The *2016 State of Texas Consolidated Plan: One Year Action Plan* was substantially amended to include the National Housing Trust Fund ("NHTF") program in the following sections of this document:

**AP-05 Executive Summary**
p. 3 Introduction
pp. 8-9 Summary of Citizen Participation Process

**AP-12 Participation**
p. 12 Citizen Participation Process

**AP-15 Anticipated Resources**
p. 29 Anticipated Resources table
p. 31 Leveraging

**AP-20 Annual Goals and Objectives**
pp.37, 42 NHTF Goals Summary and Description

**AP-25 Allocation Priorities**
p. 43 Special Needs
pp. 45-47 Funding Allocation Priorities

**AP-30 Methods of Distribution**
pp. 64-65 NHTF Method of Distribution description

**AP-50 Geographic Distribution**
p. 93-4 Geographic Investments and Priorities

**AP-55 Affordable Housing**
p. 95 One Year Goals for Affordable Housing

**AP-85 Other Actions**
p.112 NHTF Addresses Affordable Housing
p. 115 NHTF Addresses Lead-based Paint
p. 117 NHTF Addresses Poverty-Level Households
p. 118 NHTF Addresses Institutional Structure

Additionally, on May 1, 2017, TDHCA submitted a Revised Final 2016 NHTF Allocation Plan by email to htf@hud.gov, in accordance with "Housing Trust Fund Allocation Plan Guide 2016," available at https://www.hudexchange.info/resources/documents/HTF-Grantee-Allocation-Plan-Sample-Form.pdf.



OMB Control No: 2506-0117 (exp. 07/31/2015)

# Executive Summary

## AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

### 1. Introduction

The 2016 One-Year Action Plan ("OYAP") applies to the combined actions of the Texas Department of Housing and Community Affairs (“TDHCA”), the Texas Department of Agriculture (“TDA”), and the Texas Department of State Health Services (“DSHS”), being the three state agencies that administer ongoing HUD programs and referred to collectively herein as the “State.” The OYAP reports on the intended use of funds received by the State of Texas from the U.S. Department of Housing and Urban Development (“HUD”) for Program Year (“PY”) 2016. This OYAP is for the HOME Investment Partnerships (“HOME”) Program, the Emergency Solutions Grant (“ESG”) Program, the Community Development Block Grant (“CDBG”) Program, the Housing Opportunities for Persons with AIDS ("HOPWA") Program, and the National Housing Trust Fund ("NHTF"). It does not apply to CDBG Disaster Recovery funding, administered by the Texas General Land Office. The 2016 PY begins on February 1, 2016, and ends on January 31, 2017. The performance report on PY 2014 funds was made available July 2015.

### 2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

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The 2016 OYAP:

1. Reports on the intended use of funds received by the State from HUD for PY 2016;
2. Explains the State’s method for distributing CDBG, ESG, HOME, HOPWA, and NHTF program funds; and
3. Provides opportunity for public input on the development of the annual plan.

The State’s progress in achieving the goals put forth in the OYAP will be measured according to HUD guidelines (24 CFR §91.520) and outlined in the Annual Performance Report released yearly in May. In accordance with the guidelines from HUD, the State complies with the Community Planning and Development (“CPD”) Outcome Performance Measurement System. Program activities are categorized into the objectives and outcomes listed in the CPD Outcome Performance Measurement System table below.

The objectives and outcomes as they apply to each of the four programs are listed below. The estimated performance figures are based on planned performance during the PY (February 1st through January 31st) of contracts committed and projected households to be served based on estimated availability of funds. In contrast, the performance measures reported to the Texas Legislative Budget Board for the State Fiscal Year ("SFY" - September 1st through August 31st) are based on anticipated units and households at time of award.

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

**Table 1 - CPD Outcome Performance Measurement System**

| Outcomes and Objectives | HOME Performance Indicators | Expected Number |
|---|---|---|
| DH-2 | No. of rental units assisted through new construction and rehabilitation | 172 |
| DH-2 | No. of tenant-based rental assistance | 363 |
| DH-2 | No. of existing homeowners assisted through owner-occupied assistance | 58 |
| DH-2 | No. of homeowners assisted through homebuyer assistance | 54 |

**Table 2 - HOME Program Performance Measures, PY 2016**

| Outcomes and Objectives | ESG Performance Indicators | Expected Number |
|---|---|---|
| SL-1 | Provide funding to support the provision of emergency and/or transitional shelter to homeless persons. | 11,500 |
| DH-2 | Provide non-residential services including homelessness prevention assistance. | 4,740 |

**Table 3 - ESG Performance Measures, PY 2016**

| Objectives and Outcomes | CDBG Performance Indicators | Expected Number |
|---|---|---|
| SL-1 | Infrastructure Improvements | 220 |

| | | |
|---|---|---|
| SL-2 | Infrastructure Improvements | 10 |
| SL-3 | Infrastructure Improvements | 65 |
| SL-1 | Residential Rehabilitation | 50 |
| DH-3 | Residential Rehabilitation | 2 |
| DH-2 | Homeownership Assistance | 0 |
| SL-1 | Community Facilities | 8 |
| SL-1 | Public Service | 0 |
| SL-1 | Clearance Demolition Activities | 5 |
| EO-1 | Direct Financial Assistance | 32 |
| EO-2 | Direct Financial Assistance | 5 |
| EO-3 | Infrastructure Improvements to Assist Businesses | 30 |

**Table 4 - CDBG Performance Measures, PY 2016**

| Outcomes and Objectives | HOPWA Performance Indicators | Expected Number |
|---|---|---|
| DH-2 | TBRA housing assistance | 468 |
| DH-2 | Short-term rent, mortgage, and utility | 426 |
| DH-2 | Supportive Services (restricted to housing case mgt., smoke detectors, and phone service) | 823 |
| DH-1 | Permanent Housing Placement (security deposits, application fees, and credit checks) | 16 |

**Table 5 - HOPWA Performance Measures, PY 2016**

| Outcomes and Objectives | NHTF Performance Indicators | Expected Number |
|---|---|---|
| DH-2 | No. of rental units assisted through new construction | 0 |
| DH-2 | No. of homeowners assisted through homebuyer assistance | 0 |

**Table 6 - NHTF Performance Measures, PY 2016**

## 3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

The information below is for HOME, ESG, CDBG, and HOPWA for PY 2014 (February 1, 2014 to January 31, 2015). Because NHTF is a new program for PY 2016, past performance data is not available.

HOME Evaluation of Past Performance

TDHCA's HOME program committed $30,437,477.99 in program funds through seven different types of HOME Program activities in PY 2014, representing assistance to 1,008 households. Details on the amount committed in each activity type are included in the chart below.

ESG Evaluation of Past Performance

ESG is expended by Federal Fiscal Year (10/1-9/30). TDHCA evaluated ESG funds committed versus funds expended by activity for PY 2014, a time period that consists of half of Federal Fiscal Year 2013 (2/1/2013-9/30/2014) and Federal Fiscal Year 2014 (10/1/2014-1/31/2015). Based on TDHCA's ESG analysis, expenditures had limited disparities and were well within the expected range of state funding for activities, based on goals in the 2014 OYAP. Disparities were found in Homelessness Prevention, where the State committed 23% of the overall budget and the activity accounted for 26% of expenditures, and in Rapid Re-Housing, where the State committed 32% of the total budget and the activity accounted for 30% of expenditures. This indicates that the State effectively programmed and expended funds consistent with its desired goals.

CDBG Evaluation of Past Performance

During PY 2014, the Texas CDBG Program committed a total of $73,970,187 through 255 awarded contracts. For contracts that were awarded in PY 2014, 394,390 persons were anticipated to receive service. The Colonia Self Help Centers awarded $1,564,167 in contracts outside the PY2014 reported below. Distribution of the funds by activity is described in the table below.

HOPWA Evaluation of Past Performance

In PY 2014, the DSHS HOPWA program served 455 households with TBRA (113% of the OYAP goal), 369 households with STRMU assistance (86% of the OYAP goal), and 12 households with Permanent Housing Placement ("PHP") assistance (80% of the OYAP goal) for a total of 818 unduplicated households. Of the total households served, 755 also received HOPWA-funded Supportive Services (91% of the OYAP goal). All HOPWA clients receive housing supportive services at some level, but some costs were leveraged with other funding sources. Client outcome goals for housing stability, reducing homelessness risk, and improving access to care were also achieved. (Subtotaled and/or totaled dollar amounts may not be exact due to all expenses are reported to two decimal points but are rounded to nearest whole dollar for the HOPWA chart.)

| HOME Activity | Total Committed |
|---|---:|
| Homebuyer Assistance | $1,598,283.94 |
| Homeowner Rehabilitation | $17,715,798.05 |
| Tenant-Based Rental Assistance | $3,147,580 |
| CHDO Rental Development | $0 |
| CHDO Single Family Development | $875,816 |
| CHDO Operating Expenses | $50,000 |
| Rental Housing Development | $7,050,000 |

**Table 7 - HOME Commitments by Activity, PY 2014**

| ESG Activity | Total Funds Expended |
|---|---:|
| Street Outreach | $574,172 |
| Emergency Shelter | $2,942,981 |
| Homelessness Prevention | $1,733,495 |

| | |
|---|---|
| Rapid Re-Housing | $3,008,287 |
| Homeless Management Information Systems | $505,803 |
| Administration | $321,800 |
| Total | $9,086,538.09 |

**Table 8 - ESG Fund Expenditures by Activity, PY 2014**

| CDBG Fund | Total Obligation |
|---|---|
| Community Development Fund | $36,923,015 |
| Texas Capital Fund | $8,861,714 |
| Colonia Planning and Construction Fund | $3,948,986 |
| Colonia Economically Distressed Areas Program Fund | $2,034,326 |
| Colonia Self-Help Centers ("SHC")* | $1,495,828 |
| Planning / Capacity Building | $540,640 |
| Disaster Relief/ Urgent Need | $2,446,820 |
| STEP Fund | $1,866,793 |
| Administration (including TA) 3% | $1,794,993 |
| Admin - $100k (in addition to the 3%) | $100,000 |
| Total | $59,833,115 |
| *The Colonia Self Help Centers allocated $1,495,828 in PY2014 | |

**Table 9 - CDBG Funds Committed, PY 2014**

| HOPWA Activity | Amount |
|---|---|
| Expenditures for Housing Information Services | $0 |
| Expenditures for Resource Identification | $0 |
| Expenditures for Housing Assistance (equals the sum of all sites and scattered-site Housing Assistance) | $2,060,888 |
| Expenditures for Supportive Services | $375,629 |
| Grantee Administrative Costs expended | $70,639 |
| Project Sponsor(s) Administrative Costs expended | $161,006 |

**Table 10 - HOPWA Program Expenditures, PY 2014**

## 4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

The State is committed to collaboration with a diverse cross-section of the public in order to meet the various affordable housing needs of Texans. The State also collaborates with governmental bodies, nonprofits, and community and faith-based groups. Following the release of the Draft 2016 One Year Action Plan, a 30-day public comment period was open from October 19, 2015, through November 19, 2015. During this time, a public hearing was held in Austin. Public comment solicited in person at the public hearing, in writing by email, fax, or mail. More information on the citizen participation, consultation, and public comment are included in the Consultation and Participation sections of the Plan.

A separate 30-day public comment period was open from July 15, 2016 through August 15, 2016 for the NHTF, as information regarding this program was not available during the earlier comment period for the OYAP. A public hearing regarding the NHTF was held in Austin on August 4, 2016, and public comment was solicited in person at the public hearing, in writing by email, fax, or mail.

The 2015-2019 Consolidated Plan, as adopted, substantial amendments, the OYAP, and the Consolidated Plan Annual Performance and Evaluation Report ("CAPER") will be available to the public online at http://www.tdhca.state.tx.us and will have materials accessible to persons with disabilities, upon request.

The State recognizes that citizen participation and consultation are ongoing processes. During the development of the 2015-2019 Consolidated Plan, comprehensive outreach was conducted to gather input. This outreach continues through the development of each Annual Action Plan, within the 5-year consolidated planning process. Following the release of HUD's Final Rule to Affirmatively Further Fair Housing, the State is making efforts to update the Citizen Participation Plan and Language Access Plan, as the State works towards the development of the Assessment of Fair Housing, anticipated to be due to HUD in approximately May 2019.

**5. Summary of public comments**

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

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During the development of the 2016 OYAP, two public comment periods were held. Following the release of the Draft 2016 OYAP, the Public Comment period was open from October 19, 2015, through November 19, 2015 and a public hearing was held on November 16, 2015 in Austin, TX. The State received 18 total comments from the following 4 organizations: Amazing Grants, Inc., MET, Inc., SafePlace, and Lifeworks. A summary of the comments received and reasoned responses during the first public comment period are provided in Attachment A: Public Comment on the 2016 One Year Action Plan and Staff's Reasoned Responses.

Following HUD's release of FY 2016 formula allocations on February 16, 2016, an Amended 2016 OYAP was available for 30 days of public comment between March 7, 2016, and April 5, 2016. No comments were received during the second public comment period. Following HUD's release of NHTF formula allocations on May 5, 2016, an Amended 2016 OYAP was available for 30 days of public comment between July 15, 2016, and August 15, 2016. Public comments were received from three organizations. A summary of public comments and reasoned responses is provided as an attachment to section AP-05.

## 6. Summary of comments or views not accepted and the reasons for not accepting them

The comments or views not accepted have been included in Attachment A: Public Comment on the 2016 One Year Action Plan and Staff's Reasoned Responses. Because of the flexible nature of the Plan development, all comments are considered for revisions.

## 7. Summary

The consolidated planning process occurs once every five years, so creating a comprehensive 2015-2019 Consolidated Plan was vital for CDBG, HOME, ESG, HOPWA and NHTF. Because of the Consolidated Plan's authority to govern these programs, research from multiple sources, including other government plans, peer-reviewed journals, news sources, and fact sheets were used; valuable public input was gathered through roundtable meetings, council/workgroup meetings, public hearings, online surveys, and an online forum; and an expansive public input process was included in the development of the Consolidated Plan.

Similarly, roundtables and meetings were held to discuss the NHTF, and written input was considered prior to Amendment of the Consolidated Plan for this new fund source. Topics at the roundtables included the geographic distribution of HTF, threshold requirements for HTF-funded developments, cross cutting requirements applicable to HTF, and the forms of HTF assistance. TDHCA also received several emails and letters from disability advocates, nonprofit developers, supportive housing advocates, and fair housing advocates.

The 2015-2019 Consolidated Plan is now carried out through Annual Action Plans, which provide a concise summary of the actions, activities, and the specific federal and non-federal resources that will be used each year to address the priority needs and specific goals identified by the Consolidated Plan.

## PR-05 Lead & Responsible Agencies - 91.300(b)

### 1. Agency/entity responsible for preparing/administering the Consolidated Plan

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

| Agency Role | Department/Agency |
|---|---|
| CDBG Administrator | Texas Department of Agriculture |
| HOPWA Administrator | Texas Department of State Health Services |
| HOME Administrator | Texas Department of Housing and Community Affairs |
| ESG Administrator | Texas Department of Housing and Community Affairs |

**Table 11 – Responsible Agencies**

### Narrative

TDHCA administers the ESG Program and the HOME Program; the TDA administers the CDBG Program; and DSHS administers the HOPWA Program. All of these programs, known collectively as Community Planning and Development ("CPD") Programs, are covered in the 2016 OYAP. TDHCA is the entity responsible for coordinating among itself, TDA, and DSHS the development of the OYAP.

Key Organizational Events

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

The CDBG Program was transferred from TDHCA to the newly-created Office of Rural Community Affairs, later called the Texas Department of Rural Affairs, and was then subsequently moved to TDA. As of October 1, 2011, the program is administered by TDA. Through an interagency agreement with TDA, TDHCA administers 2.5% of the CDBG funds which are designated for the SHCs along the Texas-Mexico border. DSHS administers HOPWA.

With the exception of the Section 8 Housing Choice Voucher Program, TDHCA, TDA, and DSHS administer their programs and services through a network of organizations across Texas and do not typically fund individuals directly. Depending on the program, organizations include units of local government, councils of governments, nonprofit organizations, for-profit organizations, Administrative Agencies ("AA"), Public Housing Authorities ("PHAs"), and Community Housing Development Organizations ("CHDOs").

### Consolidated Plan Public Contact Information

ESG and HOME Contact Information:
Texas Department of Housing and Community Affairs
PO Box 13941, Austin, TX 78711-3941
(800) 525-0657
http://www.tdhca.state.tx.us/

CDBG Contact Information:
Texas Department of Agriculture, Office of Rural Affairs
PO Box 12847, Austin, TX 78711-2847
(800) 835-5832
http://texasagriculture.gov/Home/ContactUs.aspx

HOPWA Contact Information:
DSHS HIV/STD Prevention and Care Branch, HIV Care Services Group, HOPWA Program,
PO Box 149347, Mail Code 1873, Austin, TX 78714-9347
(512) 533-3000.
http://www.dshs.state.tx.us/hivstd/hopwa/default.shtm

## AP-10 Consultation - 91.110, 91.300(b); 91.315(l)

### 1. Introduction

In an effort to gather information from diverse audiences, TDHCA uses many forms of technology to communicate efficiently, including online surveys, forums, social media, and email distribution. Online surveys increase the response rate of participants as well as allowing for faster data analysis, as illustrated in the ESG electronic survey, described below. Also, online forums are used in the development of program rules and distribution methods. Online forums are advertised at workgroups and committees as well as on social media. The availability of all these methods is communicated primarily via the TDHCA website, opt-in email distribution lists, and social media.

An online presence allows TDHCA to reach out to encourage participation and consultation. The Policy and Public Affairs Division of TDHCA has implemented a social media presence, specifically through Twitter and Facebook. Numerous tweets and posts were sent out during the public input process on the development of the Plan. Furthermore, TDHCA sends out notices via voluntary email lists, where subscribed individuals and entities can receive email updates on TDHCA information, announcements, and trainings. Use of technology allows fast communication to a large audience.

### Provide a concise summary of the state's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(l)).

The Texas Legislature has created the Housing and Health Services Coordinating Council which meets not less than quarterly and carries out a variety of coordinating, educational, analytical, and training efforts. This council is chaired by TDHCA’s executive director and has representation from a wide array of agencies that provide health related services, as well as developers and advocates in different relevant sectors. It is supported administratively by TDHCA staff.

The State works to enhance coordination between public and assisted housing providers, and private and governmental health, mental health, and service agencies. For example, TDHCA staff routinely attends inter- and intra-agency meetings to educate and coordinate housing and services, as described in the following sections of the 2015-2019 Consolidated Plan: Strategic Plan Section 35, Anticipated Resources, and Action Plan Section 65, Homeless and Other Special Needs. The State is also a subrecipient of Money Follows the Persons funds via the Department of Aging and Disability Services and of Section 811 funds – in both programs intensive coordination and collaboration is occurring relating to the interplay between health services and housing.

DSHS contracts with seven AAs across the State to provide administrative support in implementing the State’s HOPWA formula program. AAs work with HIV Planning Councils in major metropolitan areas and with other organizations and stakeholders outside the major metropolitan areas to develop comprehensive HIV Services plans and needs assessments, which are developed through consultation with clients and other stakeholders through interviews, surveys, focus groups, and/or public hearings.

AAs must communicate with stakeholders through disseminating written copies of services plans, posting the plans on the internet, town hall meetings, and advisory groups. Project Sponsors work closely with the local public housing authority offices to identify and establish relationships with other organizations that may have available resources. This ongoing collaboration provides access to organizations and programs, such as the housing choice vouchers; Continuum of Care ("CoC"); community health clinics; churches and private foundations; and Ryan White and HIV Planning Councils.

TDHCA launched its new fair housing email list in July 2014. This email list is for persons and organizations who wish to be updated on fair housing-related TDHCA news, event information, and announcements. Because of the time needed to sign up to the email list, other email lists were used to advertise consultations. However, fair housing organizations received notice of the consultations, as evidenced by their participation in the Online Forum and Single Family Roundtables.

TDA consults with local governments both in person and through web-based meetings. As a part of the traditional CDBG planning process, public hearings were held in each of the 24 Council of Government planning regions. Each Regional Review Committee, composed of local elected officials, discussed local funding priorities for the Community Development Fund and adopted scoring criteria to implement those priorities. TDA also conducted two webinars to provide information regarding changes proposed for the CDBG program. Local governments and professional service providers associated with the program from across the state participated in the online presentation and discussion and provided written feedback to the agency. These same proposals were also discussed in the Regional Review Committee public hearings. Changes to the Community Development Fund, the largest funding category in the CDBG program, were postponed as a result of these consultations and will receive further review and revision.

**Provide a concise summary of the state's activities to enhance coordination with local jurisdictions serving Colonias and organizations working within Colonias communities.**

There are two main methods in which TDHCA coordinates its work with other colonia-serving entities. One relates to the Colonia SHC Program which funds specific Texas-border county governments with four-year contracts. Awards and funding associated with this program are reviewed and recommended by a Colonia Resident Advisory Group ("C-RAC"). The other coordination effort relates to a cross-agency effort organized by the Texas Secretary of State that generates structured communications and data collection in conjunction with other state agencies serving colonias with their respective programs.

On a very frequent basis—weekly or more often—TDHCA provides guidance and oversight to the county governments with which TDHCA has executed SHC contracts. Somewhat less often, TDHCA provides guidance and technical assistance to the housing subgrantees with whom respective counties have contracted to achieve specific deliverables per their individualized SHC subcontracts. Every one to two years, TDHCA organizes and implements a workshop for all eligible counties and their subgrantees to review rules and best practices and to exchange other program updates. Periodically, TDHCA convenes a meeting with the C-RAC, which is a group of colonia residents who live in the specific colonias served by the centers. This grass-roots-style committee approves contracts, evaluates county recommendations and provides TDHCA and the counties with guidance on programming and activities in the colonias. Lastly, approximately every two years, TDHCA updates its SHC Program rules, and initiates this process by first soliciting comment from the public at large for critiques of the current rules and suggestions for changes.

As a part of the processes discussed above, TDA met with elected officials from counties serving colonia areas. The local leaders discussed funding priorities for the Community Development Fund, including projects that could serve colonia areas.

On a quarterly basis, TDHCA and TDA convene with several other state agencies that directly serve colonia residents in the areas of utilities infrastructure, transportation infrastructure, water/water water, health services, housing, and consumer issues. This group is called the Colonia Interagency Infrastructure Coordination Work Group and is organized by the Texas Office of the Secretary of State's Colonia Initiatives Program. This group has been meeting regularly since approximately 2007 when Texas passed legislation requiring the systematic identification and classification of Texas colonias, and the tracking of colonia-serving state-funded projects. The overarching goal of the workgroup is to stop the proliferation of colonias and improve the health, safety, and quality of life for colonia residents in the Texas-Mexico border region. By classifying colonias based on their level of infrastructure and access to public health services, various state agencies, and the Texas Legislature are able to prioritize funding and target colonias with critical needs (Texas Office of the Secretary of State, 2010). Besides TDHCA and TDA, other agency members of this work group include the Texas Water Development Board ("TWDB"), the Texas Commission on Environmental Quality, the Texas Department of Transportation, HHSC, and the DSHS.

Further, to promote greater supply of rental housing for colonia residents, TDHCA has scoring criteria in its Qualified Allocation Plan for properties proposed in colonias.

### Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

The Texas Interagency Council for the Homeless ("TICH") was created in 1989 by the Texas Legislature to coordinate the State's homeless resources and services. The TICH consists of representatives from eleven state agencies that serve persons experiencing or at risk of homelessness. Membership also includes representatives appointed by the office of the governor, the lieutenant governor, and the speaker of the house. The council receives no funding and has no full-time staff, but receives facilitation and advisory support from TDHCA. TICH's major mandates include:

- evaluating and helping coordinate the delivery of services for the homeless in Texas;
- increasing the flow of information among service providers and appropriate authorities;
- providing technical assistance to TDHCA in assessing the need for housing for people with special needs;

- developing, in coordination with TDHCA and the Health and Human Services Commission ("HHSC"), a strategic plan to address the needs of the homeless; and
- maintaining a central resource and information center for the homeless.

The TICH holds quarterly meetings and has four committees: Housing and Supportive Services; Homelessness Prevention; Data, Research and Analysis; and State Infrastructure. In addition, the Texas Interagency Council for the Homeless has been meeting with the CoCs to coordinate homeless services. These efforts are reinforced by the 2011 update to 24 Code of Federal Regulation ("CFR") Part 91, promulgated by HUD and requiring ESG recipients to expand consultation with community partners and CoCs in the formation of consolidated planning documents. The consultation addresses the allocation of resources; development of performance standards and evaluation; and development of funding, policy and procures for operating state-required Homeless Management Information Systems (“HMIS”). The TICH held a quarterly meeting during the development of the Plan and TDHCA took input from the TICH on housing and community development needs.

In 2016, TDHCA held a roundtable with several Bryan/College Station CoC member agencies and anti-poverty service providers in an effort to determine how ESG funding could be used in that CoC. For 2014 and 2015 ESG application cycles, TDHCA received no applications from Bryan/College station. In order to open communication with the Bryan/College Station CoC, TDHCA staff met with approximately 13 stakeholders to discuss the homeless population in the area, the existing programs in place to address homelessness, and what housing or services ESG could offer. As a result of the roundtable input, TDHCA made one change in the 2016 ESG NOFA: nonprofit applicants are now allowed an additional 30 days to get approval for shelter activities from their local governments. In the 2015 NOFA, the approval from local governments for shelter activities was due at the same time as the entire ESG application; in the 2016 ESG NOFA, the approval can be submitted approximately 30 days after the rest of the ESG application is due. In this way the local government can review the nonprofit’s entire ESG application before approving the shelter activity without requiring the applicant to finish the application several days or weeks before the application is due to TDHCA.

In 2016, TDHCA also received feedback that its minimum award amounts and scoring criteria for ESG discouraged funding to be spent on comparable databases for domestic violence and legal service providers. For 2016, the ESG NOFA was changed so that as part of a collaborative application, TDHCA may directly contract with domestic violence and legal service providers for work on comparable databases, so that these systems can be integrated into the COC’s coordinated access system.

## Describe consultation with the Continuum(s) of Care that serves the State in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

Each year TDHCA releases an ESG survey, seeking program input from the local Continuum of Care ("CoC") member agencies in each of the 11 CoC regions. On December 18, 2015, TDHCA released the annual ESG survey to receive input on the allocation of funding, performance standards and HMIS policies and procedures for its 2016 ESG funds. Notice of the survey was sent out via list serve announcement. Comments were received from 28 agencies representing nine of the eleven CoCs. Commenters on the 2016 ESG survey generally supported the TDHCA allocation method, though other factors for including the distribution formula were suggested, such as removing poverty and adding the number of persons experiencing homelessness served per year. TDHCA may consider adjusting the allocation method for the 2017 ESG award process. If an adjustment is proposed, TDHCA will gather public input on the allocation distribution change via a public comment period.

Persons who commented were overwhelmingly in favor of implementing a process to allow CoC lead agencies, or organizations designated by the lead agencies, to manage a local competition of TDHCA's ESG funds for their respective CoC regions. Thirteen people indicated they were in favor of the local competitions and two people indicated they may or generally would support local competitions. Persons in favor commented that the local competition would take advantage of the CoC local knowledge and align local objectives with funding. Five persons responded that they would not be in favor of a local competition because of possible delays in the award process, lack of CoC staff to administer the competition, and possible conflicts of interests of awardees. In order to address some of the concerns from the survey, TDHCA released a 2016 ESG Pre-Application for CoC lead agencies on February 18, 2016, with minimum threshold criteria required for each CoC lead agency. As a result of pre-applications submitted, TDHCA identified five CoC lead agencies that met specific threshold criteria and will now be utilized to manage a local competition for 2016 ESG funding: Metro Dallas Homeless Alliance for Dallas City and County CoC; Tarrant County Homeless Coalition for Fort Worth/Arlington/Tarrant County CoC; El Paso Coalition for the Homeless for El Paso City and County CoC; City of Amarillo for Amarillo CoC; and Coalition for the Homeless of Houston/Harris County for City of Houston/Harris County CoC.

