Enrichment Center (CEC) is seeking approval to modify the unit mix by decreasing the number of one bedroom units, and increase the number of two and three bedroom units, therefore

BE IT RESOLVED, that staff's recommendations regarding the approval of amendments relating to Application #70079, Emerald Run Apartments be and hereby are approved as presented to this meeting.

Background

§2306.6712, Texas Government Code, indicates that the Board should determine the disposition of a requested amendment if the amendment is a "material alteration," would materially alter the development in a negative manner or would have adversely affected the selection of the application in the application round. The statute identifies certain changes as material alterations and the requests presented below include material alterations.

Summary of Request: The owner is requesting approval to modify the unit mix by reconfiguring eighteen one bedroom units into twelve two and three bedroom units (six each). The proposed change would decrease the total number of units from 108 approved at application to 102. The proposed unit modification will not affect the Net Rentable Area (NRA), and will remain at 94,792. The request letter states that one bedroom units have been increasingly difficult to lease, and account for 93% of the development's vacancy. CEC has also agreed to provide additional amenities for tenant use including; a food pantry, computer lab, employment assistance, adult literacy/GED classes, benefits counseling, financial literacy classes, free tax preparation, home ownership classes, and kids activities. The rehabilitation budget includes plans to install new HVAC units, refrigerators, and plumbing fixtures. The table below illustrates how the unit mix will be affected.

Units	Application			Amendment			Change	
	Number	Size	NRA	Number	Size	NRA	Number	NRA
1BR/1Bath	24	730	17,520	6	730	4,380	-18	-13,140
1BR/1Bath	36	754	27,144	36	754	27,144	0	0
2BR/1Bath				6	984	5,904	6	+5,904
2BR/1Bath	24	984	23,616	24	984	23,616	0	0
2BR/1Bath	16	1037	16,592	16	1,037	16,592	0	0
3BR/2Bath				6	1,206	7,236	6	+7,236
3BR/2Bath	8	1,240	9,920	8	1,240	9,920	0	0
Totals	108		94,792	102		94,792	-6	0

Emerald Run was awarded tax credits in 1990, and has already completed the initial compliance period. The development is no longer receiving annual tax credits, and the proposed changes will be funded 100% by third party lenders and grants. The owner has cited high vacancy rates of one bedroom units as the motive for changing the unit mix. The owner has affirmed all unit rents will remain at 60% AMI levels.

It should be noted that CEC and Tarrant County Housing Partnership, Inc. have entered into a partnership to acquire Emerald Run Apartments and provide affordable housing for participants in CEC's Open Arms and Adopt-A-Family Programs. It is understood by staff that funding for the rehabilitation of Emerald Run Apartments is predicated on the assumption the newly constructed twelve units (six, two bedroom and six, three bedroom) will be set aside for families on the waiting list for the Open Arms and Adopt-A-Family programs administered by CEC. Staff researched these programs and determined both the Open Arms and Adopt-A-Family programs are for families in crisis and transitioning out of homelessness. The development owner has affirmed to program staff the units are still on a first come first serve basis, and would lease to qualified tenants assuming no families were on the waiting list for the Open Arms and Adopt-A-Family programs.

The development owner is aware of the policy adopted by this Board at the March 3rd meeting regarding substantial amendments to Land Use Restriction Agreements. The owner has sent notifications to current residents, elected officials, and conducted a public hearing notifying the tenants of the proposed changes. The public hearing was held at the development site on May 17, 2011.

Pursuant to §49.13(b) of the Qualified Allocation Plan and Rules "If a proposed modification would materially alter a Development approved for an allocation of a Housing Tax Credit, or if the Applicant has altered any selection criteria item for which it received points, the Department shall require the Applicant to file a formal, written request for an amendment to the Application... The Board must vote on whether to approve an amendment. The Board by vote may reject an amendment and, if appropriate, rescind a Commitment Notice or terminate the allocation of Housing Tax Credits and reallocate the credits to other Applicants on the Waiting List if the Board determines that the modification proposed in the amendment...would materially

alter the Development in a negative manner...Material alteration of a Development includes, but is not limited to...A modification of the number of units or bedroom mix of units...”
Therefore, an amendment to the application is necessary.

Owner:	Community Enrichment Center
General Partner:	N/A
Developer:	N/A
Principals/Interested Parties:	Randy Clinton, President Community Enrichment Center
Syndicator:	N/A
Construction Lender:	N/A
Permanent Lender:	N/A
Other Funding:	N/A
City/County:	North Richland Hills, Tarrant County
Set-Aside:	N/A
Type of Area:	Urban
Region:	3
Type of Development:	Rehabilitation
Population Served:	General
Units:	108
1990 Allocation:	\$49,599
Allocation per HTC Unit:	\$459
Prior Board Actions:	7/90 – Approved award of tax credits
REA Findings:	N/A



May 19, 2011

Texas Department of Housing & Community Affairs
 PO Box 13941
 Austin, TX 78711-3941

Dear TDHCA Board,

BOARD OF DIRECTORS

Randy Moresi– Chairman
 Aubrey Allred Jr.
 Mark Atchley
 Brent Barrow
 Shawna Blackwelder
 Steve Bobb
 Paul Campbell
 Daniel Demaree
 Melva Evans
 Stacey Gingles
 Cindy Griffith
 Linda Haley
 Kern Lewis
 Christine Mazurek
 Ray Oujesky
 Joan Parma
 Carole Phillips
 Ray Pinson
 Pete Rozales
 Tim Shake
 Lance Shipp
 Bill Thornburg
 Pam Willingham

EXECUTIVE DIRECTOR

Randy Clinton

6250 N.E. Loop 820
 North Richland Hills, TX 76180
 (817) 281-1164
 FAX (817) 281-1879
 www.thececc.org

On March 29, 2010 the Community Enrichment Center, Inc. (CEC), a Texas 501(c)3 Corporation, purchased the Emerald Run Apartments from TMA Ventures. Funding came from Tarrant County through the HUD HOME program and through other resources here in our community. There is no repayable debt on the project.

The CEC petitions TDHCA to make an amendment to allow the CEC to take 18 one bedroom units of the 108 and combine them to create 6 two and 6 three bedroom units in this community. This would reduce the number of units by 6 to 102 units. The number of persons served will actually rise since there will be more usable bedrooms. Growing from 164 bedrooms to 176 bedrooms, a 7.3% increase.

The current mix of units has 56% of the units as one bedroom and currently 27 of 29 or 93% of the vacant units are one bedroom. Many of these have been vacant for well over a year. Attached data supports that compared to other apartment communities in our area, Emerald Run's percentage of 1 bedroom units is much higher. In a phone survey to comparable multi-family communities in our area, each of the 5 surveyed stated that 1 bedroom units were much more difficult to rent than 2 & 3 bedroom units. Based on this survey, Emerald Run vacancy reports and conversations with the city of North Richland Hills multi-family inspector, we have concluded that our community needs more family affordable housing units.

The accompanying site plan shows that units in buildings 9 & 11 will be affected through the conversion process. All units in building 11 will be affected and 6 in building 9.

All residents will continue to be held to the 60% income limits as set by TDHCA. Rents have not changed and we have no plans for a change other than those going from 1 bedroom to 2 & 3 bedrooms, as shown in the Rent Schedule provided.

New services provided by the CEC to the residents of Emerald Run include access to: a food pantry, computer lab, employment assistance, adult literacy/GED classes, benefits counseling, financial literacy classes, free Tax Preparation assistance, home ownership classes, and kids activities. We are also in discussions about providing transportation services to jobs and medical appointments through expanding a local transit system.



Letters have been mailed to all political representatives informing them of our request to you for amending the Emerald Run property and a public forum is being held Tuesday May 24th.

BOARD OF DIRECTORS

Randy Moresi- Chairman
 Aubrey Allred Jr.
 Mark Atchley
 Brent Barrow
 Shawn Blackwelder
 Steve Bobb
 Paul Campbell
 Daniel Demaree
 Melva Evans
 Stacey Gingles
 Cindy Griffith
 Linda Haley
 Kern Lewis
 Christine Mazurek
 Ray Oujesky
 Joan Parma
 Carole Phillips
 Ray Pinson
 Pete Rozales
 Tim Shake
 Lance Shipp
 Bill Thornburg
 Pam Willingham

The CEC will continue to use one of the units as an office as it has been in the past. Improvements are being made to all units including the weatherization of each unit to include: insulation, new HVAC units, refrigerators, and weather stripping/caulking as needed. New tub surround, flooring, ceiling fans, upgraded paint, appliances and plumbing fixtures are just some of the improvements being enjoyed by current and new residents.

The City of NRH has been highly supportive of the CEC in our effort to upgrade this neglected community. Residents and neighbors all have been very complimentary and excited of the lower crime rate and the attention to their home both in repairs and improvements.

Please contact me if more information is needed.

Sincerely yours,



Randy Clinton
 Executive Director

EXECUTIVE DIRECTOR

Randy Clinton

Community Enrichment Center, Inc.
 6250 NE Loop 820
 North Richland Hills, TX 76180
 Phone: 817-281-1164
 Fax: 817-281-1164
 Contact: Randy Clinton, Executive Director
 Email: randy@thecec.org

6250 N.E. Loop 820
 North Richland Hills, TX 76180
 (817) 281-1164
 FAX (817) 281-1879
 www.thecec.org

Emerald Run Apartment Complex

***70079 Building 12**

12 Units
1BR 756 sqft

***Building 11**

8 Units
4-2BR
4-3BR

***Building 10**

8 Units
1BR 756 sqft

***Building 9**

10 Units
6-1BR
2-2BR
2-3BR

***Building 8**

8 Units
2BR 984 sqft

***Building 7**

16 Units
1BR 756 sqft

***Building 6,4**

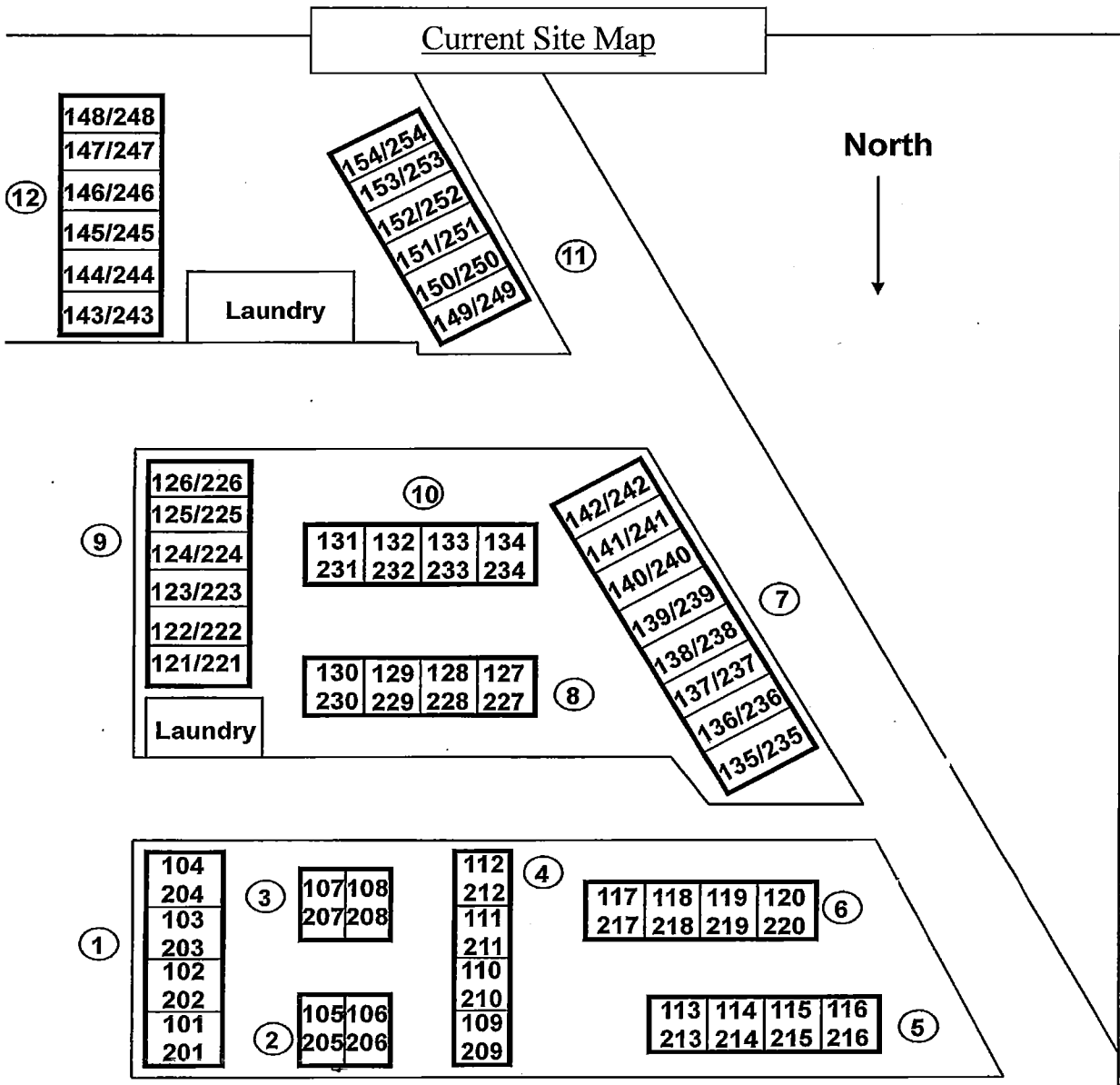
16 Units
2BR 1037 sqft

***Building 3, 2, 5**

16 Units
2BR 984 sqft

***Building 1**

8 Units
3BR 1240 sqft

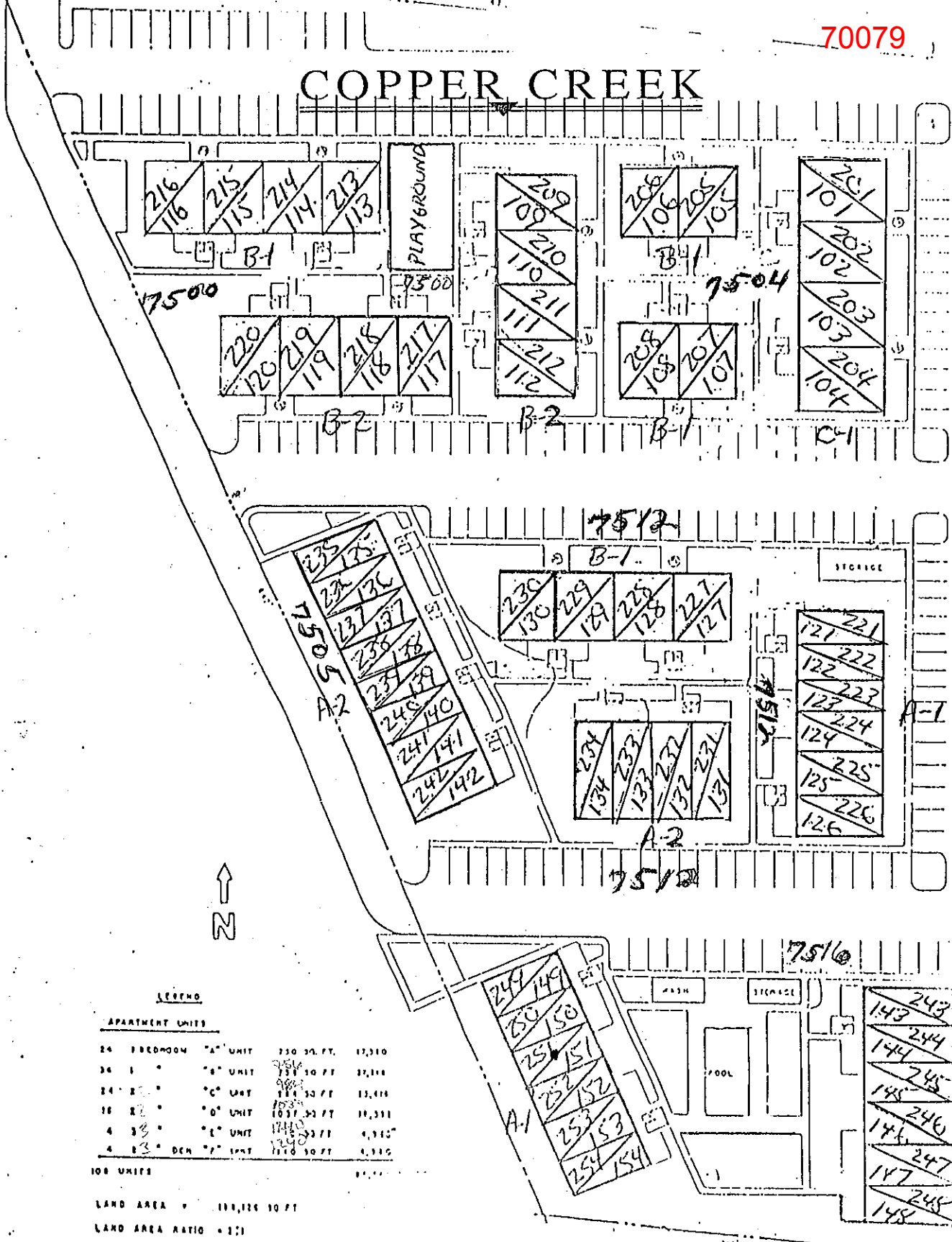


7500 Maplewood Ave.

Type*	1 BR	2BR	3BR	Total
# of Units	42	46	14	102
% of Units	41%	45%	14%	100.00%

*After Unit Conversion

COPPER CREEK



LEGEND

APARTMENT UNITS			
24	1 BEDROOM	"A" UNIT	750 SQ. FT. 12,310
24	" "	"B" UNIT	750 SQ. FT. 12,310
24	" "	"C" UNIT	750 SQ. FT. 12,310
16	" "	"D" UNIT	1037 SQ. FT. 18,331
4	" "	"E" UNIT	1140 SQ. FT. 4,342
4	" "	"F" UNIT	1140 SQ. FT. 4,342
108 UNITS			
LAND AREA = 100,126 SQ. FT.			
LAND AREA RATIO = 1:1			

