

Introduction to the Draft 2016 Regional Allocation Formula

Since 2000 the Texas Department of Housing and Community Affairs (“TDHCA” or the “Department”), has used a Regional Allocation Formula (“RAF”), as required sections 2306.111 and 2306.1115 of the Texas Government Code. The RAF analyzes housing need, availability, and other relevant factors in the State’s urban and rural areas. From this analysis, the RAF allocates funding for multifamily and single-family activities for the following programs:

- Multifamily Activities:
 - Housing Tax Credit (“HTC”) Program
 - HOME Investment Partnerships Program (“HOME”) - Multifamily
- Single Family Activities:
 - Housing Trust Fund (“HTF”) Program
 - HOME Investment Partnerships Program (“HOME”) - Single Family

For the 2016 RAF, TDHCA is releasing two Methodology documents for public comment; one for the Multifamily Activities and one for the Single Family Activities. Based on public comment received in the 2015 RAF cycle and on a staff draft of the 2016 Single Family RAF, a new factor has been added to the 2016 Draft Single Family RAF Methodology. This new factor is called the Regional Coverage Factor; a detailed explanation on this new factor is provided with the 2016 Draft Single-Family RAF Methodology.

Both the Multifamily and Single Family RAF Methodologies explain the use of factors, in keeping with the statutory requirements, which include the need for housing assistance, the availability of housing resources, and other factors relevant to the equitable distribution of housing funds in urban and rural areas of the state.

Also provided with the Multifamily and Single Family RAF Methodologies is a sample allocation spreadsheet for each of the four programs, to show how the methodologies affect each program. The spreadsheets provided are based on the following sample allocations:

Program	Sample Allocation
HTC	\$50,000,000
HOME Multifamily	\$9,500,000
HTF	\$3,000,000
HOME Single Family	\$10,000,000

Again, these allocation amounts are only samples. The final allocation amounts are determined by the program area staff, after the RAF Methodologies have been approved by the TDHCA Board.

The Draft 2016 RAF Methodologies will be presented to the TDHCA Board on July 16, 2015 for approval to be released for public comment. A public comment period will be open from Friday, July 17th through Thursday August 6th, with a public hearing on Monday, August 3rd. Following public comment, TDHCA staff plans to present the final 2016 RAF Methodologies at the September 3rd TDHCA Board meeting.

The following chart shows which need, availability and other variables are used in the RAF Methodologies for each of the four programs. Note that there are new variables introduced for the Draft 2016 RAF.

		Need Variables							Availability Variables		Other
		<i>Cost Burden for Renters</i>	<i>Cost Burden for Owners</i>	<i>Over-crowding for Renters</i>	<i>Over-crowding for Owners</i>	<i>Lack of Kitchen Facilities</i>	<i>Lack of Plumbing Facilities</i>	<i>People at or Below 200% of Poverty</i>	<i>Vacant Units for Rent</i>	<i>Homes for Sale</i>	<i>Regional Coverage Factor</i>
Multifamily Methodology	HTC	✓		✓				✓	✓		
	HOME MF	✓		✓				✓	✓		
Single Family Methodology	HTF	✓	✓	✓	✓	New in 2016 Draft to align with HOME SF	New in 2016 Draft to align with HOME SF	✓	✓	✓	New in 2016 Draft to align with HOME SF
	HOME SF	✓	✓	✓	✓	✓	✓	✓	✓	✓	New in 2016 Draft in response to public comment received in 2015 RAF cycle