The survey asked respondents if TDHCA's performance measures evaluated how well ESG Subrecipients achieved outcomes. Most respondents replied that the performance measures worked well, though there were several suggestions to add performance measures. TDHCA added one new measure to show the coordination between the homeless service providers and the publicly-funded institutions or systems of care: "residence prior to entry", i.e., unduplicated number of people exiting a publicly-funded institution, or system of care (such as a health-care facility, a mental health facility, foster care or other youth facility, or correction program or institution).

Regarding HMIS, TDHCA asked if respondents would be in favor of a new activity that would allow CoC lead agencies to review ESG Subrecipients' HMIS data before the data is compiled for TDHCA's Community Affairs Contract System. Respondents submitted mixed comments, stating that this review would help with HMIS reliability but that many CoCs already provide quality control. As a result of the survey responses, TDHCA decided not to include this activity in its NOFA. In addition, TDHCA acknowledges that domestic violence programs may use a comparable database per the Violence Against Women Act and HUD guidance issued in July 7, 2009.

Other than the yearly survey, TDHCA consults with CoCs through involvement in the TICH and through participation in the Texas Conference on Ending Homelessness.

## 2. Agencies, groups, organizations and others who participated in the process and consultations

| | | |
|---|---|---|
| 1 | **Agency/Group/Organization** | TICH |
| | **Agency/Group/Organization Type** | Housing<br>Services - Housing<br>Services-Children<br>Services-Elderly Persons<br>Services-Persons with Disabilities<br>Services-Victims of Domestic Violence<br>Services-homeless<br>Services-Health<br>Services-Education<br>Services-Employment<br>Service-Fair Housing<br>Services - Victims<br>Health Agency<br>Child Welfare Agency<br>Other government - Federal<br>Other government - State<br>Other government - County<br>Other government - Local |
| | **What section of the Plan was addressed by Consultation?** | Homeless Needs - Chronically homeless<br>Homeless Needs - Families with children<br>Homelessness Needs - Veterans<br>Homelessness Needs - Unaccompanied youth<br>Homelessness Strategy<br>Non-Homeless Special Needs<br>Anti-poverty Strategy |
| | **Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?** | Input on the 2016 OYAP was sought at the October 14, 2015 quarterly meeting of the Texas Interagency Council for the Homeless (TICH). The function of the TICH is to coordinate the state's resources and services to address homelessness. TICH serves as an advisory committee to TDHCA. Representatives from eleven state agencies sit on the council along with members appointed by the governor, lieutenant governor, and speaker of the house of representatives. |

| | | |
|---|---|---|
| 2 | **Agency/Group/Organization** | Rural Health and Economic Development Advisory Council |
| | **Agency/Group/Organization Type** | Housing<br>Services - Housing<br>Services-Health<br>Other government - State<br>Other government - County<br>Other government - Local<br>Regional organization<br>Planning organization<br>Business and Civic Leaders |
| | **What section of the Plan was addressed by Consultation?** | Economic Development<br>Anti-poverty Strategy<br>CDBG Method of Distribution |
| | **Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?** | On September 16, 2015, the Rural Health and Economic Development Advisory Council met in Austin, TX to provide input on the CDBG Method of Distribution. Consisting of nine members, this council is tasked with identifying rural policy priorities and reviewing the effectiveness of existing rural programs. The council's Rural Policy plan focused on strategic initiatives for economic and community development, improvements to existing rural health care systems and recommendations for the use and allocation of Community Development Block Grant funding, which is used to make improvements in rural communities across Texas. |

**Table 12 – Agencies, groups, organizations who participated**

## Identify any Agency Types not consulted and provide rationale for not consulting

As indicated in the Introduction, during the ongoing consultation and public participation process, Texas seeks input from a wide range of agency types.

## Other local/regional/state/federal planning efforts considered when preparing the Plan

| Name of Plan | Lead Organization | How do the goals of your Strategic Plan overlap with the goals of each plan? |
|---|---|---|
| Continuum of Care | Texas Homeless Network | Texas Homeless Network (THN) is a non-profit membership-based organization helping Texas communities prevent and end homelessness. THN provides training and technical assistance around the state of Texas helping service providers and communities better serve the homeless population with the end goal of preventing and ending homelessness. |

| Name of Plan | Lead Organization | How do the goals of your Strategic Plan overlap with the goals of each plan? |
|---|---|---|
| Pathways Home | TICH | Pathways Home presents findings which indicate that greater coordination of employment and health service resources with local housing programs would expand the State's capacity to prevent and end episodes of homelessness. In response to the study findings, Pathways Home proposes a framework to help more of the State's most vulnerable citizens to enter and remain in safe housing. |

**Table 13 – Other local / regional / federal planning efforts**

### Narrative

Since the consolidated planning process is an ongoing effort, the State continues to consult with agencies, groups, and organizations through the program year cycles for CDBG, ESG, HOME, and HOPWA.

## AP-12 Participation - 91.115, 91.300(c)

### 1. Summary of citizen participation process/Efforts made to broaden citizen participation

### Summarize citizen participation process and how it impacted goal-setting

Encouragement of Public Participation

To reach minorities and non-English speaking residents, the Plan outreach follows TDHCA's Language Access Plan. Also, the notices are available in Spanish and English, per Texas Government Code Chapter 2105. Translators will be made available at public meetings, if requested.

The State encourages the involvement of individuals of low incomes and persons with disabilities in the allocation of funds and planning process through regular meetings, including community-based institutions, consumer workgroups, and councils (many of these meetings are listed in the Strategic Plan Section 35 of the 2015-2019 Consolidated Plan). All public hearing locations are accessible to all who choose to attend. Comments can be submitted either at a public hearing or in writing via mail, fax, or email.

The State notifies residents in areas where CDBG funds are proposed for use by distributing information on public hearings through the CDBG email list from TDA. Information related to the Plan and opportunities for feedback were provided through webinars and web discussions that allowed participation by residents of rural areas without requiring travel to a central location. Regional public hearings held as part of the Regional Review Committee process also encouraged participation by CDBG stakeholders.

Public Hearings

The Draft 2016 OYAP was released for a 30-day public comment period from October 19, 2015, to November 19, 2015. A public hearing was held in Austin on November 16, 2015. Constituents were encouraged to provide input regarding all programs in writing or at the public hearing. The public hearing schedule is published in the Texas Register and on TDHCA's website at http://www.tdhca.state.tx.us, and is advertised during various workgroups and committee meetings. During the public comment period, printed copies of the draft Plan were be available from TDHCA, and electronic copies may be available for download from TDHCA's website.

The draft NHTF Amendment to the 2016 OYAP was released for a 30-day public comment period from July 15, 2016, to August 15, 2016. A public hearing was held in Austin on August 4, 2016 during the public comment period.

Criteria for Amendment to the Consolidated Plan

Substantial amendments will be considered if a new activity is developed for any of the funding sources or there is a change in method of distribution. If a substantial amendment is needed, reasonable notice



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by publication on TDHCA's website at http://www.tdhca.state.tx.us will be given, and comments will be received for no less than 30 days after notice is given. A public hearing will be optional.

Performance Report

The 2017 CAPER will analyze the results of the 2016 OYAP. Due to the short 90-day turnaround time of the CAPER between the end of HUD's Program Year (1/31) and the due date, the public will be given reasonable notice by publication on TDHCA's website at http://www.tdhca.state.tx.us. Comment will be accepted for a minimum of 15 days. A public hearing will be optional.

One Year Action Plan

If a draft One Year Action Plan ("OYAP") is released for public comment prior to HUD's release of actual annual allocation amounts, the draft OYAP will reflect estimated allocation amounts. Once HUD releases actual annual allocation amounts, proposed activities' budgets will be increased or decreased from the estimated funding levels to match actual allocation amounts, prior to submission to HUD. If actual allocation amounts increase or decrease more than 20% from the estimated allocation amounts, the State will release a revised OYAP public comment. Reasonable notice by publication on TDHCA's website at http://www.tdhca.state.tx.us will be given, and comments will be received for no less than 30 days after notice is given. A public hearing will be optional.

## 2. Summary citizen participation process and efforts made to broaden citizen participation in Colonias

There are two main methods in which TDHCA coordinates its work with other colonia-serving entities. One relates to the Colonia Self Help Center Program which funds specific Texas-border county governments with four-year contracts. Awards and funding associated with this program are reviewed and recommended by a Colonia Resident Advisory Group ("C-RAC"), which is a group of colonia residents who live in the specific colonias served by the centers. The other coordination effort relates to a cross-agency effort organized by the Texas Secretary of State that generates structured communications and data collection in conjunction with other state agencies serving colonias with their respective programs.

On a very frequent basis—weekly or more often—TDHCA provides guidance and oversight to the county governments with which TDHCA has executed SHC contracts. Somewhat less often, TDHCA provides guidance and technical assistance to the housing subgrantees with whom the respective counties have contracted to achieve specific deliverables per their individualized SHC subcontracts. Every one to two years, TDHCA organizes and implements a workshop for all eligible counties and their subgrantees to review rules, best practices, and exchange other program updates. Periodically, TDHCA convenes a meeting with C-RAC. This grass-roots-style committee approves contracts, evaluates county recommendations, and provides TDHCA and the counties guidance on programming and activities in the colonias. Lastly, approximately every two years, TDHCA updates its SHC Program rules, and initiates this process by first soliciting comment from the public at large for critiques of the current rules and suggestions for changes.

As a part of the process discussed above, TDA met with elected officials from counties serving colonia areas. The local leaders discussed funding priorities for the Community Development Fund, including projects that could serve colonia areas.

On a quarterly basis, TDHCA and TDA convene with several other state agencies that directly serve colonia residents in the areas of utilities infrastructure, transportation infrastructure, water/water water, health services, housing, and consumer issues. This group is called the Colonia Interagency Infrastructure Coordination Work Group and is organized by the Texas Office of the Secretary of State's Colonia Initiatives Program. This group has been meeting regularly since approximately 2007 when Texas passed legislation requiring the systematic identification and classification of Texas colonias, and the tracking of colonia-serving state-funded projects. The overarching goal of the workgroup is to stop the proliferation of colonias and improve the health, safety, and quality of life for colonia residents in the Texas-Mexico border region. By classifying colonias based on their level of infrastructure and access to public health services, various state agencies, and the Texas Legislature are able to prioritize funding and target colonias with critical needs (Texas Office of the Secretary of State, 2010). Besides TDHCA and TDA, other agency members of this work group include the Texas Water Development Board ("TWDB"), the Texas Commission on Environmental Quality, the Texas Department of Transportation, HHSC, and DSHS.

**Citizen Participation Outreach**

| Sort Order | Mode of Outreach | Target of Outreach | Summary of response/attendance | Summary of comments received | Summary of comments not accepted and reasons | URL (If applicable) |
|---|---|---|---|---|---|---|
| 1 | Public Hearing | Non-targeted/broad community | The State held a public hearing on November 12, 2015 to receive comments on the 2016 OYAP. Three individuals attended and no public comment was provided. | No public comments were received at the public hearing. | | |
| 2 | Internet Outreach | Non-targeted/broad community | TDHCA has a centralized webpage for public comment on all plans, reports, and program rules. | All public comments and reasoned responses are provided in the Public Comment Attachment. | | http://www.tdhca.state.tx.us/public-comment.htm |
| 3 | Public Meeting | Non-targeted/broad community | Rural Health and Economic Development Advisory Council met Sept. 16, 2015 and discussed draft Method of Distribution for CDBG | Public and Advisory Council discussed proposed changes. | | |

**Table 14 – Citizen Participation Outreach**

# Expected Resources

## AP-15 Expected Resources – 91.320(c)(1,2)

### Introduction

CPD funding is governed by this Consolidated Plan, but the State also works to collaborate, coordinate, and layer non-CPD funding sources in order to reach more Texans and more efficiently use available funds. Programs listed in the anticipated resources narrative sections below could be used to leverage CPD funds. These include:

- 4% Housing Tax Credit ("HTC")/Private Activity Bond ("PAB") Program;
- 9% HTC Program;
- Homeless and Housing Services Program (“HHSP”);
- Housing Trust Fund Program;
- Mortgage Credit Certificate (“MCC”) Program;
- First time homebuyer loan programs, including the My First Texas Home Program;
- Neighborhood Stabilization Program - Program Income (“NSP PI”);
- Section 8 Housing Choice Voucher (“HCV”) Program;
- Section 811 Project Rental Assistance (“PRA”) Program; and
- Tax Credit Assistance Program (“TCAP”) Loan Repayments.

For the programs above, the expected future funding amounts, to the extent known, are in the planning documents governing those programs. These documents can be found online at http://www.tdhca.state.tx.us/. The anticipated resources below are focused on CPD Programs.

TDHCA participates in numerous committees, workgroups, and councils which help TDHCA stay apprised of other potential resources to address affordable housing needs. Relationships with other federal and state agencies and local governments are extremely valuable, helping Texas agencies to coordinate housing and services and serve all Texans efficiently and effectively. TDHCA’s involvement in these committees promotes identifying opportunities to proactively pursue federal funding opportunities. TDHCA actively seeks engagement and input from community advocates, funding recipients, potential applicants for funding, and others to obtain input regarding the development of effective policies, programs and rules. Changes to funding plans are made periodically based on feedback received through these avenues.

TDHCA is the lead agency for the following workgroups:

C-RAC: C-RAC is a committee of colonia residents appointed by the TDHCA Governing Board. It advises TDHCA regarding the needs of colonia residents and the types of programs and activities which should be undertaken by the Colonia SHCs. The Colonia SHCs funds are provided to seven specific pre-determined counties which, in turn, procure organizations to operate their SHCs.

Disability Advisory Workgroup (“DAW”): The DAW augments TDHCA's formal public comment process, affording staff the opportunity to interact more informally and in greater detail with various stakeholders and to get feedback on designing more successful programs, with a specific focus on gaining insight on issues impacting persons with disabilities.

Housing and Health Services Coordination Council ("HHSCC"): HHSCC is established by Texas Government Code §2306.1091. Its duties include promoting coordination of efforts to offer Service-Enriched Housing and focusing on other cross-agency efforts.

Texas Interagency Council for the Homeless (“TICH”): The TICH was statutorily created in 1989 to coordinate the State’s homeless resources and services. The TICH consists of representatives from eleven state agencies. TDHCA, as the primary source for state homelessness funding, provides administrative and planning support to the TICH.

Weatherization Assistance Program Planning Advisory Committee (“WAP PAC”): The WAP PAC is comprised of a broad representation of organizations and agencies and provides balance and background related to the weatherization and energy conservation programs at TDHCA.

The descriptions of the collaborations for DSHS and TDA are in the Discussion question of this section below.

## Anticipated Resources

| Program | Source of Funds | Uses of Funds | Expected Amount Available Year 1 Annual Allocation: $ | Program Income: $ | Prior Year Resources: $ | Total: $ | Expected Amount Available Reminder of ConPlan $ | Narrative Description |
|---|---|---|---|---|---|---|---|---|
| CDBG | public - federal | Acquisition<br>Admin and Planning<br>Economic Development<br>Housing<br>Public Improvements<br>Public Services | 53,357,295 | 5,675,933 | 10,283,931 | 69,317,159 | 199,931,856 | TDA's CDBG Program funds community and economic development, including program income collected by the state, and program income retained by local subgrantees, excluding the colonia set-aside. Communities may also coordinate CDBG funding with U.S. Department of Agriculture's ("USDA") Rural Development funds or Texas Water Development Board's ("TWDB") State Revolving Fund. |
| CDBG Colonias Set-aside | public - federal | Acquisition<br>Admin and Planning<br>Homebuyer assistance<br>Homeowner rehab<br>Public Improvements<br>Public Services | 7,662,471 | 0 | 0 | 7,662,471 | 22,294,089 | The Colonia Set-Aside is used both by TDA and TDHCA for goals described in the Strategic Plan Section 45. The Colonia Economically Distressed Areas Program ("CEDAP") Legislative Set - Aside leverages funding from the TWDB's Economically Distressed Areas Program. TDHCA's Office of Colonia Initiatives ("OCI") administers a portion of the CDBG Colonia Set-Aside through its Colonia SHCs. |

| Program | Source of Funds | Uses of Funds | Expected Amount Available Year 1 | | | | Expected Amount Available Reminder of ConPlan $ | Narrative Description |
|---|---|---|---|---|---|---|---|---|
| | | | Annual Allocation: $ | Program Income: $ | Prior Year Resources: $ | Total: $ | | |
| HOME | public - federal | Acquisition<br>Homebuyer assistance<br>Homeowner rehab<br>Multifamily rental new construction<br>Multifamily rental rehab<br>New construction for ownership<br>TBRA | 23,248,302 | 10,000,000 | 0 | 33,248,302 | 99,744,906 | TDHCA's HOME Program goals are described in the Strategic Plan Section 45 for multifamily and single family activities. Single family HOME homebuyer activity may be coordinated with TDHCA's My First Texas Home Program, which can supplement down payment assistance, and the MCC Program, which provides a yearly tax credit of up to $2,000 annually that reduced the homebuyers' federal income tax liability. HOME Multifamily Development funds can be layered with 4% HTCs and 9% HTCs. In addition, TDHCA's Section 811 PRA, a project-based supportive housing program for persons with disabilities, and TDHCA's Section 8 HCV may be used within HOME developments. Starting in 2015, TDHCA's TCAP loan repayments and NSP PI may be used to supplement or support. |

| Program | Source of Funds | Uses of Funds | Expected Amount Available Year 1 | | | | Expected Amount Available Reminder of ConPlan $ | Narrative Description |
|---|---|---|---|---|---|---|---|---|
| | | | Annual Allocation: $ | Program Income: $ | Prior Year Resources: $ | Total: $ | | |
| HOPWA | public - federal | Permanent housing in facilities<br>Permanent housing placement<br>Short term or transitional housing facilities<br>STRMU<br>Supportive services<br>TBRA | 3,032,825 | 0 | 2,947,262 | 5,980,087 | 8,756,223 | DSHS' HOPWA state formula funds the following activities: TBRA; STRMU; PHP; and Supportive Services. Project Sponsors leverage available funds from Ryan White and State Services grants to assist clients with housing needs, medical and non-medical case management, emergency utility assistance, mental health, transportation, and nutritional services to address the needs of eligible clients. |
| ESG | public - federal | Conversion and rehab for transitional housing<br>Financial Assistance<br>Overnight shelter<br>Rapid re-housing (rental assistance)<br>Rental Assistance Services<br>Transitional housing | 8,817,205 | 0 | 0 | 8,817,205 | 35,268,820 | TDHCA's ESG funds are awarded via contract to Subrecipient agencies that provide emergency shelter, homelessness prevention, rapid rehousing, and Homeless Management Information Systems ("HMIS") activities. HHSP is Texas state general revenue funding for the largest cities to provide flexibility to undertake activities that complement ESG activities. Note that not all ESG direct recipients in Texas are HHSP grantees. Use of funds also includes Administration. |

| Program | Source of Funds | Uses of Funds | Expected Amount Available Year 1 | | | | Expected Amount Available Reminder of ConPlan $ | Narrative Description |
|---|---|---|---|---|---|---|---|---|
| | | | Annual Allocation: $ | Program Income: $ | Prior Year Resources: $ | Total: $ | | |
| Housing Trust Fund | public - federal | Multifamily rental new construction | 4,789,476 | 0 | 0 | 4,789,476 | 14,368,428 | TDHCA's NHTF Program goals are described in the Strategic Plan Section 45 for multifamily and single family activities. NHTF Multifamily Development Funds can be layered with 4% HTCs and 9% HTCs, and TDHCA Multifamily Direct Loan funds, including HOME, HOME-CHDO, and TCAP Loan Repayment. In addition, TDHCA's Section 811 PRA, a project-based supportive housing program for persons with disabilities, and TDHCA's Section 8 HCV may be used within NHTF developments. In addition, TDHCA also develops rules that govern all multifamily programs, including the HOME Multifamily Direct Loan Program, known as the Uniform Multifamily Rules. NHTF Single family development would be governed by requirements in TDHCAs Single Family Umbrella Rule. |

**Table 15 - Expected Resources – Priority Table**

**Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied**

HOME

HOME multifamily development is often used to leverage with the HTC Program, which authorizes 9% low-income housing tax credits of $2.30 per capita for each state, and 4% HTC in amounts linked to the usage of the state’s cap for issuance of tax exempt PABs to finance affordable housing development. In Texas, this equates to approximately $61,400,000 in 9% tax credits available to be awarded annually. These credits may be claimed each year for ten years and represents potential tax credit value on the magnitude of $610,000,000. The credits are syndicated to limited partner investors to yield cash for use in eligible development activities. Currently typical syndication rates range between 92% and 95%. TDHCA's Qualified Allocation Plan (“QAP”) identifies the criteria used for selection of eligible developments to provide housing for low-income tenants. HOME provides increased leverage, allowing property owners to utilize fewer tax credits and less private debt and local funding, thus providing more efficient use of resources. Other leveraging sources may include United States Department of Agriculture ("USDA") operating subsidies and loans, and conventional and FHA-insured loans. Match requirements for the HOME Multifamily Direct Loan Program will in part be met through Rules that establish awardees’ minimum amount of match as 5% of the award amount. TDHCA increased match requirements for single family activities to more effectively use limited funding. TDHCA has also requested for HUD to approve a waiver that its state-funded Bootstrap program be eligible as match and is responding to HUD requests for additional detail.

ESG

In 2011, the Texas Legislature created the HHSP statute and funded it with General Revenue funds. Through HHSP, the State allocates funds to cities in Texas with a population of 285,500 or greater to support services to homeless individuals and families. These funds are sometimes used as match for either State or local ESG funding. To meet the ESG match requirement, TDHCA includes the provision of evidence of proposed match as part of the application process. Subrecipients are required to provide 100% limited to budget categories for which the Subrecipient was funded. A Subrecipient that is unable to match the award is eligible to apply to TDHCA for a match waiver up to $100,000. However, these requests have been quite rare. In the FFY 2015 application process, TDHCA received no requests and will continue to actively determine which organization(s) will benefit from the match waiver.

HOPWA

Texas HOPWA does not have program income but leverages funds whenever possible. Project Sponsors leverage available funds from Ryan White and State Services grants, private funding sources, foundations, and local assistance to help clients. AAs do not receive administrative funds from DSHS, so those costs are leveraged from other funding sources. Texas is not required to match the HOPWA formula award.

CDBG

Nearly 80% of TX CDBG grants include local match fund commitments. Matching funds are required for certain grants, while other grants award points to encourage local match; a sliding scale allows smaller communities to contribute less match funding than larger communities. Match funds may be provided by the applicant, or by a water or sewer utility benefiting from the project. Economic development (ED) projects benefiting private business require 1-for-1 match commitment, with the business most often providing this substantial match. Recent updates to the Colonia SHC Program rules have capped program assistance at $50,000 per household for reconstruction and new construction, and $40,000 per household for rehabilitation. These limits encourage administrators to leverage funds with other resources as well as assist more households than in prior years.

NHTF Program Leveraging is described in the question below.

## If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

NHTF Program Leverages

NHTF multifamily development may be used to leverage with the HTC Program, which was created by the Tax Reform Act of 1986 and authorizes 9% low-income housing tax credits in the amount of $2.35 per capita for each state, and 4% low-income housing tax credits in amounts linked to the usage of the state's cap for issuance of tax exempt bond to finance affordable housing development. In Texas, this equates to approximately $61,400,000 in 9% tax credits available to be awarded by TDHCA annually.

These credits may be claimed each year for ten years and this represents potential tax credit value on the magnitude of $610,000,000. The tax credits are syndicated to limited partner investors to yield cash for use in eligible development activities. Currently typical syndication rates range between 92% and 95%. TDHCA must develop a Qualified Allocation Plan ("QAP") for the selection of eligible developments to provide housing for the low-income tenants. NHTF provides increased leverage, allowing the property owners to utilize fewer tax credits and less private debt and local funding, therefore providing more efficient use of resources.

The Texas General Land Office manages state owned lands and mineral rights totaling approximately 13 million acres. Much of this is leased for the benefit of the Permanent School Fund, an endowment fund established in 1876 for the benefit of Texas public school education. There is currently no plan to use state owned land for affordable housing or community development goals; however, local jurisdictions occasionally donate land or property in support of activities designed to address the needs identified in the plan as part of their contribution to locally administered programs.

## Discussion

HOPWA: Continuing with the discussion of collaboration begun in the Introduction of this section, DSHS is the lead for several HIV-related councils and workgroups which provide opportunities for collaboration and resource sharing across agencies, providers, and other pertinent stakeholders to assist PLWH in Texas. Some of the initiatives are Inter-Agency Council on HIV & Hepatitis, the Texas Black Women's Initiative, the Test Texas Coalition, and the Texas HIV Syndicate. The Texas HIV Syndicate is an integrated HIV prevention and care planning body made up of roughly 100 organizational leaders representing the full continuum of HIV engagement. The Texas HIV Syndicate uses the Texas HIV Plan as a framework to develop strategies that enhance and expand on prevention and care activities across the State. Texas HIV Syndicate members develop policy recommendations, best practice models, coordination strategies, and promote innovation in HIV prevention and treatment. DSHS also holds a biennial HIV/Sexually Transmitted Disease ("STD") conference, attended by all DSHS contractors and subrecipients in addition to community leaders, health and HIV professionals, and many other essential stakeholders. Many of the DSHS contractors are also HOPWA providers. The next conference will be held in 2016. The goal of the Texas HIV/STD Conference is to enhance the responsiveness of people and systems supporting the spectrum of HIV/STD prevention and treatment services in Texas, including: Awareness; Targeted Prevention; Diagnosis; Linkage to Care; Maintenance in Care; and Suppression of Disease.

DSHS' Epidemiology and Surveillance Branch is responsible for reporting HIV/AIDS, STD, and tuberculosis ("TB") surveillance and epidemiologic data for the State of Texas, which includes data submission to the Centers for Disease Control and Prevention ("CDC"). This data is subsequently used by HUD to determine HOPWA formula allocations. This data is also leveraged to provide support to planning, development, implementation, and evaluation of HIV/AIDS, STD, and TB prevention and services programs, including HOPWA.

Finally, TDA participates in the following workgroups:

Texas Water Infrastructure Coordination Committee ("TWICC"): TWICC is a voluntary organization of federal and state funding agencies and technical assistance providers that address water and wastewater needs throughout the State. TDA participates in TWICC to coordinate efforts to leverage funds.

Secretary of State's Colonia Workgroup: The Colonia Workgroup consists of federal and state funding agencies and the Texas Secretary of State's colonia ombudsmen. The group addresses current and future infrastructure improvements in colonias, focusing on coordination of resources and information. TDHCA is also a member of this workgroup.

Drought Preparedness Council: The Council was authorized and established by the 76th Texas Legislature in 1999, and is responsible for assessment and public reporting of drought monitoring and water supply conditions, along with other duties.

These workgroups, committees, and councils help to strengthen communication between state agencies as well as provide opportunities to layer or combine funding sources.