COPPER CREEK

Original Application

APARTMENT UNIT MIX ANALYSIS

Project: Copper Creek Apts Page 1 of 3

Name of person completing form Susan

Date 9/19/90

Telephone number 281-5684

If you have any questions, please call Ken Mitchell (817) 292-5685

What utilities do tenants pay? NONE

Building Number	Floor Plan	Mix of Bd/Bth	Number of Units	Per Unit Calculations	
				Square Feet	Monthly Rent
Bldg 1		Eff.			
		1--1			
		2--1			
		2--2			
	C1	3--2	8	1237	599
Bldg 2		Eff.			
		1--1			
	B1	2--1	4	984	480
		2--2			
		3--2			
Bldg 3		Eff.			
		1--1			
	B1	2--1	4	984	480
		2--2			
		3--2			
Bldg 4		Eff.			
		1--1			
		2--1			
	B2	2--2	8	1037	499
		3--2			

Original Application

APARTMENT UNIT MIX ANALYSIS
(Continued)

Project: _____

Page ___ of ___

Building Number	Floor Plan	Mix of Bd/Bth	Number of Units	Per Unit Calculations	
				Square Feet	Monthly Rent
5	B1	Eff.	8	984	480
		1--1			
		2--1			
		2--2			
		3--2			
6	B2	Eff.	8	1037	499
		1--1			
		2--1			
		2--2			
		3--2			
7	A2	Eff.	16	754	380
		1--1			
		2--1			
		2--2			
		3--2			
8	B1	Eff.	8	984	480
		1--1			
		2--1			
		2--2			
		3--2			
9	A1	Eff.	12	730	360
		1--1			
		2--1			
		2--2			
		3--2			

Original Application

APARTMENT UNIT MIX ANALYSIS
(Continued)

Page ___ of ___

Project: _____

Building Number	Floor Plan	Mix of Bd/Bth	Number of Units	Per Unit Calculations	
				Square Feet	Monthly Rent
10	A2	Eff.	8	754	380
		1--1			
		2--1			
		2--2			
		3--2			
11	A1	Eff.	12	730	360
		1--1			
		2--1			
		2--2			
		3--2			
12	A2	Eff.	12	254	380
		1--1			
		2--1			
		2--2			
		3--2			
		Eff.			
		1--1			
		2--1			
		2--2			
		3--2			
		Eff.			
		1--1			
		2--1			
		2--2			
		3--2			

3500 NOBLE AVE
Fort Worth TX, 761111

Phone: 817.897.6987
Doyle23@yahoo.com

Elite Construction

BID PROPOSAL

Job Description

This bid is for the renovations/conversion of 12 one bedroom, one bath units to 4 two bedroom, one bath units and 4 three bedroom, 2 bath units as designated by blueprints provided by owner. Building located at 7500 Maplewood Dr., North Richland Hills, TX. Interior finishes: Cabinets, paint, flooring and counter tops provided by others.

Itemized Estimate:

GENERAL CONDITIONS	\$ 3000.00
DEMO	\$ 4000.00
FRAME, TAPE/ BED, TEXTURE	\$ 21,000.00
ELECTRICAL	\$ 35,000.00
PLUMBING	\$ 31,800.00
HVAC	\$ 37,600.00
DOORS AND TRIM	\$ 5,750.00
	<hr/>
	SUBTOTAL
	OVERHEAD AND PROFIT 6%
	<hr/>
TOTAL ESTIMATED JOB COST	\$ 146,064.00
	<hr/> <hr/>

Elite Construction

ESTIMATE

Scope of Work

General Conditions

- Dumpster rental as needed
- Haul off and clean up of all trash and waste produced during construction process
- All permit's needed to meet city code and standards

Demo/Framing

- Demo all designated areas as listed in the prints in yellow highlighted marker that Terry provided for us. Each converted apartment will meet customer standards and nothing will be left un-finished by contractor.
- Demo the existing HVAC in all 12 units that has been specified, to be able provide the new systems included in proposal.
- Frame in all designated areas according to print and make necessary changes in framing structure to convert 12, 1 bedroom apartment units into 4, 3 bedroom 2 bath units as well as 4, 2 bedroom 1 bath units. (Estimated material cost for each 3b2b unit was based off of 150' lf and an additional 25 sf for the ceiling repair needed in each unit. The 2b1b material cost was based off of 50' lf and the 2-hour firewall was estimated at a 150' lf for each 2-unit split. So I took 150' lf and times that by 4 to provide the fire wall for all 8 units and then added an additional 100 lf of material for the additional height above the ceiling needed for city code to pass inspection on the second floor.
- Insulate walls as needed for city code.
- Frame in 4, exterior doors to match existing exterior. Where there are concrete steps, remove and re-pour a fresh surface (approx. 20 sf sections) and smooth out for cosmetic purposes.
- Two hour fire rated walls to be:
 - 5/8" 4 x 8 Fire rated gypsum board; in attic to roof decking maintain fire break between units, and taped and sealed as required to maintain fire rating.
 - 3 5/8" 25 ga. 8' metal studs and 3 5/8" 25 ga. 1" leg 10' Track
 - R11 3 1/2 x 24 x 96 UF-256 SF, (AU-398) or (M44) or (B82E)
- Other Walls to be:
 - 5/8" 4 x 8 Fire rated gypsum board
 - 3 5/8" 25 ga. 8' metal studs and 3 5/8" 25 ga. 1" leg 10' Track
- Ceilings to be 5/8" 4 x 8 Fire rated gypsum board

Elite Construction

Electrical

- All electrical work will bring units up to code.
- Install new 150 Amp Main Service with 16 branch breakers, to be located in Kitchen. Work will include combining all circuits of 2 existing panels into new panel; using one panel as a junction box and screwing cover shut as code requires.
- Extra bedroom will be disconnected and deleted from or added to unit circuits as needed.
- Delete, Move or Add 110 volt or 220 volt outlets and switches as needed per plans.
- Provide new circuits for new HVAC units.
- Install new bath vent fan, using Broan Model 679 or written approved equal; vented to exterior.
- Replace light fixtures as needed.

Plumbing

- Replace all drain lines in structures with PVC to connection with all new fixtures.
- Replace all water supply lines with PEX and provide new shutoff valves.
- Install new American Standard Cadet written approved equal Toilets, including seat, supply line and wax seal each hall and master bathroom.
- Install new Shower Stall in master bath with glass door and trim. Unit to be 356" x 36" one piece fiberglass unit for 2 bathrm. units.
- Install new bath tub and drain, using one piece fiberglass tub unit.
- Install new shower/tub faucet, using Delta Single handle unit or written approved equal.
- Install new vanity sink and faucet, including supply lines. Faucet to be a Moen one piece handle, model # P84521 or written approved equal in each hall and master bathroom.

HVAC

- Rough in, Trim out and Start up of the following:
- Four (4) 2 Ton 14 SEER Rheem Condensers and Slab Model # 14HA24A01.
- Four (4) 2.5 Ton 14 SEER Rheem Condensers and Slab Model # 14AJ30A01.
 - Warranty on Condenser: 10 yr. Compressor and all parts.
- Four (4) 2 Ton Hi Efficiency First Company Brand Fan Coils w/ 8 KW Heat, Model # 24HX8 Air Handlers
- Four (4) 2.5 Ton Hi Efficiency First Company Brand Fan Coils w/ 10 KW Heat, Model # 30HX10 Air Handlers
 - Warranty on Air Handlers: 1 yr. Parts and coils.
- New copper line sets and Line Set Covers,
- Low voltage Wiring and Thermostats
- New Schedule 40 PVC Condensate drain lines,
- Supply and Return Air Grills,
- Safety Water Switches on all fan coils to protect from water damage.
- Any Supply conversion on Remodel to adapt to existing supply air trunk line.
- Installation of Venting, i.e., Vent-a-hoods or Bath Fan ducts.

Elite Construction**Doors**

- *Doors and hardware lock sets estimated at 30 doors with an allowance per new door installed.*
- *Re- use as many as possible, installing new door trim as needed.*
- *Deduction of door allowance for each door re-used will be given.*
- *Door cost will be at 125.00 per door and if we need less than that we can deduct or add the 125.00 as needed.*
- *The trim is 2,000.00 for purchase and install*
- *For demo existing install new 125.00 each*
- *For demo and replace with existing doors add or deduct 60.00 a door*

Tape, Bed, Texture, Paint

- *All Purpose Proform Joint compound, Multi-Use Proform Joint compound and Tape supplied for all taping and bed work.*

Trim Replacement

- *Allowance for 1000 L.F. of 2 ½" installed and primed trim.*
- *Door and Base board trim to be replaced as needed to provide a quality make ready for units.*

Thank you so much for the opportunity to bid this project for you. If chosen, I promise to handle the project with integrity and to your satisfaction.

Blessings,

David Doyle

70079

SUZANNE HENDERSON

COUNTY CLERK



100 West Weatherford Fort Worth, TX 76196-0401

PHONE (817) 884-1195

COMMUNITY ENRICHMENT CENTER
6250 NE LOOP 820
NRH, TX 76180

Submitter: COMMUNITY ENRICHMENT
CENTER

DO NOT DESTROY
WARNING - THIS IS PART OF THE OFFICIAL RECORD.

Filed For Registration: 12/23/2010 10:50
AM

Instrument #: D210316934

WD 3 PGS \$20.00

By: _____

Suzanne Henderson

D210316934

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY
BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

Prepared by: DBWARD

WARRANTY DEED

FILED
TARRANT COUNTY TEXAS

2010 DEC 23 AM 10:50

SUZANNE HENDERSON
COUNTY CLERK

BY _____

STATE OF TEXAS }
}

COUNTY OF TARRANT }
}

DATE: December 14, 2010

GRANTOR: Tarrant County Housing Partnership, Inc.

GRANTOR'S ADDRESS:

603 West Magnolia Street, Suite 207
Fort Worth, Texas 76104

GRANTEE: Community Enrichment Center

GRANTEE'S ADDRESS:

6250 NE Loop 820
North Richland Hills, Texas 76180

CONSIDERATION:

TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and confessed.

PROPERTY (including any improvements):

All Grantor's interest held in the real property situated in Tarrant County, Texas, identified as being located at 7500 Maplewood Avenue, North Richland Hills, Texas, and described more particularly as follows:

BEING Lot 1, Block 42A, Richland Terrace Addition, an Addition to the City of North Richland Hills, Tarrant County, Texas, according to the plat recorded in Volume 388-60, Page 46, Plat Records of Tarrant County, Texas. (The Mapsco coordinate is 52J.)

RESERVATIONS FROM AND EXCEPTIONS TO CONVEYANCE AND WARRANTY:

This conveyance is made subject to all and singular the restrictions, zoning laws, regulations and enactments of municipal or other governmental authorities, mineral reservations and royalties, conditions, easements, covenants and maintenance charges, if any, applicable to and enforceable against the above-described property as reflected by the records of the County Clerk of Tarrant County, Texas.

HABENDUM AND WARRANTY: Grantor, for the consideration and subject to the reservations from and exceptions to conveyance and warranty, grants, sells and conveys to Grantee the property, together with all and singular the rights and appurtenances thereto in any wise belonging, to have and hold it to Grantee, Grantee's heirs, executors, administrators,

AGREEMENT

THIS AGREEMENT (the "Agreement") is made as of December 22, 2009, by and between **Tarrant County Housing Partnership, Inc.**, (hereinafter referred as "TCHP") and **Community Enrichment Center** (hereinafter referred to as "CEC"). In consideration of the mutual promises and covenants herein TCHP and CEC agree as follows:

WHEREAS, TCHP and CEC desire to acquire jointly the Emerald Run Apartments, 7500 Maplewood, North Richland Hills, Texas, (hereinafter referred to as "Emerald Run") to provide affordable housing for low- and moderate-income participants in CEC's Open Arms and Adopt-A-Family programs;

WHEREAS, TCHP is a Community Housing Development Organization (CHDO) and as such intends to use HOME funds granted to it by Tarrant County, Texas under Contract No. 105846, dated June 30, 2009, as its share of the purchase price and for other additional costs connected with the purchase of the property;

WHEREAS, CEC intends to provide the balance of the purchase price, the cost of rehabilitating the complex and other costs connected with the project, including supportive services for residents, using funds from several sources;

WHEREAS, before TCHP can expend HOME funds for the subject project, it is necessary that the County amend Contract No. 105846 to change the use of the funds, permit the purchase and rehabilitation of Emerald Run Apartments and provide extension of the contract beyond those presently permitted in Exhibit A of Contract No. 105846, and

WHEREAS, the use of HOME funds will necessitate the providing of affordable housing for qualified residents for a period of ten (10) years.

NOW, THEREFORE, the parties hereby agree as follows:

Article I

1.1 TCHP and CEC agree to purchase jointly the Emerald Run Apartments, located at 7500 Maplewood, North Richland Hills, Texas, to provide affordable housing for eligible participants in CEC's Open Arms and Adopt-A-Family programs, provided all conditions precedent set forth in the fourth Whereas clause hereinabove have been met. The real property is described more completely in Attachment 1, attached hereto and made a part hereof.

1.2 TCHP agrees to provide up to Two Million, Twenty-Five Thousand, Five Hundred Ninety-One Dollars and Sixty Cents (\$2,025,591.60) from its HOME Contract with Tarrant County, Contract No. 105846, provided said contract is amended to permit use of said funds for the purchase of Emerald Run Apartments and to carry out any other activities which may be required.

1.3 CEC agrees to provide the remaining funding needed for the purchase of Emerald Run, including any local match which shall be required by the United States Department of Housing

and Urban Development (HUD), the weatherization of said property through Phase I of the project, Americans With Disabilities Act improvements through Phase 2 and to carry out any other activities which may be required, including providing supportive services to residents.

Article II

2.1 TCHP agrees to carry out the activities listed in TCHP's Scope of Services, Attachment 2, attached hereto and made a part hereof. If TCHP fails to perform the activities for which it is responsible, TCHP will be required to repay the development fee to CEC.

2.2 CEC agrees to carry out the activities listed in CEC's Scope of Services, Attachment 3, attached hereto and made a part hereof. If CEC fails to perform the activities for which it is responsible, CEC will be required to repay the acquisition amount to Tarrant County for HOME funds received under Contract No. 105846.

2.3 TCHP shall receive a development fee totaling Three Hundred One Thousand and Twelve Dollars and No Cents (\$301,012.00), twenty-five percent (25%) of which shall be due and payable to TCHP at the closing on the purchase of Emerald Run. The remaining seventy-five percent (75%) of the total development fee shall be due and payable upon transfer of TCHP's interest in the property.

2.4 TCHP agrees to transfer by deed all its interest in the project to CEC within three months after closing of the property.

2.5 Upon transfer of the real property to CEC, TCHP shall not be required to carry out any further activities except those listed in TCHP's Scope of Services, Attachment 2 and have no further liability or obligations pertaining thereto, except that TCHP will continue to monitor the project to determine compliance by CEC of affordability requirements set forth in Article III hereof and compliance with various Federal requirements relating to the use of HOME funds as listed in Paragraphs 3.5 and 4.1 hereof as well as other provisions of this Agreement. CEC agrees to hold TCHP harmless in all aspects of this Agreement and CEC's operation of Emerald Run.

Article III

3.1 The affordability requirements for Emerald Run shall continue for ten (10) years after the property is acquired. Appropriate affordability language shall be included in all deeds and other instruments relating to the property, filed of public record, and shall run with the land. If the assisted housing fails to meet applicable requirements during the affordability period, all of the funds provided under this Contract must be repaid to Tarrant County within thirty (30) days of failure to comply.

3.2 CEC agrees to maintain all HOME assisted housing units in Emerald Run to meet Tarrant County's Minimum Housing Standards, all applicable local codes and ordinances and Housing Quality Standards, whichever are most restrictive.

3.3 Acquisition of Emerald Run shall be complete no later than March 31, 2010. Weatherization shall be in progress no later than three (3) months of acquisition and ADA and other

improvements to be in progress within 9 months of acquisition. However, upon the written agreement of both parties, Tarrant County and any other providing entity concerned with the completion dates, the deadlines for weatherization and ADA improvements of Emerald Run may be extended.

3.4 Prior to acquisition, this Agreement may be terminated for any reason by either party to this Contract upon thirty (30) days written notice to the other party at the party's address included in this Agreement.