With the block grants and the layering resources listed above, there are also CDBG Disaster Recovery ("DR") funds for Hurricanes Rita, Dolly, and Ike, and Wildfires. Hurricane Rita Disaster Recovery for housing and non-housing recovery is in 29 counties. Ike Disaster Recovery for housing and non-housing recovery is in 62 counties. Wildfire Recovery non-housing recovery is in 65 counties. More details can be found at http://www.glo.texas.gov/GLO/disaster-recovery/actionplans.

# Annual Goals and Objectives

## AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)

### Goals Summary Information

| Sort Order | Goal Name | Start Year | End Year | Category | Geographic Area | Needs Addressed | Funding | Goal Outcome Indicator |
|---|---|---|---|---|---|---|---|---|
| **1** | Homeless Goals | 2015 | 2019 | Homeless | State of Texas | Emergency shelter and transitional housing<br>Homelessness Prevention<br>Rapid Re-housing | ESG: $8,817,205 | Tenant-based rental assistance / Rapid Rehousing: 1108 Households Assisted<br>Overnight/Emergency Shelter/Transitional Housing Beds added: 3800 Beds |
| **2** | Construction of single family housing | 2015 | 2019 | Affordable Housing<br>Non-Homeless Special Needs | State of Texas | Production of new units | HOME: $0 | Homeowner Housing Added: 0 Household Housing Unit |
| **3** | Rehabilitation of single family housing | 2015 | 2019 | Affordable Housing<br>Non-Homeless Special Needs | | Rehabilitation of housing | HOME: $5,916,734 | Homeowner Housing Rehabilitated: 70 Household Housing Unit |
| **4** | Homebuyer assistance with possible rehabilitation | 2015 | 2019 | Affordable Housing<br>Non-Homeless Special Needs | State of Texas | Acquisition of existing units<br>Rehabilitation of housing | HOME: $3,476,783 | Direct Financial Assistance to Homebuyers: 58 Households Assisted |
| **5** | Tenant-Based Rental Assistance with HOME funding | 2015 | 2019 | Affordable Housing<br>Non-Homeless Special Needs | State of Texas | Rental Assistance | HOME: $4,812,569 | Tenant-based rental assistance / Rapid Rehousing: 438 Households Assisted |

| Sort Order | Goal Name | Start Year | End Year | Category | Geographic Area | Needs Addressed | Funding | Goal Outcome Indicator |
|---|---|---|---|---|---|---|---|---|
| **6** | HOME Households in new/rehabed multifamily units | 2015 | 2019 | Affordable Housing<br>Non-Homeless Special Needs | State of Texas | Production of new units<br>Rehabilitation of housing | HOME: $15,713,359 | Rental units constructed: 110 Household Housing Unit<br>Rental units rehabilitated: 47 Household Housing Unit |
| **7** | HOPWA Tenant-Based Rental Assistance | 2015 | 2019 | Affordable Housing<br>Non-Homeless Special Needs | State of Texas | Supportive Services for Persons with HIV/AIDS | HOPWA: $1,939,097 | Tenant-based rental assistance / Rapid Rehousing: 468 Households Assisted |
| **8** | HOPWA Short-Term Rent, Mortgage, & Utilities Asst | 2015 | 2019 | Affordable Housing<br>Non-Homeless Special Needs | State of Texas | Supportive Services for Persons with HIV/AIDS | HOPWA: $366,034 | Homelessness Prevention: 426 Persons Assisted |
| **9** | HOPWA Permanent Housing Placement Assistance | 2015 | 2019 | Affordable Housing<br>Non-Homeless Special Needs | State of Texas | Supportive Services for Persons with HIV/AIDS | HOPWA: $7,055 | Public service activities other than Low/Moderate Income Housing Benefit: 16 Persons Assisted |
| **10** | HOPWA-Funded Supportive Services | 2015 | 2019 | Affordable Housing<br>Non-Homeless Special Needs | State of Texas | Supportive Services for Persons with HIV/AIDS | HOPWA: $463,493 | Public service activities other than Low/Moderate Income Housing Benefit: 823 Persons Assisted |
| **11** | CDBG Other Construction | 2015 | 2019 | Non-Housing Community Development | State of Texas | Public Improvements and Infrastructure<br>Public facilities<br>Public services | CDBG: $39,533,182 | Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 227843 Persons Assisted |

| Sort Order | Goal Name | Start Year | End Year | Category | Geographic Area | Needs Addressed | Funding | Goal Outcome Indicator |
|---|---|---|---|---|---|---|---|---|
| **12** | CDBG Economic Development | 2015 | 2019 | Non-Housing Community Development<br>Economic Development | State of Texas | Economic development<br>Public Improvements and Infrastructure<br>Public facilities<br>Public services | CDBG: $8,848,164 | Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 14122 Persons Assisted |
| **13** | CDBG Planning / Capacity Building | 2015 | 2019 | Non-Housing Community Development | State of Texas | Public Improvements and Infrastructure<br>Public facilities<br>Public services | CDBG: $548,818 | Other: 37412 Other |
| **14** | CDBG Disaster Relief / Urgent Need | 2015 | 2019 | Non-Housing Community Development | State of Texas | Public Improvements and Infrastructure<br>Public facilities | CDBG: $2,497,738 | Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 0 Persons Assisted |
| **15** | CDBG Colonia Set-Aside | 2015 | 2019 | Affordable Housing<br>Non-Housing Community Development | State of Texas | Acquisition of existing units<br>Production of new units<br>Public Improvements and Infrastructure<br>Public facilities<br>Public services<br>Rehabilitation of housing | CDBG Colonias Set-aside: $6,097,977 | Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 3348 Persons Assisted |
| **16** | CDBG Colonia Self-Help Centers | 2015 | 2019 | Self-Help Centers | | Public services | CDBG: $1,524,494 | Other: 14491 Other |

| Sort Order | Goal Name | Start Year | End Year | Category | Geographic Area | Needs Addressed | Funding | Goal Outcome Indicator |
|---|---|---|---|---|---|---|---|---|
| **17** | CDBG Administration | 2015 | 2015 | Administration/Technical Assistance | | Economic development<br>Public Improvements and Infrastructure<br>Public facilities<br>Public services<br>Rehabilitation of housing | CDBG: $1,929,393 | Other: 0 Other |
| **18** | HOME Administration | 2015 | 2019 | HOME Administration | State of Texas | Acquisition of existing units<br>Production of new units<br>Rehabilitation of housing<br>Rental Assistance | HOME: $3,328,857 | Other: 0 Other |
| **19** | NHTF households in new multifamily units | 2016 | 2019 | Affordable Housing<br>Non-Homeless Special Needs | State of Texas | Production of new units | Housing Trust Fund: $4,310,529 | Rental units constructed: 0 Household Housing Unit |
| **20** | NHTF Administration | 2016 | 2019 | Affordable Housing<br>Non-Homeless Special Needs | State of Texas | Production of new units | Housing Trust Fund: $478,947 | Other: 0 Other |

**Table 16 – Goals Summary**

### Goal Descriptions

| | | |
|---|---|---|
| 1 | **Goal Name** | Homeless Goals |
| | **Goal Description** | Goals for the 2016 ESG program are to provide 22,798 homeless persons with emergency shelter, 1,108 households with emergency housing assistance through rapid re-housing, and 3,800 persons with housing assistance, including homelessness prevention assistance. After reducing the award amount by 7.5% for administrative funds (which will be divided between TDHCA and its Subrecipients), the remaining funding for program activities is approximately allocated among the following categories: 32% for rapid re-housing; 21% for homelessness prevention; 34% for emergency shelters, 7% for street outreach and 6% for the Homeless Management Information System (HMIS) activities. The percentages of funding for each activity have been adjusted from the 2015 One Year Action Plan partly because of the addition of street outreach and HMIS. With the new percentages estimates, TDHCA is still under the federal requirement to spend equal or less than 60% of its funding on emergency shelter and street outreach activities.<br>The persons/households expected to be served by each activity have been adjusted from the 2015 One Year Action Plan because of a change in projection methodology. The 2015 projections were based on funding planned to be spent on each activity. The 2016 projections are based on funding spent per person per activity from previous ESG awards. Rapid Re-housing has historically cost almost double the amount per person than Homelessness Prevention, and almost ten times the amount per person than emergency shelter or street outreach. To account for the amount of funding per person for rapid re-housing, the total projected number of households served by rapid re-housing decreased.<br>Finally, the amount of administration is estimated at 7.5%, which is the amount allowed by HUD. The administrative funds will be divided between TDHCA and its subrecipients. TDHCA plans to use a portion of the administrative funds for Continuum of Care (CoC) lead agencies that will be running a local competition in their respective CoC regions for TDHCA's ESG funding.<br>The funding targets and numbers served may fluctuate depending on the amount in the HUD award letter. The amounts targeted for each ESG activity will be dependent on the final HUD allocation and the percentages (as limited by federal rules) will depend on local CoC or Subrecipient decisions. |

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| 2 | **Goal Name** | Construction of single family housing |
| | **Goal Description** | TDHCA does not plan to have a 2016 HOME Program goal for single family development activities performed by a Community Housing Development Organization ("CHDO") for the construction of new single family housing. The original 2015 goal of providing assistance to a minimum of 7 eligible households was reduced based on HUD's final allocation amounts. PY 2016 CHDO set aside funding is initially targeted for multifamily development activities as reflected under the Households in new/rehabilitated multifamily units strategic plan goal, but may be revised to program some funding for Single Family Development activities if TDHCA identifies future interest in the program. Single family development activities will remain an eligible activity that may be funded in the event future CHDO funding becomes available. |
| 3 | **Goal Name** | Rehabilitation of single family housing |
| | **Goal Description** | The 2016 goal for HOME Program rehabilitation and reconstruction activities is to provide assistance to a minimum of 70 households through a statewide network of units of general local governments, and non-profit organizations. These entities qualify applicants to receive assistance for the repairs and reconstruction necessary to make their homes decent, safe, sanitary, and accessible. |
| 4 | **Goal Name** | Homebuyer assistance with possible rehabilitation |
| | **Goal Description** | The 2016 goals for HOME Program acquisition activities is to provide assistance to a minimum of 58 households with downpayment and closing costs assistance, contract for deed conversion assistance to promote the conversion of contract for deed arrangements to traditional mortgages, as well as downpayment with possible rehabilitation assistance for households with a member with a disability. |
| 5 | **Goal Name** | Tenant-Based Rental Assistance with HOME funding |
| | **Goal Description** | The 2016 goal for HOME Program TBRA activity is to provide rental assistance to approximately 438 households through a statewide network of units of general local governments, public housing agencies, Local Mental Health Authorities ("LMHAs"), and other non-profit organizations. These entities qualify applicants to receive assistance and may extend assistance if the household continues to meet eligibility requirements. |
| 6 | **Goal Name** | HOME Households in new/rehabed multifamily units |
| | **Goal Description** | The 2016 goal for HOME Multifamily Program is creating/rehabilitating over 157 multifamily rental units. TDHCA's HOME Multifamily Development Programs awards HOME funds as low-interest loans to CHDOs, for-profit, and nonprofit developers. These loans leverage other public and private financing including housing tax credits, United States Department of Agriculture ("USDA") operating subsidies and loans, and conventional and Federal Housing Administration-insured loans. The end result is safe, decent, and affordable multifamily rental housing. |

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| 7 | **Goal Name** | HOPWA Tenant-Based Rental Assistance |
| | **Goal Description** | HOPWA TBRA provides tenant-based rental assistance to eligible households until they are able to secure other affordable and stable housing. The annual goal includes 468 households assisted. The estimated funding and number of individuals served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25. |
| 8 | **Goal Name** | HOPWA Short-Term Rent, Mortgage, & Utilities Asst |
| | **Goal Description** | STRMU provides short-term rent, mortgage, and utility assistance to eligible households for a maximum of 21 weeks of assistance in a 52-week period. The annual goal is to assist 426 persons. The estimated funding and number of individuals served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25. |
| 9 | **Goal Name** | HOPWA Permanent Housing Placement Assistance |
| | **Goal Description** | PHP provides assistance for housing placement costs which may include application fees, related credit checks, and reasonable security deposits necessary to move persons into permanent housing. The annual goal is to assist 16 persons. The estimated funding and number of persons served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25. |
| 10 | **Goal Name** | HOPWA-Funded Supportive Services |
| | **Goal Description** | Supportive Services include case management, basic telephone service and assistance to purchase smoke detectors to eligible households. The annual goal is to assist 823 persons. The estimated funding and number of households served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25. |
| 11 | **Goal Name** | CDBG Other Construction |
| | **Goal Description** | The Texas CDBG encourages the use of funds not only to improve existing locations but to provide facilities in other areas to accommodate residential opportunities that will benefit low and moderate income persons. Applicants are encouraged to provide for infrastructure and housing activities that will improve opportunities for low and moderate income persons. When considering projects and designing projects, applicants must continue to consider affirmatively furthering fair housing, which includes providing basic infrastructure, such as water, sewer, and roads that benefit residential housing and other housing activities. Funding allocated includes annual allocation in addition to previously deobligated funds. The annual goal includes 227,843 persons assisted. The estimated funding and number of persons served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25. |

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| 12 | **Goal Name** | CDBG Economic Development |
| | **Goal Description** | This economic development funding is used for projects that will create or retain permanent employment opportunities, primarily for low to moderate income persons and for county economic and management development activities. Funding allocated includes annual allocation in addition to previously deobligated funds. The annual goal is to assist 14,122 persons. The estimated funding and number of persons served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25. |
| 13 | **Goal Name** | CDBG Planning / Capacity Building |
| | **Goal Description** | This fund is available to assist eligible cities and counties in conducting planning activities that assess local needs, develop strategies to address local needs, build or improve local capacity, or that include other needed planning elements (including telecommunications and broadband needs). Funding allocated includes annual allocation in addition to previously deobligated funds. The annual goal is 37,412 persons benefiting from community planning projects (this may show as "other" in the chart above"). The estimated funding and number of persons served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25. |
| 14 | **Goal Name** | CDBG Disaster Relief / Urgent Need |
| | **Goal Description** | Disaster Relief ("DR") assistance is available through this fund as needed for eligible activities in relief of disaster situations where either the governor has proclaimed a state disaster declaration, drought disaster declaration, or the president has issued a federal disaster declaration. CDBG may prioritize throughout the program year the use of DR assistance funds based on the type of assistance or activity under consideration and may allocate funding throughout the program year based on assistance categories. Funding allocated includes annual allocation in addition to previously deobligated funds. The annual goal is to assist 132,248 persons. The estimated funding and number of persons served may fluctuate depending on HUD's final allocation amounts and based on the target percentages indentified in Action Plan Section 25. |
| 15 | **Goal Name** | CDBG Colonia Set-Aside |
| | **Goal Description** | This fund is available to eligible county applicants for projects in severely distressed unincorporated areas which meet the definition of a "colonia" under this fund. Funding allocated includes annual allocation in addition to previously deobligated funds. The annual goal is to assist 3,348 benefiting from public facility or infrastructure activities (other than low/moderate income housing benefit) and 14,491 "other", which equates to the number of colonia residents receiving direct assistance. The estimated funding and number of persons served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25. |

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|---|---|---|
| 16 | **Goal Name** | CDBG Colonia Self-Help Centers |
| | **Goal Description** | Colonia residents receiving direct assistance through Self-Help centers. |
| 17 | **Goal Name** | CDBG Administration |
| | **Goal Description** | CDBG Administrative costs including Technical Assistance |
| 18 | **Goal Name** | HOME Administration |
| | **Goal Description** | HOME Administrative expenses based on HOME allocation and projected program income. |
| 19 | **Goal Name** | NHTF households in new multifamily units |
| | **Goal Description** | The 2016 goal for Housing Trust Fund is creating 0 multifamily rental units based on the performance period of February 1, 2016 through January 31, 2017. Funds are anticipated to be awarded after May 31, 2017. |
| 20 | **Goal Name** | NHTF Administration |
| | **Goal Description** | NHTF Administrative funds for PY 2016. |

**Table 17 – Goal Descriptions**

## AP-25 Allocation Priorities – 91.320(d)

### Introduction

The CPD Programs serve special needs populations and meet the 13 Priority Needs found in Strategic Plan 25 of the 2015-2019 Consolidated Plan. These Needs in Strategic Plan 25 are correlated with Goals in Action Plan 20 to show which activities will serve which priority needs. The goals from Action Plan 20 are listed below with allocation percentages. Percentages in the chart below are estimated and may change depending on funding received from HUD, legislative priorities, and funding requests from administrators or subrecipients. Due to software restrictions, allocations are rounded to the nearest whole number and do not reflect precise percentages.

Also, for the other programs listed in the anticipated resources (Action Plan 15) that could be used to leverage funds, including 4% HTC, 9% HTC, HHSP, Housing Trust Fund, MCC, and My First Texas Home Program, NSP PI, Section 8 HCV programs, Section 811 PRA, and TCAP Loan Repayments, goals are tailored to each program in the planning documents governing those programs. These documents can be found at http://www.tdhca.state.tx.us. In addition to meeting the priority needs, the CPD Program works to serve special needs populations as described in this section. HOME and ESG's special needs populations are discussed in the introduction, and HOPWA and CDBG are included in the discussion below.

HOME Serves Special Needs

TDHCA has determined that programs may target assistance to the following special needs populations: persons with disabilities, persons with alcohol or other drug addiction, persons living with HIV/AIDS ("PLWH"), persons with Violence Against Woman Act ("VAWA") protections, colonia residents, farmworkers, homeless populations, veterans, wounded warriors (as defined by the Caring for Wounded Warriors Act of 2008), and public housing residents. Preferences may also include programs designed to assist single parents, persons transitioning out of incarceration, and persons transitioning out of foster homes and nursing facilities.

For Administrators who have programs that are designed to limit assistance to certain populations, TDHCA will only approve program designs that limit assistance to households that include a member within the following populations if necessary to provide as effective housing, aid, benefit, or services as those provided to others in accordance with 24 CFR §8.4(b)(1)(iv): PLWH, mental illness, alcohol or other drug addiction, or households that would qualify under the TDHCA's Project Access program as defined in 10 TAC §5.801. Otherwise, Administrators may only give preference to populations described in the special needs section.

For HOME or NHTF rental housing, TDHCA will allow development of housing that meets requirements under the Housing for Older Persons Act. TDHCA may also consider permitting rental housing owners to give a preference or limitation as indicated in this section and may allow a preference or limitation that is not described in this section to encourage leveraging of federal or state funding, provided that another federal or state funding source for the rental housing requires a limitation or preference. TDHCA may put further guidelines on development of specific types of rental housing by rule or NOFA.

ESG Serves Special Needs

ESG does not have funding allocation priorities for special needs populations. However, the 2016 ESG NOFA includes points for applicants that propose to serve persons with higher barriers to housing, including persons with serious mental illness, persons recently released from institutions, persons with substance abuse disorders, veterans, survivors of domestic violence, or youth aging out of foster care. The 2016 ESG NOFA also includes points for applicants that use the Housing First approach to ending homelessness, which is often used for people with substance use/abuse and mental illness.

## Funding Allocation Priorities

| | Homeless Goals (%) | Construction of single family housing (%) | Rehabilitation of single family housing (%) | Homebuyer assistance with possible rehabilitation (%) | Tenant-Based Rental Assistance with HOME funding (%) | HOME Households in new/rehabed multifamily units (%) | HOPWA Tenant-Based Rental Assistance (%) | HOPWA Short-Term Rent, Mortgage, & Utilities Asst (%) | HOPWA Permanent Housing Placement Assistance (%) | HOPWA-Funded Supportive Services (%) | CDBG Other Construction (%) | CDBG Economic Development (%) | CDBG Planning / Capacity Building (%) | CDBG Disaster Relief / Urgent Need (%) | CDBG Colonia Set-Aside (%) | CDBG Colonia Self-Help Centers (%) | CDBG Administration (%) | HOME Administration (%) | NHTF households in new multifamily units (%) | NHTF Administration (%) | Colonias Set-Aside (%) | Total (%) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| CDBG | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 65 | 15 | 1 | 4 | 10 | 2 | 3 | 0 | 0 | 0 | 0 | **100** |
| CDBG Colonias Set-aside | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 100 | **100** |
| HOME | 0 | 0 | 20 | 12 | 16 | 52 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **100** |
| HOPWA | 0 | 0 | 0 | 0 | 0 | 0 | 70 | 13 | 1 | 16 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **100** |
| ESG | 100 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **100** |
| Housing Trust Fund | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 100 | 0 | 0 | **100** |

**Table 18 – Funding Allocation Priorities**

## Reason for Allocation Priorities

HOME Allocation Priorities

TDHCA prioritizes HOME funding for multifamily, single-family, and Set-Aside activities. Multifamily activities were historically allocated a higher percent of funds to address the priority needs of Rental Assistance and Production of New Units, promote tax credit leveraging, and because they account for a large portion of HOME's program income. However, TDHCA now has access to TCAP Loan Repayments, so these priorities will continue to have funds directed toward them, while likely reducing the allocation of HOME funds directed towards multifamily activities.

Although the 2015 HOME allocation to TDHCA was reduced from 2014 funding levels, funding for single family activities actually increased overall as TDHCA begins to access TCAP loan repayments for multifamily activities and by directing deobligated funding and program income resources to single family activities. Funding for single family activities from the 2016 annual allocation is anticipated to be awarded based on TDHCA's Regional Allocation Formula, with residual funding available through the Reservation System, allowing local administrators to prioritize single family activities on a household-by-household basis for:

- Homebuyer Assistance, (including contract-for-deed conversions) which addresses Acquisition of Existing Units and Rehabilitation of Existing Units priority needs;
- Homeowner Rehabilitation Assistance, which addresses Rehabilitation of Existing Units priority need; and
- TBRA, which addresses Rental Assistance priority need.

These priorities are a result of the consolidated planning process and significant public input.

ESG Allocation Priorities

ESG does not have allocation priorities for priority needs. ESG funds can be utilized for all eligible purposes within limitations set by ESG regulations and guided by local Continuum of Care ("CoC") direction, including:

- Homeless outreach;
- Emergency shelter;
- Rapid re-housing; and
- Homelessness prevention.

Persons experiencing homelessness and resources for persons experiencing homelessness are often concentrated in urban areas. While the need in urban areas for resources is great, there are large areas of Texas without direct access to ESG funds. The 2016 ESG NOFA established a system of scoring in which applicants receive more points for clients they serve in rural areas.

HOPWA Allocation Priorities

HOPWA provides the following activities in line with priority needs:

- TBRA, which addresses Rental Assistance priority needs;
- STRMU, which addresses Homelessness Prevention priority needs;
- Supportive Services Program, which addresses Supportive Services for PLWH priority needs; and
- PHP, which addresses Homelessness Prevention priority needs.

CDBG Allocation Priorities

The CDBG Program offers the following activities, which relate to the corresponding priority needs. The majority of CDBG funds are used to meet basic human needs. These projects, in addition to being among the most critical needs in the state, are prioritized locally by regional review committees and local communities. Colonia funding allocation is reflected in "Colonias Set-Aside" column.

- The majority of funds are awarded to address basic human needs, including improvements to water and sewer systems and roads for low and moderate income ("LMI") communities.
- Economic development activities are funded to create and retain jobs primarily for LMI persons.
- Public facilities such as community centers and public safety facilities are less common activities, but are very valuable to LMI communities.
- Colonias SHC activities provide public services and housing funds for colonia residents living along the Texas-Mexico border.

Due to character limitations, NHTF allocation priorities are described in the next question.

**How will the proposed distribution of funds will address the priority needs and specific objectives described in the Consolidated Plan?**

NHTF Allocation Priorities

The NHTF Program activities for PY 2016 will be limited to new construction of multifamily housing to address the priority needs of Rental Assistance and Production of New Units, promote leveraging of other fund sources. Particularly as this is a new fund source and a new program, the administrative burden of implementation is reduced by using the funds within the well established multifamily finance structure.

The special needs populations for HOME and ESG are described in the Introduction. HOPWA and CDBG discuss special needs populations below.

HOPWA Serves Special Needs

Texas HOPWA serves PLWH and their family members, all of whom are at or below 80% of the AMI, and most of whom fall into the extremely-low-income category. As previously noted, allocations generally mirror the Ryan White Program allocation formula, which takes into account population of PLWH, HIV incidence, number of PLWH accessing Ryan White services, percent of PLWH eligible for Medicaid and other considerations. The allocations are then adjusted based on unmet need, prior performance and expenditures, geographic-specific data provided by Project Sponsors, and any other relevant factors. After allocations to each HIV Service Delivery Area (HSDA) are determined, it is then up to the Project Sponsor to allocate between activities of TBRA, STRMU, PHP, Supportive Services, and administrative expenses (not to exceed 7% of their allocation) and submit those to their Administrative Agents ("AAs") and the Department of State Health Services ("DSHS") for approval. Project Sponsors base allocations on many factors, including but not limited to, number of clients projected to continue into the next year, area unmet need, rental costs, prior number of clients served, average expenditures per client, and changes in HIV population living in poverty, etc. Funds are also reallocated during the year within HSDAs under each AA as needed.

CDBG Serves Special Needs

CDBG provides over 90% of available funds for projects that primarily benefit low-to moderate-income persons through basic infrastructure, housing, job creation and other activities as identified at the local level. Among those projects, CDBG sets aside 12.5% of funds to specifically benefit colonia residents through planning activities, infrastructure and housing construction, self-help center services, construction activities, and public services. Funding for community development projects in colonias and other LMI communities is a critical element in the well-being of these communities.

In 1996, in an effort to place more emphasis on addressing the needs of colonias, the OCI at TDCHA was created and charged with the responsibility of coordinating all TDHCA's and legislative initiatives involving border and colonia issues and managing a portion of TDHCA's existing programs targeted at colonias. The fundamental goal of the OCI is to improve the living conditions and lives of border and colonia residents and to educate the public regarding the services that the Department has to offer. As part of its plan to improve the living conditions in colonias, the OCI offers Border Field Offices. The three OCI Border Field Offices are located in Pharr, Laredo, and El Paso to provide technical assistance to border counties, Colonia SHCs, and Bootstrap Program participants.

## AP-30 Methods of Distribution – 91.320(d)&(k)

### Introduction

Given that Texas is the second largest state in the nation by total area, the method of distribution of its funds has to take into account a very large area. To serve this large area it is necessary for the State to use subrecipients to administer the programs funded under CPD. The selection processes for these entities are generally described below.