3.5 CEC agrees to keep or cause to be kept an accurate record of all actions taken and all funds expended, with source documents, in the pursuit of the objectives of the performance of this Contract for a minimum of five (5) years beyond the 10-year affordability requirement. CEC further agrees that it will obtain and keep on file and available for inspection by TCHP, Tarrant County and the U.S. Department of Housing and Development the following: annual income, size of household, ethnic group of client, gender of head of household and additional statistical information as may be required by HUD regulations; proof that the project and housing units meet applicable property standards pursuant to paragraph 3.2 hereinabove; total per unit amount of HOME dollars invested; compliance with affirmative marketing requirements and existence of acceptable procedures; compliance with relocation requirements data on minority- and female-owned businesses; affirmative fair housing actions; compliance with lead-based paint regulations and guidelines; compliance with conflict of interest rules, and evidence of meeting income targeting requirements.

3.6 CEC agrees to recognize TCHP as a partner in all advertising and promotional material relating to Emerald Run and the objectives of the performance of this Agreement.

Article IV

4.1 TCHP and CEC agree to comply with applicable provisions of various Federal laws and regulations set forth in Attachment 4, attached hereto and made a part hereof.

4.2 No member, officer or employees of either party, its contractors or its subcontractors shall have a financial interest, direct or indirect, in this Contract or the monies transferred hereunder or be financially interested, directly or indirectly, in the sale to TCHP and CEC of any land, materials, supplies or services purchased with any funds transferred hereunder, except on behalf of TCHP or CEC, as an officer, employee, member or program participant and except involving a special exception granted to TCHP by HUD relating to members of its Board of Directors. Further, no member, officer or employee of Tarrant County or its designees or agents; no member of the governing body of North Richland Hills, Texas who exercises any functions or responsibilities with respect to the program funded hereunder during their tenure or for one year thereafter, shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed hereunder. TCHP and CEC agree to incorporate, or cause to be incorporated, like language prohibiting such interest in all contracts and subcontracts hereunder. Any willful violation of this paragraph with the knowledge, expressed or implied, of TCHP or CEC or their subcontractors shall render this Contract voidable.

4.3 TCHP and CEC agree to comply with HOME cost principles requirements set forth in 24 CFR Section 92.505; the requirements and standards of OMB Circular A-122 and with applicable attachments to OMB Circular 110.

4.4 TCHP and CEC shall not assign all or any part of their rights, privileges or duties under this Agreement without the prior written approval of the other party. Any attempted assignment without prior approval shall be void and shall constitute a breach of the Contract. Either party shall have the right to inspect and approve in writing any proposed subcontracts between the other party and any subcontractor engaged in any activity in conjunction with this project prior to any changes being incurred.

4.5 It is expressly understood and agreed by the parties that payments under this Contract are contingent upon the parties' full and satisfactory performance of their respective obligations under this Contract.

4.6 It is expressly understood and agreed by the parties that any right or remedy provided for in this Contract shall not preclude the exercise of any other right or remedy under this Contract or under any provision of law, nor shall any action taken in the exercise of any right or remedy be deemed a waiver of any other rights or remedies. Failure to exercise any right or remedy shall not constitute a waiver of the right to exercise that or any other right or remedy at any time.

4.7 Each party shall give the other party immediate notice in writing of any action, including any proceeding before an administrative agency, filed against such party pursuant to this Contract or any work performed or to be performed under this Contract. Such party shall furnish immediately to the other party copies of all pertinent papers received with respect to such action or claim. Further, each party shall provide a written notice to the other party immediately upon filing under any bankruptcy or financial insolvency provision of law.

4.8 Should any action, whether real or asserted, at law or in equity, arise out of the execution, performance, attempted performance or non-performance of this Contract, venue for said action shall be in Tarrant County, Texas. This Contract shall be governed by the laws of the State of Texas.

Article V

5.1 All notices, request, demands, consents or other communications given to any party hereunder or in connection herewith shall be in writing and shall be sent by (a) hand delivery, (b) overnight express mail, (c) certified mail, return receipt requested addressed, or (d) via facsimile to such party at the following listed address:

TCHP: Donna Van Ness, President
Tarrant County Housing Partnership, Inc.
603 West Magnolia Avenue, Suite 207
Fort Worth, Texas 76104-4608
Facsimile No. 817.924.7619

CEC: Randy Clinton, Executive Director
Community Enrichment Center
6250 NE Loop 820
North Richland Hills, Texas 76180
Facsimile No. 817.281.1879

Article VI

6.1 TCHP represents and warrants to CEC that Donna Van Ness is duly authorized and empowered to enter into this agreement, and it is binding upon Tarrant County Housing Partnership, Inc. in accordance with its terms. CEC represents and warrants to TCHP that Randy Clinton is duly authorized and empowered to enter into this Agreement, and it is binding upon Community Enrichment Center in accordance with its terms.

IN WITNESS WHEREOF, this agreement has been duly executed by the parties hereto as of the day and year first above written.

Tarrant County Housing Partnership, Inc.

By: _____
Donna Van Ness
President

Community Enrichment Center

By: 
Randy Clinton
Executive Director

Attachment 2

TCHP'S SCOPE OF SERVICES

1. Arrange for new independent appraisal of Emerald Run Apartments.
2. Work with Tarrant County to obtain amendment to HOME Contract No. 05846 by and between TCHP and Tarrant County.
3. Request Phase 1 commercial environmental review.
4. Assist CEC as needed in applying for Housing Trust funds.
5. Assist CEC as needed in applying for Weatherization funds from the City of Fort Worth.
6. Coordinate funds for closing.
7. Coordinate lead based paint inspections of each housing unit and all other sections of Emerald Run Apartments.
8. Oversee all weatherization and ADA work for the project and coordinating all subcontracts for work to be carried out.
9. Monitor all affordability requirements and monitor subsequent contract compliance for affordability and other Federal statutory requirements for use of HOME funds.
10. Assist with providing supportive services to residents through TCHP's Women's Homeownership Initiative efforts, financial literacy classes and homeownership education workshops.

Attachment 3

CEC'S SCOPE OF SERVICES

1. Exercise due diligence.
2. Make applications for funding from FHLBB, City of Fort Worth, TCHFC and additional sources and negotiate contracts to obtain all additional funding needed for project beyond those provided by TCHP under its HOME Contract No. 05846 with Tarrant County.
3. Obtain all necessary approvals for the project from the City of North Richland Hills, Texas.
4. Carry out all relocation requirements under the Uniform Relocation and Land Acquisition Policies Act of 1970 as amended, including but not limited to providing notice to existing tenants at Emerald Run Apartments, developing a staged relocation plan to minimize moves and disruption to tenants and coordinating relocation activities during the rehabilitation of units.
5. Obtain change of ownership tax credits.
6. Own and manage the property, providing supportive services and developing records and requirements to insure maintenance of affordability and compliance with all Federal, state and local laws, ordinances and regulations for the project throughout the affordability period.
7. Secure and document required eligible twenty-five percent (25%) matching funds in the amount of Five Hundred Seven Thousand, Eight Hundred Eleven Dollars and No Cents (\$507,811.00) prior to acquisition.

109397

70079

RELEASE OF TARRANT COUNTY HOUSING PARTNERSHIP, INC.
FROM LIABILITY UNDER NOTE

Note: Note dated March 29, 2010 in the original principal amount of \$2,025,591.60 from Tarrant County Housing Partnership, Inc. and Community Enrichment Center, Inc. to County of Tarrant, Texas, for the purchase of Lot 1, Block 42A, Richland Terrace Addition, an Addition to the City of North Richland Hills, Tarrant County, Texas, according to the plat recorded in Volume 388-60, Page 46, Plat Records of Tarrant County, Texas (the "Property").

Holder of the Note: County of Tarrant, Texas ("County")

Released Party: Tarrant County Housing Partnership, Inc. ("TCHP")

Non Released Party: Community Enrichment Center, Inc. ("CEC")

Release: In consideration of TCHP's conveying to CEC the Property described herein, and in further consideration of CEC assuming all liability for the repayment of the Note described herein according to its terms, the undersigned holder of the Note releases and discharges TCHP from any and all of TCHP's obligations under the terms of said Note for the repayment of same.

This release does not release CEC from its liability and obligation under the terms of the Note described herein nor releases any security interest in the Property described herein.

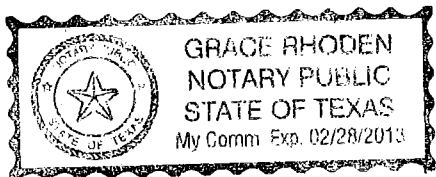
Signed this 7th day of December, 2010.

County of Tarrant, Texas:

By: [Signature]
B. Glen Whitley
County Judge

STATE OF TEXAS }
COUNTY OF TARRANT }

This instrument was acknowledged before me on Dec 7, 2010 by J. D. Johnson



[Signature]
Notary Public, State of Texas

AFTER RECORDING RETURN TO:

Virginia L. Winker
2705 South Cooper, Suite 300
Arlington, Texas 76015

April 24, 2011

Senator Jane Nelson

1235 South Main Street, Suite 280
Grapevine, TX 76051

Dear Senator Nelson,

The Community Enrichment Center (CEC) is interested in a rehabilitation project at Emerald Run apartments involving the conversion of 18 one-bedroom units into 6 two-bedroom and 6 three-bedroom units. The project specifically involves 12 units in building 11 (#149-254) and 6 units in building 9 (#124-226). After the conversions are complete, 8 units and 4 units will remain in each, respectively. The proposed change will not in any way affect current residents of the complex.

Since 1990, the CEC has provided safe and stable housing to homeless and low income families by offering fair market options and transitional housing programs. Through our transitional housing programs, families work closely with case management to acquire the resources necessary for establishing self-sustainability. Throughout the duration of the program, families are provided with transitional housing until reaching the capacity to purchase or lease their own. The CEC expanded our ability to serve low-income and homeless populations through purchasing Emerald Run Apartments in March of 2010. In an effort to better accommodate incoming families, the CEC is proposing to increase the total number of bedrooms at the complex by expanding unit size.

The CEC will host a public hearing to present the proposed change to the community on Tuesday, May 24th at 5:30 p.m. in the leasing office (#135). All are invited to attend and share input regarding the proposed change. Thank you for your ongoing support of the CEC and our efforts to empower families in our community.

Sincerely yours,

Randy Clinton
Executive Director



April 24, 2011

Unit #

Dear Tenant,

BOARD OF DIRECTORS

Randy Moresi– Chairman
 Aubrey Allred Jr.
 Mark Atchley
 Brent Barrow
 Shawn Blackwelder
 Steve Bobb
 Paul Campbell
 Daniel Demaree
 Melva Evans
 Stacey Gingles
 Cindy Griffith
 Linda Haley
 Kern Lewis
 Christine Mazurek
 Ray Oujesky
 Joan Parma
 Carole Phillips
 Ray Pinson
 Pete Rozales
 Tim Shake
 Lance Shipp
 Bill Thornburg
 Pam Willingham

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The CEC will host a public hearing to present the proposed change to the community on Tuesday, May 24th at 5:30 p.m. in the leasing office (#135). All are invited to attend and share input regarding the proposed change.

EXECUTIVE DIRECTOR

Randy Clinton

Sincerely,

6250 N.E. Loop 820
 North Richland Hills, TX 76180
 (817) 281-1164
 FAX (817) 281-1879
 www.thecec.org

Randy Clinton
 Executive Director



June 1, 2011

70079

Texas Department of Housing & Community Affairs
P.O. Box 13941
Austin, Texas 78711-3941

RE: Community Enrichment Center amendment for Emerald Run Apartments

To whom it may concern:

I am writing to provide my support for the Community Enrichment Center's initiative to provide safe, affordable housing to families in our community through the conversion of one-bedroom units into two- and three-bedroom units at Emerald Run apartments.

Over the last few years, our community has seen a rise in homelessness, particularly in homeless families. According to the Tarrant County Homeless Coalition, the number of homeless children living in shelters or transitional housing rose from 25% to 30% between 2009 and 2010. The Community Enrichment Center (CEC) provides the resources and tools for families to break the cycle of poverty through self-sufficiency.

With the purchase of Emerald Run apartments, the CEC has more than doubled the number of units available for the homeless and, maybe more important, low-income families trying to prevent homelessness. However, with more than 50% of the complex consisting of one-bedroom units, the CEC is unable to maximize their housing resources for families. By converting one-bedroom units into two- and three-bedroom units, the CEC will increase the overall number of bedrooms at the complex, allowing for more family occupants.

As Mayor of the City of North Richland Hills, I support the CEC's efforts to provide safe, affordable housing for families in our community. They have consistently worked with the City of North Richland Hills to accomplish their purpose in a way that is complimentary to the surrounding neighborhoods. I trust that they will be able to accomplish this objective again with the Emerald Run project.

Thank you for your support in addressing the needs of our community.

Sincerely,

Oscar Trevino
Mayor

MOL 2011-028

06-07-11P02:31 RCVD

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

June 30, 2011

Recommended Action

Presentation, Discussion, and Possible Action regarding Housing Tax Credit Amendments.

WHEREAS, the tax credit award relating to HTC 060133, Las Fresas Apartments, was awarded by the Board based on certain premises, including the installation of CAT5e or better wiring and a second network for data installed using CAT5e or better wiring, and

WHEREAS, that development owner is seeking approval to use RG-6 COAX and CAT3 wiring instead of CAT5e wiring, therefore

BE IT RESOLVED, that staff's recommendations regarding the approval of amendments relating to Application #060133, Las Fresas Apartments be and hereby are approved as presented to this meeting.

Background

§2306.6712, Texas Government Code, indicates that the Board should determine the disposition of a requested amendment if the amendment is a "material alteration," would materially alter the development in a negative manner or would have adversely affected the selection of the application in the application round. The statute identifies certain changes as material alterations and the requests presented below include material alterations.

Summary of Request: The owner has requested approval to forgo providing CAT5e wiring, and instead wire the development with RG-6 COAX for cable and internet, and CAT3 for phone lines. The owner received tax credits in 2006 at which time CAT5e wiring was a threshold requirement. The request letter stated that when construction was about to commence, the owner was aware the 2009 Qualified Action Plan (QAP) would require RG-6 COAX or better and CAT3 wiring for phones, therefore the owner opted to comply with the newer standards approved by the Department for the 2009 QAP.

Pursuant to §49.13(b) of the Qualified Allocation Plan and Rules "If a proposed modification would materially alter a Development approved for an allocation of a Housing Tax Credit, or if the Applicant has altered any selection criteria item for which it received points, the Department shall require the Applicant to file a formal, written request for an amendment to the Application... The Board must vote on whether to approve an amendment. The Board by vote may reject an amendment and, if appropriate, rescind a Commitment Notice or terminate the allocation of Housing Tax Credits and reallocate the credits to other Applicants on the Waiting

List if the Board determines that the modification proposed in the amendment...would materially alter the Development in a negative manner...Material alteration of a Development includes, but is not limited to...Any other modification considered significant by the Board..."

Therefore, an amendment to the application is necessary.

Owner:	School and Avenue C, Ltd.
General Partner:	HVM Housing, LLC
Developer:	Legacy Renewal, Inc. & HVM Housing, LLC
Principals/Interested Parties:	Dixie Farmer, Dennis & Dana Hoover
Syndicator:	Raymond James
Construction Lender:	The Hoover Companies
Permanent Lender:	Centennial Mortgage
Other Funding:	City of Poteet
City/County:	Poteet, Atascosa County
Set-Aside:	N/A
Type of Area:	Rural
Region:	9
Type of Development:	New Construction
Population Served:	General
Units:	36
2006 Allocation:	\$340,771
Allocation per HTC Unit:	\$9,466
Prior Board Actions:	07/2006 – Approved award of tax credits
REA Findings:	N/A

**SCHOOL AND AVE C, LTD.
Las Fresas Apartments
Poteet, Texas
TDHCA #060133**

March 31, 2011

Robbye Meyer
TDHCA
Austin, Texas

**Re: Waiver Request of Threshold Requirement
Las Fresas Apartments**

Dear Ms. Meyer,

Please accept this as a formal request to be placed on the agenda for the April Board Meeting. We would like to request a Waiver of Threshold.

The Las Fresas apartments were allocated Tax Credits in 2006. The requirements were as follows: *(one network installed for phone using CAT5e or better wiring and a second network for data installed using CAT5e or better wiring).*

However, the units were wired using 2009 requirements *((i) All New Construction Units must be wired with RG-6 COAX or better and CAT3 phone cable or better, wired to each bedroom, dining room and living room).*

When construction began on the new property, the threshold requirements were in the process of being changed by the department. We were aware of these changes and complied with the new standards that had been approved for 2009.

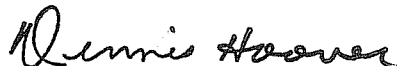
RG-6 COAX was used for the Cable and Internet instead of using the CAT5e. RG-6 COAX is a shielded COAX using new industry standards. Had we used the CAT5e, we would have needed to use converter connections.

For the phone lines, we used the CAT3, which was proven by the Department to be a better fit for residential use and resulted in the change of requirements from 2006 to 2009.

The tenants were not deprived of any level of service or any conveniences.