### Distribution Methods

| | | |
|---|---|---|
| 1 | **State Program Name:** | Colonia Economically Distressed Areas Program (CEDAP) |
| | **Funding Sources:** | CDBG<br>CDBG Colonias Set-aside |
| | **Describe the state program addressed by the Method of Distribution.** | Colonia Economically Distressed Areas Program (CEDAP) Legislative Set-Aside fund provides funding to eligible cities and counties to assist colonia residents that cannot afford the cost of service lines, service connections, and plumbing improvements associated with being connected to a TWDB Economically Distressed Area Program or similar water or sewer system improvement project. |
| | **Describe all of the criteria that will be used to select applications and the relative importance of these criteria.** | The TDA will evaluate the following factors prior to awarding CEDAP funds:<br>• The proposed use of the CDBG funds including the eligibility of the proposed activities and the effective use of the funds to provide water or sewer connections/yard lines to water/sewer systems funded through Economically Distressed Area Program or similar program;<br>• The ability of the applicant to utilize the grant funds in a timely manner;<br>• The availability of funds to the applicant for project financing from other sources;<br>• The applicant's past performance on previously awarded CDBG contracts;<br>• Cost per beneficiary; and Proximity of project site to entitlement cities or metropolitan statistical areas (MSAs). |

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| | **If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)** | Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov. |
| | **Describe how resources will be allocated among funding categories.** | The allocation is distributed on an as-needed basis. |
| | **Describe threshold factors and grant size limits.** | Maximum $1,000,000/Minimum $75,000 |
| | **What are the outcome measures expected as a result of the method of distribution?** | Activities Benefiting LMI Persons |
| **2** | **State Program Name:** | Colonia Planning and Construction Funds |
| | **Funding Sources:** | CDBG<br>CDBG Colonias Set-aside |

| | | |
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| | **Describe the state program addressed by the Method of Distribution.** | The Colonia Planning Fund ("CPF") funds planning activities that either targets a specific colonia(s) (Colonia Area Planning) or that provides a countywide comprehensive plan (Colonia Comprehensive Planning). In order to qualify for the Colonia Area Planning activities, the county applicant must have completed a Colonia Comprehensive Plan that prioritizes problems and colonias for future action. The targeted colonia must be included in the Colonia Comprehensive Plan.<br>The goal of the Colonia Fund Construction ("CFC") fund is to develop viable communities by providing decent housing, viable public infrastructure, and a suitable living environment, principally for persons residing within a community or area that meets the definition of a colonia. An eligible county applicant may submit an application for the following eligible construction activities:<br>Assessments for Public Improvements - The payment of assessments (including any charge made as a condition of obtaining access) levied against properties owned and occupied by persons of low and moderate income to recover the capital cost for a public improvement.<br>Other Improvements - Other activities eligible under 42 USC Section 5305 designed to meet the needs of colonia residents. |

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| | **Describe all of the criteria that will be used to select applications and the relative importance of these criteria.** | Colonia Fund: Construction. The selection criteria for the Colonia Fund: Construction will focus upon the following factors: community distress; percentage of people living in poverty; per capita income; percentage of housing units without complete plumbing; unemployment rate; benefit to LMI persons; project priorities; project design; matching funds; and past performance.<br>Colonia Fund: Planning (Area). The selection criteria for the Colonia Fund: Planning will focus upon the following factors: community distress; percentage of people living in poverty; per capita income; percentage of housing units without complete plumbing; unemployment rate; project design; the severity of need within the colonia area(s) and how clearly the proposed planning effort will remove barriers to the provision of public facilities to the colonia area(s) and result in the development of an implementable strategy to resolve the identified needs; the planning activities proposed in the application; whether each proposed planning activity will be conducted on a colonia-wide basis; the extent to which any previous planning efforts for colonia area(s) have been accomplished; the CDBG cost per LMI beneficiary; the availability of funds to the applicant for project financing from other sources; the applicant's past performance on previously awarded CDBG contracts; benefit to LMI persons; and matching funds.<br>Colonia Fund: Planning (Comprehensive). The selection criteria for the Colonia Fund: Planning will focus upon the following factors: community distress; percentage of people living in poverty; per capita income; percentage of housing units without complete plumbing; unemployment rate; project design; the severity of need for the comprehensive colonia planning effort and how effectively the proposed comprehensive planning effort will result in a useful assessment of colonia populations, locations, infrastructure conditions, housing conditions, and the development of short-term and long term strategies to resolve the identified needs; the extent to which any previous planning efforts for colonia area(s) have been accomplished; whether the applicant has provided any local matching funds for the planning or preliminary engineering activities; the applicant's past performance on previously awarded CDBG contracts; and award history (an applicant that has previously received a CDBG comprehensive planning award would receive lower priority for funding). |
| | **If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)** | Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov. |

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| | **Describe how resources will be allocated among funding categories.** | The State CDBG allocation 6.75% (approximately) is allocated to the Colonia Fund. Of the yearly CDBG allocation to the Colonia Construction and Planning Fund, 97.5% (approximately) of those funds are to award grants through the CFC and 2.5% (approximately) are to award grants through the CFP. Subsequent to awarding funds, any portion of the CFC allocation that is unable to be awarded (i.e., fund an application in the minimum amount of $75,000, etc.) may be used to fund additional eligible CFP applications, and conversely, any portion of the CFP allocation that is unable to be awarded may be used to fund additional eligible CFC applications. |
| | **Describe threshold factors and grant size limits.** | CFP Maximum $100,000/Minimum $0<br>CFC Maximum $500,000/Minimum $75,000 |
| | **What are the outcome measures expected as a result of the method of distribution?** | Activities Benefiting LMI Persons |
| 3 | **State Program Name:** | Colonia SHC Legislative Set-Aside (administered by TDHCA) |
| | **Funding Sources:** | CDBG<br>CDBG Colonias Set-aside |
| | **Describe the state program addressed by the Method of Distribution.** | Administered by TDHCA and funded through CDBG, the Colonia SHC Program serves colonias along the Texas-Mexico border. Colonia SHCs provide concentrated on-site technical assistance to low- and very low-income individuals and families in a variety of ways including housing, community development activities, infrastructure improvements, outreach and education. Key services include: housing rehabilitation; new construction; surveying and platting; construction skills training; tool library access for self-help construction; housing finance; credit and debt counseling; grant writing; infrastructure construction and access; contract-for-deed conversions; and capital access for mortgages. |
| | **Describe all of the criteria that will be used to select applications and the relative importance of these criteria.** | Approximately 42,000 residents live in the targeted colonias served by the colonia SHC Program. The SHCs process applications from income eligible households on a first come, first served basis. Eligible households must reside in one of the targeted colonias, which have been preselected by each recipient and county and confirmed by C-RAC. Households must earn less than 80% of AMI. |

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| | **If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)** | Colonia SHCs are limited statutorily and serve seven targeted colonias within their associated participating county. The SHCs and TDHCA's Border Field Offices both conduct outreach activities throughout the contract period to inform colonia residents of program benefits and eligibility criteria and to provide application assistance. |
| | **Describe how resources will be allocated among funding categories.** | Of the State CDBG allocation, 2.5% (approximately) is allocated to this fund. Counties that are statutorily designated to participate in the Colonia SHC Program propose which target colonias should receive concentrated attention and through what scope of program activities and funding. Each SHC designs a proposal unique to the needs of a specific community and based on a needs assessment. After a C-RAC, composed of residents from previously participating colonias, reviews and approves the proposals from the counties, the proposals are then reviewed and approved by the TDHCA's Board of Directors for implementation. Resources are allocated based on analysis and input from each community. |
| | **Describe threshold factors and grant size limits.** | Maximum $1,000,000/Minimum $500,000<br>For the colonia SHC, program rules limit the assistance to up to $1,000,000 per colonia SHC per contract period. Each program activity, such as new construction, rehabilitation, and small repairs for housing, for example, are limited to specific dollar amounts. |
| | **What are the outcome measures expected as a result of the method of distribution?** | For the Colonia SHC Program, outcomes include: colonia residents assisted, housing units assisted or created, instances of technical assistance provided, and instances of information delivered. In general, this is Activities Benefiting LMI Persons. |
| 4 | **State Program Name:** | Colonias to Cities Initiative Program |
| | **Funding Sources:** | CDBG<br>CDBG Colonias Set-aside |
| | **Describe the state program addressed by the Method of Distribution.** | The Colonia to Cities Initiative ("CCIP")provides funding for basic infrastructure considered necessary for a colonia area to be annexed by an adjoining city. Priority is given to colonias that have received prior CDBG funding. Both the county and city must submit a multi-jurisdictional pre-application for the project that includes a resolution from each jurisdiction. The city's resolution must include a firm commitment to annex the colonia upon completion of the project. Failure to annex the colonia may result in a requirement to repay the CDBG funding to TDA. |

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| | **Describe all of the criteria that will be used to select applications and the relative importance of these criteria.** | The TDA will evaluate the following factors prior to awarding CCIP funds:<br>• the proposed use of the TxCDBG funds including the eligibility of the proposed activities;<br>• the ability of the community to utilize the grant funds in a timely manner;<br>• the availability of funds to the community for project financing from other sources;<br>• the community's past performance on previously awarded TxCDBG contracts, if applicable;<br>• cost per beneficiary; and<br>• commitment by the city to annex the colonia area within one year of project completion.<br>If applications exceed the available funding, the Department may use the scoring factors established for the Colonia Fund-Construction component. |
| | **If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)** | Eligible applicants will be notified if funds become available. |
| | **Describe how resources will be allocated among funding categories.** | If there are an insufficient number of projects ready for CEDAP funding, the CEDAP funds may be transferred to the Colonias to Cities Initiative. |
| | **Describe threshold factors and grant size limits.** | Minimum $100,000/Maximum $1,000,000 |
| | **What are the outcome measures expected as a result of the method of distribution?** | Activities Benefiting Low and Moderate Income ("LMI") Persons |
| **5** | **State Program Name:** | Community Development Fund |
| | **Funding Sources:** | CDBG |

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| | **Describe the state program addressed by the Method of Distribution.** | The Community Development ("CD") Fund is available on a biennial basis through a competition in each of the State's 24 planning regions. The goal of the CD Fund is to develop viable communities by providing decent housing, viable public infrastructure, and a suitable living environment, principally for persons of low to moderate income. Applicants are encouraged to provide for infrastructure and housing activities that will improve opportunities for LMI persons. When considering and designing projects, applicants must continue to consider project activities that will affirmatively further fair housing, which includes project activities that provide basic infrastructure (such as water, sewer, and roads) that will benefit residential housing and other housing activities. |
| | **Describe all of the criteria that will be used to select applications and the relative importance of these criteria.** | CD applicants are scored using a shared system with 90% of the scoring criteria established by Regional Review Committees ("RRC") and 10% established by the state's scoring criteria. There is a Regional Review Committee in each of the 24 State planning regions. Each RRC will be comprised of 12 members appointed at the pleasure of the Texas Commissioner of Agriculture. A quorum of seven members is required for all public hearings. Each RRC is responsible for determining local project priorities and objective scoring criteria for its region for the CD Fund in accordance with the requirements in this Action Plan. Additionally, the RRC shall establish the numerical value of the points assigned to each scoring factor and determine the total combined points for all RRC scoring criteria. The Regional Review Committees are responsible for convening public hearings to discuss and select the objective scoring criteria that will be used to score and rank applications at the regional level. The public must be given an opportunity to comment on the priorities and the scoring criteria considered. The final selection of the scoring criteria is the responsibility of each RRC and must be consistent with the requirements in this Action Plan. The RRC may not adopt scoring factors that directly negate or offset the State's scoring factors. Each RRC shall develop a RRC Guidebook, in the format provided by TDA, to notify eligible applicants of the objective scoring criteria and other RRC procedures for the region. The Guidebook must be submitted to TDA and approved at least ninety days prior to the application deadline.<br>The state scoring will be based on the following:<br>1. Past selection - 4% of Maximum Possible RRC Score for each region.<br>2. Past Performance- 4% of Maximum Possible RRC Score for each region.<br>3. All project activities within the application would provide basic infrastructure or housing activities - 2% of Maximum Possible RRC Score for each region. (Basic infrastructure - the basic physical shared facilities serving a community's population consisting of water, sewage, roads and flood drainage. Housing activities - as defined in 24 Code of Federal Regulations ("CFR") Part 570.) |

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| | **If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)** | Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov. |
| | **Describe how resources will be allocated among funding categories.** | 64.83% (approximately) of the State CDBG allocation is allocated to this fund. |
| | **Describe threshold factors and grant size limits.** | Minimum $75,000/Maximum $800,000, regions may establish additional grant amount limits. |
| | **What are the outcome measures expected as a result of the method of distribution?** | Activities Benefiting LMI Persons |
| 6 | **State Program Name:** | Community Enhancement Fund |
| | **Funding Sources:** | CDBG |
| | **Describe the state program addressed by the Method of Distribution.** | The Community Enhancement ("CEF") Fund provides a source of funds (when available) not available through other CDBG programs to stimulate a community's economic development efforts and improve self-sufficiency. The project must have the potential to benefit all citizens within a jurisdiction. The community project must provide a benefit that will enhance the overall quality of life in the rural community. |
| | **Describe all of the criteria that will be used to select applications and the relative importance of these criteria.** | The selection criteria for the Community Enhancement Fund will focus on the following factors:<br>a. LMI percentage of the applicant;<br>b. Partnerships;<br>c. Multi-Purpose Facility or Public Safety Equipment;<br>d. Sustainability; and<br>e. Match. |

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| | **If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)** | Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov. |
| | **Describe how resources will be allocated among funding categories.** | Deobligated funds up to $3,000,000 are made available for the CE Fund on the first day of a program year. |
| | **Describe threshold factors and grant size limits.** | Minimum $50,000/Maximum $500,000 |
| | **What are the outcome measures expected as a result of the method of distribution?** | Activities Benefiting LMI Persons |
| 7 | **State Program Name:** | Disaster Relief Funds |
| | **Funding Sources:** | CDBG |
| | **Describe the state program addressed by the Method of Distribution.** | Disaster Relief ("DR") Fund assistance is available as needed for eligible activities in relief of disaster situations where either a state or federal disaster declaration has been issued.<br>Declaration other than Drought: Priority for the use of these funds is for repair and restoration activities that meet basic human needs (such as water and sewer facilities, housing, and roads), and may not include funding to construct public facilities that did not exist prior to the occurrence of the disaster.<br>Declaration for Drought: Funding in response to a Governor's drought disaster declaration covering the area that would benefit from project activities must include new facilities to improve water supply, subject to the conditions set forth in Title 4, Part 1, Chapter 30, Subchapter A of the Texas Administrative Code. |

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| | **Describe all of the criteria that will be used to select applications and the relative importance of these criteria.** | To qualify for the DR Fund:<br>a. The situation addressed by the applicant must be both unanticipated and beyond the control of the local government.<br>b. The problem being addressed must be of recent origin. For DR Fund assistance, this means that the application for assistance must be submitted no later than 12 months from the date of the state or federal disaster declaration.<br>c. Funds will not be provided under Federal Emergency Management Agency's ("FEMA's") Hazard Mitigation Grant Program for buyout projects unless TDA receives satisfactory evidence that the property to be purchased was not constructed or purchased by the current owner after the property site location was officially mapped and included in a designated flood plain area.<br>d. Each applicant must demonstrate that adequate local funds are not available, i.e., the entity has less than six months of unencumbered general operations funds available in its balance as evidenced by the last available audit required by state statute, or funds from other state or federal sources are not available to completely address the problem.<br>e. TDA may consider whether funds under an existing CDBG contract are available to be reallocated to address the situation.<br>f. f. The distribution of these funds will be coordinated with other state agencies. |
| | **If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)** | Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov. |
| | **Describe how resources will be allocated among funding categories.** | 4.10% (approximately) of the State CDBG allocation is allocated to the DR Fund.<br>Deobligated funds up to $1,000,000 are made available for the DR Fund on the first day of a program year, and additional deobligated funds may be allocated to the DR Fund according to the procedures described in the Additional Detail on Method of Distribution section following this table. The amount for this fund category may be adjusted during the program year as needed. |

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| | **Describe threshold factors and grant size limits.** | Maximum $350,000/Minimum $50,000 |
| | **What are the outcome measures expected as a result of the method of distribution?** | Meet other community development needs of particular urgency which represent an immediate threat to the health and safety of residents of the community. |
| 8 | **State Program Name:** | General HOME Funds for Single-Family Activities |
| | **Funding Sources:** | HOME |
| | **Describe the state program addressed by the Method of Distribution.** | TDHCA awards single-family activity funds as grants and loans through a network of local administrators for Homeowner Rehabilitation, Homebuyer Assistance, and TBRA. Assistance length and term depends on the type of activity. The funds are initially being made available competitively on a regional basis, then later remaining funds are made available statewide on a first-come, first-served Reservation System, a contract-based system or some combination of these two methods. The method will be described in NOFAs and is informed by needs analysis, oversubscription for the activities, and public input. |

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| | **Describe all of the criteria that will be used to select applications and the relative importance of these criteria.** | Applicants must comply with requirements stated in NOFAs, the Single-Family Programs Umbrella Rule, and State HOME Program Rules in effect at the time they receive their award.<br>Review of Applications<br>All programs will be operated through direct administration by TDHCA, reallocation of deobligated funding and program income, or through the release of Notices of Funding Availability ("NOFA") with an emphasis on geographic dispersion of funds, particularly in rural areas of the state, using a Regional Allocation Formula ("RAF") which uses objective measures to determine rural housing needs such as poverty and substandard housing. For NOFAs, applicants must submit a complete application to be considered for funding, along with an application fee determined by TDHCA. Applications received by TDHCA will be reviewed for applicable threshold, eligibility and/or scoring criteria in accordance with the Department's rules and application review procedures published in the NOFA and/or application materials. Information related to NOFAs, application requirements and fees, and application review procedures and materials is available at http://www.tdhca.state.tx.us/home-division/index.htm.<br>Selection Process<br>Qualifying applications are recommended for funding based on the Department's rules and any additional requirements established in the NOFA. Applications submitted for development activities will also receive a review for financial feasibility, underwriting and compliance under the HOME Final Rule as well as the Department's existing previous participation review process.<br>The state may select subrecipients or state recipients as described in program rules and NOFAs, or may conduct a portion of HOME activities directly in accordance with §92.201.<br>Deobligated HOME Program Funds<br>When administrators have not successfully expended the HOME funds within their contract period, TDHCA de-obligates the funds and pools the dollars for redistribution according to TDHCA's Deobligated Funds Policy at 10 TAC §1.5, and consistent with the reservation system and any open NOFAs. TDHCA may also reallocate these funds through a competitive NOFA process resulting in an award of funds. |

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| | **Describe how resources will be allocated among funding categories.** | TDHCA announces the annual allocation of HOME Single-Family funds through a NOFA and specifies that the funds will initially be made available using a Regional Allocation Formula ("RAF") which divides funds among 26 sub-regions as required by state statute. The allocation method is developed based on a formula which considers need and funding availability. After a period of several months, regional allocations collapse. Following the release of the annual allocation through the RAF, TDHCA periodically adds HOME program income and deobligated funds to the funds available via the Reservation System and either allocates a specific amount of funds per activity based on funding priorities or may allow HOME administrator's requests for funding through the system to determine how the funds are finally allocated among fund categories. TDHCA may specify the maximum amount of funds that will be released for each activity type and may allocate funds via a first come, first served Reservation System or alternate method based on public comment. |
| | **Describe threshold factors and grant size limits.** | Applicants must comply with requirements stated in the HOME NOFA and State HOME Program Rules in effect the year they receive their award. These sources provide threshold limits and grant size limits per activity type. |
| | **What are the outcome measures expected as a result of the method of distribution?** | Assistance to LMI households. |
| 9 | **State Program Name:** | HOME Multifamily Development |
| | **Funding Sources:** | HOME |
| | **Describe the state program addressed by the Method of Distribution.** | The Multifamily Direct Loan Program awards loans to for-profit and nonprofit multifamily developers to construct and rehabilitate affordable rental housing. These loans typically carry a 0% to 5% interest rate and have terms ranging from 15 years to 40 years. The vast majority of the loans are made in conjunction with awards of 4% or 9% HTCs. |
| | **Describe all of the criteria that will be used to select applications and the relative importance of these criteria.** | TDHCA's Uniform Multifamily Rules set forth a minimum set of requirements that document a project owner's readiness to proceed with the development as evidenced by site control, notification of local officials, the availability of permanent financing, appropriate zoning for the site, and a market and environmental study. Additionally, the development must be near certain community assets. HOME Multifamily Direct Loan ProgramProgram funds are typically awarded on a first-come, first-served basis, as long as the criteria above are met. For HOME Multifamily Direct Loan Program applications layered with 9% HTCs, the highest scoring applications in the 9% cycle that also request HOME funds take priority over lower scoring HOME Multifamily Development applications that may have been received earlier. |

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| | **Describe how resources will be allocated among funding categories.** | Typically, of the HOME Multifamily Funds, 85% is available for general activities and 15% for Community Housing Development Organizations ("CHDOs"). However, the HOME Multifamily Direct Loan Program may make funds available annually under the General, Persons With Disabilities, and CHDO Set-Asides. |
| | **Describe threshold factors and grant size limits.** | TDHCA's Uniform Multifamily Rules set forth a minimum set of requirements that document a project owner's readiness to proceed with the development as evidenced by site control, notification of local officials, the availability of permanent financing, experience of the developer, appropriate zoning for the site, and a market and environmental study. Additionally, the development must be near certain community assets such as a bank, pharmacy, or medical office and have certain unit amenities and common amenities. Awards of HOME Multifamily Direct Loan Program funds range from approximately $300,000 to $3 million per application in the form of a loan. |
| | **What are the outcome measures expected as a result of the method of distribution?** | Assistance to LMI households. |
| 10 | **State Program Name:** | Local Revolving Loan Funds |
| | **Funding Sources:** | CDBG |
| | **Describe the state program addressed by the Method of Distribution.** | TxCDBG allows communities that received Texas Capital Fund awards to support job creation or retention, and that created a local revolving loan fund, prior to implementation of the interim rule published November 12, 2015, to retain the program income generated by the economic development activities and to reinvest the funds to support job creation/retention activities. |
| | **Describe all of the criteria that will be used to select applications and the relative importance of these criteria.** | Criteria are established by local subrecipients, with guidance from the TxCDBG Revolving Loan Fund Information Guide provided by TDA. |

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| | **If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)** | The TxCDBG Revolving Loan Fund Information Guide is provided directly to subrecipients that have established revolving loan funds. |
| | **Describe how resources will be allocated among funding categories.** | Program Income generated by a local RLF is retained by that community or returned to TDA for distribution according to the Action Plan. See "Grantee Unique Appendices" for table of local revolving loan funds. |
| | **Describe threshold factors and grant size limits.** | Minimum loan amount: $25,000. Additional parameters for minimum or maximum loan amounts may be established by the subrecipient. |
| | **What are the outcome measures expected as a result of the method of distribution?** | Activities Benefitting LMI Persons through Job Creation/Retention |
| **11** | **State Program Name:** | National Housing Trust Fund |
| | **Funding Sources:** | Housing Trust Fund |
| | **Describe the state program addressed by the Method of Distribution.** | The NHTF Program awards loans to for-profit and nonprofit multifamily developers to construct and rehabilitate multifamily affordable housing. Because the NHTF is required to benefit ELI households at 30% of AMI or less, the units will likely not be able to service a debt payment. The constraints on NHTF dictate that the funds be available as 0% interest, deferred payment loan, or as a 0% interest cash flow loans, if required, to leverage with tax credits or other financing mechanisms. |

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| | **Describe all of the criteria that will be used to select applications and the relative importance of these criteria.** | TDHCA's Uniform Multifamily Rules set forth a minimum set of requirements that document a project owner's readiness to proceed with the development as evidenced by site control, notification of local officials, the availability of permanent financing, appropriate zoning for the site, and a market and environmental study.<br>Additionally, the development must be near certain community assets. TDHCA Multifamily Direct Loan Program funds are typically awarded on a first-come, first-served basis, as long as the criteria above are met. For NHTF Multifamily Development applications layered with 9% HTCs, the highest scoring applications in the 9% cycle that also request NHTF funds take priority over lower scoring HOME NHTF Multifamily Development applications. Applications that will create new ELI units without preexisting vouchers or other rental subsidy will be prioritized, and additional criteria may be imposed for applications not layered with tax credits. |
| | **Describe how resources will be allocated among funding categories.** | Multifamily Direct Loan Program<br>NHTF will not be allocated among funding categories. The requirement to serve ELI households already meets a setaside category in TDHCA Multifamily programs. |
| | **Describe threshold factors and grant size limits.** | TDHCA's Uniform Multifamily Rules set forth a minimum set of requirements that document a project owner's readiness to proceed with the development as evidenced by site control, notification of local officials, the availability of permanent financing, experience of the developer, appropriate zoning for the site, and a market and environmental study. Additionally, the development must be near certain community assets such as a bank, pharmacy, or medical office and have certain unit amenities and common amenities. NHTF will be integrated into the TDHCA Multifamily Direct Loan Program. Awards may range from approximately $300,000 to $3 million per application in the form of a loan for this program. |
| | **What are the outcome measures expected as a result of the method of distribution?** | Assistance to ELI households. |
| 12 | **State Program Name:** | Planning/Capacity Building Fund |
| | **Funding Sources:** | CDBG |
| | **Describe the state program addressed by the Method of Distribution.** | The Planning/Capacity Building ("PCB") Fund is available to assist eligible cities and counties in conducting planning activities that assess local needs, develop strategies to address local needs, build or improve local capacity, or that include other needed planning elements (including telecommunications and broadband needs). |

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| | **Describe all of the criteria that will be used to select applications and the relative importance of these criteria.** | The selection criteria for the PCB Fund will focus upon the following factors:<br>a. Community Distress;<br>b. Percentage of persons living in poverty;<br>c. Per capita income;<br>d. Unemployment rate;<br>e. Benefit to LMI Persons;<br>f. Project Design;<br>g. Program Priority;<br>h. Base Match;<br>i. Area-wide Proposals; and<br>j. g. Planning Strategy and Products. |
| | **If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)** | Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov. |
| | **Describe how resources will be allocated among funding categories.** | 1.0% (approximately) of the State CDBG allocation is allocated to this fund. |
| | **Describe threshold factors and grant size limits.** | Minimum $0/Maximum $55,000 |
| | **What are the outcome measures expected as a result of the method of distribution?** | Activities Benefiting LMI Persons |
| **13** | **State Program Name:** | State Mandated Contract for Deed Conversion Set-Aside |
| | **Funding Sources:** | HOME |

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| | **Describe the state program addressed by the Method of Distribution.** | The 81st Texas Legislature passed Appropriations Rider 6 to TDHCA's appropriation pattern, which requires TDHCA to spend no less than $4 million for the biennium on contract for deed conversions for families that reside in a colonia and earn 60% or less of the applicable Area Median Income ("AMI"). Furthermore, TDHCA is targeted to convert no less than 200 contracts for deed into traditional notes and deeds of trust by August 31, 2016. The intent of this program is to help colonia residents become property owners by converting their contracts for deed into traditional mortgages. Households served under this initiative must not earn more than 60% of the Area Median Family Income ("AMFI") and the home converted must be their primary residence. |
| | **Describe all of the criteria that will be used to select applications and the relative importance of these criteria.** | Administrators must meet HOME Program threshold requirements to access funding. Funding is made available to contract for deed administrators on a first-come, first-served basis, in addition to threshold requirements outlined in the State HOME Program Rule, through the Reservation System. |
| | **Describe how resources will be allocated among funding categories.** | TDHCA sets aside $2,000,000 for contract for deed conversion activities annually and releases the funds through the reservation system as a method of distribution. |
| | **Describe threshold factors and grant size limits.** | Applicants must meet the thresholds provided in the NOFA and State HOME Program Rules in effect the year in which they receive their award. Administrators are not awarded a grant following a successful application. Rather funds are awarded on a household by household basis. |
| | **What are the outcome measures expected as a result of the method of distribution?** | Assistance to households with incomes at or below 60% AMFI. |
| **14** | **State Program Name:** | TCF Main Street Program |
| | **Funding Sources:** | CDBG |
| | **Describe the state program addressed by the Method of Distribution.** | The Texas Capital Fund ("TCF") Main Street Program provides eligible Texas Main Street communities with grants to expand or enhance public infrastructure in historic main street areas. |

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| | **Describe all of the criteria that will be used to select applications and the relative importance of these criteria.** | The selection criteria for the TCF Main Street Program will focus upon the following factors:<br>a. Applicant Need criteria, including poverty rate, median income, unemployment rate, and community need;<br>b. Project criteria, including leverage, economic development consideration, sidewalks projects and Americans with Disabilities Act ("ADA") compliance, broad-based public support, emphasis on benefit to LMI persons, and grant application training; and<br>c. Main Street program criteria, including National Main Street program recognition, Main Street program participation, historic preservation ethic impact. |
| | **If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)** | Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov. |
| | **Describe how resources will be allocated among funding categories.** | 6% of the total TCF allocation up to a maximum amount of $600,000, and program income up to $150,000 (if available). |
| | **Describe threshold factors and grant size limits.** | Maximum $250,000/Minimum $50,000 |
| | **What are the outcome measures expected as a result of the method of distribution?** | Eliminate or prevent slum and blight conditions. |
| 15 | **State Program Name:** | TCF Real Estate and Infrastructure Development Programs |
| | **Funding Sources:** | CDBG |
| | **Describe the state program addressed by the Method of Distribution.** | The Texas Capital Fund ("TCF") Real Estate and Infrastructure Development Programs provides grants and/or loans for Real Estate and Infrastructure Development to create or retain permanent jobs in primarily rural communities and counties. |

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| | **Describe all of the criteria that will be used to select applications and the relative importance of these criteria.** | The selection criteria for the TCF Real Estate and Infrastructure Development will focus upon the following factors:<br>a. Job creation criteria:<br>i. Cost-per-job,<br>ii. Job impact,<br>iii. Wage impact, and<br>iv. Primary jobs created/retained;<br>b. Unemployment rate; and<br>c. Return on Investment.<br>Once applications are evaluated and determined to be in the funding range the projects will be reviewed upon the following additional factors:<br>a. History of the applicant community in the program;<br>b. Strength of the business or marketing plan;<br>c. Evaluation of the business and the business' principal owners credit;<br>d. Evaluation of community and business need; and<br>e. e. Justification of minimum necessary improvements to serve the project. |
| | **If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)** | Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov. |

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| | **Describe how resources will be allocated among funding categories.** | 14.51% of the State CDBG allocation is allocated to the Real Estate and Infrastructure Development Programs minus the lesser of 18% or $1,800,000 of the total TCF allocation. In addition, program income funds generated by TCF projects and not otherwise allocated are made available for the Real Estate and Infrastructure Development Programs on the first day of a program year.<br>In accordance with 24 CFR 570.479(e)(ii), the State has determined that program income generated by TCF during PY 2016 must be returned to the State for redistribution to new economic development activities. TCF awards are made for a specific project, based on the minimum necessary work to support the creation or retention of specific jobs, which must be completed prior to close out of the TCF contract. Therefore the community is unlikely to continue funding the same activity in the near future as described in the new regulation. |
| | **Describe threshold factors and grant size limits.** | Maximum $1,500,000/Minimum $150,000 |
| | **What are the outcome measures expected as a result of the method of distribution?** | Activities Benefiting LMI Persons |
| **16** | **State Program Name:** | TCF Small and Micro Enterprise Revolving Fund |
| | **Funding Sources:** | CDBG |
| | **Describe the state program addressed by the Method of Distribution.** | The Texas Capital Fund ("TCF") Small and Micro Enterprise Revolving Fund provides grants to local partnerships of communities and non-profit organizations to establish a local revolving loan fund, providing loans to local small businesses that commit to create or retain permanent jobs. |
| | **Describe all of the criteria that will be used to select applications and the relative importance of these criteria.** | The selection criteria for the Small and Micro Enterprise Revolving Fund will focus on the following factors:<br>a. Community Need;<br>b. Non-Profit Loan Capacity; and<br>c. Multi-jurisdictional applications. |

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| | **If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)** | Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov. |
| | **Describe how resources will be allocated among funding categories.** | Program Income funds up to $1,500,000 are made available for the Small and Micro Enterprise Revolving Fund on the first day of a program year. |
| | **Describe threshold factors and grant size limits.** | $100,000 per award |
| | **What are the outcome measures expected as a result of the method of distribution?** | Activities Benefiting LMI Persons |
| **17** | **State Program Name:** | Texas Capital Fund Downtown Revitalization Program |
| | **Funding Sources:** | CDBG |
| | **Describe the state program addressed by the Method of Distribution.** | The Texas Capital Fund ("TCF") Downtown Revitalization Program awards grant funds for public infrastructure to foster and stimulate economic development in rural downtown areas. |
| | **Describe all of the criteria that will be used to select applications and the relative importance of these criteria.** | The selection criteria for the TCF Downtown Revitalization Program will focus upon the following factors:<br>a. Applicant Need criteria, including poverty rate, median income, unemployment rate, and community need;<br>b. Project criteria, including leverage, economic development consideration, sidewalks projects, and ADA compliance, broad-based public support, emphasis on benefit to LMI persons, and grant application training; and<br>c. Past Performance. |

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| | **If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)** | Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov. |
| | **Describe how resources will be allocated among funding categories.** | 12% of the total TCF allocation up to a maximum of amount $1,200,000, and program income up to $350,000 (if available). |
| | **Describe threshold factors and grant size limits.** | Maximum $250,000/Minimum $50,000 |
| | **What are the outcome measures expected as a result of the method of distribution?** | Eliminate or prevent slum and blight conditions. |
| 18 | **State Program Name:** | Texas ESG Program |
| | **Funding Sources:** | ESG |
| | **Describe the state program addressed by the Method of Distribution.** | The ESG Program is currently a competitive grant that awards funds to private nonprofit organizations, cities, and counties in the State of Texas to provide the services necessary to help persons that are at-risk of homelessness or homeless quickly regain stability in permanent housing. TDHCA ran a pilot program in 2014 and 2015 with two local Continuum of Care ("CoC") lead agencies to run a local competition of state ESG funding in their respective CoC regions. TDHCA expanded that pilot in 2016 to five CoC lead agencies, giving them more local control of the use of funds in their service areas. Applicants in the CoC regions in which the lead agency is running a local competition will apply directly to the CoC lead agency for TDHCA ESG funding. Applicants in the CoC regions in which the lead agency is not running a local competition will apply directly to the TDHCA for ESG funding. Ultimate award authority for all ESG funds remains with TDHCA's Board. |

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| | **Describe all of the criteria that will be used to select applications and the relative importance of these criteria.** | In the competitive process with TDHCA, applications are selected based on:<br>• Program Description and Capacity (11%);<br>• Proposed Performance (74%);<br>• Proposed Budget and Match (8%);<br>• CoC Participation and Coordination (6%);<br>• Language Access Plan (1%); and<br>• Past Performance of Subrecipients in ESG Expenditure and Reporting (negative scores only<br>The allocation amounts are established by formula by CoC region. Any funds returned to the Department from prior ESG awards before 2016 ESG awards are made, will be redistributed in accordance with the 2015 NOFA. |
| | **Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)** | For the competitive process, Texas releases a NOFA each spring in anticipation of the State's receipt of ESG funding. For 2016, Applications will be accepted for a 50-day period. Applications are scored and ranked within their CoC regions.<br>Eligible applicant organizations are Units of General Purpose Local Government, including cities, counties and metropolitan cities; urban counties that receive ESG funds directly from HUD; and organizations as described in a NOFA or other funding mechanism. Other instrumentalities of a city or county, like an LMHA, may be eligible and should seek guidance from TDHCA to determine if they can apply. Governmental organizations such as Public Housing Authorities ("PHAs") are not eligible and cannot apply directly for ESG funds; however PHAs may serve as a partner in a collaborative Application, but may not be the lead entity. These same criteria will apply to those entities awarded directly by the CoCs as well.<br>Eligible applicant organizations also include private nonprofit organizations that are secular or religious organizations described in section 501(c) of the Internal Revenue Code of 1986, are exempt from taxation under subtitle A of the Code, have an acceptable accounting system and a voluntary board, and practice non-discrimination in the provision of assistance. Faith-based organizations receiving ESG funds, like all organizations receiving HUD funds, must serve all eligible beneficiaries without regard to religion. |
| | **Describe how resources will be allocated among funding categories.** | ESG funds may be used for six program components: street outreach, emergency shelter, homelessness prevention, rapid re-housing assistance, HMIS, and administrative activities. Per 24 CFR §576.100(b), the total amount of an Applicant's budget for street outreach and emergency shelter cannot exceed 60% of their total requested amount. Within a Collaborative Application, the 60% limit applies to the entire Application and not to each partner within the Collaborative Application. This requirement will also apply in the CoC local competition method. |

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| | **Describe threshold factors and grant size limits.** | Within each CoC region, applicants may request no less than $125,000 unless the initial amount available in the region is less than $125,000. In those cases, applicants may request an amount no less than the available allocation for that region. Single applicants may request a maximum of $150,000. For a collaborative application, the maximum request amount is $150,000 times the number of partners in the application, with a maximum request of $600,000. The minimum request for a collaborative application is $125,000, unless the initial amount available in the region is less than $125,000. In those cases the collaborative applicant may request an amount no less than the available allocation for that region. In a collaborative application, each partner is not limited to budgeting $150,000 each; the total grant amount may be budgeted among all partners as agreed upon. These numbers may be adjusted depending on the final allocation from HUD. If funds are being awarded by CoCs, they will establish these factors and limits with TDHCA approval. They will not necessarily reflect these factors, but will reflect a local decision-making process. |
| | **What are the outcome measures expected as a result of the method of distribution?** | The expected outcome is that funds will be awarded to organizations that have the administrative and performance capacity to provide the services needed in their communities. The expected outcome of TDHCA's plan to fund the CoCs directly is that the same will be accomplished, but with CoC-wide planning rather than with only State planning. |
| **19** | **State Program Name:** | Texas HOPWA Program |
| | **Funding Sources:** | HOPWA |
| | **Describe the state program addressed by the Method of Distribution.** | DSHS selects seven AAs across the state through a combination of competitive Requests for Proposal ("RFP") and intergovernmental agency contracts. The AAs act as an administrative arm for DSHS by administering the HOPWA program locally. The AAs do not receive any HOPWA administrative funds from DSHS; all AA administrative costs are leveraged from other funding sources. The AAs, in turn, select HOPWA Project Sponsors to cover all 26 HSDAs through local competitive processes |

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| | **Describe all of the criteria that will be used to select applications and the relative importance of these criteria.** | Information on grant applications, available funding opportunities, application criteria, etc. can be found on the DSHS website: http://www.dshs.state.tx.us/fic/default.shtm. Contracting information and resources (i.e., General Provisions, contract requirements, etc.) are located on the DSHS website: http://www.dshs.state.tx.us/contracts/default.shtm.<br>Contracting services for DSHS and other Health agencies are consolidated under the Health and Human Services Commission's Procurement and Contracting Services (PCS) Division. This division handles the solicitation, contract development, contract execution, and office of record for DSHS's contracting needs.<br>Evaluation Criteria as noted in the most recent RFP process for AAs for Ryan White/State Services and HOPWA programs were: Respondent Background = 30%; Assessment Narrative = 15%; Performance Measures = 10%; Work Plan = 35%; and Budget = 10%. |
| | **Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)** | The AAs select HOPWA Project Sponsors to cover all 26 HSDAs through local competitive processes. Community-based organizations, minority organizations, minority providers, grassroots and faith-based organizations are encouraged to apply. Historically, many of the agencies that have provided services to TDHCA's client population are grassroots, community-based, and minority organizations. |
| | **Describe how resources will be allocated among funding categories.** | Texas HOPWA funding allocations are geographically distributed across the state to the 26 HSDAs based on factors such as population of PLWH and unmet need. Texas HOPWA serves PLWH and their family members, all of whom are at or below 80% of AMI, and most fall into the extremely low-income category. Allocations generally mirror the Ryan White Program allocation formula, which takes into account population of PLWH, HIV incidence, number of PLWH accessing Ryan White services, percent of PLWH eligible for Medicaid, and other considerations. The allocations are then adjusted based on unmet need, prior performance and expenditures, geographic-specific data provided by Project Sponsors, and any other relevant factors. After allocations to each HSDA are determined, it is then up to the Project Sponsor to allocate between activities of TBRA, STRMU, PHP, Supportive Services, and administrative expenses (not to exceed 7% of their allocation) and submit those to their AA and DSHS for approval. Project Sponsors base allocations on many factors, including but not limited to, number of clients projected to continue into the next year, area unmet need, rental costs, prior number of clients served, average expenditures per client, and changes in HIV population living in poverty, etc. Funds are also reallocated during the year within HSDAs under each AA as needed when needs change. |

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| | **Describe threshold factors and grant size limits.** | Texas HOPWA serves PLWH and their family members, all of whom are at or below 80% of AMI.<br>The majority of HOPWA clients are classified as extremely low income, which is between 0% and 30% of AMI. |
| | **What are the outcome measures expected as a result of the method of distribution?** | Outcome measures are number of unduplicated income-eligible clients and families living with HIV (households) assisted with each HOPWA service category (TBRA, STRMU, PHP if applicable, and Supportive Services). |
| **20** | **State Program Name:** | Texas Small Towns Environment Program Fund |
| | **Funding Sources:** | CDBG |
| | **Describe the state program addressed by the Method of Distribution.** | The Texas Small Towns Environment Program ("STEP") Fund provides funds to cities and counties that recognize the need and potential to solve water and sewer problems through self-help techniques via local volunteers. By utilizing the resources of the community (human, material, and financial), the necessary construction, engineering, and administration costs can be reduced significantly from the cost for the installation of the same improvements through conventional construction methods.<br>The self-help response to water and sewer needs may not be appropriate in every community. In most cases, the decision by a community to utilize self-help to obtain needed water and sewer facilities is based on the realization of the community that it cannot afford even a basic water or sewer system based on the initial construction costs and the operations/maintenance costs (including debt service costs) for water or sewer facilities installed through conventional financing and construction methods. |
| | **Describe all of the criteria that will be used to select applications and the relative importance of these criteria.** | The following are the selection criteria to be used by CDBG staff for the scoring of assessments and applications under the Texas STEP Fund:<br>a. Project Impact<br>b. STEP Characteristics, Merits of the Project, and Local Effort<br>c. Past Participation and Performance<br>d. Percentage of Savings off of the retail price<br>e. Benefit to Low/Moderate-Income Persons |

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| | **If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)** | Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov |
| | **Describe how resources will be allocated among funding categories.** | Deobligated funds up to $1,000,000 are made available for the STEP Fund on the first day of the program year. |
| | **Describe threshold factors and grant size limits.** | Maximum $350,000/Minimum $0 |
| | **What are the outcome measures expected as a result of the method of distribution?** | Activities Benefiting LMI Persons |
| **21** | **State Program Name:** | Urgent Need Fund |
| | **Funding Sources:** | CDBG |
| | **Describe the state program addressed by the Method of Distribution.** | Urgent Need ("UN") Fund assistance is available for activities that will restore water and/or sewer infrastructure whose sudden failure has resulted in death, illness, injury, or poses an imminent threat to life or health within the affected applicant’s jurisdiction. The infrastructure failure must not be the result of a lack of maintenance and must be unforeseeable. An application for UN Fund assistance will not be accepted until discussions between the potential applicant and representatives of TDA, TWDB, and the Texas Commission on Environmental Quality ("TCEQ") have taken place. Through these discussions, a determination shall be made whether the situation meets eligibility requirements and if a potential applicant should be invited to submit an application for the UN Fund. Construction on an UN Fund project must begin within ninety (90) days from the start date of the CDBG contract. TDA may de-obligate the funds under an UN Fund contract if the grantee fails to meet this requirement. |

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| | **Describe all of the criteria that will be used to select applications and the relative importance of these criteria.** | To qualify for the UN Fund:<br>1. The situation addressed by the applicant must not be related to a proclaimed state or federal disaster declaration.<br>2. The situation addressed by the applicant must be both unanticipated and beyond the control of the local government (e.g., not for facilities or equipment beyond their normal, useful life span).<br>3. The problem being addressed must be of recent origin. For UN assistance, this means that the situation first occurred or was first discovered no more than 30 days prior to the date that the potential applicant provides a written request to the TDA for UN assistance. UN funds cannot fund projects to address a situation that has been known for more than 30 days or should have been known would occur based on the applicant's existing system facilities.<br>4. Each applicant for these funds must demonstrate that local funds or funds from other state or federal sources are not available to completely address the problem.<br>5. The applicant must provide documentation from an engineer or other qualified professional that the infrastructure failure cannot have resulted from a lack of maintenance or been caused by operator error.<br>6. UN funds cannot be used to restore infrastructure that has been cited previously for failure to meet minimum state standards.<br>7. The infrastructure requested by the applicant cannot include back-up or redundant systems.<br>8. The UN Fund will not finance temporary solutions to the problem or circumstance.<br>9. TDA may consider whether funds under an existing CDBG contract are available to be reallocated to address the situation, if eligible.<br>10. The distribution of these funds will be coordinated with other state agencies.<br>Each applicant for UN Funds must provide matching funds. If the applicant's most recent Census population is equal to or fewer than 1,500 persons, the applicant must provide matching funds equal to 10 percent of the CDBG funds requested. If the applicant's most recent Census population is over 1,500 persons, the applicant must provide matching funds equal to 20 percent of the CDBG funds requested. For county applications where the beneficiaries of the water or sewer improvements are located in unincorporated areas, the population category for matching funds is based on the number of project beneficiaries. |

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| | **If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)** | Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov. |
| | **Describe how resources will be allocated among funding categories.** | No funds will be allocated on the first day of the Program Year; however, the amount for this funding category may be adjusted during the 2015 PY as needed. |
| | **Describe threshold factors and grant size limits.** | Maximum $250,000/Minimum $25,000 |
| | **What are the outcome measures expected as a result of the method of distribution?** | Meet other community development needs of particular urgency which represent an immediate threat to the health and safety of residents of the community |

**Table 19 - Distribution Methods by State Program**

**CDBG - ADDITIONAL DETAIL ON METHOD OF DISTRIBUTION 2016 ACTION PLAN - COMMUNITY DEVELOPMENT FUND**

Funds for projects under the CD Fund are allocated among the 24 State planning regions based on the following:

The original CD formula is used to allocate 40% of the annual State CDBG allocation.

• Original CD formula (40%) factors:

a. Non-Entitlement Population 30%
b. Number of Persons in Poverty 25%
c. Percentage of Poverty Persons 25%
d. Number of Unemployed Persons 10%
e. Percentage of Unemployed Persons 10%

• To the extent possible, the information used to calculate the regional allocations through these factors will be based on the eligible non-entitlement applicants within each region. The population and poverty information used is from the current available decennial census data. The unemployment information used is the current available annual average information. TDA does not provide priorities for allocation of funds geographically to areas of minority concentration as described in Section 91.320(f). The HUD formula is used to allocate 21.71% of the annual State CDBG allocation.

• The formula is the same methodology that HUD uses to allocate CDBG funds among the States for use in non-entitlement areas. The HUD factors, percentages, and methodology are specified in 42 USC. §5306(d). TDA will use available data to calculate the allocations to each region.

• Using the HUD methodology, the allocation for each region shall be the greater of an amount that bears the same ratio to the allocation for all 24 regions available as either:

(A) the average of the ratios between:

- the population of the non-entitlement areas in that region and the population of the nonentitlement areas of all 24 regions (counted one time - 25% weight);
- the extent of poverty in the non-entitlement areas in that region and the extent of poverty in the non-entitlement areas of all 24 regions (counted two times - 50% weight); and
- the extent of housing overcrowding in the non-entitlement areas in that region and the extent of housing overcrowding in the non-entitlement areas of all 24 regions (counted one time - 25% weight);

OR

(B) the average of the ratios between:

- the age of housing in the non-entitlement areas in that region and the age of housing in the nonentitlement areas in all 24 regions (counted two and one half times - 50% weight);
- the extent of poverty in the non-entitlement areas in that region and the extent of poverty in the non-entitlement areas of all 24 regions (counted one and one half times - 30% weight); and
- the population of the non-entitlement areas in that region and the population of the nonentitlement areas of all 24 regions (counted one time - 20% weight).

**CDBG - ADDITIONAL DETAIL ON METHOD OF DISTRIBUTION 2016 ACTION PLAN - DEOBLIGATED FUNDS**

Deobligated Funds

On the first day of the program year, deobligated funds will be made available to the fund categories as described in Table 4. Any unallocated deobligated funds and other available program income (not derived from TCF real estate projects) will be allocated as follows:

1. 20% shall be allocated to the DR Fund;
2. 80% shall be allocated to those fund categories that do not have allocations prescribed by federal or state law.

The allocation shall be based on the pro-rata share of the percentages specified in Section AP-30 of this Action Plan. Allocations to the CD Fund will be distributed to each of the 24 Planning Regions based upon the methodology used in calculating the annual regional allocation. Allocations to regions that either (a) have no eligible applications, or (b) cannot fully fund the next highest ranking applications will be made available to the CD Fund (to other regions with eligible applications) or to the DR Fund.

**CDBG - ADDITIONAL DETAIL ON METHOD OF DISTRIBUTION 2016 ACTION PLAN - UNOBLIGATED FUNDS**

Unobligated Funds

For an award that is withdrawn from an applicant, the TDA follows different procedures for the use of those recaptured funds depending on the fund category in which the award is withdrawn.

1. The CD Fund – funds from the withdrawal of an award shall be offered to the next highest ranked applicant from that region that was not recommended to receive an award due to depletion of the region's allocation. A marginal amount may be offered to the next highest ranked applicant as long as the amount of funds still available exceeds the minimum CD Fund grant amount. Any funds remaining from a regional allocation that are not accepted by an applicant, that are not offered to an applicant, or remain due to lack of additional, unfunded applications, may be allocated among regions with eligible, unfunded applications. If unallocated to another region, they are then subject to the procedures used to allocate Deobligated Funds.

2. The PCB Fund – funds from the withdrawal of a PCB award are offered to the next highest ranked applicant that was not recommended to receive an award due to depletion of the fund's annual

allocation. A marginal amount may be offered to the next highest ranked applicant as long as the amount of funds still available exceeds the minimum grant amount. Any funds remaining from the allocation that are not accepted by an applicant from the statewide competition or that are not offered to an applicant from the statewide competition may be used for other CDBG fund categories and, if unallocated to another fund, are then subject to the procedures used to allocate Deobligated Funds.

3. The Colonia Funds – funds from the withdrawal of any Colonia Fund award remain available to potential Colonia Fund applicants during that program year. If unallocated within the Colonia Fund, funds then may be used for other CDBG fund categories to fund eligible projects or activities that assist colonia residents. Remaining unallocated funds are then subject to the procedures used to allocate Deobligated Funds.

4. DR/UN Funds - funds from the withdrawal of a DR/UN award remain available to potential DR/UN Fund applicants during that program year. If unallocated within the DR/UN Fund, the funds are subject to the procedures used to allocate Deobligated Funds.

5. The STEP Fund - funds from the withdrawal of a STEP award will be made available in the next round of STEP competition following the withdrawal date in the same program year. If the withdrawn award was made in the last of the two competitions in a program year, the funds would go to the next highest scoring applicant in the same STEP competition. If there are no unfunded STEP applicants, then the funds would be available for other CDBG fund categories. Any unallocated STEP funds are subject to the procedures used to allocate Deobligated Funds.

6. The TCF – funds from the withdrawal of a Main Street, Downtown Revitalization or Small and Micro Enterprise Revolving Fund award shall be offered to the next highest ranked application that was not recommended to receive an award due to depletion the program's allocation. Funds from the withdrawal of a Real Estate and Infrastructure award shall be made available in the next monthly round of competition. Any unallocated TCF funds are then subject to the procedures used to allocate Deobligated Funds.

**CDBG - ADDITIONAL DETAIL ON METHOD OF DISTRIBUTION 2016 ACTION PLAN - PROGRAM INCOME**

Program Income

Program income is defined as gross income received by a state, a unit of general local government, or a subrecipient of a unit of general local government that was generated from the use of CDBG funds. When program income is generated by an activity that is only partially funded with CDBG funds, the income shall be prorated to reflect the percentage of CDBG funds used. Any remaining program income must be returned to the State.

The State may use up to the maximum allowable percentage of the amount recaptured and reportable to HUD each year for administrative expenses under the CDBG Program. This amount will be matched by the State on a dollar-for-dollar basis.

TCF and Revolving Loan Fund ("RLF") Program Income

Funds retained in any existing local RLF must be committed within three years of the original CDBG contract programmatic close date. At least one eligible loan/award from the local RLF must be made every three years. Every award from the RLF must be used to fund the same type of activity from which such income was derived. A local RLF may retain a cash balance not greater than 33% of its total cash and outstanding loan balance. All activities funded with RLF funds must comply with CDBG regulations and rules and guidelines. If a local government does not comply with the RLF requirements, all program income retained in the local RLF and any future program income received from the proceeds of the RLF must be returned to the State.

To the extent there are eligible applications, program income derived from the TCF real estate projects will be used to fund awards under the TCF. Other available program income shall be allocated based on the methodology used to allocate Deobligated Funds.

## Discussion

The distribution process for 4% HTC Program, 9% HTC Program, HHSP, Housing Trust Fund Program, MMC Program, My First Texas Home Program, NSP PI Program, Section 8 HCV Program, Section 811 PRA Program, and TCAP Loan Repayments can be found in the documents that govern these programs, all available at http://www.tdhca.state.tx.us/. The CDBG Colonia Set-Aside Methods of Distribution will be included in Action Plan Section 48, which is specifically about colonias.

Along with selecting appropriate entities to administer funding, the State must ensure that the funding is appropriately spent. For example, in addition to an outcome measure of the number of clients/households supported with HOPWA housing subsidies assistance, AAs routinely monitor Project Sponsors for compliance and performance. DSHS monitors the AAs and annually compiles AAs' and Project Sponsors program progress reports and reviews cumulative data for number of households assisted compared to goals, expenditures, and stability outcomes of households served. More information on CPD Programs monitoring efforts are described in Strategic Plan Section 80, Monitoring.

Additional detail on the Method of Distribution for CDBG funds is included as an attachment.

## AP-35 Projects – (Optional)

### Introduction

At the time of submission of the State of Texas 2015-2019 Consolidated Plan, project information will not have been entered in the Annual Action Plan-35 Projects table. Per Consolidated Plan Guidance Released on February 2014, project-level detail for states is not required because the State does not initiate specific projects or activities. This guidance continues for the 2016 OYAP.

### Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

Because no projects have been entered in this section, this section is not applicable. Allocation priorities are discussed in Action Plan Section 25, which also includes meeting special needs. Actions to meeting underserved needs are found in Action Plan Section 85.

CDBG-DR allocation priorities can be found in the CDBG-DR Action Plan at: http://www.glo.texas.gov/GLO/disaster-recovery/index.htm

## AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)

### Will the state help non-entitlement units of general local government to apply for Section 108 loan funds?

No

### Available Grant Amounts

Not applicable.

### Acceptance process of applications

Not applicable.

## AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)

### Will the state allow units of general local government to carry out community revitalization strategies?

Yes

### State's Process and Criteria for approving local government revitalization strategies

TDA's CDBG program operates four programs that stimulate job creation/retention activities that primarily benefit LMI persons, prevent/eliminate slum and blight conditions, and support community planning efforts.

The TCF Real Estate and Infrastructure Development Programs provides grants and/or loans for Real Estate and Infrastructure Development to create or retain permanent jobs in primarily rural communities and counties.

The Downtown Revitalization Program is intended to stimulate economic growth through the funding of public infrastructure improvements to aid in the elimination of slum and blight conditions in the historic downtown areas of rural communities. The program is only available to "non-entitlement" city governments. Non-entitlement cities do not receive direct funding from HUD and typically include cities with a population of less than 50,000. Awarded cities receive funds to make public infrastructure improvements in the designated historic, downtown business district. Projects must meet the national objective of aiding in the elimination of slum and/or blighted conditions identified by city resolution. The improvements must directly support the revitalization of the city's designated downtown area.