Thank you for your time. We appreciate your placing us on the agenda for the April Board meeting to help us clear this issue and, to help expedite the issuance of the 8609's.

Respectfully,



Dennis Hoover
President
Hamilton Valley Management, Inc.
(512) 756-6809 Ext. 212

DH/ky

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

June 30, 2011

Recommended Action

Presentation, Discussion, and Possible Action regarding Housing Tax Credit Amendments.

WHEREAS, the tax credit award relating to Tax Credit Exchange 09943, Leona Apartments, was awarded by the Board based on certain premises, including rehabilitation of sixteen three bedroom units at 1,059 square feet, and

WHEREAS, the development owner is seeking approval to substitute a sport court with two other amenities that would be more beneficial to the tenants; and

WHEREAS, the development owner would like to correct the number of floors of the residential buildings, and

WHEREAS, the development owner would like to correct the square footage of the three bedroom units, therefore

BE IT RESOLVED, that staff's recommendations regarding the approval of amendments relating to Application #09943, Leona Apartments be and hereby are approved as presented to this meeting.

Background

§2306.6712, Texas Government Code, indicates that the Board should determine the disposition of a requested amendment if the amendment is a "material alteration," would materially alter the development in a negative manner or would have adversely affected the selection of the application in the application round. The statute identifies certain changes as material alterations and the requests presented below include material alterations.

Summary of Request: The development owner has requested approval to exchange common amenities selected at application. Originally, the development elected to install a sport court which was valued at two points toward threshold. The request letter stated current tenants were surveyed and the results showed a majority of tenants favored a children's playscape (1 threshold point) and barbeque grills with picnic tables (1 threshold point) instead of the sport court. Staff determined exchange of amenities does not affect application score, and results in a net gain of amenities for tenants.

Additionally, the owner would like to clarify that the residential buildings are two stories as indicated in the PCA, and not one as incorrectly indicated on the Specifications and Amenities exhibit of the application. Similarly, the owner has also requested to clarify the square footage of the three bedroom units. At application the owner represented the development would rehabilitate forty units, including sixteen three bedroom units at 1,059 square feet. The development received a final construction inspection by Department staff on January 27, 2011 in which the NRA of the three bedroom units was identified as 961 square feet (a net reduction of 4.56%). Staff determined deviation of unit measurements is common in rehabilitation developments, and likely was a result of previous marketing of the units. Staff also confirmed the residential buildings are two stories and the floorplans have not changed from application. Staff reaffirms rehabilitation developments are exempt from minimum size requirements.

Pursuant to §49.13(b) of the Qualified Allocation Plan and Rules “If a proposed modification would materially alter a Development approved for an allocation of a Housing Tax Credit, or if the Applicant has altered any selection criteria item for which it received points, the Department shall require the Applicant to file a formal, written request for an amendment to the Application... The Board must vote on whether to approve an amendment. The Board by vote may reject an amendment and, if appropriate, rescind a Commitment Notice or terminate the allocation of Housing Tax Credits and reallocate the credits to other Applicants on the Waiting List if the Board determines that the modification proposed in the amendment...would materially alter the Development in a negative manner...Material alteration of a Development includes, but is not limited to...A reduction of 3% or more in the square footage of the units or common areas...”

Therefore, an amendment to the application is necessary.

Owner:	CHC Leona Apartments, LLC
General Partner:	Community Housing Concepts Properties, LLC
Developer:	Steele Properties, LLC
Principals/Interested Parties:	Hud Karshmer, Chad Asarch
Syndicator:	N/A
Construction Lender:	TDHCA Exchange
Permanent Lender:	US Bank, HUD, TDHCA Exchange
Other Funding:	Middle Rio Grande Development Council, Lee Mendel
City/County:	Uvalde/Uvalde
Set-Aside:	N/A
Type of Area:	Rural
Region:	11
Type of Development:	Rehabilitation
Population Served:	General
Units:	40
2009 Allocation:	\$1,148,900
Allocation per HTC Unit:	\$28,722
Prior Board Actions:	07/2008 – Approved award of tax credits 12/2009 – Approved award of Exchange funding
REA Findings:	N/A



April 5, 2011

Mr. Valentin DeLeon
Multifamily Housing Specialist
Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, TX 78701

Re: Leona Apartments, Uvalde, Texas; TDHCA Project #09943

Dear Mr. DeLeon,

On behalf of CHC Leona Apartments LLC, I am writing to request a waiver from the requirement to include a Sport Court as one of the scoring point amenities to be included in the development. Upon surveying residents at Leona, we found that residents were opposed to the installation of a sport court, and would prefer other outdoor common amenities that more appropriately satisfy their family activities. In order to meet the needs of our residents, and to best utilize the existing space we acquired in this renovation project, we would like to propose a substitution of the sport court with three other amenities that are far more costly to us, but far more beneficial to the residents of Leona Apartments.

The attached proposal from ZMG Construction illustrates a cost of \$8,954 for the installation of a sport court. We are proposing to substitute the sport court with the following outdoor amenities: a brand new children's playground with improvements that significantly exceed those outlined in our original application; a new BBQ station anchored on concrete; and a new ADA compliant picnic table. The total project cost for all three proposed amenities is \$26,312. Based on resident feedback, we determined that we would better meet the needs of residents and their families by significantly expanding upon the originally planned improvements to the children's play area. Residents preferred that resources and space be dedicated to areas where families with younger children can gather, rather than to a sports recreation area which would not be utilized.

We appreciate your consideration of this request in order to best serve the residents of Leona Apartments. If you have any questions or concerns, do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'Sarah H. Andre', with a long horizontal flourish extending to the right.

Sarah H. Andre
Consultant

cc: Chad Asarch

Attachment:

- 1) Cost comparison from ZMG Construction

From: [Sarah Andre](#)
To: [Valentin Deleon;](#)
cc: [Chad Asarch; Kerryn Pulciani;](#)
Subject: Amendment Request Update
Date: Thursday, April 28, 2011 2:15:03 PM
Attachments: [Leona Inspection Email.pdf](#)
[ATT3942364.htm](#)

Hi Valentin, per an email by Mike Garrett on Leona Apartments (#08302) I would like to update our amendment request for this property to include the following additional changes:

1. The square footage of the three bedroom units was inaccurate in the original application. It should be 961 square feet per unit.

This property was a rehabilitation project and the measurements provided in the application were based on materials provided by the previous owner. After the project architect conducted onsite measurements, we updated our information to reflect the correct numbers.

2. The maximum number of floors in the project should be two instead of one. The representation in the application that the property was a one story property was inaccurate.

An email from Mike Garrett in the Inspections Division at TDHCA asking that we make this change as part of our amendment is also attached. These items were identified by him as part of the post-construction physical inspection.

Please let me know if I need to submit new application forms for any of these items.

Sarah Andre
S2A Development Consulting, LLC
1305 East 6th, Suite 12
Austin, Texas 78702
512/698-3369 mobile
512/233-2269 facsimile

Volume 1, Tab 2. ACTIVITY OVERVIEW

Part F. Building/Unit Type Configuration (Required for All Rental Developments)

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 the columns between J and Z in Excel.

Development Name: **Leona**

City: **Uvalde**

Unit Type				Building Configuration											Total # of Buildings	Total # of Units	Total Sq Ft for Unit Type		
				Building Label	1	2	3	4	5	6	7	8	9	10				11	
Number of Buildings				1	1	1	1	1	1	1	1	1	1	1	1	Office/Laundry	10		
Unit Label	# of Bedrooms	# of Baths	Sq. Ft. Per Unit	Number of Units Per Building															
A	1	1	612	4	4													8	4,896
B	2	1	782			4	4	4										16	12,612
C	3	1	1,059						4	4	4	4						16	16,944
Totals				4	4	4	4	4	4	4	4	4	4	4	4	-		40	34,352

Net Rentable Square Footage from Rent Schedule **34,352**

Volume 1, Tab 2. Populations Served

Part B. Rent Schedule (Cont.)

HOUSING	TC30%	2
	TC40%	0
	TC50%	14
	TC60%	24
TAX	HTC LI Total	40
	TCEO	0
CREDITS	MR	0
	MR Total	0
	TC Total	40
MORTGAGE	MRB30%	0
	MRB40%	0
	MRB50%	0
	MRB60%	0
REVENUE	MRB LI Total	0
	MRBMR	0
BOND	MRBMR Total	0
	MRB Total	0

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

Note: Pursuant to 49.9(h)(7)(C), any local, state or federal financing identified in this section which restricts household incomes at any AMGI lower than restrictions required pursuant to the Rules must be identified in the Rent Schedule and the local, state or federal income restrictions must include corresponding rent levels that do not exceed 30% of the income limitation in accordance with §42(g), Internal Revenue Code. The income and corresponding rent restrictions will be continuously maintained over the compliance and extended use period as specified in the LURA.

Volume 1, Tab 2. Populations Served

Part B. Rent Schedule (Cont.)

HOUSING	TC30%	2
	TC40%	0
	TC50%	14
	TC60%	24
TAX	HTC LI Total	40
CREDITS	TCEO	0
	MR	0
	MR Total	0
TC Total		40
MORTGAGE	MRB30%	0
	MRB40%	0
	MRB50%	0
	MRB60%	0
REVENUE	MRB LI Total	0
BOND	MRBMR	0
	MRBMR Total	0
	MRB Total	0

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

Note: Pursuant to 49.9(h)(7)(C), any local, state or federal financing identified in this section which restricts household incomes at any AMGI lower than restrictions required pursuant to the Rules must be identified in the Rent Schedule and the local, state or federal income restrictions must include corresponding rent levels that do not exceed 30% of the income limitation in accordance with §42(g), Internal Revenue Code. The income and corresponding rent restrictions will be continuously maintained over the compliance and extended use period as specified in the LURA.



**Proposal
LEONA**

Submitted To:	Date:	March 21, 2011
Attn: Jason VanAernam	Job Name:	Leona Apartments
Name: Community Housing Partners	Job No:	196
Street: 6795 East Tennessee Ave., 5th floor	Street:	209 1st Street
City: Denver, Co. 80224	City:	Uvalde, TX

We Hereby Agree to make the changes specified below:

Proposal

*	Install new sport court - Includes new concrete for (1) new basketball goal, striping for court and goal are included in cost A 20' x 20' concrete pad will be poured.	1	LS \$	8,954.00	\$	8,954.00
					Total:	\$ 8,954.00

ACCEPTANCE:

WE AGREE hereby to make the changes specified above at this price ---

Contractor Signature

Date

Proposal Amount \$ 8,954.00

Your signature of acceptance indicates the above prices and specifications of this Proposal Amount are satisfactory and are hereby accepted.

Owner/Property Rep. Signature

Date

All work to be performed under same terms and conditions as specified in original contract unless otherwise stipulated.



**Proposal
LEONA**

Submitted To:		Date:	March 21, 2011
Attn:	Jason VanAernam	Job Name:	Leona Apartments
Name:	Community Housing Partners	Job No:	196
Street:	6795 East Tennessee Ave., 5th floor	Street:	209 1st Street
City:	Denver, Co. 80224	City:	Uvalde, TX

We Hereby Agree to make the changes specified below:

Proposal

	Remove & Reinstall playground equipment - Demo old equipment & haul away - Repair remaining equipment to a safe manner including swings and climbing bars - Install new border for soft fill - install new soft fill mulch.	1	LS	\$	24,612.60	\$	24,612.60
*	Install (1) new BBQ stations anchored on concrete.	1	Ea	\$	650.00	\$	650.00
*	Install (1) new ADA compliant Picnic table	1	Ea	\$	1,050.00	\$	1,050.00
						Total:	\$ 26,312.60

ACCEPTANCE:

WE AGREE hereby to make the changes specified above at this price ---

Contractor Signature

Date

Proposal Amount	\$ 26,312.60
------------------------	---------------------

Your signature of acceptance indicates the above prices and specifications of this Proposal Amount are satisfactory and are hereby accepted.

Owner/Property Rep. Signature

Date

All work to be performed under same terms and conditions as specified in original contract unless otherwise stipulated.

**MULTIFAMILY FINANCE DIVISION
BOARD ACTION REQUEST
June 30, 2011**

Recommended Action

Approve the request for an extension related to 2007, 2008, 2009 and 2010 Housing Tax Credit and Tax Credit Exchange Program allocations.

WHEREAS, the Board requires compliance with the deadlines it sets through its Qualified Allocation Plan (QAP) and authorizes the Executive Director to approve reasonable extensions of such deadlines when requested with good cause prior to the deadline, and

WHEREAS, the Board may consider and approve with good cause or deny extensions of deadlines requested after the deadline, and

WHEREAS, six applicants who have missed a deadline requested an extension after their deadline had passed, but provided good cause for granting the extension and paid the required \$2,500 extension request fee as applicable and have been recommended.

It is hereby:

RESOLVED, that the extensions presented in this meeting relating to Applications No. 07412 Mansions at Hastings Green, 07413 Mansions at Hastings Green Senior, 08258/09743 Lexington Court Phase II, 08402 Mansions at Moses Lake, 09958/9100 Crestmoor Park South Apartments, 10007, Mexia Gardens, 10153 Britain Way, 10226 Red Oak Apartments, 10253 Brookwood Apartments, 10271, Hudson Manor, and 10279, Hudson Green are hereby approved as presented to this meeting.

Background

Pertinent facts about the request for extension are as follows:

HTC No. 07412, Mansions at Hastings Green
Extension to Submit the Cost Certification

Summary of Request: Pursuant to §49.15(b)(2) of the 2007 Qualified Allocation Plan, “Required cost certification documentation must be received by the Department no later than January 15 following the year the Credit Period begins. Pursuant to §49.21(1), “[Extension] requests must be submitted to the Department no later than the date for which an extension is being requested.” No penalty is prescribed by program rules for failing to meet the deadline.

The reason given for the request was that the development failed to convert to permanent financing in 2010. After much negotiation the Limited Partner exercised its right to appoint a new General Partner (GP). Additionally, the new management has file for Chapter 11 bankruptcy reorganization. The partnership feels confident they can resolve the financial issues through the bankruptcy.

The partnership has indicated that in March 2011 the initial GP was replaced in the partnership structure and will be admitted to the ownership structure as a part of the bankruptcy reorganization process. The partnership now anticipates that the reorganization will be approved no later than June 2011 and the permanent loan will be in place by July 2011.

Therefore, the owner requests the Board’s approval to extend the applicable deadline to August 27, 2011, the date that the cost certification was submitted.

Owner:	Mansions at Hasting Green, L.P.
General Partner:	Mansions at Hasting Green I, LLC
Developer:	Robert R. Burchfield
Principals/Interested Parties:	Red Capital Group
City/County:	Houston/Harris
Set-Aside:	N/A – Tax-Exempt Bond Development
Type of Area:	Urban
Type of Development:	New Construction
Population Served:	General
Units:	230 HTC units
2007 Allocation:	\$937,247
Allocation per HTC Unit:	\$4,075
Extension Request Fee Paid:	\$2,500
Current Deadline:	January 15, 2009
New Deadline Requested:	August 27, 2011
New Deadline Recommended:	August 27, 2011
Previous Extensions:	N/A

**MANSIONS AT HASTINGS GREEN, LP
c/o SCDC, LLC
Two Miranova Place
Columbus, Ohio 43215**

April 26, 2011

Mr. Kent Bedell
Multi Family Housing Specialist
Texas Department of Housing and Community Development
P. O. Box 13941
Austin, Texas 78711-3941

Re: Request for Extension for Submission of Cost Certification Documentation
MANSIONS AT HASTINGS GREEN, Houston, Texas
TDHCA #07412

Dear Mr. Bedell:

This letter will formally request an extension of the deadline for the completion of the Cost Certification for TDHCA Project #07412, Mansions at Hastings Green Apartments located at 11950 FM 1960 West, Houston, Texas 77065.

This property originally had its Cost Certification package due January 15, 2009. The initial package was submitted to TDHCA on August 27, 2010 and a letter outlining the deficiencies of the package was sent out on April 15, 2011. The partnership will respond to the deficiency letter in May, 2011.

By way of explanation, this property is currently stabilized at 95% occupancy. During 2010, the property failed to convert to permanent financing by the August 31, 2010 deadline imposed by the lender. After failed negotiations aimed at an extension, the lender posted the property for a foreclosure sale to occur in November 2010. The inability of the then managing member of its General Partner (at the time Robert Burchfield) to act forced the Limited Partners (through the Special Limited Partner, SCDC, LLC) to exercise their right to appoint an Additional General Partner of Mansions at Hastings Green, LP, in July, 2010. With that new leadership in place, the partnership filed for the protection of Chapter 11 bankruptcy on October 22, 2010. A copy of the partnership resolution authorizing the filing of the Chapter 11 voluntary petition is enclosed for your reference.

In March 2011, the initial General Partner was replaced in the partnership structure by Hastings Green, LLC. A copy of the Certificate of Amendment reflecting that change is enclosed for your reference. It is expected that a new General Partner will be admitted to Mansions at Hastings Green, LP, as part of the bankruptcy reorganization process. It is understood that TDHCA has the right of prior approval on the new General Partner.