The Main Street Development Program is intended to stimulate economic growth through the funding of public infrastructure improvements to aid in the elimination of slum and blight conditions in the historic downtown areas of rural communities identified by the Texas Historical Commission as a Main Street Community. The program is only available to "non-entitlement" city governments that are also designated as an official Texas Main Street City by the Texas Historical Commission. Non-entitlement cities do not receive direct funding from HUD and typically include cities with a population of less than 50,000. Awarded cities receive funds to make public infrastructure improvements in the designated Main Street business district. Projects must meet the national objective of aiding in the elimination of slum and/or blighted conditions identified by city resolution. The improvements must directly support the revitalization of the city's designated main street area

.The Planning and Capacity Building Fund is a competitive grant program for local public facility and housing planning activities. Localities apply for financial assistance to prepare a "comprehensive plan" or any of its components. Typical activities regard topics such as: Base Mapping, Land Use, Housing, Population, Economic Development and/or Tourism, Central Business District, Street Conditions, Thoroughfares, Parks and Recreation, Water Distribution and Supply, Wastewater Collection and Treatment, Drainage (streets & flood hazard areas), Gas or Electric Systems (if owned by the locality), Community Facilities, Capital Improvements Program, Zoning Ordinance, Subdivision Regulation. Section 105(a) of the Housing and Community Development Act of 1974, as amended, outlines all the generally eligible activities.

## AP-48 Method of Distribution for Colonias Set-aside – 91.320(d)&(k)

### Distribution Methods

| State Program Name | Funding Sources |
|---|---|
| Colonia Economically Distressed Areas Program (CEDAP) | CDBG<br>CDBG Colonias Set-aside |
| Colonia Planning and Construction Funds | CDBG<br>CDBG Colonias Set-aside |
| Colonia SHC Legislative Set-Aside (administered by TDHCA) | CDBG<br>CDBG Colonias Set-aside |
| Colonias to Cities Initiative Program | CDBG<br>CDBG Colonias Set-aside |
| Community Development Fund | CDBG |
| Community Enhancement Fund | CDBG |
| Disaster Relief Funds | CDBG |
| General HOME Funds for Single-Family Activities | HOME |
| HOME Multifamily Development | HOME |
| Local Revolving Loan Funds | CDBG |
| Planning/Capacity Building Fund | CDBG |
| State Mandated Contract for Deed Conversion Set-Aside | HOME |
| TCF Main Street Program | CDBG |
| TCF Real Estate and Infrastructure Development Programs | CDBG |
| TCF Small and Micro Enterprise Revolving Fund | CDBG |
| Texas Capital Fund Downtown Revitalization Program | CDBG |
| Texas ESG Program | ESG |
| Texas HOPWA Program | HOPWA |
| Texas Small Towns Environment Program Fund | CDBG |
| Urgent Need Fund | CDBG |
| National Housing Trust Fund | Housing Trust Fund |

**Table 20 - Distribution Methods by State Program for Colonias Set-aside**

### State Programs Addressed

Colonia Economically Distressed Areas Program (CEDAP) Legislative Set-Aside fund provides funding to eligible cities and counties to assist colonia residents that cannot afford the cost of service lines, service connections, and plumbing improvements associated with being connected to a TWDB Economically Distressed Area Program or similar water or sewer system improvement project.

### Criteria and their importance

The TDA will evaluate the following factors prior to awarding CEDAP funds:



OMB Control No: 2506-0117 (exp. 07/31/2015)

- The proposed use of the CDBG funds including the eligibility of the proposed activities and the effective use of the funds to provide water or sewer connections/yard lines to water/sewer systems funded through Economically Distressed Area Program or similar program;
- The ability of the applicant to utilize the grant funds in a timely manner;
- The availability of funds to the applicant for project financing from other sources;
- The applicant's past performance on previously awarded CDBG contracts;
- Cost per beneficiary; and
- Proximity of project site to entitlement cities or metropolitan statistical areas (MSAs).

### CDBG only: Access of application manuals

Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov.

### Resource Allocation among Funding Categories

The allocation is distributed on an as-needed basis.

### Threshold Factors and Grant Size Limits

Maximum $1,000,000/Minimum $75,000

### Outcome Measures expected as results of Distribution Method

Activities Benefiting LMI Persons

### Discussion

Texas has the largest number of colonias and the largest colonia population of all the border states. The method of distribution for funds set aside to serve colonias relies on subgrantees along the Texas-Mexico border as well as interagency cooperation between TDHCA, TDA, TWDB, the Office of the Attorney General, and others. The majority of the funding that assists colonias is through infrastructure development, but funds are also available to address housing, community planning, economic revitalization and disaster relief. TDHCA’s role in administering colonia funding is limited to the Colonia SHCs (2.5% set-aside of all Texas’ CDBG funds) and HOME colonia set-aside. TDHCA has strategically placed Border Field Offices along the Texas-Mexico Border that supports SHC staff with problem solving and training. The Border Field Offices exist to provide local technical assistance directly to both colonia residents and the organizations that serve colonia residents. TDHCA also works in concert with other state agencies on a regular basis—namely TDA and the Texas Secretary of State—to coordinate efforts and exchange information in order enhance service delivery.

The majority of the funding that assists colonias is through the CDBG Program. However, HOME has a specific set-aside for colonias. In addition, ESG and HOPWA may also provide funding in that area, as described in Action Plan Section 30.

## AP-50 Geographic Distribution – 91.320(f)

### Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed

HOME Addresses Geographic Areas for Assistance

TDHCA does not provide priorities for allocation of investment geographically to areas of minority concentration; however, the geographic distribution of HOME funds to minority populations is analyzed annually. TDHCA is statutorily required by the Texas Government Code to provide a comprehensive statement of its activities through the State of Texas Low Income Housing Plan and Annual Report. Part of this document describes the ethnic and racial composition of families and individuals receiving assistance from each housing program.

HOME funds used for multifamily development are typically paired with tax-exempt bond and/or HTC. TDHCA rules that govern the HTC Program include incentives for developments utilizing the competitive 9% HTC in high opportunity areas which are defined as high-income, low-poverty areas and are not typically minority-concentrated, but it also provides incentive to develop in colonias or economically distressed areas. Developments using tax-exempt bond financing and 4% HTCs are more frequently located in qualified census tracts due to federal guidelines that cause these to be more financially viable.

ESG Addresses Geographic Areas for Assistance

Assistance provided by ESG funds will be directed statewide, according to the 11 HUD-designated CoC areas. TDHCA does not provide priorities for allocating investment geographically to areas of minority concentration as described in Section 91.320(d).

HOPWA Addresses Geographic Areas for Assistance

The Texas HOPWA funding allocations are geographically distributed according to the 26 HIV HSDAs. Allocations are based on several factors, including past performance of Project Sponsors and unmet need, with the majority of Texas HOPWA clients (90% in 2014) classified as extremely low and low income. Allocations generally mirror the Ryan White Program allocation formula, which takes into account population of PLWH, HIV incidence, number of PLWH accessing Ryan White services, percent of PLWH eligible for Medicaid, and other considerations. The allocations are then adjusted based on unmet need, prior performance and expenditures, geographic-specific data provided by Project Sponsors, and any other relevant factors. Many of these individuals reside in areas of minority concentration and most PLWH are racial and ethnic minorities, so the program allocates funding to meet the needs of PLWH in Texas.

CDBG Addresses Geographic Areas for Assistance

TDA does not provide priorities for allocation of funds geographically to areas of minority concentration as described in Section 91.320(f). CDBG funds are allocated across the state in three ways.

1. The CD Fund assigns a percentage of the annual allocation to each of the 24 Regional COGs, ensuring that each region of the state receives a portion of the funds.
2. The Colonia Fund directs funding to communities within 150 miles of the Texas-Mexico border.
3. All remaining funds are distributed through state-wide competitions without geographic priorities.

For the Colonia SHCs, centers are established along the Texas-Mexico border in Cameron/Willacy, Hidalgo, Starr, Webb, Maverick, Val Verde, and El Paso counties as well as in any other county designated as an economically distressed area. The SHC Program serves approximately 28 colonias in seven border counties, which are comprised of primarily Hispanic households and have concentrations of very low-income households.

NHTF Geographic Priorities description is added to Discussion section text below.

## Geographic Distribution

| Target Area | Percentage of Funds |
|---|---|
| State of Texas | 100 |

**Table 21 - Geographic Distribution**

## Rationale for the priorities for allocating investments geographically

HOME Addresses Geographic Investments

HOME funds are allocated geographically using a RAF, as described in Strategic Plan Section 10. This process directs funds to areas of the State that demonstrate high need. In addition, HOME funds administered by TDHCA are primarily used in areas that are not Participating Jurisdictions ("PJs") per statute. This results in more HOME funds in smaller communities than in the larger Metropolitan Statistical Areas ("MSAs") that receive HOME funds directly from HUD. The most updated RAF is online at http://www.tdhca.state.tx.us/housing-center/pubs-plans.htm.

ESG Addresses Geographic Investments

CoC regions have funding made available for competition according to the combination of the region's proportionate share of the state's total homeless population, based on the most recent Point-in-Time count submitted to HUD by the CoCs and the region's proportionate share of people living in poverty, based on the most recent 5-year American Community Survey poverty data published by the Census Bureau. For the purposes of distributing funds, the percentage of statewide homeless population is weighted at 75% while the percentage of statewide population in poverty is weighted at 25%.

HOPWA Addresses Geographic Investments

At the end of 2012, nearly 73,000 people in Texas were known to have HIV and it is estimated that an additional 17,000 people in Texas are living with HIV but are currently unaware of their status. The number of Texans living with HIV increases each year and in order to meet the needs of low-income

PLWH in Texas, many of whom live in areas of minority concentration, the HOPWA funding allocations are geographically distributed across the State and are allocated based on several factors, including unmet need.

Six cities in Texas have a population of over 500,000 (Austin, Dallas, Fort Worth, El Paso, Houston, and San Antonio), which are in MSAs funded directly from HUD for HOPWA. Although the Texas HOPWA program can operate in any area of the State, the State program serves all counties not covered under the MSAs' jurisdictions, with some overlap of counties between the State and the MSAs. As a result, Texas HOPWA covers all of the rural areas of the State, where many low-income HOPWA clients reside, and funding prioritization is based on areas with greater unmet need for PLWH.

CDBG Addresses Geographic Investments

Texas CDBG Funds for projects under the CD Fund are allocated by formula to 24 regions based on the methodology that HUD uses to allocate CDBG funds to the non-entitlement state programs (21.71% of annual allocation), along with a state formula based on poverty and unemployment (40% of annual allocation). In addition, 12.5% of the annual allocation is allocated to projects under the Colonia Fund categories, which must be expended within 150 miles of the Texas-Mexico border.

For the Colonia SHCs, state legislative mandate designates five centers along the Texas-Mexico border in specific border counties to address the long history of poverty and lack of institutional resources. Two additional counties have been designated as economically distressed areas and also operate centers through the program. These counties collectively have approximately 42,000 colonia residents who may qualify to access center services.

NHTF Addresses Geographic Investments

NHTF funds are allocated geographically using a Regional Allocation Formula, as described in Strategic Plan Section 10. Acknowledging that all regions of the State have a need to create housing for ELI households, the formula provides opportunity for access to NHTF. This process directs funds to areas of the State that demonstrate high need, but the very small amount of the PY 2016 allocation makes it difficult to fully differentiate.

## Discussion

Many of the Target Areas available in the Integrated Disbursement and Information System ("IDIS"), HUD's electronic system in which this Plan has been entered, were too detailed for use at the macro-level; therefore, the State entered the "State of Texas" as a Target Area in Strategic Plan Section 10. Within Texas, each program relies on a formula to distribute funds geographically.

NHTF Geographic Priorities

The Texas NHTF will distribute NHTF funds through a competitive NOFA process. The funds will initially be available geographically, based on the proportion of Extremely Low Income Renter households to the total population of Renter Households in each of thirteen State Service Regions. A minimum will be calculated for each region as a ratio of the available allocation divided by thirteen, and available competitively within each region prior to collapse into a statewide competition.

# Affordable Housing

## AP-55 Affordable Housing – 24 CFR 91.320(g)

### Introduction

Affordable Housing goals for PY 2016 are indicated in the table below for the number of homeless, non-homeless, and special needs households, and for the number of affordable housing units that will be provided by program type, including rental assistance, production of new units, rehabilitation of existing units, utility connections for existing units, or acquisition of existing units. Note that goals entered for ESG are only for Homeless Prevention and Rapid Re-housing. The HOME goals include multifamily and single family activities.

| One Year Goals for the Number of Households to be Supported | |
|---|---|
| Homeless | 4,740 |
| Non-Homeless | 363 |
| Special-Needs | 1,713 |
| Total | 6,816 |

**Table 22 - One Year Goals for Affordable Housing by Support Requirement**

| One Year Goals for the Number of Households Supported Through | |
|---|---|
| Rental Assistance | 6,475 |
| The Production of New Units | 172 |
| Rehab of Existing Units | 58 |
| Acquisition of Existing Units | 54 |
| Total | 6,759 |

**Table 23 - One Year Goals for Affordable Housing by Support Type**

### Discussion

The one year goals for TDHCA's HOME Program include homebuyer assistance with possible rehabilitation for accessibility, TBRA, homeowner rehabilitation assistance, rehabilitation of multifamily units, and construction of single-family and multifamily units.

The one year goals for TDHCA's NHTF Program include construction of new multifamily units.

TDHCA's ESG Program provides Rapid Re-housing assistance to help homeless individuals and households quickly regain stability in housing. Homelessness Prevention and Emergency Shelter outcome indicators are counted as persons, not households, so is not added into the chart above. ESG also provides street outreach, but as this does not directly equate to affordable housing, it is not counted above.

DSHS' HOPWA Program provides TBRA, STRMU, PHP, and Supportive Services to assist low-income HIV-positive clients and their households to establish or maintain affordable, stable housing, reduce the risk of homelessness, and improve access to health care and other services. HOPWA serves households with

80% or less of area median income, but a majority of Texas HOPWA households are under 30% AMI and lack of affordable housing is an ongoing issue. DSHS estimates that the HOPWA program will assist 890 unduplicated, income-eligible households with housing subsidy assistance.

Currently, Texas CDBG funds primarily support affordable housing through water and sewer infrastructure for housing. The CDBG funding provides a cost savings for housing when used to install water and sewer yard lines and pay impact and connection fees for qualifying residents. Housing rehabilitation projects are prioritized in several fund categories. CDBG funds also help communities study affordable housing conditions, providing data on affordable housing stock and planning tools for expanding affordable housing. CDBG provides approximately 250 utility connections per year, which are not reflected in the chart above, but could prove essential to obtaining or maintaining housing.

Colonia residents are considered “Special Needs” households who are supported through the production, rehab or acquisition of units (no rental assistance). The Colonia SHCs continue to address affordable housing needs in border counties by assisting qualifying colonia residents to improve or maintain a safe, suitable home in suitable areas, with the contribution of the residents’ sweat-equity which is required in all housing activities at the SHC. In addition, the Colonia SHCs provide other development opportunities that support the creation of affordable housing for beneficiaries, such as tool lending, and training in home construction and repair, financial literacy, and homeownership skills.

## AP-60 Public Housing - 24 CFR 91.320(j)

### Introduction

TDHCA believes that the future success of PHAs will center on ingenuity in program design, emphasis on resident participation towards economic self-sufficiency, and partnerships with other organizations to address the needs of this population. While TDHCA does not have any direct or indirect jurisdiction over the management or operations of PHAs, it is important to maintain a relationship with these service providers.

### Actions planned during the next year to address the needs to public housing

TDHCA, as a small PHA itself, works with other PHAs around the State to port vouchers when necessary. This is especially true for Project Access, a TDHCA program that uses Section 8 vouchers to serve people with disabilities living in certain institutions by transitioning them into residing in the community, described fully in Action Plan Section 65. For the Project Access Program, an applicant is issued a voucher from TDHCA. To port the voucher, TDHCA works with the Receiving Public Housing Authority ("RPHA") to transfer the documents and the voucher. The voucher holder is briefed and given an introduction on the RPHAs program rules. At this time, the RPHA can decide to absorb the voucher or bill the Initial PHA ("IPHA"). If the RPHA absorbs the voucher, the RPHA will send notice to the IPHA for documentation. This allows TDHCA to use another HCV for another applicant on the Project Access waiting list. If the RPHA bills the IPHA, the RPHA is required to submit a billing notice within an allotted time to the IPHA so payment can be received. In this way, TDHCA and local PHAs work closely together.

HOME Addresses PHA Needs

TDHCA provides notices of funding availability under the HOME Program to interested parties around the State, including PHAs. Furthermore, staff of PHAs, especially those receiving HOME funds and those with Section 8 Homeownership programs, are targeted by TDHCA's Texas Statewide Homebuyer Education Program for training to provide homebuyer education opportunities and self-sufficiency tools for PHA residents.

In addition, PHAs may also administer HOME TBRA funds, enabling them to provide households with rental assistance and services to increase self-sufficiency.

Regarding HOME Multifamily Development that is also financed with the HTC Program, PHAs are incentivized in the QAP to either provide leverage in developments that they own or to provide financing as evidence of support from Local Political Subdivisions for developments which they do not own.

ESG Addresses PHA Needs

PHA residents are eligible to receive assistance and services from ESG Subrecipients, as long as the assistance does not violate Section 576.105(d) of HUD's ESG rules regarding use of funds with other subsidies. Fostering public housing resident initiatives is not an initiative for which TDHCA provides funding or that TDHCA tracks for the ESG Program.

HOPWA Addresses PHA Needs

The HOPWA program administered by DSHS does not provide public housing assistance. However, Project Sponsors coordinate closely with local housing authorities for client referrals and to address local housing issues. HOPWA clients who move into public housing are no longer eligible to receive HOPWA housing subsidy assistance but are offered HOPWA Supportive Services as needed for transition and if eligible, may continue to receive services through the Ryan White/State Services program.

CDBG Addresses PHA Needs

The Texas CDBG Program serves public housing areas through various funding categories as residents of PHAs qualify as low- to moderate-income beneficiaries for CDBG projects. CDBG grant recipients must also comply with local Section 3 policies, including outreach to public housing residents and other qualified Section 3 persons in any new employment, training, or contracting opportunities created during the expenditure of CDBG funding.

## Actions to encourage public housing residents to become more involved in management and participate in homeownership

HOME, ESG, HOPWA, and CDBG are subject to 24 CFR Part 135 which requires that HUD funds invested in housing and community development construction contribute to employment opportunities for low-income persons living in or near the HUD-funded project. These requirements, called Section 3 requirements, are covered at trainings for Subrecipients; persons who may benefit from employment opportunities include PHA residents.

HOME Addresses Public Housing Resident Initiatives

PHAs are eligible to apply to administer HOME funds to provide homebuyer assistance in their areas. PHAs also provide services to increase self-sufficiency, which may include homebuyer counseling services. In addition, TDHCA targets its Texas Statewide Homebuyer Education Program to PHAs, among other groups, which provide homebuyer education training opportunities and self-sufficiency tools for PHA residents.

ESG Addresses Public Housing Resident Initiatives

PHA residents are eligible to receive assistance and services from ESG Subrecipients, as long as the assistance does not violate Section 576.105(d) of the ESG rules regarding use of funds with other subsidies.

HOPWA Addresses Public Housing Resident Initiatives

The HOPWA program administered by DSHS does not provide public housing assistance. However, Project Sponsors coordinate closely with local PHAs for client referrals and to address local housing issues.

CDBG Addresses Public Housing Resident Initiatives

The CDBG Program serves public housing areas through various funding categories as residents of PHAs qualify as low- to moderate-income beneficiaries for CDBG projects.

## If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

TDHCA has worked to promote programs that will rehabilitate and bring substandard housing into compliant condition and will develop additional affordable housing units. For example, most of the PHA applications for HTCs are for rehabilitation and the applications for new construction usually include a demolition of the existing units. TDHCA also offers a variety of funding sources for assistance. Most PHAs that apply are usually from larger Metropolitan Statistical Areas, which are PJs and not eligible to receive HOME funding through TDHCA. Consistent with fair housing objectives, TDHCA seeks ways to accomplish these activities in a manner that seeks to place PHA units in areas of greater opportunity and areas that do not involve unacceptable site and area features.

In one specific case, TDHCA absorbed vouchers from a PHA which was having difficulties, the Navasota Housing Authority. HUD identified that the Navasota Housing Authority was administering vouchers outside of their jurisdiction. Therefore, the Navasota Housing Authority contacted TDHCA to discuss the possibilities of absorbing these vouchers. During a series of meetings with HUD staff and the PHAs, discussion resulted in a scheduled on-site visit. Ultimately, the Navasota Housing Authority transferred additional funds to TDHCA and HUD reassigned the files' PHA code. Similarly, TDHCA has collaborated with the Alamo Area Council of Governments in its request to HUD that TDHCA permanently absorb the vouchers it administers in Bexar County.

To expand its work with PHAs, TDHCA has developed a relationship with the Texas Housing Association and the Texas chapter of the National Association of Housing and Redevelopment Officials (“NAHRO”), which serve the PHAs of Texas. Whenever possible, the State will communicate to PHAs the importance of serving special needs populations.

## Discussion

To address PHA needs, TDHCA has designated PHAs as eligible entities for its programs, such as the HTC Program, HOME Program, and ESG Program. PHAs have successfully administered HTC funds to rehabilitate or develop affordable rental housing. The PHA needs to submit an application and be awarded in order to access funding.

There are also federal sources available for PHAs that can be paired with HOME. Also through HUDs Rental Assistance Demonstration (“RAD”) Program, PHAs can use public housing operating subsidies along with HTC Program once the older PHA units are demolished and replaced with new housing.

Because most PHAs using RAD are located in PJs, TDHCA does not anticipate using its HOME funds in conjunction with RAD consistent with its restrictions on HOME fund use in participating jurisdictions, but it is an allowable activity for units in non PJs.

## AP-65 Homeless and Other Special Needs Activities – 91.320(h)

### Introduction

TDHCA will address requirements in 24 CFR §91.320 by using funds to reduce and end homelessness. Each ESG applicant is required to coordinate with the lead agency of the CoC, which provides services and follows a centralized or coordinated assessment process; has written policies and procedures in place as described by §578.7(a)(8) and (9); and follows a written standard to provide street outreach, emergency shelter, rapid re-housing, and homelessness prevention assistance. To assist low-income individuals and families to avoid becoming homeless, especially those discharged from publicly-funded institutions and systems of care, or those receiving assistance from public and private agencies that address housing, health, social services, employment, education, or youth needs, TDHCA requires each Subrecipient to set performance targets that are part of their contract and extended to each of the local organizations that the Subrecipient funds. A Subrecipient must address the housing and supportive service needs of individuals assisted with ESG funds in a plan to move the client toward housing stability.

In addition, ESG works in tandem with other programs that help to transition persons out of institutions, such as the HOPWA Program, Section 811 PRA Program, Project Access Program, Money Follows the Person Program, and the Home and Community-Based Services - Adult Mental Health Program. The HHSCC also works to enhance coordination between housing and service agencies to assist persons transitioning from institutions into community-based settings.

### Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including

### Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The Texas ESG Program provides funds to service providers for outreach to unsheltered homeless persons in order to connect them to emergency shelter, housing, or critical services; and to provide urgent, non-facility-based care to unsheltered homeless people who are unwilling or unable to access emergency shelter, housing, or other appropriate facilities. Of critical importance is assisting the unsheltered homeless with emergency shelter or other placement. One of the possible performance measures that Subrecipients will be measured against is their ability to help homeless persons move into permanent housing, achieve higher incomes and gain more non-cash benefits. To ensure long-term housing stability, clients will be required to meet with a case manager not less than once per month (with exceptions pursuant to the VAWA and the Family Violence Prevention and Services Act ("FVPSA")). Subrecipients will also be required to develop a plan to assist program participants to retain permanent housing after the ESG assistance ends.

### Addressing the emergency shelter and transitional housing needs of homeless persons

The ESG Program helps the unsheltered homeless and homeless individuals and families residing in emergency shelter and those fleeing domestic violence to return to stable housing conditions by providing support to organizations that provide emergency services and shelter to homeless persons and households. One of the possible performance measures that Subrecipients will be measured against is their ability to help individuals and families move out of emergency shelter and transitional housing and into permanent housing, achieve higher incomes and gain more non-cash benefits. To ensure long-term housing stability, clients will be required to meet with a case manager not less than once per month (with exceptions pursuant to the VAWA and the FVPSA). Subrecipients will also be required to develop a plan to assist program participants to retain permanent housing after the ESG assistance ends.

In addition, the State will consider transitional housing as having characteristics associated with instability and an increased risk of homelessness, which may allow clients moving out of transitional housing to access Homelessness Prevention services.

**Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again**

The ESG Program has broadened the activities that can be used to help low-income families and individuals avoid becoming homeless and to rapidly re-house persons or families that experience homelessness. ESG funds can be used for short-term and medium-term rental assistance, rental application fees, security deposits, utility deposits, utility payments, and moving costs for homeless individuals or persons at risk of homelessness. Funds can also be used for housing service costs related to housing search and placement, housing stability case management, mediation, legal services, and credit repair. ESG funds can also be used to pay for essential service costs including case management, child care, education services, employment assistance and job training, outpatient health services, legal services, life skills training, mental health services, substance abuse treatment services, transportation, and costs related to serving special populations.

TDHCA acknowledges the change in the definition of chronically homeless, which was published in the Federal Register on December 4, 2015, and effective January 15, 2016. The new definition applies to clients of TDHCA's 2015 ESG Subrecipients assisted on or after the effective date, and TDHCA's ESG Subrecipients for future awards, per the revision to 24 CFR §91.5.

The definition of chronically homeless had been from the McKinney-Vento Homeless Act. The definition of chronically homeless under McKinney-Vento had included an individual or family who met certain criteria for homelessness and had "a diagnosable substance use disorder, serious mental illness, developmental disability, post traumatic stress disorder, cognitive impairments resulting from a brain injury, or chronic physical illness or disability." The revised definition of chronically homeless has more general term of "homeless individual with a disability", per below:

(9) Homeless individual with a disability

(A) In general, the term “homeless individual with a disability” means an individual who is homeless, as defined in section 11302 of this title, and has a disability that—

(i) (I) is expected to be long-continuing or of indefinite duration;

(II) substantially impedes the individual’s ability to live independently;

(III) could be improved by the provision of more suitable housing conditions; and

(IV) is a physical, mental, or emotional impairment, including an impairment caused by alcohol or drug abuse, post traumatic stress disorder, or brain injury;

(ii) is a developmental disability, as defined in section 15002 of this title; or

(iii) is the disease of acquired immunodeficiency syndrome or any condition arising from the etiologic agency for acquired immunodeficiency syndrome.”

The definition of chronically homelessness now includes a different time requirement of homelessness. The McKinney-Vento Homeless Assistance Act defined the time period of chronically homeless as homeless for at least one year, or on at least four separate occasions in the last three years. The new definition of chronically homeless requires the following time period: (1) continuously homeless for at least 12 months, or (2) on at least four separate occasions in the last three years, where the combined occasions must total at least 12 months. An “occasion” is considered a separate episode of homelessness if it is separated by at least seven days. Stays in institutions of fewer than 90 days do not constitute a break.

Finally, the new definition clarifies that a family can qualify as chronically homeless if the head of the household (whether adult head or minor head, if the family has no adult) meets the criteria of chronically homeless. In addition, the family could have a composition that has fluctuated while the head of household has been homeless.

**Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs**

In addition to homelessness prevention, ESG funds actively promote coordination with community providers and integration with mainstream services to marshal available resources. One performance measure for Subrecipients may be their ability to help increase non-cash benefits for program participants; the Subrecipients would help program participants obtain non-ESG resources, such as veterans benefits or food stamps.

Individuals eligible for the State’s HOPWA Program who are exiting from an institution receive a comprehensive housing plan and linkage and referrals to health professionals from a case manager. The State HOPWA Program provides TBRA, which can be used to transition persons from institutions into stable housing. Some project sponsors also provide rental deposits and application fees.

Other programs included in this Plan also address persons transitioning from institutions. For example, TDHCA has received awards totaling more than $24 million for the Section 811 PRA Program. The program will help extremely low-income individuals with disabilities and their families by providing more than 600 new integrated supportive housing units in seven areas of the state. Members of the target population include individuals transitioning out of institutions; people with severe mental illness; and youth with disabilities transitioning out of the state's foster care system. Individuals in the Section 811 PRA Target Population are eligible for assistance from public agencies, are Medicaid-eligible, and could be at-risk of housing instability and/or homelessness.

Coordination between housing and the Health and Human Services ("HHS") agencies is exemplified by the Project Access and Money Follows the Person programs. Project Access uses Section 8 Housing Choice Vouchers administered by TDHCA to assist low-income persons with disabilities transition from nursing homes and Intermediate Care Facilities ("ICFs") to the community, while using the Money Follows the Person Program to provide services by HHS agencies. Since it began in 2002, the TDHCA Governing Board approved changes to Project Access based on input from advocates and the HHS agencies, such as incremental increases to vouchers from 35 to 140 and creation of a pilot program with DSHS for persons with disabilities transitioning out of State Psychiatric Hospitals.

In addition, TDHCA offers the use of TBRA to individuals on the Project Access Wait List, allowing him/her to live in the community until she/he can use Project Access. TDHCA conducted outreach and technical assistance to Department of Aging and Disability Services ("DADS") Relocation Specialists and HOME TBRA Administrators to help them serve individuals on the wait list.

To further address the needs of individuals transitioning from institutions, HHSCC, codified in Texas Government Code, Chapter 2306, Subchapter NN, seeks to increase coordination of housing and health services, by supporting agencies to pursue funding, such as Relocation Contractor services for people with behavioral health challenges and Intellectual and Developmental Disabilities; Medicaid waiver programs; vouchers from PHAs for people with disabilities and aging Texans; housing resources from the Texas Department of Criminal Justice for people with criminal histories transitioning to the community; and DSHS' rental assistance program.

HHSCC also encourages the coordination of TDHCA with DSHS for DSHS' new Home and Community-Based Services: Adult Mental Health Program. This program will serve individuals with Serious Mental Illness who have long-term or multiple stays in the State's Mental Health Facilities.

## Discussion

The Texas ESG Program is designed to assist, assess and, where possible, shelter the unsheltered homeless; to quickly re-house persons who have become homeless and provide support to help them maintain housing; and to provide support that helps persons at risk of becoming homeless maintain their current housing. Other special needs populations are described in Action Plan Section 25.

## AP-70 HOPWA Goals – 91.320(k)(4)

| **One year goals for the number of households to be provided housing through the use of HOPWA for:** | |
|---|---|
| Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family | 426 |
| Tenant-based rental assistance | 468 |
| Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds | 0 |
| Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds | 0 |
| Total | 894 |

## AP-75 Barriers to affordable housing – 91.320(i)

### Introduction

The Phase 2 AI identifies impediments to fair housing choice in the State of Texas and action steps that the State intends to take to address identified impediments. This document describes state and local regulatory and land use barriers in detail. It may be accessed at https://www.tdhca.state.tx.us/fair-housing/policy-guidance.htm.

TDHCA staff developed a database to track fair housing action steps, link action steps to impediments, and document benchmarks and progress in implementing such action steps. This database assists the State in the development of well informed steps to directly address impediments reflected in the Phase 2 AI. Staff also developed a database to consolidate the demographic and geographic data of recipients of the Department's Housing Tax Credit programs and provide for in-depth analyses of patterns in the allocation of funding and comparison to census data. Staff believes these databases will assist in identifying new impediments to fair housing choice as the consolidated data is analyzed and the efficacy of implemented action steps is reviewed.

The State is currently developing best practices guidance related to zoning and land use regulations, policies, and practices that will further fair housing choice. The State plans to release best practices to the public through its Fair Housing website; the website will include areas specific to Real Estate Professionals, Developers and Administrators, as well as Local Governments and Elected Officials.

The AI included several suggestions on countering negative effects of public policy as it concerned two areas – land use and zoning and Not-In-My-Backyard Syndrome ("NIMBYism"). In order to avoid the difficulty, expense, and uncertainty that NIMBYism can engender, developers often focus on areas where their proposed developments are well supported. Changes in the scoring of the State's HTC Program provide incentives to develop in high opportunity areas. High opportunity areas include places with low poverty rates and quality schools, with above average state ratings.

Cases of NIMBYism can be difficult to track, it is hard to measure where NIMBYism occurs most often. The cases of NIMBYism most often associated with proposed multifamily developments, although not exclusive to these areas, NIMBYism appear anecdotally to be more likely to occur in areas with socioeconomic and housing homogeneity. To assist the State in gathering data on how elected officials, communities, and local governments are impacted by NIMBYism sentiments and to help the State in countering NIMBY messaging, TDHCA periodically outsources with universities and private consulting firms for studies, market analyses, and special projects. Guidance and resources to support affordable housing will be provided through TDHCA's Fair Housing website, along with the Fair Housing listserv and community events calendar, and a Speaker's Bureau that will be able to discuss this and other Fair Housing topics.

**Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning**

**ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment**

TDHCA reviews all guiding documents, rules, and practices internally to determine if known barriers or impediments to furthering fair housing choice can be addressed through changes within TDHCA's power. The Department's Fair Housing, Data Management, and Reporting group continues ongoing interviews with Division Directors originally held in spring 2014. Initial recommendations and actions were noted for each program as well as a list of 15 cross-Divisional recommendations that included items such as improved Affirmative Marketing Rules, improved Language Assistance Plan guidance, a better internal mechanism for Fair Housing training, Fair Housing Team reviews of rule changes and NOFA documents, etc. TDHCA has been making and will continue to make a concerted effort to review and move forward on key recommendations and to increase staff and subrecipient education to ensure that all programs are providing best practices guidance to recipients and the general public.

TDHCA acts as an information resource for affordable housing studies and information. A project between TDHCA (including HHSCC) and the University of Texas has resulted in a Fair Housing public service message campaign with videos in support of affordable housing, fair housing rights, and Service-Enriched Housing.

The Texas Workforce Commission Civil Rights Division ("CRD") received a two-year grant of HUD Partnership Funds for an outreach campaign. CRD launched a public service announcement initiative targeting Midland, Odessa, Laredo, and Victoria, as well as small cities and towns surrounding these "oil and gas boom" areas. The campaign educates people in these areas on their Fair Housing rights and responsibilities. This includes in-person and webinar training as well as outreach presentations. CRD's fair housing training was in such demand that the outreach campaign was expanded to include all of Texas and will run through 2016.

On August 17, 2015, the United States Department of Housing and Urban Development ("HUD") adopted the Final Affirmatively Furthering Fair Housing Rule ("AFFH" or "the rule"), detailing what recipients of block grant CPD funds and Public Housing funds must do to affirmatively further fair housing and the tool by which they can identify those steps. The rule requires that Units of Government take "meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics." The rule replaces the Analysis of Impediments ("AI") to Fair Housing Choice with a new Assessment of Fair Housing ("AFH") tool. The AFH Tool uses HUD-generated data, and a significant community participation process, to identify areas of disparity, patterns of integration and segregation, and disproportionate housing needs. With the information generated through the AFH tool and AFFH, Units of Government are responsible for identifying fair housing issues and contributing factors, assigning priorities to contributing factors, setting goals for overcoming prioritized contributing factors, and maintaining records of progress in achieving goals.

The new process directly links the AFH tool and its identified goals with the Unit of Government's HUD-required program planning document (its Consolidated Plan or for a PHA, its 5-Year PHA Plan). Fair housing goals and priorities from the AFH are expected to be incorporated into the actual programming and proposed use of the HUD funds. Fair Housing staff are reviewing the AFFH rule and beginning to implement changes into the citizen participation plan. The first AFH tool is anticipated to be due to HUD from the State of Texas in May 2019. Staff will meet with legislators and local administrators to discuss the AFH tool and final rule.

**Discussion**

A current collaboration between federal funding recipients known as the Texas State Fair Housing Workgroup began in May, 2014 and continues to meet. This workgroup is assisting State agencies in adopting a uniform stance on Fair Housing issues and provide streamlined direction to essential Fair Housing information and best practices. To date, the workgroup has looked at sharing language assistance contracts, has generated ideas on streamlining Fair Housing discrimination complaint information and resources, and has served as a vehicle for comparing internal Fair Housing tracking and record keeping measures.

The Fair Housing Team at TDHCA has taken a leadership role in these meetings as directed under the 2013 Analysis of Impediments; the Fair Housing Team has shared both its Fair Housing Tracking Database and its Fair Housing website section, which TDHCA believes will become one of the leading Fair Housing website resources for the state. The Fair Housing Team has shared its demographic database, which is being created with the long-range goal of standardizing demographics collected in each TDHCA program area and analyzing these demographics to identify trends; make policy recommendations; and map service areas. As its initial test, this database will auto-generate an Excel spreadsheet that analyzes TDHCA multifamily property demographics against census data demographics by census tract, county, and MSA to determine which populations are under-represented or over-represented based on the definition of minority concentration from HUD. The spreadsheet debuted with the revised Multifamily and new Single Family Affirmative Marketing Rules. The spreadsheet assists Multifamily Owners in determining which populations are considered least likely to apply and should be included in an Affirmative Marketing Plan. The short-term effect should be an increase in understanding and compliance with the Affirmative Marketing Rule of TDHCA. The long-term effect should be an improved ability to determine which areas are under or over served and an ability to present such information objectively to stakeholders and local governments.

The Fair Housing Team has 36 action steps on which it is moving forward, and is able to produce metrics on its momentum under the AI through its Fair Housing Tracking Database. In addition to logged action steps, the database also includes outreach and daily task logs. The database collects action steps based on the four phases of project management planning (e.g., Plan, Review, Implement, and Evaluate) which lead staff to consider even at the planning stage how the step will be evaluated. This has resulted in a metrics-focused planning effort that will continue to guide future initiatives.

Finally, the State, through its Fair Housing Team, has created a new Fair Housing website section, including fair housing information for a variety of audiences (renters and homebuyers, owners and administrators, real estate agents, and local governments and elected officials) and will include fair housing toolkits and resources, links to a new Fair Housing email list and community events calendar, and a consumer survey. A portion of the available toolkits will be tailored to elected officials and local governments in an effort to encourage best practices in zoning and land use and addressing community concerns. Through this education and outreach, the State is hoping to make its best practices guidance widely known and to integrate such guidance with other state resource information.

## AP-80 Colonias Actions – 91.320(j)

### Introduction

Among the border states of California, Arizona, New Mexico, and Texas, Texas has the largest number of colonias (approximately 1,825) and the largest colonia population (approximately 369,000 individuals) (Office of the Texas Secretary of State, 2010). Texas' colonias lie outside of city limits in the rural areas of their respective counties, where few to no local building codes exist to protect the households that seek affordable and sanitary housing solutions. Egregious housing conditions persist while residents also endure substandard infrastructure, inadequate potable water and waste water systems, and a host of public health, environmental and employment risks.

As discussed in Action Plan Section 48, the majority of the funding that assists colonias is through the CDBG Program, which funds both state agencies working to develop infrastructure and water services, as well as subgrantees at the local government level who work in concert with nonprofit service providers for housing, community affairs, and economic development. The OCI focuses on Texas colonias because colonias are economically distressed areas home to low- and very low-income households who contend with inadequate housing and scarce tangible resources. Colonias have proliferated along the U.S.-Mexico border. The HOME Program also has a specific set-aside for the development of housing opportunities in the colonias.

### Actions planned to address obstacles to meeting underserved needs

The State dedicates 12.5 percent of CDBG funds annually for colonia areas, and additional funds are also awarded for colonia projects through other competitive fund categories. Basic human needs, including water and sewer infrastructure and housing rehabilitation, are prioritized for colonia set-aside funding, with a particular emphasis on connecting colonia households to safe and sanitary public utilities. Colonia planning funds are available to research and document characteristics and needs for colonia communities.

The Colonia SHCs experience the obstacle of wavering capacity to meet the needs of extremely under resourced colonia residents. The typical challenges that nonprofits face, such as high-turnover, lack of succession planning, lack of long-term funding opportunities, limited access to high quality training, and limited access to continuing education resources, are all exacerbated for subgrantees serving border colonias. In response, TDHCA has strategically placed Border Field Offices along the Texas-Mexico border that support SHC staff with problem solving and training. The Border Field Offices exist to provide local technical assistance directly to both colonia residents and the organizations that serve colonia residents.

Colonia residents may also receive benefit through the HOME Program, which provides rental assistance, rehabilitation or reconstruction of owner-occupied units with or without refinancing, down payment and closing cost assistance with optional rehabilitation for the acquisition of affordable single family housing, single family and multifamily development, and rental housing preservation of existing affordable or subsidized developments.

## Actions the state plans to take to reduce the number of poverty-level families

Please refer to Strategic Plan Section 75 for how the TDHCA's Colonia SHCs provides one-stop-shop opportunities in targeted colonias along the Texas-Mexico border.

## Actions the state plans to take to develop the institutional structure

Please refer to Strategic Plan Section 75 for the state's interagency strategy to monitor colonia improvements and facilitate information exchange among the agencies that address colonia issues.

## Specific actions the state plans to take to enhance coordination between public and private house and social service agencies

In addition to the cooperation among various state agencies that help to support and develop colonias, TDHCA has established three strategically-placed Border Field Offices along the Texas-Mexico border, where the vast majority of colonias are situated. The Border Field Officers readily support administrators, disseminate funding information, and problem solve with administrators and colonia residents. This often requires facilitating communication with other service agencies, the private sector (such as colonia land owners, title companies, lenders), and other government agencies. Locally placed Border Field Officers increase the efficiency with which TDHCA can anticipate solutions and eventually builds institutional knowledge in the community.

In addition, TDA field representatives are available to provide general information on potential resources to communities and residents.

## Discussion

TDHCA and TDA's participation in the Texas Secretary of State's interagency workgroup on colonia issues helps keep both departments abreast of other state agencies' actions in infrastructure, public health and other activities. In the event that one agency's process could be counterproductive to the efforts of either department, it is in this forum that mitigation and problem solving can take place.

## AP-85 Other Actions – 91.320(j)

### Introduction

The actions listed below are Other Actions taken by TDHCA, TDA, and DSHS to meet the requirements of §91.320(j). Other Actions include Meeting Underserved Needs, Fostering and Maintaining Affordable Housing, Lead-Based Paint Hazard Mitigation, Reducing Poverty-Level Households, Developing Institutional Structure, and Coordination of Housing and Services. The HOME, ESG, HOPWA, and CDBG programs address the other actions in concert with other federal, state, and local sources.

NHTF Addresses Affordable Housing

The NHTF Program provides to developments assisted by or through entities including, public organizations, nonprofit and for-profit organizations, and PHAs. These funds are primarily used to foster and maintain affordable housing by providing funding for preservation of existing affordable developments, or construction of new affordable developments. In addition, credits awarded through the HTC program can be layered with awarded funds from the NHTF program. When more than one source of funds is used in an affordable housing project, the State is able to provide more units of affordable housing than with one funding source alone.

### Actions planned to address obstacles to meeting underserved needs

HOME Addresses Underserved Needs

Obstacles to meeting underserved needs with HOME funds, particularly multifamily activities, include NIMBYism, a lack of understanding of federal requirements surrounding the use of HOME funds, and staff observation that program administrators may have more strict tenant or household selection criteria than other locally-run programs. TDHCA works to overcome these obstacles by educating developers and the communities where affordable housing is being proposed, as well as by offering HOME funds as grants or low-interest loans, with rates as low as 0%.

ESG Addresses Underserved Needs

Lack of facilities and services for persons experiencing homelessness in rural areas is ESG's greatest underserved need. To help meet this need, TDHCA has used Community Services Block Grant discretionary funds to provide training and technical support to organizations in the Balance of State CoC. Shelters in the Balance of State CoC have limited funds for operations and maintenance, with little access to federal funds which often require substantial organizational capacity less common in smaller organizations. ESG and TDHCA's HHSP, which is state-funded only in some urban areas, may supplement federal funds in operational support.

HOPWA Addresses Underserved Needs

Some significant obstacles to addressing underserved needs are PLWH inability to obtain or maintain medical insurance, maintain income, and especially obtain employment, are partially due to a difficult economy in conjunction with rising costs of living (rent, deposits, utilities, food, transportation, etc.), high unemployment, no access to health insurance and/or decreased access to other affordable housing such as the HCV program. The inability to access HCVs is due to long or closed waiting lists, and in some cases, client non-compliance and ineligibility due to undocumented immigrant status.

DSHS' HOPWA program helps meet the needs of this underserved population throughout the State by providing essential housing and utilities assistance as part of a comprehensive medical and supportive services system. As a result, PLWH and their families are able to maintain safe and affordable housing, reduce their risk of homelessness, and access medical care and supportive services. DSHS will reallocate funding to address changing needs to maximize and target HOPWA funding to HSDAs that are in greatest need.

CDBG Addresses Underserved Needs

TDA encourages projects addressing underserved community development needs. In PY 2014 CDBG funds will be available through five different grant categories to provide water or sewer services on private property for low- and moderate-income households by installing yard lines and paying impact and connection fees. Regional competition for funding allows each area of the state to determine its highest priority needs, which may vary from first-time water service to drought relief to drainage projects.

Since the first legislative reforms in the 1990s, service providers in colonias have made gains in their capacity to address colonia issues, but unmet needs still exist and the Texas-Mexico border population growth is still increasing. OCI's main obstacle in addressing colonia housing needs is the varying capacities of subrecipients to administer assistance. TDHCA has established Border Field Offices along the Texas-Mexico border to readily provide technical assistance and on-going training to organizations and local governments that use TDHCA's CDBG funding.

## Actions planned to foster and maintain affordable housing

HOME Addresses Affordable Housing

The HOME Program provides grant funds, deferred forgivable loans, and repayable loans to households or developments assisted by or through entities including units of local government, public organizations, nonprofit and for-profit organizations, CHDOs and PHAs. These funds are primarily used to foster and maintain affordable housing by providing rental assistance, rehabilitation or reconstruction of owner-occupied housing units with or without refinancing, down payment and closing cost assistance with optional rehabilitation for the acquisition of affordable single family housing, single family development and funding for rental housing preservation of existing affordable or subsidized developments. HOME funds may also be used in conjunction with the HTC Program or Bond Program to construct or rehabilitate affordable rental housing.

In addition, credits awarded through the HTC program can be layered with awarded funds from the HOME Multifamily Direct Loan program. When more than one source of funds is used in an affordable housing project, the State is able to provide more units of affordable housing than with one funding source alone.

ESG Addresses Affordable Housing

While TDHCA encourages the use of ESG funds to provide affordable transitional housing, the majority of funds are utilized to provide emergency shelter. Fostering affordable housing is not an initiative for which TDHCA provides funding or that TDHCA monitors in relation to the ESG Program.

HOPWA Addresses Affordable Housing

The cost of living continues to rise (increases in rent, utilities, application fees, and security deposits) while clients' income does not change, may decrease, or clients have no income. HOPWA makes housing more affordable for low-income clients so they can maintain housing, adhere to medical treatment, and work towards a healthier outcome. Project Sponsors will address long-term goals with the clients to help them establish a financial plan that can assist them in maintaining their housing. Affordable housing needs are high among PLWH. DSHS will continue to update funding allocations to address the changing needs of local communities and to maximize and target HOPWA funding to HSDAs in greatest need. DSHS will consider a variety of factors including but not exclusive to HIV/AIDS morbidity, poverty level, housing costs and needs, and program waitlists and expenditures. Furthermore, funds are reallocated between HOPWA activities within HSDAs to meet changing needs during the project year.

CDBG Addresses Affordable Housing

Currently, CDBG funds primarily support affordable housing through water and sewer infrastructure for housing. The CDBG funding provides a cost savings for housing when used to install water and sewer yard lines and pay impact and connection fees for qualifying residents.

Housing rehabilitation projects are prioritized in several fund categories, and TDA encourages each region to set aside a percentage of the regional allocation for housing rehabilitation projects.

CDBG helps communities study affordable housing conditions, providing data on affordable housing stock and planning tools for expanding affordable housing. The Colonia SHCs continue to address affordable housing needs in border counties by assisting qualifying colonia residents to improve or maintain a safe, suitable home in suitable areas.

The OCI serves as a liaison to the Colonia SHCs to assist with securing funding and carrying out activities, such as low-interest mortgages, grants for self-help programs, revolving loan funds for septic tanks, and tool lending.

## Actions planned to reduce lead-based paint hazards

HOME Addresses Lead-based Paint

The HOME Program requires lead screening in housing built before 1978 for all HOME eligible activities in accordance with 24 CFR §92.355 and 24 CFR Part 35, subparts A, B, J, K, M, and R. Furthermore, single-family and multifamily development activities in HOME increase the access to lead-based-paint-free housing through the construction of new housing or reconstruction of an existing housing unit. There is significant training, technical assistance, and oversight of this requirement on each activity funded under the HOME Program.

ESG Addresses Lead-based Paint

For ESG, TDHCA requires Subrecipients to evaluate and reduce lead-based paint hazards as part of its habitability review. During the annual contract implementation training, TDHCA will provide ESG Subrecipients with information related to lead-based paint regulations and TDHCA's requirements related to such. TDHCA will require ESG-funded Subrecipients to determine if a housing unit was built prior to 1978, for households seeking ESG funded rent or rent deposit assistance whose household has a family member(s) six year of age or younger. If the housing unit is built prior to 1978, the ESG Subrecipient will notify the household of the hazards of lead-based paint.

ESG Subrecipients utilizing ESG funds for renovation, rehabilitation or conversion must comply with the Lead-Based Paint Poisoning and Prevention Act and the Residential Lead-Based Paint Hazard Reduction Act of 1992. Through renovation, rehabilitation or conversion, ESG increases access to shelter without lead-based paint hazards. TDHCA evaluates, tracks, and reduces lead-based hazards for conversion, renovation, leasing or rehabilitation projects.

HOPWA Addresses Lead-Based Paint

HUD requires that Project Sponsors give all HOPWA clients utilizing homes built before 1978 the pamphlet entitled, "Protect Your Family from Lead in Your Home" during the intake process. The client's case record must include documentation that a copy of the pamphlet was given to the client and the case manager must make a certification regarding lead-based paint that includes actions and remedies if a child under age six will reside at the property.

CDBG Addresses Lead-Based Paint

Lead-based paint mitigation is an activity eligible under housing rehabilitation that is funded under the CPF, CFC, and Community Development Funds. Each contract awarded requires the sub-grantee to conform to Section 302 of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4831(b)) and procedures established by TDA's CDBG in response to the Act.

NHTF Addresses Lead-based Paint

The NHTF Program requires lead screening in housing built before 1978 for all NHTF eligible activities in accordance with 24 CFR §92.355 and 24 CFR Part 35, subparts A, B, J, K, M, and R. Furthermore multifamily development activities in NHTF increase the access to lead-based-paint-free housing through the construction of new housing or reconstruction of an existing housing unit.

## Actions planned to reduce the number of poverty-level families

HOME Addresses Poverty-Level Households

Through the HOME TBRA Program, TDHCA assists households with rental subsidy and security and utility deposit assistance for an initial term not to exceed 24 months. As a condition to receiving rental assistance, households must participate in a self-sufficiency program, which can include job training, General Education Development ("GED") classes, or drug dependency classes. The HOME Program enables households to receive rental assistance while participating in programs that will enable them to improve employment options and increase their economic independence and self-sufficiency. Additionally, TDHCA allocates funding toward the rehabilitation and construction of affordable housing, incentivizing units to assist very low-income households, and assists very low-income households along the international border of Texas and Mexico by promoting the conversion of contract for deed arrangements to traditional mortgages.

ESG Addresses Poverty-Level Households

The ESG Program funds activities that provide shelter and essential services for homeless persons, as well as intervention services for persons threatened with homelessness. Essential services for homeless persons include medical and psychological counseling, employment counseling, substance abuse treatment, transportation, and other services. While TDHCA supports the use of ESG funds to help ESG clients lift themselves above the poverty line, it is not a specific initiative for which TDHCA earmarks ESG funding or that TDHCA monitors for the ESG Program.

For individuals threatened with homelessness, homelessness prevention funds can be used for short-term subsidies to defray rent and utility arrearages for households receiving late notices, and security deposits.

HOPWA Addresses Poverty-Level Households

The DSHS HOPWA Program serves households in which at least one person is living with HIV based on income eligibility criteria of no more than 80% of AMI with adjustments for family and household size, as determined by HUD income limits. With varying poverty levels and housing needs in each HSDA across the State, funds are allocated and reallocated throughout the program year to maximize and target HOPWA resources to those with the most need. While many HOPWA households assisted may be at poverty-level, this is not a requirement under 24 CFR §574.3.

CDBG Addresses Poverty-Level Households

A substantial majority of TDA's CDBG funds, over 95% in 2013, are awarded to ¿principally benefit low and moderate income persons. In addition, the formula used to distribute CD funds among regions includes a variable for poverty to target funding to the greatest need. CDBG economic development funds create and retain jobs through assistance to businesses. LMI persons access these jobs, which may include training, fringe benefits, opportunities for promotion, and services such as child care.

NHTF Addresses Poverty-Level Households

NHTF allocates funding toward the construction of affordable housing restricted to serve ELI households with affordable rents. These affordable units will allow households to have greater housing security and stability, and will ameliorate some of the negative impacts of living in poverty through provision of decent, safe and affordable housing.

## Actions planned to develop institutional structure

HOME Addresses Institutional Structure

The HOME Program encourages partnerships in order to improve the provision of affordable housing. Organizations receiving Homebuyer Assistance funds are required to provide homebuyer education classes to households directly, or coordinate with a local organization that will provide the education. In addition, organizations receiving TBRA funds must provide self-sufficiency services directly, or coordinate with a local organization that will provide the services. Finally, partnerships with CHDOs and nonprofit and private-sector organizations facilitate the development of quality rental housing developments and assist in the rehabilitation or reconstruction of owner-occupied housing.

ESG Addresses Institutional Structure

TDHCA encourages ESG Subrecipients to coordinate services with housing and other service agencies. Likewise, the CoCs funded with ESG funds are required to coordinate services and their local funded organizations to provide services as part of the local CoC. While TDHCA believes its system of funding applications that apply to a statewide NOFA is an effective system, TDHCA also believes that its move to work locally with CoCs on ESG funding decisions advances program goals of local coordination and cooperation within CoCs. TDHCA reviews ESG Subrecipients' coordination efforts during on-site and desk monitoring. A map of local CoCs can be found online at: http://www.thn.org/continuums/.

HOPWA Addresses Institutional Structure

DSHS contracts with seven AAs, which contract directly with Project Sponsors serving all 26 HSDAs in the State to administer the HOPWA program under DSHS oversight. AAs also administer the delivery of other HIV health and social services, including the Ryan White and State Services HIV funds. This structure ensures the coordination of all agencies serving PLWH, avoids duplication, saves dollars, and provides the comprehensive supportive services for PLWH in each local community.