The Chapter 11 reorganization process has successfully proceeded to a point where the Bankruptcy Court approved the First Amended Disclosure Statement on April 26, 2011. A copy of the Order approving the First Amended Disclosure Statement is enclosed for your reference. We anticipate the

Page 2
Letter to Kent Bedell
April 26, 2011

proposed Plan of Reorganization will be approved no later than June 2011 and the permanent loan will be in place by July 2011.

Barring any unforeseen circumstances with the current Cost Certification submission and responses to the Deficiency Letter, we see no reason that these issues cannot be resolved within 90 days and the cost certification process be completed within that time-frame.

We have enclosed a check payable to the Texas Department of Housing and Community Affairs in the amount of \$2,500 to support this extension request.

Please let me know if additional information is required.

Sincerely,

MANSIONS AT HASTINGS GREEN, LP
Through its General Partner
Hastings Green, LLC



Gary L. McGlaughlin, President of
SCDC, LLC, its Managing Member
GLMCGLAUGHLIN@REDCAPITALGROUP.COM
Tel: (614)857-3152

cc: Michael D. Clark, Alpha-Barnes Real Estate Services

HTC No. 07413, Mansions at Hastings Green Senior
Extension to Submit the Cost Certification

Summary of Request: Pursuant to §49.15(b)(2) of the 2007 Qualified Allocation Plan, “Required cost certification documentation must be received by the Department no later than January 15 following the year the Credit Period begins. Pursuant to §49.21(l), “[Extension] requests must be submitted to the Department no later than the date for which an extension is being requested.” No penalty is prescribed by program rules for failing to meet the deadline.

The reason given for the request was that the development failed to convert to permanent financing in 2010. After much negotiation the Limited Partner exercised its right to appoint a new General Partner (GP). Additionally, the new management has file for Chapter 11 bankruptcy reorganization. The partnership feels confident they can resolve the financial issues through the bankruptcy.

The partnership has indicated that in March 2011 the initial GP was replaced in the partnership structure and will be admitted to the ownership structure as a part of the bankruptcy reorganization process. The partnership now anticipates that the reorganization will be approved no later than June 2011 and the permanent loan will be in place by July 2011.

Therefore, the owner requests the Board’s approval to extend the applicable deadline to August 27, 2011, the date that the cost certification was submitted.

Owner:	Mansions at Hasting Green Senior, L.P.
General Partner:	Mansions at Hasting Green Senior I, LLC
Developer:	Robert R. Burchfield
Principals/Interested Parties:	Red Capital Group
City/County:	Houston/Harris
Set-Aside:	N/A – Tax-Exempt Bond Development
Type of Area:	Urban
Type of Development:	New Construction
Population Served:	Seniors
Units:	230 HTC units
2007 Allocation:	\$940,796
Allocation per HTC Unit:	\$4,090
Extension Request Fee Paid:	\$2,500
Current Deadline:	January 15, 2009
New Deadline Requested:	August 27, 2011
New Deadline Recommended:	August 27, 2011
Previous Extensions:	N/A

**MANSIONS AT HASTINGS GREEN SENIOR, LP
c/o SCDC, LLC
Two Miranova Place
Columbus, Ohio 43215**

April 26, 2011

Mr. Kent Bedell
Multi Family Housing Specialist
Texas Department of Housing and Community Development
P. O. Box 13941
Austin, Texas 78711-3941

Re: Request for Extension for Submission of Cost Certification Documentation
MANSIONS AT HASTINGS GREEN SENIOR, Houston, Texas
TDHCA #07413

Dear Mr. Bedell:

This letter will formally request an extension of the deadline for the completion of the Cost Certification for TDHCA Project #07413, Mansions at Hastings Green Senior Apartments located at 11707 Fallbrook Drive, Houston, Texas 77065.

This property originally had its Cost Certification package due January 15, 2009. The initial package was submitted to TDHCA on August 27, 2010 and a letter outlining the deficiencies of the package was sent out on September 30, 2010. The responses to the deficiency letter were delayed but will be submitted to the Department in early May, 2011.

By way of explanation, this property commenced leasing in October 2008 and, despite a slow lease-up, is currently stabilized at 96% occupancy. During 2010, the property failed to convert to permanent financing by the August 31, 2010, deadline imposed by the lender. After failed negotiations aimed at an extension, the lender posted the property for a foreclosure sale to occur in November, 2010. The inability of the then managing member of its General Partner (at the time Robert Burchfield) to act forced the Limited Partners (through the Special Limited Partner, SCDC, LLC) to exercise their right to appoint an Additional General Partner of Mansions at Hastings Green Senior, LP, in July, 2010. With that new leadership in place, the partnership filed for the protection of Chapter 11 bankruptcy on October 22, 2010. A copy of the partnership resolution authorizing the filing of the Chapter 11 voluntary petition is enclosed for your reference.

In March 2011, the initial General Partner was replaced in the partnership structure by Hastings Green Senior, LLC. A copy of the Certificate of Amendment reflecting that change is enclosed for your reference. It is expected that a new General Partner will be admitted to Mansions at Hastings Green, LP., as part of the completion of the bankruptcy reorganization process. It is understood that TDHCA has the right of prior approval on the new General Partner. We anticipate the proposed Plan of Reorganization will be approved no later than June 2011 and the permanent loan will be in place by July 2011.

Page 2
Letter to Kent Bedell
April 26, 2011

The Chapter 11 reorganization process has successfully proceeded to a point where the Bankruptcy Court approved the First Amended Disclosure Statement on April 26, 2011. A copy of the Order approving the First Amended Disclosure Statement is enclosed for your reference.

Barring any unforeseen circumstances with the current Cost Certification submission and responses to the Deficiency Letter, we see no reason that these issues cannot be resolved within 90 days and the cost certification process be completed within that time-frame.

We have enclosed a check payable to the Texas Department of Housing and Community Affairs in the amount of \$2,500 to support this extension request.

Please let me know if additional information is required.

Sincerely,

MANSIONS AT HASTINGS GREEN SENIOR, LP
Through its | General Partner
Hastings Green Senior, LLC



Gary L. McGlaughlin, President of
SCDC, LLC, its Managing Member
GLMCGLAUGHLIN@REDCAPITALGROUP.COM
Tel: (614)857-3152

cc: Michael D. Clark, Alpha-Barnes Real Estate Services

HTC No. 08258/09743 Lexington Court Phase II
Extension to Submit the Cost Certification

Summary of Request: Pursuant to §50.15(b)(2) of the 2008 Qualified Allocation Plan, “Required cost certification documentation must be received by the Department no later than January 15 following the year the Credit Period begins. The owner elected to begin the Credit Period in 2010. Pursuant to §50.20(1), “[Extension] requests must be submitted to the Department no later than the date for which an extension is being requested.” No penalty is prescribed by program rules for failing to meet the deadline.

The reason given for this request was that heavy rains in Kilgore delayed the commencement of construction which delayed the final completion details, inspection requirements, and the audit for the Cost Certification. Additionally, the owner was delayed further as they attempted to resolve deficiencies identified in their final inspection by the Department. The owner has indicated that all inspection deficiencies have been cleared as of February 10, 2011 and that the development is currently one hundred (100) percent occupied. The owner has submitted all documentation for the cost certification.

Therefore, the owner requests the Board’s approval to extend the applicable deadline to March 17, 2011, the date that the cost certification was submitted.

Owner:	Lexington Court Phase II, Ltd.
General Partner:	Affordable Caring Housing and Cambridge Interests, Inc.
Developer:	Homestead Development Group, Ltd. and Affordable Caring Housing, Inc.
Principals/Interested Parties:	Jason Bienski, Mary Velleca, Ronnie Gipson, Cynthia Garcia, Deidre Jones, Elaina D. Glockzin and Emanuel H. Glockzin, Jr.
City/County:	Kilgore/Gregg
Set-Aside:	Non-Profit
Type of Area:	Rural
Type of Development:	New Construction
Population Served:	General Population
Units:	76 HTC units
2008 Allocation:	\$797,573
Allocation per HTC Unit:	\$10,494
Extension Request Fee Paid:	\$2,500
Current Deadline:	January 15, 2011
New Deadline Requested:	March 17, 2011
New Deadline Recommended:	March 17, 2011
Previous Extensions:	N/A

LEXINGTON COURT PHASE II, LTD.

4500 Carter Creek Parkway, Suite 101, Bryan, TX 77802
(979) 846-8878 phone • (979) 846-0783 fax

June 6, 2011

Texas Department of Housing and Community Affairs
P. O. Box 13941
Austin, TX 78711-3941

Attn: Mr. Kent Bedell – Housing Specialist
Re: Lexington Court Phase II, Ltd. TDHCA #08258/09743

Dear Mr. Bedell:

I would like to request an extension of the Cost Certification for Lexington Court Phase II, Ltd. TDHCA 08258. The current deadline to meet Commencement of Substantial Construction was January 15, 2011, and we would like to request the deadline be extended to March 17, 2011.

The reason for the request is that we had delays in the beginning of this development related to heavy rains in Kilgore at the time the construction was started. We met our Placed in Service Requirements according to the HOME and TCAP funds; however we were delayed at the end with the final completion details and inspection requirements. Also at the time we finished, our accountant was tied up with end of the year scheduling, which delayed the audit for the Cost Certification somewhat.

We submitted our Final Inspection package on November 19, 2010, and received a letter back on December 22, 2011 with the listing of deficiencies observed during the inspection process, and requesting a complete packet of corrective action documentation within thirty days, or no later than January 28, 2011. Also in the letter was a reminder that the final TCAP draw could not be released and the construction would not be accepted by the Department until all deficiency items from the Final Development Inspection had been addressed; therefore we focused our attention on getting these matters resolved.

One of the items listed in the deficiency was that the accessible route at some of the ramps throughout the development did not provide ramp handrails on both sides. We were delayed in getting these ramps installed because the architect had to go to the site and measure the height of all of the ramps to determine if they needed the rails on both sides, then we had to get the rails made and installed throughout the development due to the slope. We sent a letter to the Inspection Specialist on January 26, 2011 with photos of all of the handrails installed on both sides where the ramp had a vertical rise either greater than 6" or a horizontal length greater than 72" (excluding curbs). We received our letter from the Department, clearing all deficiencies identified in the final inspection on February 10, 2011.

The development is now completed and at 100% occupancy. We are asking for an extension on Cost Certification so that we can complete the last aspect of the development. As required, please find our check in the amount of \$2,500 for the extension fee for this request.

Should you have any questions, please do not hesitate to call the number listed above.

Thank you,


Emanuel H. Glockzin, Jr.
Homestead Development Group, Ltd.
Developer

HTC No. 08402 Mansions at Moses Lake
Extension to Submit the Cost Certification

Summary of Request: Pursuant to §50.15(b)(2) of the 2008 Qualified Allocation Plan, “Required cost certification documentation must be received by the Department no later than January 15 following the year the Credit Period begins. The owner elected to begin the Credit Period in 2010. Pursuant to §50.20(1), “[Extension] requests must be submitted to the Department no later than the date for which an extension is being requested.” No penalty is prescribed by program rules for failing to meet the deadline.

The reason given for the request was that the original general partner was unable to gather the required documentation to meet the original cost certification deadline. The original general partner was removed from the ownership structure on May 10, 2011 and the Limited Partner is now working to submit the necessary documentation in order to obtain final Department approval and the issuance of the development’s 8609’s.

Therefore, the owner requests the Board’s approval to extend the applicable deadline to July 29, 2011, the date that the cost certification was submitted.

Owner:	Mansions at Moses Lake, LP
General Partner:	Mansions at Moses Lake I, LLC
Developer:	Robert R. Burchfield
Principals/Interested Parties:	AEGON USA Realty Advisors, Inc. LLC
City/County:	Texas City/Galveston
Set-Aside:	Non-Profit
Type of Area:	Urban
Type of Development:	New Construction
Population Served:	Elderly Population
Units:	240 HTC units
2008 Allocation:	\$838,687
Allocation per HTC Unit:	\$3495
Extension Request Fee Paid:	\$2,500
Current Deadline:	January 15, 2011
New Deadline Requested:	July 29, 2011
New Deadline Recommended:	July 29, 2011
Previous Extensions:	N/A



AEGON USA Realty Advisors, LLC
4333 Edgewood Road NE, MS 5553
Cedar Rapids, IA 52499
Telephone 319 355-5503
Fax 319 355-8030

June 14, 2011

Mr. Kent Bedell
Multifamily Division
Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, TX 78701
Fax 512.475.3746

Sent Via Facsimile and US Mail

RE: Extension Request – Cost Certification Deadline
Mansions at Moses Lake, L.P.

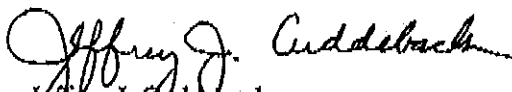
Mr. Bedell,

AEGON USA Realty Advisors, LLC, acting as authorized agent on behalf of Transamerica Affordable Housing, Inc., General Partner of Mansions at Moses Lake, L.P., hereby requests an extension to the original cost certification deadline that was January 15, 2010. The previous general partner was unable to meet this deadline, among others, and was removed as general partner on May 10, 2011. I apologize for any inconvenience this may have caused you, and request your patience with us as we attempt to complete all of the necessary documentation in order to obtain final TDHCA approval, including the project's 8609's.

Per Rosalio Banuelos' instructions, we will be forwarding a \$2,500 check payable to the Texas Department of Housing and Community Affairs. The partnership has recently incurred some unexpected expenses and cash flow is temporarily tight. As soon as the funds are available, likely by the first week of July, if not sooner, I will be forwarding the funds to your attention.

Please do not hesitate to contact me with any questions at 319.355.8336. Thanks very much for your help in this matter.

Respectfully,


Jeffrey J. Cuddeback
Asset Manager

HTC No. 09958/09100, Crestmoor Park South Apartments
(Tax Credit Exchange Program App)
(Cost Certification)

Summary of Request: Pursuant to Section 7.3 of the Exchange Subaward Agreement "...The Development Owner shall provide a full accounting of funds expended under the terms of this Agreement as part of Cost Certification on the earlier of January 13, 2012 or sixty (60) days of Construction Completion..." The owner has indicated that the first building was placed in service on March 3, 2011; therefore the Cost Certification submission due date was May 29, 2011. The owner is requesting an extension of the deadline to submit the cost certification documentation to September 1, 2011.

The reason given for this request is that the owner needs additional time to draw the remaining amount of their Exchange funds in order to prepare a complete and accurate cost certification package.

In addition, under Section 11.2 of this Agreement with respect to an Event of Default, failure of the Development Owner to provide a full accounting in accordance with the QAP and the Department's Cost Certification Procedures Manual shall be sufficient reason for the Department to make the Development Owner or its Affiliates ineligible to apply for assistance under TDHCA programs or subject to penalty in accordance with TDHCA rules.

Owner:	Crestmoor Park South Apartments, Ltd.
General Partner:	WJC Investments, Inc.
Developer:	Valcrest Investments, Inc.
Principals/Interested Parties:	W. Joseph Chamy and Michael C. Chamy
City/County:	Burleson/Johnson
Set-Aside:	At-Risk
Type of Area:	Rural
Type of Development:	Acq/Rehabilitation
Population Served:	Family
Units:	68 HTC units
2009 Allocation:	\$394,961
Allocation per HTC Unit:	\$5,808
Extension Request Fee Paid:	\$2,500
Current Deadline:	May 29, 2011
New Deadline Requested:	September 1, 2011
Previous Extensions:	N/A

Chamy Investments
REAL ESTATE

2128 L. Don Dodson
Bedford, Texas 76021
(817) 285-6315
(817)285-7157(Fax)
jchamy@chamyinvestments.com

June 2, 2011

Mr. Kent Bedell
MF- Multifamily finance
TDHCA
POBox 13941
Austin, TX 78711-3941

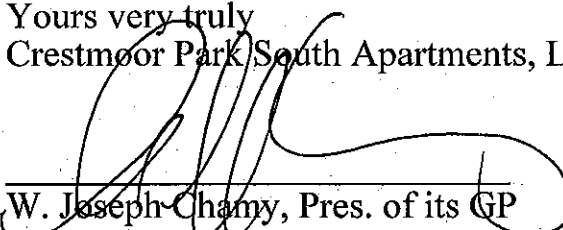
RE: Crestmoor Park South Apartments- TDHCA# 09100
Cost Certification Extension

Dear Mr. Bedell:

Request is hereby made for extending the Cost Certification to September 1, 2011.
The circumstances for said extension had been addressed in our June 1, 2011
letter.

Enclosed herein, please find our check for \$2,500.

Yours very truly
Crestmoor Park South Apartments, LTD


W. Joseph Chamy, Pres. of its GP

WJC/1
Enc.

06-06-11A11:23 RCVD

Chamy Investments
REAL ESTATE

2128 L. Don Dodson
Bedford, Texas 76021
(817) 285-6315
(817)285-7157(Fax)
jchamy@chamyinvestments.com

June 1, 2011

Mr. Kent Bedell
MF-Multifamily Finance
TDHCA
POBox 13941
Austin, TX 78711-3941

RE: Crestmoor Park South Apartments – TDHCA# 09100
Cost Certification Extension

Dear Mr. Bedell:

Request is hereby made to extend the tender of the Cost Certification for the above referenced entity to September 1, 2011

Now, a little history:

1. Final Certificate of Occupancy obtained from City of Burleson on 3-29-2011
2. AIA G704 executed on 3-29-2011
3. Final construction Inspection Request Form submitted on 4-27-11
4. Final TDHCA Inspection scheduled for June 3, 2011
5. To-date we are approximately \$ 156,000 below TCEP budgeted amount, taking into account both the HOME and TCEP retainage draws.
6. To-date we have both a HOME and a TCEP retainage draws Outstanding and unfunded, subject to final inspection.

Our accountants, Howard & Co., LLP feel more comfortable, completing the Cost Certification when the Retainage Draws are fully funded, deposited/disbursed out of our Construction Account.

06-06-11 11:24 RCVD

Mr. Kent Bedell

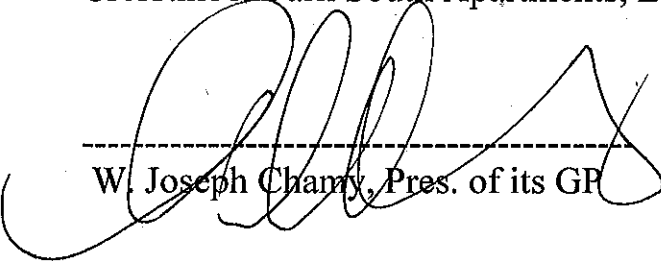
Page 2

A secondary issue, is the possibility, that subject to final TDHCA
And its outcome, we might consider the possibility for expending additional
sums to possibly, construct some covered parking.

As we stand to-day, given the circumstances, we cannot tender a Cost
Certification within the 60 day window as dictated by Items 1 & 2 above.

Please advise

Yours very truly
Cresstmoor Park South Apartments, LT



W. Joseph Chamy, Pres. of its GP

WJC/1
Cc; Via e-mail

HTC No. 10007 Mexia Gardens

Extension to Submit the 10% Test and Commencement of Substantial Construction Documentation

Summary of Request: Pursuant to §50.14(b) of the 2010 Qualified Allocation Plan, no later than six months from the date the Carryover Allocation Document is executed by the Department and the Development Owner, more than 10% of the Development Owner’s reasonable expected basis must have been incurred pursuant to §42(h)(1)(E)(i) and (ii) of the Internal Revenue Code. The evidence to support the satisfaction of this requirement must be submitted to the Department no later than July 1 of the year following the execution of the Carryover Allocation Document in a format prescribed by the Department.

The owner is requesting to extend the deadline to submit documentation fulfilling the 10% and Commencement of Substantial Construction (COC) requirements from July 1, 2011 to January 1, 2012. The reason given for the this request was that the Partnership intended to seek financing for the Development under the USDA 538 loan program; however, Congress reduced the funding for that program, which forced the Partnership to seek other financing alternatives.

The Partnership has indicated that they are on track to obtain a HUD 221(d)(4) loan; however, they do not anticipate to close on the financing prior to July 1, 2011. They have also indicated that they remain confident that the Development is still on target to meet its placed in service requirement.

The owner has requested a waiver of the five (5) point penalty associated with the late 10% Test submission and a waiver of the \$2,500 extension processing fee based on circumstances outside their control regarding the reduction of funds in the 538 loan program. Staff recommends the enforcement of the five (5) point penalty in accordance with §49.9(a)(28)(A) of the 2010 QAP and of the \$2,500 extension processing fee pursuant to §49.13(c).

Owner:	Mexia Housing, LLC.
General Partner:	Richard Brown, Frank Pollacia, and Harry Hunsicker
Developer:	Mexia Housing, LLC
Principals/Interested Parties:	Richard Brown, Frank Pollacia, and Harry Hunsicker
City/County:	Mexia/Limestone
Set-Aside:	NA
Type of Area:	Rural
Type of Development:	New Construction
Population Served:	General
Units:	80 HTC units
2010 Allocation:	\$812,214
Allocation per HTC Unit:	\$10,153
Extension Request Fee Paid:	\$2,500
Current 10% Deadline:	July 1, 2011
Current COC Deadline:	July 1, 2011
10% Deadline Recommended:	September 1, 2011
COC Deadline Recommended:	December 1, 2011
Previous Extensions:	N/A

Mexia Housing, LLC

April 20, 2011

Mr. Kent Bedell
TDHCA
Multifamily Finance
P.O. Box 13941
Austin, TX 78711-3941

Re: Extension Request, Commencement of Substantial Construction
Mexia Gardens, TDHCA #10007

Dear Mr. Bedell,

Due to circumstances beyond our control we may not be able to meet the July 1, 2011 deadline for commencement of substantial construction and also the 10% test. We planned to use funds from the USDA 538 loan guarantee program for our permanent loan and were progressing to closing on schedule with our lender, Lancaster Pollard. Unexpectedly the U.S. Congress House of Representatives dramatically reduced funding for the 538 program as part of the current budget reduction efforts. As a result of the unexpected funding cut we were forced to seek an alternative for our permanent loan. We are on track with using a HUD 221(d)(4) loan and are working with the Ft. Worth office for a closing as soon as possible. However it does not appear likely that a closing can occur by July 1. Therefore we respectfully request an extension of 6 months in order for us to complete this alternative financing. Attached is a check for \$2,500. We understand that the Federal deadline cannot be extended.

Additionally, since the reason for this delay was totally outside our control, we respectfully request a waiver of penalties and, if possible, a reduction of the fee. Thank you.

Respectfully,



Richard L. Brown

cc: Ms. Ginger McGuire, Lancaster Pollard
Ms. Nicole Flores, CREA
Ms. Cynthia Bast, Locke Lord Bissell & Liddell LLP

4901 Cole Ave
Dallas, TX 75205-3401
Ph.214-521-0300 ext 7 – Fax.214-521-8722

609 W. 15th Suite 140
Plano, TX 75075-8862
Ph.972-509-0088 – Fax.972-509-0022

HTC No. 10153 Britain Way

Extension to Submit the 10% Test and Commencement of Substantial Construction Documentation

Summary of Request: Pursuant to §50.14(b) of the 2010 Qualified Allocation Plan, no later than six months from the date the Carryover Allocation Document is executed by the Department and the Development Owner, more than 10% of the Development Owner’s reasonable expected basis must have been incurred pursuant to §42(h)(1)(E)(i) and (ii) of the Internal Revenue Code. The evidence to support the satisfaction of this requirement must be submitted to the Department no later than July 1 of the year following the execution of the Carryover Allocation Document in a format prescribed by the Department.

The Partnership is requesting to extend the deadline to submit documentation fulfilling the 10% and Commencement of Substantial Construction (COC) requirements from July 1, 2011 to January 1, 2012. The reason given for the this request was that HUD’s response to the Partnerships application request for a HUD 221(d)(4) loan was delayed by over 5 months due to the volume of similar applications received. The Partnership indicated that HUD’s typical response time for this type of application is 50 days; therefore, they anticipate closing on the financing in late August, commencing construction by early September, and are confident that they will meet the development’s placed in service requirement.

The owner has requested a waiver of the five (5) point penalty associated with the late 10% Test submission based on circumstances outside their control regarding HUD delays in processing their HUD 221(d)(4) loan request.. Staff recommends the enforcement of the five (5) point penalty in accordance with §49.9(a)(28)(A) of the 2010 QAP

Owner:	Irving Britain Way Apartments, LP.
General Partner:	Irving Britain Way Development, LLC
Developer:	Om Housing, LLC
Principals/Interested Parties:	Deepak P. Sulakhe
City/County:	Irving/Dallas
Set-Aside:	NA
Type of Area:	Urban
Type of Development:	Acq/Rehabilitation
Population Served:	General
Units:	80 HTC units
2010 Allocation:	\$1,627,680
Allocation per HTC Unit:	\$9,689
Extension Request Fee Paid:	\$2,500
Current 10% Deadline:	July 1, 2011
Current COC Deadline:	July 1, 2011
10% Deadline Recommended:	September 1, 2011
COC Deadline Recommended:	December 1, 2011
Previous Extensions:	N/A

100 Congress, Suite 300
Austin, TX 78701
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Fax: 512-305-4800
www.lockelord.com

Locke Lord Bissell & Liddell^{LLP}

Attorneys & Counselors

Cynthia L. Bast
Direct Telephone: 512-305-4707
Direct Fax: 512-391-4707
cbast@lockelord.com

June 8, 2011

VIA HAND DELIVERY

Ms. Robbye Meyer
Texas Department of Housing & Community Affairs
221 East 11th Street
Austin, Texas 78701

Re: Britain Way (the "**Property**")
TDHCA No. 10153
Request for Extension of Deadlines

Dear Robbye:

On behalf of Irving Britain Way Apartments, L.P. (the "**Partnership**"), the Development Owner with respect to the above-referenced Property, we are submitting this letter to request an extension of certain deadlines for the Property. Enclosed please find a check in the amount of \$2,500 for payment of the extension fee.

The Partnership sought financing with HUD Section 221(d)(4) insurance from Dougherty Mortgage, LLC (the "**Lender**"). The Lender submitted the pre-application package to HUD on September 3, 2010. However, due to an overwhelming volume of applications, HUD was unable to process the request during the typical timeframe of approximately 50 days. Instead, it took HUD over 5 months to respond with the invitation letter. (See Attachment A for a confirmation letter from the Lender and a copy of the first page of the invitation letter, with date.) HUD's delay in processing the application created a substantial delay in the Partnership's ability to close its financing. This delay was outside the Partnership's control.

In light of the foregoing, the Partnership respectfully requests an extension of: (1) the deadline for commencement of substantial construction from July 1 to January 1; and (2) the deadline for incurring 10% of the reasonably expected basis in the Property from six months after execution of the Carryover Allocation Document to twelve months after execution of the Carryover Allocation Document and the deadline for submitting evidence of satisfying the 10% test from July 1 to January 1. The Partnership feels confident that, even with the financing delay, it will be able to complete the rehabilitation of the Property and place in service by the December 31, 2012 deadline.

Because this delay was outside the Partnership's control and imposed by HUD, we request that TDHCA waive any penalties that may otherwise be imposed as a result of this extension request.

06-08-11 10:04:07 RCVD

Ms. Robbye Meyer
June 8, 2011
Page 2

Please confirm in writing the requested extension. If you need anything further in conjunction with this extension request, please let me know. We appreciate your assistance.

Sincerely,

A handwritten signature in black ink that reads "Cynthia L. Bast". The signature is written in a cursive, flowing style.

Cynthia L. Bast

cc: Deepak Sulakhe

HTC No. 10226 Red Oak Apartments

Extension to Submit the 10% Test and Commencement of Substantial Construction Documentation

Summary of Request: Pursuant to §50.14(b) of the 2010 Qualified Allocation Plan, no later than six months from the date the Carryover Allocation Document is executed by the Department and the Development Owner, more than 10% of the Development Owner’s reasonable expected basis must have been incurred pursuant to §42(h)(1)(E)(i) and (ii) of the Internal Revenue Code. The evidence to support the satisfaction of this requirement must be submitted to the Department no later than July 1 of the year following the execution of the Carryover Allocation Document in a format prescribed by the Department.

The owner is requesting to extend the deadline to fulfill the 10% Test expenditure requirement from June 21, 2011 to June 30, 2011 and the Commencement of Substantial Construction (COC) requirement from July 1, 2011 to December 31, 2011. The reason given for this request is that the ownership has not closed on the construction loan due to delays associated with the assumption of the existing USDA 515 financing.

The Partnership has indicated that the construction loan should close by June 24, 2011, all building permits have been obtained, and construction should commence before the end of the month. They have also confirmed that they remain confident that the Development is still on target to meet its placed in service requirement.

The owner has requested a waiver of the five (5) point penalty associated with the late 10% Test submission based on circumstances outside their control regarding the delayed approval of the USDA 515 loan by USDA’s national office. The delay was confirmed by USDA’s local office; therefore; staff recommends a waiver of the five (5) point penalty in accordance with §49.9(a)(28)(A) of the 2011 QAP, no penalty points or fees will be deducted for extensions for developments that involve USDA as a lender and USDA is the basis for the Applicant not meeting the deadline.

Owner:	HPD Red Oak, LP
General Partner:	HPD Texas Red Oak, LLC
Developer:	Highland Property Development, LLC
Principals/Interested Parties:	William Rice, Kristoffer Kaufman, Gary Downs, and Douglas B. Day
City/County:	Red Oak/Ellis
Set-Aside:	At-Risk/USDA
Type of Area:	Rural
Type of Development:	Acq/Rehabilitation
Population Served:	General
Units:	116 HTC units
2010 Allocation:	\$1,029,742
Allocation per HTC Unit:	\$8,877
Extension Request Fee Paid:	\$2,500
Current 10% Deadline:	July 1, 2011
Current COC Deadline:	July 1, 2011
10% Deadline Recommended:	June 30, 2011
COC Deadline Recommended:	December 31, 2011
Previous Extensions:	N/A

June 20, 2011

Ms. Robby Meyer
Texas Department of Housing & Community Affairs
221 East 11th Street
Austin, Texas 78701

Re: Red Oak Apartments (the "**Property**") – 116 preservation units in Red Oak, TX
TDHCA No. 10226
Request for Extension of Deadlines

Dear Robby:

We are local counsel to HPD Red Oak L.P. (the "**Partnership**"), the Development Owner with respect to the above-referenced Property. On June 2, 2011, the Partnership submitted the enclosed request for an extension to the deadline for commencement of substantial construction. This request was submitted in anticipation that the Partnership would close the transfer and assumption of its USDA financing by June 17, 2011. However, the Partnership wanted to ensure that an extension would be available if unforeseen delays occurred with the USDA processing. At the time, a \$2500 extension fee was paid.

As it turns out, the Partnership's anticipation of USDA delays was warranted, and the Partnership is unable to close the USDA financing in time to: (1) meet the 10% test by June 21, 2011, which is six months from December 21, 2010, the date the carryover agreement was signed; and (2) commence substantial construction by July 1, 2011. Thus, this letter is being delivered to supplement the prior extension request, and we ask that the extension fee, previously paid, apply to this request.

Background

The Property received housing tax credits in the USDA set-aside in 2010. The Property is currently financed with USDA, so USDA approval for a transfer and assumption under the 515 Program is required. The Partnership submitted its transfer application with USDA on February 28, 2010, the same day it filed its tax credit application. It corresponded with USDA throughout 2010 and kept USDA informed when the Partnership received its tax credit award and met other milestones. At the end of 2010, the Partnership was advised that the person who had been processing the application was moving to another office out of state, and a different USDA employee was appointed to the project. The Partnership continued to keep USDA informed of its financing status and upcoming deadlines, including the TDHCA deadlines. The Partnership

Ms. Robbye Meyer
June 20, 2011
Page 2

invited USDA to participate in regular status conference calls, but USDA was not inclined to do so.

The Partnership received oral verification that the transfer application was approved by the USDA local office in April 2011. Thereafter, the local office forwarded the application to the national office sometime in May or early June. Approval from the national office was handed down on June 16; the national office apologized for its delays in processing after receipt from the local office.

With the national office approval in hand, the local Office of General Counsel at USDA worked very quickly to produce closing documents, which were delivered on June 17. The parties thought they could close on June 21, meeting TDHCA's deadline for the 10% test. However, upon review, the USDA documents contained errors that required correction. The word processor for the local Office of General Counsel was not in the office on June 20, making it impossible to get a revised set of documents and meet the closing deadline of June 21. The Partnership believes the closing will be complete by June 24.

Request

In light of the foregoing, the Partnership respectfully requests an extension of: (1) the deadline for incurring 10% of the reasonably expected basis in the Property from six months after execution of the carryover agreement (which would be June 21, 2010) to June 30, 2010 and (2) the deadline for commencement of substantial construction from July 1, 2011 to December 31, 2011. The Partnership anticipates it will still meet the July 1, 2011 deadline to file evidence of meeting the 10% test.

Because this delay was outside the Partnership's control based on USDA staffing and processing times, we request that TDHCA waive any penalties that may otherwise be imposed as a result of this extension request. A waiver is specifically permitted by Section 49.9(a)(28) of the QAP, which says: "No penalty points or fees will be deducted for extensions that were requested . . . for Developments that involve TRDO-USDA as a lender if TRDO-USDA or the Department is the cause for the Applicant not meeting the deadline."

Please confirm in writing the requested extension. If you need anything further in conjunction with this extension request, please let me know. We appreciate your assistance.

Sincerely,



Cynthia L. Bast

cc: Paul Patierno
Gary Downs
Bill Rice
Irene Kuei
Raquel Morales
Kent Bedell

Attachment



250 W. Colorado Blvd., Suite 210
Arcadia, CA 91007
Telephone, 626 294-9230
Facsimile, 626 294-9270
www.highlandcompanies.com

June 2, 2011

Mr. Kent Bedell
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78711-3941

Subject: Red Oak Apartments - TDCHA Number: 10226
Request for Extension of Initial Construction Progress Report

Dear Mr. Bedell:

Our Company is aware that the Construction Progress Report – Commencement of Substantial Construction on the subject development is due to TDHCA by July 1, 2011. The subject development is an acquisition/rehabilitation development that we intend to close on by June 17, 2011. The acquisition financing involves the assumption of existing USDA 515 financing, and working with the local USDA office has delayed our ability to close.

Please be advised that we have obtained a permit from the City of Red Oak to commence the rehabilitation work, which we intend to commence in June 2011. However, in the event that unforeseen delays occur with USDA (or any other reason), we desire to request an extension until December 31, 2011 to submit the Construction Progress Report – Commencement of Substantial Construction and the required accompanying documents.

We intend to submit the 10% Initial Carryover Allocation documents by June 21, 2011, and expect the rehabilitation work will be complete by June 2012.

Please find a check payable to TDHCA in the amount of \$2,500, which represents our extension processing fee.

Please feel free to call me if you have any questions or require additional data.

Sincerely,

A handwritten signature in blue ink that reads "Paul Patierno".

Paul Patierno
Vice President

Encl.

HTC No. 10253 Brookwood Apartments

Extension to Submit the 10% Test and Commencement of Substantial Construction Documentation

Summary of Request: Pursuant to §50.14(b) of the 2010 Qualified Allocation Plan, no later than six months from the date the Carryover Allocation Document is executed by the Department and the Development Owner, more than 10% of the Development Owner’s reasonable expected basis must have been incurred pursuant to §42(h)(1)(E)(i) and (ii) of the Internal Revenue Code. The evidence to support the satisfaction of this requirement must be submitted to the Department no later than July 1 of the year following the execution of the Carryover Allocation Document in a format prescribed by the Department.

The owner is requesting to extend the deadline to submit documentation fulfilling the 10% and Commencement of Substantial Construction (COC) requirements from July 1, 2011 to January 1, 2012. The reason given for this request is that the ownership has not closed on their Development financing due to delays associated with the assumption of the existing USDA 515 loan.

The Partnership has indicated that building permits will be obtained after closing, and that they remain confident that the Development is still on target to meet its placed in service requirement based on their current nine (9) month construction schedule.

The owner has requested a waiver of the five (5) point penalty associated with the late 10% Test submission based on circumstances outside their control regarding the delayed approval of the assumption of the USDA 515 loan. As of the date of this write-up, staff has not been able to determine if USDA caused the delays in the approval of the 515 loan, therefore; staff recommends the enforcement of the five (5) point penalty in accordance with §49.9(a)(28)(A) of the 2010 QAP.

Owner:	PK Brookwood Apartments, LP
General Partner:	Megan & Associates X, LLC
Developer:	Megan & Associates X, LLC
Principals/Interested Parties:	Ronald Potterpin
City/County:	West Columbia/Brazoria
Set-Aside:	At-Risk/USDA
Type of Area:	Rural
Type of Development:	Acq/Rehabilitation
Population Served:	Elderly
Units:	50 HTC units
2010 Allocation:	\$321,049
Allocation per HTC Unit:	\$6,421
Extension Request Fee Paid:	\$2,500
Current 10% Deadline:	July 1, 2011
Current COC Deadline:	July 1, 2011
10% Deadline Recommended:	January 1, 2012
COC Deadline Recommended:	January 1, 2012
Previous Extensions:	N/A

100 Congress, Suite 300
Austin, TX 78701
Telephone: 512-305-4700
Fax: 512-305-4800
www.lockelord.com

Locke Lord Bissell & Liddell, LLP

Attorneys & Counselors

Cynthia L. Bast
Direct Telephone: 512-305-4707
Direct Fax: 512-391-4707
cbast@lockelord.com

June 20, 2011

Ms. Robbye Meyer
Texas Department of Housing & Community Affairs
221 East 11th Street
Austin, Texas 78701

Re: Brookwood (the "**Property**")
TDHCA No. 10253
Request for Extension of Deadlines

COPIES - 11 ACT: 43 RCVD

Dear Robbye:

On behalf of PK Brookwood Apartments, L.P. (the "**Partnership**"), the Development Owner with respect to the above-referenced Property, we are submitting this letter to request an extension of certain deadlines for the Property. Enclosed please find a check in the amount of \$2,500 for payment of the extension fee.

The Property received housing tax credits in the USDA set-aside. The Partnership is working with TRDO-USDA to obtain final approvals for the transfer of the Property and assumption of debt. While the process is proceeding, it is not complete.

In light of the foregoing, the Partnership respectfully requests an extension of: (1) the deadline for commencement of substantial construction from July 1 to January 1; and (2) the deadline for incurring 10% of the reasonably expected basis in the Property from six months after execution of the Carryover Allocation Document to twelve months after execution of the Carryover Allocation Document and the deadline for submitting evidence of satisfying the 10% test from July 1 to January 1. The Partnership feels confident that, even with the TRDO-USDA delay, it will be able to complete the rehabilitation of the Property and place in service by the December 31, 2012 deadline because it has a 9-month construction schedule.

Because this delay was outside the Partnership's control based on USDA staffing and processing times, we request that TDHCA waive any penalties that may otherwise be imposed as a result of this extension request. A waiver is specifically permitted by Section 49.9(a)(28) of the QAP, which says: "No penalty points or fees will be deducted for extensions that were requested . . . for Developments that involve TRDO-USDA as a lender if TRDO-USDA or the Department is the cause for the Applicant not meeting the deadline."

Ms. Robbye Meyer
June 20, 2011
Page 2

Please confirm in writing the requested extension. If you need anything further in conjunction with this extension request, please let me know. We appreciate your assistance.

Sincerely,

A handwritten signature in black ink that reads "Cynthia L. Bast". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Cynthia L. Bast

cc: Pete Potterpin
Gary Maddock

HTC No. 10271 Hudson Manor

Extension to Submit the 10% Test and Commencement of Substantial Construction Documentation

Summary of Request: Pursuant to §50.14(b) of the 2010 Qualified Allocation Plan, no later than six months from the date the Carryover Allocation Document is executed by the Department and the Development Owner, more than 10% of the Development Owner’s reasonable expected basis must have been incurred pursuant to §42(h)(1)(E)(i) and (ii) of the Internal Revenue Code. The evidence to support the satisfaction of this requirement must be submitted to the Department no later than July 1 of the year following the execution of the Carryover Allocation Document in a format prescribed by the Department.

The owner is requesting to extend the deadline to submit documentation fulfilling the 10% and Commencement of Substantial Construction (COC) requirements from July 1, 2011 to January 1, 2012. The reason given for the this request was that the partnership intended seek financing for the Development under the USDA 538 loan program; however, Congress reduced the funding for that program, which has forced the Partnership to seek other financing alternatives.

The Partnership has indicated that they will select all financing participants within 60 days, develop a modified construction schedule, and remains confident that the Development is still on target to meet its placed in service requirement.

The owner has requested a waiver of the five (5) point penalty associated with the late 10% Test submission based on circumstances outside their control regarding the reduction of funds in the 538 loan program. Staff recommends the enforcement of the five (5) point penalty in accordance with §49.9(a)(28)(A) of the 2010 QAP.

Owner:	Hudson Green, LTD.
General Partner:	Hudson Green Management, LLC
Developer:	Artisan American Corp
Principals/Interested Parties:	H. Elizabeth Young and Vernon R. Young Jr.
City/County:	Hudson/Angelina
Set-Aside:	NA
Type of Area:	Rural
Type of Development:	New Construction
Population Served:	General
Units:	80 HTC units
2010 Allocation:	\$919,550
Allocation per HTC Unit:	\$11,494
Extension Request Fee Paid:	\$2,500
Current 10% Deadline:	July 1, 2011
Current COC Deadline:	July 1, 2011
10% Deadline Recommended:	September 1, 2011
COC Deadline Recommended:	December 1, 2011
Previous Extensions:	N/A

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Locke Lord Bissell & Liddell LLP

Attorneys & Counselors

Cynthia L. Bast
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Direct Fax: 512-391-4707
cbast@lockelord.com

May 12, 2011

Ms. Robbye Meyer
Texas Department of Housing & Community Affairs
221 East 11th Street
Austin, Texas 78701

Re: Hudson Manor (the "**Project**")
TDHCA No. 10271
Request for Extension of Deadlines

05-16-11 11:08:29 RCND

Dear Robbye:

On behalf of Hudson Manor, Ltd. (the "**Partnership**"), the Development Owner with respect to the above-referenced Project, we are submitting this letter to request an extension of certain deadlines for the Project. Enclosed please find a check in the amount of \$2,500 for payment of the extension fee.

The Partnership intended to seek financing for the Project under the USDA 538 loan program. To evidence such intent, a copy of the Partnership's commitment with Lancaster Pollard is enclosed. However, the most recent Continuing Resolution passed by Congress does not provide funding for the 538 loan program, so it is essentially dormant at this time. The government action forced the Partnership to seek other financing, which will delay the ability to close and commence construction. At this time, the Partnership has received new debt offers and is in the process of evaluating them. It expects to select its financing participants within 60 days.

In light of the foregoing, the Partnership respectfully requests an extension of: (i) the deadline for closing its TDHCA HOME loan from May 31 to November 30; (2) the deadline for commencement of substantial construction from July 1 to January 1; and (3) the deadline for incurring 10% of the reasonably expected basis in the Project from six months after execution of the Carryover Allocation Document to twelve months after execution of the Carryover Allocation Document and the deadline for submitting evidence of satisfying the 10% test from July 1 to January 1. The Partnership feels confident that, even with the modified construction schedule, it will be able to complete the rehabilitation of the Project and place in service by the December 31, 2012 deadline.

Because this delay was outside the Partnership's control and imposed by USDA, we request that TDHCA waive any penalties that may otherwise be imposed as a result of this extension request.

Ms. Robbye Meyer
May 12, 2011
Page 2

Please confirm in writing the requested extension. If you need anything further in conjunction with this extension request, please let me know. We appreciate your assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Cynthia L. Bast", with a long horizontal flourish extending to the right.

Cynthia L. Bast

cc: Artisan/American Corp.
Carolyn Kelly, TDHCA HOME

HTC No. 10279 Hudson Green

Extension to Submit the 10% Test and Commencement of Substantial Construction Documentation

Summary of Request: Pursuant to §50.14(b) of the 2010 Qualified Allocation Plan, no later than six months from the date the Carryover Allocation Document is executed by the Department and the Development Owner, more than 10% of the Development Owner’s reasonable expected basis must have been incurred pursuant to §42(h)(1)(E)(i) and (ii) of the Internal Revenue Code. The evidence to support the satisfaction of this requirement must be submitted to the Department no later than July 1 of the year following the execution of the Carryover Allocation Document in a format prescribed by the Department.

The owner is requesting to extend the deadline to submit documentation fulfilling the 10% and Commencement of Substantial Construction (COC) requirements from July 1, 2011 to January 1, 2012. The reason given for the this request was that the partnership intended seek financing for the Development under the USDA 538 loan program; however, Congress reduced the funding for that program, which has forced the Partnership to seek other financing alternatives.

The Partnership has indicated that they will select all financing participants within 60 days, develop a modified construction schedule, and remains confident that the Development is still on target to meet its placed in service requirement.

The owner has requested a waiver of the five (5) point penalty associated with the late 10% Test submission based on circumstances outside their control regarding the reduction of funds in the 538 loan program. Staff recommends the enforcement of the five (5) point penalty in accordance with §49.9(a)(28)(A) of the 2010 QAP.

Owner:	Hudson Manor, LTD.
General Partner:	Hudson Manor Management, LLC
Developer:	Artisan American Corp
Principals/Interested Parties:	H. Elizabeth Young and Vernon R. Young Jr.
City/County:	Hudson/Angelina
Set-Aside:	NA
Type of Area:	Rural
Type of Development:	New Construction
Population Served:	Elderly
Units:	80 HTC units
2010 Allocation:	\$955,313
Allocation per HTC Unit:	\$11,941
Extension Request Fee Paid:	\$2,500
Current 10% Deadline:	July 1, 2011
Current COC Deadline:	July 1, 2011
10% Deadline Recommended:	September 1, 2011
COC Deadline Recommended:	December 1, 2011
Previous Extensions:	N/A

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Austin, TX 78701
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Locke Lord Bissell & Liddell^{LLP}

Attorneys & Counselors

Cynthia L. Bast
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May 12, 2011

Ms. Robbye Meyer
Texas Department of Housing & Community Affairs
221 East 11th Street
Austin, Texas 78701

Re: Hudson Green (the "**Project**")
TDHCA No. 10279
Request for Extension of Deadlines and HOME closing

05-16-11 10:29 AM RCVD

Dear Robbye:

On behalf of Hudson Green, Ltd. (the "**Partnership**"), the Development Owner with respect to the above-referenced Project, we are submitting this letter to request an extension of certain deadlines for the Project. Enclosed please find a check in the amount of \$2,500 for payment of the extension fee.

The Partnership intended to seek financing for the Project under the USDA 538 loan program. To evidence such intent, a copy of the Partnership's commitment with Lancaster Pollard is enclosed. However, the most recent Continuing Resolution passed by Congress does not provide funding for the 538 loan program, so it is essentially dormant at this time. The government action forced the Partnership to seek other financing, which will delay the ability to close and commence construction. At this time, the Partnership has received new debt offers and is in the process of evaluating them. It expects to select its financing participants within 60 days.

In light of the foregoing, the Partnership respectfully requests an extension of: (i) the deadline for closing its TDHCA HOME loan from May 31 to November 30; (2) the deadline for commencement of substantial construction from July 1 to January 1; and (3) the deadline for incurring 10% of the reasonably expected basis in the Project from six months after execution of the Carryover Allocation Document to twelve months after execution of the Carryover Allocation Document and the deadline for submitting evidence of satisfying the 10% test from July 1 to January 1. The Partnership feels confident that, even with the modified construction schedule, it will be able to complete the rehabilitation of the Project and place in service by the December 31, 2012 deadline.

Because this delay was outside the Partnership's control and imposed by USDA, we request that TDHCA waive any penalties that may otherwise be imposed as a result of this extension request.

Ms. Robbye Meyer
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Please confirm in writing the requested extension. If you need anything further in conjunction with this extension request, please let me know. We appreciate your assistance.

Sincerely,

A handwritten signature in black ink that reads "Cynthia L. Bast". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Cynthia L. Bast

cc: Artisan/American Corp.
Carolyn Kelly, TDHCA HOME

**To Be Posted
three days
prior to the meeting**

BOARD ACTION ITEM
June 30, 2011

Recommended Action

Staff requests Board approval to take appropriate measures to resolve or otherwise address with the U. S. Department of Housing and Urban Development (“HUD”) certain assets subject to the HOME Investments Partnership (“HOME”) that, despite efforts by the Department, have been unable to achieve compliance with the requirements of HOME.

WHEREAS, the Department has provided financing under the HOME program to conduct activities permitted under HUD’s regulations governing HOME (the “HOME Rule”) and

WHEREAS, under the HOME Final Rule, if properties fail to comply with the affordability requirements, the Department may be required to repay HUD and

WHEREAS, the Department has limited resources with which to address these matters

Now, therefore, be it

RESOLVED, that the Executive Director and his designees be and they hereby are, authorized, directed, and empowered, for and on behalf of the Department, to take such measures (other than making new awards, which require this Board’s approval), to perform such acts and deeds, and to execute, deliver, and cause to be performed such documents, instruments, and writings as they or any of them may deem necessary or advisable to resolve those HOME assets identified below, including, but not limited to repayment to HUD through requests to reduce future grants, and

FURTHER RESOLVED, that staff is hereby directed, on or before November 10, 2011, to present to this board a report on the resolution or status of any assets listed below.

Background

Under the HOME program a recipient of funds to construct or rehabilitate affordable rental housing must provide a specified number of years of documented compliance. If the recipient does not comply there is the potential for HUD to require that the program funds be return (*i.e.*, that the HOME grant fund be replenished with other non-federal funds).

Over the years the Department has provided approximately \$200,000,000 under the HOME rental production program creating almost 5,000 units of affordable housing. Unfortunately, in any significant portfolio of commercial real estate transactions, there is a risk that some transactions may not be able to perform as originally planned. The Department's program has evolved and improved over the years and many of the properties identified herein were funded long ago. Some of them were not adequately rehabilitated at the outset and encountered physical condition problems. Sometimes physical condition problems were a result of the combination of aging and insufficient cash flows. The Department's ability to avoid repayment of funds on the properties identified below is limited because most of these properties have gone through foreclosure by superior lien holders or some other event that has eliminated the Department's ability to gain control of the property or enforce compliance.

In the spring of 2009, the U.S. Department of Housing and Urban Development monitored the Department's rental portfolio. That review resulted in a finding of noncompliance because several of the Department's HOME properties were not in compliance. Staff has been reporting to HUD on the status of the noncompliant properties on a quarterly basis. In response to the last quarterly report, the Department received correspondence from HUD that the properties listed below needed to be resolved by October 2011.

Property	HOME funds awarded
Mexia	\$228,100
Juan Linn	\$282,140
Red River Independent Seniors	\$1,875,000
Duncan Place	\$235,050
Thomas Street Apartments	\$211,700
St. John's Colony	\$253,895
Palisades at Bellville	\$1,424,000
Flamingo Bay	\$517,315
Total	\$5,027,200

Staff is working to resolve other troubled HOME assets. There is the possibility that additional grant reductions may be required.

REPORT ITEMS

TDHCA Outreach Activities, May 2011

A compilation of activities designed to increase the awareness of TDHCA programs and services or increase the visibility of the Department among key stakeholder groups and the general public

Event	Location	Date	Division	Purpose
HOME Tenant-Based Rental Assistance Training	Austin	May 4	HOME	Training
First Thursday Income Eligibility Training	Austin	May 5	Portfolio Management & Compliance	Training
Bank of America Housing Summit	Houston	May 5	Home Ownership	Participant
Mental Health Planning Advisory Committee	Austin	May 9	Housing Resource Center	Participant
MCC Lender Training	Houston	May 10	Home Ownership	Training
Housing Tax Credit Training	Austin	May 12	Portfolio Management & Compliance	Training
United Texas – Housing Initiative that Work	Kerrville	May 12	Home Ownership	Training
Grand Opening/Mirabella Senior Homes	San Antonio	May 13	Executive	Remarks, Participant
Moderated Mental Health Transformational Working Group Webinar	Austin	May 18	Housing Resource Center	Participant
National Association of Hispanic Real Estate Professionals Luncheon	Austin	May 18	Home Ownership	Exhibitor
Tour of Master’s of UNT Public Administration Student	Austin	May 18	Housing Resource Center	Educational Meeting
National Housing Conference – Young Leaders in Affordable Housing	Austin	May 18	Housing Resource Center	Participant
United Texas – Housing Initiative that Work	Plano	May 19	Home Ownership	Training
Housing Tax Credit Training	Austin	May 19	Portfolio Management & Compliance	Training
Grand Opening/Creekside Senior Villas	Buda	May 19	Executive	Remarks, Participant
Housing and Health Services Coordination Council (HHSCC) Financial Feasibility Study	Austin	May 19	Housing Resource Center	Interview
Rural Housing Workgroup	Austin	May 20	Housing Resource Center	Participant
HHSCC Financial Feasibility Study	Austin	May 23	Housing Resource Center	Interview
Texas Mortgage Bankers Association Convention	Bastrop	May 23-24	Home Ownership	Exhibitor
Grand Opening/The Huntington	Buda	May 24	Public Affairs	Remarks, Participant
HHSCC Financial Feasibility Study	Austin	May 24	Housing Resource Center	Interview
HHSCC Open House and Tour	Austin	May 24	Housing Resource Center	Participant
First Thursday Income Eligibility Training	Austin	May 24	Portfolio Management & Compliance	Training
HOME Homebuyer Assistance, Tenant- Based Rental Assistance and Homeowner Rehabilitation TA Visit	Austin	May 24	HOME	Technical Assistance
Housing Tax Credit Training	Austin	May 25	Portfolio Management & Compliance	Training
HHSCC Financial Feasibility Study	Austin	May 26	Housing Resource Center	Interview
2011 Texas Association of Community Action Agencies Conference	Austin	May 26	Executive, Community Affairs	Remarks, Training, Presentation

Event	Location	Date	Division	Purpose
Texas Interagency Council for the Homeless Continuum of Care Conference	Austin	May 26	Housing Resource Center	Participant

BOND FINANCE DIVISION

BOARD REPORT ITEM

June 30, 2011

Report Item

Report item on Secondary Market Activity on Single Family Variable Rate Debt

Background

Attached hereto is the report setting forth the trading activity on each of our variable rate debt transactions since the inception of each respective program.

Salient conclusions that can be drawn from the data that was gathered are as follows:

- Trading levels on the short-term paper have trended down since the Department transferred the liquidity to the Comptroller.
 - This is due to overall market rates trending down, but also is influenced by the change to a more stable and highly-rated liquidity provider.
- Trading activity measured before and after the change in liquidity provider has been inconclusive. Some deals have seen a reduction in trading activity while others have seen an increase in trading activity.
 - Some of this trading activity is due to the liquidity crunch that the market has experienced in the past year. Stated differently, more recent trading activity has been driven by investors withdrawing money from money market funds; whereas, prior trading activity was no doubt driven by the negative view of the marketplace regarding the financial well-being of our prior liquidity providers.

In any case, our single family variable rate bond programs are performing as well as any other variable rate housing program in the country. Our performance advantage is due, in large part, to the participation of the Comptroller's office as our liquidity provider.

Summary of Secondary Trade Activity on Single Family Variable Rate Debt April 2011

	Transaction						
	2007A	2006H	2005C	2005A	2004D	2004B	2004A Jr Lien
Closing Date:	5-Jun-07	15-Nov-06	15-Dec-05	20-Apr-05	28-Oct-04	28-Apr-04	28-Apr-04
Maturity Date:	1-Sep-28	1-Sep-37	1-Sep-17	1-Sep-36	1-Mar-35	1-Sep-34	1-Sep-36
Issuance Amount:	143,005,000	36,000,000	6,610,000	90,825,000	35,000,000	53,000,000	3,855,000
Outstanding (May 1, 2011):	104,290,000	36,000,000	6,610,000	70,820,000	35,000,000	53,000,000	3,855,000
Remarketing Agent:	J.P Morgan	J.P Morgan	J.P Morgan	J.P Morgan	Piper Jaffray	J.P Morgan	J.P Morgan
# of Trades - Total:	50	6	12	8	2	44	3
# of Trades since switch (1):	10	3	12	8	2	None	3
\$ amount of Trades - Total	559,240,000	162,000,000	11,140,000	265,595,000	20,000,000	345,500,000	7,710,000
\$ amount since switch (1):	280,375,000	108,000,000	11,140,000	265,595,000	20,000,000	None	7,710,000

(1) Comptroller liquidity was substituted for the prior liquidity provider on March 26, 2009 and June 30, 2009, depending upon the transaction.

Amendments Approved Administratively - 1st Quarter 2011

Dev. No.	Date of Resolution	Development	City	County	Region	Interested Parties	Subject of Amendment Approved
09942 08299	01/07/11	Southern View Apartments	Fort Stockton	Pecos	12	Zimmerman Properties LLC	Correct application to reflect 2 story buildings, and 91 uncovered parking spaces rather than 91 garages
10227	01/07/11	Tarrington Court Apartments	Houston	Harris	6	Tarrington Court Apartments L.P. & J. Steve Ford	Increase development site by 0.987 acres
08200	01/31/11	Ingram Square Apartments	San Antonio	Bexar	9	AIMCO Ingram Square Preservation LLC - Mark Marshall	Modify the floor composition from 75% resilient flooring and 25% ceramic tile to 90% carpet and 10% resilient covering. Reduce uncovered parking from 243 to 238
08135 09918	02/14/11	Gardens at Clearwater	Kerrville	Kerr	9	Kerrville Gardens at Clearwater LP Justin MacDonald	Reduction of residential buildings from 17 to 16, and reduction of uncovered parking to 140
09164 09953	03/18/11	Gholson Hotel Apartments	Ranger	Eastland	2	Sara Andre Chad Asarch	Replace self cleaning ovens with community library and energy star rated windows
09949 09101 07137	03/18/11	Hampton Villages	Pampa	Gray	1	Tim Lang Hampton Villages LP	Provide controlled gate access instead of an accessible walking path
08151 09922	03/24/11	Parkview Terrace	Pharr	Hidalgo	11	Doak Brown Three B Ventures	Increase non-residential buildings by 1

Board Approved Amendments - 1st Quarter 2011

Dev. No.	Date of Resolution	Development	City	County	Region	Interested Parties	Subject of Amendment Approved
09993 09159	01/20/11	Malibu Apartments	Austin	Travis	7	TMG-TX Austin I LP Royce Mulholland	Replaced unit dishwashers with gazebo, controlled gate access, barbeque grills with picnic tables, computer learning center, fire alarms, and water saving features.
00132	01/20/11	Townhomes of Bay Forest	Baytown	Harris	6	PNC Multifamily Capital	Requested approval to replace managing General Partner with a non-HUB
08403	03/03/11	The Villas at Lakewest I	Dallas	Dallas	3	Lakewest Senior Housing I, L.P. Derek Weiner	Reduced development site by 16.22%
08404	03/03/11	The Villas at Lakewest II	Dallas	Dallas	3	Lakewest Senior Housing II, L.P Derek Weiner	Reduced development site by 16.77%
10239	03/03/11	Prince Hall Gardens	Fort Worth	Tarrant	3	Prince Hall Gardens Associates LP, Chris Akbari	Owner will demolish eight buildings and construct two new buildings and replace the 32 units. Project was a rehab, and will now include partial reconstruction.
95081	03/03/11	Parks at Wynnewood	Dallas	Dallas	3	Karen Brooks Crosby, Barry Palmer, Brian Roop	Twenty-Four month suspension of LURA for rehabilitation of 140 units. Change of tenants served from family to family and seniors.

Extensions Approved Administratively - 1st Quarter 2011

Dev.#	Dev. Name	Type: com, det, co, 10%, clc, coc, cc	Action By "b" or "e" (Board or ED)	Fee Paid (pf=must pay fee)	Old Dead- line	New Dead-line	Date of Approval or Pending
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COMMENCEMENT OF SUBSTANTIAL CONSTRUCTION

09280-09799	Mariposa at Ella Rd	coc	b	\$ 2,500	12/1/10	12/10/10	1/20/11
09019-09703	Timber Village Apts II	coc	b	\$ 2,500	12/1/10	1/14/11	3/4/11
09318-09353	Hyatt Manor Apts	coc	e	\$ 2,500	3/1/11	5/2/11	3/4/11

COST CERTIFICATION

07151	Key West Village, Phase II	cc	e	\$ 2,500	1/15/11	4/15/11	1/27/11
07210	New Hope Housing at Brays Crossing	cc	e	\$ 2,500	1/15/11	7/1/11	1/31/11
08126	South Acres Ranch	cc	e	\$ 2,500	1/15/11	3/15/11	1/31/11
08160	Tres Palmas Apts	cc	e	\$ 2,500	1/15/11	2/28/11	1/31/11
08163	San Elizario Palms	cc	e	\$ 2,500	1/15/11	1/30/11	1/31/11
08207	Carpenter's Point Apts	cc	e	\$ 2,500	1/15/11	5/31/11	1/31/11
08205	Wind River Apts	cc	e	\$ 2,500	1/15/11	5/31/11	1/31/11
08401	Artisan at San Pedro Creek Apts	cc	e	\$ 2,500	1/15/11	4/15/11	1/31/11
08412	Alamito Gardens Apts	cc	e	\$ 2,500	1/15/11	7/15/11	1/31/11
08413	HemisView Village Apts	cc	e	\$ 2,500	1/15/11	5/31/11	1/31/11
09131	Presidio Palms Apts	cc	e	\$ 2,500	1/15/11	2/28/11	2/3/11
08160	Tres Palmas Apts	cc	e	\$ 2,500	2/28/11	5/31/11	4/27/11
09937-08264	Cambridge Crossing Apts	cc	b	\$ 2,500	1/5/11	4/6/11	1/20/11
09937-08264	Cambridge Crossing Apts	cc	b	\$ 2,500	4/6/11	7/6/11	4/13/11

Transfers of Ownership Approved Administratively – 1st Quarter 2011

Dev. No.	Date Approved	Development	City	County	Region	Entity Departing (GP=general partner, O=owner, SLP=special limited partner, D=developer)	New Member or Owner	Type of Ownership Change (S=sale. FS=sale involving foreclosure. R=restructure. D=default/removal of GP. NC=name change. L=change of limited partner). O=other change
990011T	1/24/11	Gateway at Lake Jackson	Lake Jackson	Brazoria	6	The Southeast Texas Housing Finance Corporation (Sole member of O)	Gateway Lake Jackson Housing, Inc. (Sole member of O)	R - Sole member of the Owner replaced with its affiliate.
01426	2/11/11	Cobb Park Apartments	Fort Worth	Tarrant	3	Cobb Park Townhomes, L.P. (O)	Cobb Park Townhomes II, L.P. (O)	S - Development sold to a non-affiliate entity.
10094	2/16/11	Providence Town Square	Deer Park	Harris	6	Blazer Land, LLC(GP)	Providence Town Square Housing, LLC (GP)	R - GP replaced with affiliate
98032	2/22/11	Villas at Remond	Dallas	Dallas	3	CLG Consulting, Inc. (HUB)	OM Affordable Housing , LLC (HUB)	R - HUB replaced with non-affiliate.
00003	2/22/11	Villas at Greenville	Greenville	Hunt	3	CLG Consulting, Inc. (HUB)	OM Affordable Housing , LLC (HUB)	R - HUB replaced with non-affiliate.
00027	2/22/11	Rosemont at Arlington Park	Dallas	Dallas	3	El Dorado Housing Development, Inc. (HUB)	OM Affordable Housing , LLC (HUB)	R - HUB replaced with non-affiliate.
01051	2/22/11	Rosemont of El Dorado	Brownsville	Cameron	11	El Dorado Housing Development, Inc. (HUB)	OM Affordable Housing , LLC (HUB)	R - HUB replaced with non-affiliate.
01057	2/22/11	Rosemont at Timbercreek	Dallas	Dallas	3	B&L Housing Development Corporation (HUB)	OM Affordable Housing , LLC (HUB)	R - HUB replaced with non-affiliate.
01058	2/22/11	Rosemont of Highland Gardens	Harlingen	Cameron	11	Casa Linda Development Corporation (HUB)	OM Affordable Housing , LLC (HUB)	R - HUB replaced with non-affiliate.
01143	2/22/11	Rosemont at Laredo Vista Phase I	Laredo	Webb	11	Villas Buenas, Inc. (HUB)	OM Affordable Housing , LLC (HUB)	R - HUB replaced with non-affiliate.
02002	2/22/11	Prinmose at Cedar Hill	Cedar Hill	Dallas	3	CLG Consulting, Inc. (HUB)	OM Affordable Housing , LLC (HUB)	R - HUB replaced with non-affiliate.
02073	2/22/11	Rosemont at Williamson Creek	Austin	Travis	7	CLG Consulting, Inc. (HUB)	OM Affordable Housing , LLC (HUB)	R - HUB replaced with non-affiliate.
03004	2/22/11	Rosemont at Lakewest	Dallas	Dallas	3	CLG Consulting, Inc. (HUB)	OM Affordable Housing , LLC (HUB)	R - HUB replaced with non-affiliate.

Transfers of Ownership Approved Administratively – 1st Quarter 2011

Dev. No.	Date Approved	Development	City	County	Region	Entity Departing (GP=general partner, O=owner, SLP=special limited partner, D=developer)	New Member or Owner	Type of Ownership Change (S=sale. FS=sale involving foreclosure. R=restructure. D=default/removal of GP. NC=name change. L=change of limited partner). O=other change
04222	2/22/11	Primrose of Highland Meadows	Dallas	Dallas	3	CLG Consulting, Inc. (HUB)	OM Affordable Housing , LLC (HUB)	R - HUB replaced with non-affiliate.
060217	2/22/11	Mariposa Apartment Homes at Reed	Houston	Harris	6	SSFP Reed Road V, LP (GP) and SBS Reed Road V, LLC (GP)	SSFP Reed Road V, LLC (GP)	R - GP and its sole member merged to create a new GP entity.
98020	3/4/11	South Pointe Apartments	Corpus Christi	Nueces	10	Ezequiel Elizondo (Co-Owner of GP)	Madhouse Development Services, Inc. (Co-Owner of GP)	R - One co-owner of GP exited and interests assumed by remaining member. Also added entity of remaining member to structure.
97050	3/4/11	Cimarron Estates Apartments	Corpus Christi	Nueces	10	Ezequiel Elizondo (Co-Owner of GP)	Madhouse Development Services, Inc. (Co-Owner of GP)	R - One co-owner of GP exited and interests assumed by remaining member. Also added entity of remaining member to structure.
08615 / 09605	3/4/11	Woodmont Apartments	Fort Worth	Tarrant	3	Charles Holman (Member of SLP)	Brent McMahon and Daniel Markson (Members of SLP)	R - SLP removed one member and added two.
09401	3/4/11	Encino Pointe	San Marcos	Hays	7	N/A	NRP Encino Pointe, LLC (Class B LP)	R.- Class B LP added to structure.. NRP E-Group.
09604 / 09763	3/4/11	Costa Mariposa	Texas City	Galveston	6	Charles Holman (Member of SLP)	Brent McMahon and Daniel Markson (Members of SLP)	R - SLP removed one member and added two.
08258	3/15/11	Lexington Court II	Kilgore	Gregg	4	Affordable Caring Housing, Inc. (Managing GP)	LCA Kilgore Holdings, Inc. (Managing GP)	R - Managing GP replaced by its for-profit subsidiary.
03006	3/30/11	Villas of Park Grove	Katy	Harris	6	Park Grove Apartments, LLC (Managing GP)	Talus Partners I, LLC (Managing GP)	R - GP replaced with non-affiliate.
03184	3/31/11	Pegasus Villas	Dallas	Dallas	3	GLC Stemmons Development, Inc.(Class B LP)	Dallas Leased Housing Associates SLP I, LLC (Class B LP) and Polaris Holdings I, LLC (Additional LP)	R - Class B LP replaced and LP added.
05099	3/31/11	Madison Pointe	Cotulla	LaSalle	11	MM Pointe GP, LLC (GP)	Cotulla Leased Housing Associates GP I, LLC (GP) and Polaris Holdings I, LLC (SLP) and Housing Services In. (Managing GP)	R - GP removed for defaults. Replaced by non-affiliate. Other entities added.