CDBG Addresses Institutional Structure

Each CDBG applicant must invite local housing organizations to provide input into the project selection process. TDA coordinates with state and federal agencies, regional Councils of Governments, and other partners to further its mission in community and economic development.

TDA also uses conference calls and webinars to provide training and technical assistance throughout the state. On-site project reviews may be conducted based on risk and other factors.

NHTF Addresses Institutional Structure

The NHTF Program encourages partnerships in order to improve the provision of affordable housing. Partnerships with nonprofit and private-sector organizations facilitate the development of quality rental housing developments. Development owners are required to provide tenant services to address the needs of ELI households living in the development.

## Actions planned to enhance coordination between public and private housing and social service agencies

TDHCA has staff members that participate in several State advisory workgroups and committees. The workgroups and committees which TDHCA leads are listed in Action Plan Section 15. The groups in which TDHCA participates include, but are not limited to the Community Resource Coordination Groups, led by the Health and Human Services Commission ("HHSC"); the Council for Advising and Planning for the Prevention and Treatment of Mental and Substance Use Disorders, led by DSHS; Reentry Task Force, led by Texas Department of Criminal Justice; Interagency Workgroup on Border Issues, led by Secretary of State; Texas Foreclosure Prevention Task force, led by Texas State Affordable Housing Corporation; Money Follows the Person Demonstration Project, led by DADS; Promoting Independence Advisory Committee, led by HHSC; and Texas State Independent Living Council, lead by the Texas Department of Assistive and Rehabilitative Services ("DARS").

TDHCA¿s participation in HUD¿s Section 811 PRA Program requires linkages between housing and services through a partnership with TDHCA, and the State Medicaid Agency (i.e., HHSC). Because the program is designed so that an individual can access both affordable housing and services in the community, TDHCA staff and HHSC staff meet regularly to ensure both housing and services are coordinated for the program. TDHCA and HHSC have responsibilities to execute the program. TDHCA will use units for the program in multifamily housing financed by TDHCA and the services will be provided by a network of local service providers coordinated by the HHSC enterprise agencies.

HHSCC, established by Texas Government Code §2306.1091, seeks to improve interagency understanding and increase the number of staff in state housing and health services agencies that are conversant in both housing and services. HHSCC supports agencies in their efforts to secure funding for: expansion of Housing Navigators to all Aging and Disability Resource Centers ("ADRCs") with TDHCA assisting in training; expansion of the Program for All-Inclusive Care for the Elderly ("PACE"); implementation of the Delivery System Redesign Incentive Payment (¿DSRIP¿) behavioral health projects; implementation of the Balancing Incentives Payment ("BIP") initiative; and DSHS' expansion of Oxford Houses for people with Substance Use Disorders. (Other coordination efforts for HHSCC involving people leaving institutions are in Action Plan Section 65.)

Further cooperation was directed by Senate Bill 7 passed during the 83rd Legislative session. Texas Government Code §533.03551 directs the commissioner of HHSC to work in cooperation with TDHCA, TDA, Texas State Affordable Housing Corporation ("TSAHC"), and other federal, state, and local housing entities to develop housing supports for people with disabilities, including individuals with intellectual and developmental disabilities.

Finally, DADS provides Money Follows the Person Demonstration funds to TDHCA for the equivalent of two full-time employees to increase affordable housing options for individuals with disabilities who currently reside in institutions and choose to relocate into the community; and to increase the amount of affordable housing for persons with disabilities, along with other TDHCA programs that will assist in preventing institutionalization. These enhanced coordination efforts further the implementation of many programs included in the Consolidated Plan, including the Section 811 PRA Program, Section 8 Project Access, and HOME Single Family activities.

## Discussion

In addition to the program actions mentioned above, TDHCA strives to meet underserved needs by closely monitoring affordable housing trends and issues as well as conducting its own research. TDHCA also makes adjustments to address community input gathered through roundtable discussions, web-based discussion forums and public hearings held throughout the State.

To foster and maintain affordable housing, TDHCA, TDA, and DSHS provide funds for nonprofit and for-profit organizations and public organizations to develop and maintain affordable housing. Funding sources include grants, low-interest loans, housing tax credits, and mortgage loans.

For lead-based paint hazard mitigation, DSHS has been charged with oversight of the Texas Environmental Lead Reduction Rules ("TELRR"). TELRR cover areas of lead-based paint activities in target housing (housing constructed prior to 1978) and child-occupied facilities, including the training and certification of persons conducting lead inspections, risk assessments, abatements, and project design. For all projects receiving over $25,000 in federal assistance, contractors need to follow inspections and abatements standards overseen by DSHS. By following these standards, the State is increasing the access to housing without lead-based paint hazards. The adherence to inspection and abatement standards is related to the extent of lead-based paint in that a majority of the housing in need of rehabilitation is likely housing built before 1978.

Furthermore, TDHCA, DSHS, and TDA's programs are aimed at reducing the number of Texans living in poverty, thereby providing a better quality of life for all Texans. The departments provide long-term solutions to the problems facing people in poverty and focus resources to those with the greatest need.

Regarding institutional structure, TDHCA, DSHS, and TDA are primarily pass-through funding agencies and distribute federal funds to local entities that in turn provide assistance to households. Because of this, the agencies work with many partners, including consumer groups, community based organizations, neighborhood associations, community development corporations, councils of governments, community housing development organizations, community action agencies, real estate developers, social service providers, local lenders, investor-owned electric utilities, local government, nonprofits, faith-based organizations, property managers, state and local elected officials, and other state and federal agencies. Because the agencies do not fund individuals directly, coordination with outside entities is essential to the success of their programs. By structuring its operations this way, the

State shares its risk and commits funds in correlation with local needs, local partners are able to concentrate specifically on their area of expertise and gradually expand to offering a further array of programs.

Finally, to enhance coordination between public and private housing and social service agencies, State agencies chief function is to distribute program funds to local providers that include units of local government, nonprofit and for-profit organizations, community-based organizations, private sector organizations, real estate developers and local lenders. The private housing and social service funds available for priority needs may include loans or grant programs through private banks, for-profit or nonprofit organizations; this source of funding varies from year to year.

# Program Specific Requirements

## AP-90 Program Specific Requirements – 91.320(k)(1,2,3)

### Introduction

Program specific requirements as referenced in 24 CFR 91.320 (k)(1,2,3) are described below for the CDBG, HOME, and ESG programs.

For the CDBG Program, it is expected that the total amount of program income that will have been received before the start of PY 2015 and that has not yet been reprogrammed will be $2,500,000, including $520,000 program income collected by the state and program income retained by local subgrantees and $3,200,000 previously retained but not included in a prior action plan. The amount of CDBG urgent need activities is estimated to be $5,100,000. The 85% of CDBG funds to benefit persons of low to moderate income includes PY 14-16.

### Community Development Block Grant Program (CDBG)

### Reference 24 CFR 91.320(k)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

| | |
|---|---|
| 1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed | 5,675,933 |
| 2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan. | 0 |
| 3. The amount of surplus funds from urban renewal settlements | 0 |
| 4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan | 0 |
| 5. The amount of income from float-funded activities | 0 |
| **Total Program Income:** | **5,675,933** |

### Other CDBG Requirements

| | |
|---|---|
| 1. The amount of urgent need activities | 4,759,541 |

| | |
|---|---|
| 2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income.Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan. | 85.00% |

## HOME Investment Partnership Program (HOME)

## Reference 24 CFR 91.320(k)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

   The State is not proposing to use any form of investment in its HOME Program that is not already listed as eligible for investment in 24 CFR 92.205(b).

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

   If the participating jurisdiction intends to use HOME funds for homebuyers, the guidelines for resale or recapture must be described as required in 24 CFR §92.254(a)(5). Recapture provisions are not applicable for HOME-assisted multifamily rental projects; in the case of default, sale, short sale, and/or foreclosure, the entire HOME investment must be repaid.

   TDHCA has elected to utilize the recapture provision under 24 CFR §92.254(a)(5)(ii) as its primary method of recapturing HOME funds under any program the State administers that is subject to this provision. The following methods of recapture would be acceptable to TDHCA and will be identified in the note prior to closing.

   A. Recapture the amount of the HOME investment reduced on a pro rata share based on the time the homeowner has owned and occupied the unit measured against the required affordability period. The recapture amount is subject to available shared net proceeds in the event of sale or foreclosure of the housing unit.
   B. In the event of sale or foreclosure of the housing unit, if the shared net proceeds (i.e., the sales price minus closing costs; any other necessary transaction costs; and loan repayment, other than HOME funds) are in excess of the amount of the HOME investment that is subject to recapture, then the net proceeds may be divided proportionately between TDHCA and the homeowner as set forth in the following mathematical formulas. If there are no Net Proceeds from the sale, no repayment will be required of the homebuyer and the balance of the loan shall be forgiven:

      (HOME investment / (HOME investment + homeowner investment)) X net proceeds = HOME amount to be recaptured

(Homeowner investment / (HOME investment + homeowner investment)) X net proceeds = amount to homeowner

C. The household can sell the unit to any willing buyer at any price.
D. In the event that the assisted property is rented or leased, or otherwise ceases to be the principal residence of the initial household, the entire HOME investment is subject to recapture.
E. In the event of sale to a subsequent low-income purchaser of a HOME-assisted homeownership unit, the low-income purchaser may assume the existing HOME loan and recapture obligation entered into by the original buyer if no additional HOME assistance is provided to the subsequent homebuyer. In cases in which the subsequent homebuyer needs HOME assistance in excess of the balance of the original HOME loan, the HOME subsidy (the direct subsidy as described in §92.254) to the original homebuyer must be recaptured. A separate HOME subsidy must be provided to the new homebuyer, and a new affordability period must be established based on that assistance to the buyer.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

   In certain limited instances, TDHCA may choose to utilize the resale provision at 24 CFR §92.254(a)(5)(i) under any program the State administers that is subject to this provision. The following method of resale would be acceptable to TDHCA and will be identified in the note prior to closing:

A. Resale is defined as the continuation of the affordability period upon the sale or transfer, rental or lease, refinancing, or if the initial Household is not longer occupying the property as their Principal Residence.
B. Resale requirements must ensure that, if the housing does not continue to be the principal residence of the family for the duration of the period of affordability, the housing is made available for subsequent purchase at an affordable price to a reasonable range of low- or very low-income homebuyers that will use the property as their principal residence. Affordable to a reasonable range of low-income buyers is defined as targeting Households that have income between 70 and 80 percent of the area median family income and meet all program requirements.
C. The resale requirement must ensure that the price at resale provides the original HOME-assisted owner a fair return on investment. Fair return on investment is defined as the sum of down payment and closing costs paid from the initial seller's cash at purchase, closing costs paid by the seller at sale, the principal payments only made by the initial homebuyer in excess of the amount required by the loan, and any documented capital improvements in excess of $500. Fair return on investment is paid to the seller at sale once first mortgage debt is paid and all other conditions of the initial written agreement are met. In the event there are no funds for fair return, then fair return does not exist. In the event there are partial funds for fair return, then fair return shall remain in force.
D. The initial homebuyer's investment of down payment and closing costs divided by TDHCA's

HOME investment equals the percentage of appreciated value that shall be paid to the initial homebuyer. The balance of appreciated value shall be paid to TDHCA. If appreciated value is zero, or less than zero, then no appreciated value exists. The HOME loan balance will be transferred to the subsequent buyer and the affordability period will remain in effect. The period of affordability is based on the total amount of HOME funds invested in the housing.

E. In the event that the assisted property is sold during the affordability period, rented or leased, or otherwise ceases to be the principal residence of the initial household, the entire HOME investment will become immediately due and payable if the property does not continue to meet the affordability requirements for the remainder of the affordability period.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

TDHCA may use HOME funds to refinance existing debt secured by multifamily housing that is being rehabilitated with HOME funds as described in 24 CFR §92.206(b). TDHCA shall use its underwriting and evaluation standards, site and development requirements, and application and submission requirements found in 10 TAC, Chapter 10, for refinanced properties in accordance with its administrative rules. At a minimum, these rules require the following:

- that rehabilitation is the primary eligible activity for developments involving refinancing of existing debt;
- that a minimum funding level is set for rehabilitation on a per unit basis;
- that a review of management practices is required to demonstrate that disinvestments in the property has not occurred;
- that long-term needs of the project can be met;
- that the financial feasibility of the development will be maintained over an extended affordability period;
- that whether new investment is being made to maintain current affordable units and/or creates additional affordable units is stated;
- that the required period of affordability is specified;
- that the HOME funds may be used throughout the entire jurisdiction (except as TDHCA may be limited by the Texas Government Code) is specified; and
- that HOME funds cannot be used to refinance multifamily loans made or insured by any Federal program, including CDBG, is stated.

## Emergency Solutions Grant (ESG)

***Reference 24 CFR 91.320(k)(3)***

1. Include written standards for providing ESG assistance (may include as attachment)

TDHCA requires that its Subrecipients establish and implement written standards for providing ESG assistance. The minimum requirements regarding these standards are set forth in 24 CFR

§§576.400(e)(2) and (e)(3) and TDHCA reviews the standards to insure they meet these requirements.

A. Being a unit of general local government (or a combination of such units of local government approved by HUD) or private nonprofit organization.
B. Documenting that the proposed project, if a shelter, has the approval of the municipality in which the project will operate.
C. Assuring that ESG Subrecipients that are units of local general government obligate funds within 180 days from the date that TDHCA received the award letter from HUD.
D. Documentation of fiscal accountability.
E. Proposing to undertake only eligible activities.
F. Demonstrating need.
G. Assuring ability to provide matching funds in the funding categories awarded in their ESG contract. (The State may grant an exception to the match requirement of up to a total of $100,000 each fiscal year.)
H. Demonstrating effectiveness in serving the homeless, including the ability to establish, maintain, and/or improve the self-sufficiency of homeless individuals.
I. Assuring that homeless individuals will be involved in the provision of services funded through ESG, to the maximum extent feasible, through employment, volunteerism, renovating, maintaining or operating facilities, and/or providing direct services to occupants of facilities assisted with ESG funds.
J. Assuring the operation of an adequate, sanitary, and safe homeless facility and good-faith administration of a policy designed to ensure that the homeless facility is free from the illegal use, possession, or distribution of drugs or alcohol by its beneficiaries.
K. Assuring that it will develop and implement procedures to ensure the confidentiality of records of any individual receiving assistance as a result of family violence.
L. Assuring that all activities it undertakes with assistance under ESG are consistent with the State of Texas Consolidated Plan, the McKinney-Vento Homeless Assistance Act, and all other assurances and certifications.
M. Assuring the participation in the development and implementation, to the maximum extent practicable and where appropriate, policies and protocols for the discharge of persons from publicly-funded institutions and systems of care to prevent such discharge from immediately resulting in homelessness for such persons. ESG funds are not to be used to assist such persons in place of State and local resources.
N. Assuring that it will meet HUD’s standards for participation in a local Homeless Management Information System or a comparable database if a domestic violence provider or legal services provider, and the collection and reporting of client-level information.
O. Any renovation carried out with ESG assistance shall be sufficient to ensure that the building involved is safe and sanitary, and the renovation will assist homeless individuals in obtaining (1) appropriate supportive services, including permanent housing and other services essential for

achieving independent living; and (2) other federal, state, local, and private assistance available for such individuals.

2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

   TDHCA has contracted with a provider to promote the CoCs readiness for this requirement. To date, many of Texas' 11 CoCs have established centralized or coordinated assessment system in adherence with HUD's requirements and standards as published in the CoC program rule.

3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

   For the purposes of distributing funds, the percentage of statewide homeless population is weighted at 75% while the percentage of the statewide population in poverty is weighted at 25%. Texas releases a NOFA each spring in anticipation of receiving ESG funding. Applications are accepted for generally a 30-day period. Applications are scored and ranked within their CoC regions.

   For competitive awards, eligible applicant organizations are units of general purpose local government (and combinations of units of general purpose local government recognized by HUD), including cities, counties and metropolitan cities and urban counties that receive ESG funds directly from HUD. Other instrumentalities of a city or county, like a Local Mental Health Authority ("LMHA") may be eligible to apply, if it meets certain conditions. Some governmental organizations such as PHAs are not eligible due to the HEARTH Act and cannot apply directly for ESG funds; however PHAs may serve as a partner in a collaborative application but may not be the lead entity. For competitive awards, eligible applicants may be limited by NOFA.

   Eligible Applicant organizations also include private nonprofit organizations that are secular or religious organizations described in section 501(c) of the Internal Revenue Code of 1986, are exempt from taxation under subtitle A of the Code, have an acceptable accounting system and a voluntary board, and practice non-discrimination in the provision of assistance. Faith-based organizations receiving ESG funds, like all organizations receiving HUD funds, must serve all eligible beneficiaries without regard to religion.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

   With the change in the rules so that homeless participation is not required on the boards of Subrecipient agencies, TDHCA will consult with CoC leaders and Subrecipient agencies to design a way to receive input from homeless or formerly homeless persons in considering policies and funding decisions regarding facilities and services funded under ESG.

5. Describe performance standards for evaluating ESG.

   Organizations providing street outreach will be required to meet contractual performance targets for the number of persons to be assisted, the number of persons to be provided with case management, and the number of persons who will be placed in temporary, transitional or permanent housing.

   Organizations providing emergency shelter and transitional shelter will be required to meet contractual performance targets for the number of persons to be assisted, the number of persons to be provided with case management, and the number of persons who will exit to temporary, transitional housing destinations or permanent housing destinations.

   Organizations providing homelessness prevention and rapid re-housing assistance will be required to meet contractual performance targets for the number of persons to be assisted, the number of persons to be provided with housing stability case management services, the number of persons who will increase their non-cash benefits, the number of persons who will have an increase in income at program exit, and, for rapid re-housing, the number of persons who will exit to permanent housing destinations and the number of persons who had a residence prior to entry that was an institution or system of care.

**Discussion**

For HOME, the State is not proposing to use any form of investment in its HOME Program that is not already listed as an eligible for investment in 24 CFR §92.205(b). As described above, TDHCA may use HOME funds to refinance existing debt secured by multifamily housing that is being rehabilitated as described in 24 CFR §92.206(b). TDHCA shall use its underwriting and evaluation standards, site and development requirements, and application and submission requirements found in 10 Texas Administrative Code, Chapter 10, for refinanced properties in accordance with its administrative rules.

For ESG, performance standards for evaluation are separated by the following activities: street outreach; emergency shelter and transitional shelter; and homelessness prevention and rapid re-housing assistance. These standards are included in each ESG Subrecipients annual contractual agreement with TDHCA.

# Attachments

**Citizen Participation Comments**

**Attachment A:**

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## 2016 OYAP Public Comment Summary and Reasoned Responses

Following the release of the Draft 2016 OYAP, the Public Comment period was open from October 19, 2015, through November 19, 2015, and a public hearing was held on November 16, 2015 in Austin, TX. The State received 18 total comments from the following 4 organizations: Amazing Grants, Inc., MET, Inc., SafePlace, and Lifeworks. A summary of the comments received and reasoned responses are provided below.

1. One comment requested an increase in the portion of ESG funds used for homelessness prevention funds, supported by a three percent difference between what TDHCA had committed to the activity and what was actually spent in this activity, as indicated in the Past Performance review on page 4 of the 2016 OYAP.

    Staff response: No changes were made to the OYAP as a result of this comment. Staff agrees that, like all of the ESG expenditure categories, there is large need for homelessness prevention. Currently, the funding activity for homelessness prevention is determined by the subrecipients and their indication as to how much of that activity is needed in their communities. To determine whether the variance was an anomaly or whether such a change in the program is needed, the Department will include a question regarding a program change in its annual program consultation survey. The current goal that 36% of ESG funds be used for homelessness prevention will not change at this time.

2. One comment asked for a reduction in the complexities of the homelessness prevention activity. Specifically, the commenter stated that the rental assistance agreement between the property manager and the Emergency Solutions Grants (ESG) Program is difficult since the property managers viewed this rental assistance agreement like a second lease. Commenter suggests that the Rental Assistance Form be revised to be distinctly differentiated from a lease, or include a statement that the original lease will not be overridden.

    Staff response: No changes were made to the OYAP as a result of this comment. The rental assistance agreement between the subrecipient and owner is required by federal statute. The ESG requirement of a rental assistance agreement, 24 Code of Federal Regulations (C.F.R) §576.106(e) states that "the rental assistance payments [may be made] only to an owner with whom the recipient or subrecipient has entered into a rental assistance agreement". The Rental Assistance Agreement provided by TDHCA already states in bold: "Please note: The Rental Assistance Agreement does not take the place of the lease between the landlord and the tenant." TDHCA will review and may accept a subrecipient-created form as long as the form includes the required information.

3. One comment noted that, due to the complexities of the homelessness prevention activity, the subrecipient was only using the ESG funds for utilities.

    Staff response: No changes were made to the OYAP as a result of this comment. TDHCA encourages subrecipients to partner with local organizations that can provide resources for their clients. If a subrecipient primarily provides utility assistance for homelessness prevention, TDHCA encourages the subrecipient to partner with a Comprehensive Energy Assistance Program ("CEAP") provider in its area. For TDHCA, in SFY 2014, CEAP provided $126,594,230 in utility assistance, whereas in SFY 2014 ESG provided $6,605,383 in outreach, shelter, homelessness prevention and rapid re-housing. The use of other community resources, especially for utilities, is highly encouraged in order to allow the ESG funds to be used most efficiently. TDHCA ESG staff is available to provide technical assistance to any subrecipient with questions about homelessness prevention activity requirements.

4. One comment stated that direct funding to Continua of Care ("CoCs") would create more competition in respective communities, as well as more of a planning burden.

    Staff response: No changes were made to the OYAP as a result of this comment. Staff respectfully disagrees that the direct funding of CoCs would create more competition. The competition among local providers for limited ESG funds should remain the same regardless of whether the local agencies submit applications to TDHCA directly or to the CoCs. In regards to the comment relating to a local competition adding to the planning burden, staff concurs to some extent that community-wide planning may be needed to coordinate ESG funding through the CoC. However, this additional planning should be able to be leveraged with the process used for awarding federal CoC funds (including the use of the same CoC Independent Review Team as necessary), more strongly promotes local CoC engagement which is strongly encouraged by HUD, and will potentially result in more efficient use of funds.

5. One comment requested to see the results from the CoC pilots listed in the One Year Action Plan.

    Staff response: No changes were made to the OYAP as a result of this comment. The One Year Action Plan is a plan of the next fiscal year, and is not the appropriate HUD document in which to report on prior year program results. Staff will make an effort to include results from the CoC pilots in the Consolidated Annual Performance Evaluation Report ("CAPER"), which will be released for public comment in the spring of 2016.

6. One comment was in appreciation of expanding the at-risk of homelessness definition to include persons who are in transitional housing as having characteristics associated with instability and an increased risk of homelessness. This inclusion would allow persons who are in transitional

housing to be eligible for Homelessness Prevention funds, if they also met the other eligibility requirements.

Staff response: No changes were made to the OYAP as a result of this comment. Staff acknowledges this comment and appreciates the affirmation of the policy.

7. One comment stressed the importance of transitional housing for domestic violence survivors, and the need to qualify clients in transitional housing as homeless so the clients could qualify for temporary supportive services available to people who are considered homeless. There has been a push in ESG to change Transitional Housing to Rapid Re-housing, but clients of Rapid Re-housing are not considered homeless.

    Staff responses: No changes were made to the OYAP as a result of this comment. The HUD summary for the ESG interim rules states: "The change in the program's name, from Emergency Shelter Grants to Emergency Solutions Grants, reflects the change in the program's focus from addressing the needs of homeless people in emergency or transitional shelters to assisting people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness" (https://www.hudexchange.info/resource/1927/hearth-esg-program-and-consolidated-plan-conforming-amendments/). ESG clients receiving Rapid Re-housing will have leases and will not be considered homeless, but they can still access certain services under 24 CFR §576.105, such as housing stability and case management.

8. One comment requested that undocumented persons be categorized as a special needs group in the One Year Action Plan. The commenter requested that the ESG applicants who propose to serve undocumented persons also receive those additional points because undocumented persons are highly vulnerable to violence. The commenter noted that federal welfare reform legislation mandates that undocumented persons cannot be turned away from emergency and short-term shelter and supports. However, the undocumented status disqualifies these persons for many other needed social services.

    Staff response: No changes were made to the OYAP as a result of this comment. ESG subrecipients are not required to verify an applicant's status as a qualified alien before providing assistance. Adding undocumented persons as a special needs population would mean that providers would openly start identifying individuals who might not want to be identified as such, potentially influencing this population not seek services.

9. One comment was in appreciation of the uses of ESG Program activities aligning with HUD activities.

Staff response: No changes were made to the OYAP as a result of this comment. Staff acknowledges this comment and appreciates the affirmation of the policy.

10. One comment was in appreciation of the TDHCA's commitment to providing information and technical assistance related to lead-based paint regulations.

    Staff response: No changes were made to the OYAP as a result of this comment. Staff acknowledges this comment and appreciates the affirmation of the policy.

11. One comment requests the inclusion in the OYAP regarding domestic violence programs being able to use a comparable database other than the Homeless Management Information System ("HMIS"), per HUD guidance. The use of a comparable database will protect information of victims of domestic violence, dating violence, sexual assault, or stalking.

    Staff response: Staff acknowledges this comment and has made the following clarification to the OYAP. Under the OYAP writing prompt: "Describe consultation with the Continuum(s) of Care that serves the State in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS," staff has added: "TDHCA acknowledges that domestic violence programs may use a comparable database per the Violence Against Women Act and HUD guidance.."

12. One comment notes the federal rule change that no longer requires homeless and/or formerly homeless individuals to serve on the Board of Directors of subrecipient agencies. The commenter would support the decision to invite homeless and/or formerly homeless individuals to serve on the Board of Directors, since their feedback is invaluable to the ESG Program.

    Staff response: No changes were made to the OYAP as a result of this comment. TDHCA acknowledges the value of including clients in the planning process of its programs and supports subrecipients who pursue such board composition. The 24 CFR §576.405 provisions requiring homeless participation on boards or in an advisory capacity do not apply to a recipient that is a State, and TDHCA opted in 2015 not to pass this requirement to its subrecipients. However, the 2015 ESG Notice of Funding Availability ("NOFA") noted, "to the maximum extent practicable, Subrecipients should involve, through employment, volunteer services, or otherwise, homeless individuals and families in constructing, renovating, maintaining, and operating facilities, in providing services assisted under the ESG program, and in providing services for occupants of facilities assisted with ESG." TDHCA anticipates opting not to pass along the requirement to its subrecipients for the 2016 NOFA. The federal rule change does not prohibit homeless and/or formerly homeless individuals from serving on the Board of Directors of subrecipient agencies, so subrecipient agencies may still include this population on their boards.

13. One comment requests that domestic violence programs have at least three months' notice of any changes from TDHCA's Community Affairs central database reporting to the HMIS or comparable database reporting for the CAPER.

    Staff response: No changes were made to the OYAP as a result of this comment. The U.S. Department of Housing and Urban Development ("HUD") has changed reporting requirements for the CAPER for screen CR-65, Persons Assisted, starting in 2016. Instead of manually inputting data into tables provided by HUD, HUD requires that recipients upload HMIS or comparable database files directly into the Integrated Disbursement and Information System ("IDIS"). TDHCA is in the process of submitting an exception request to HUD postponing the reporting requirement for the 2016 CAPER. TDHCA is in the process of creating a plan to shift the manner in which subrecipients report HMIS or comparable database data for the 2017 CAPER. Once that plan is in place, TDHCA will provide notice to its subrecipients on the reporting requirements.

14. One comment was a request that the Department implement recommendations from Bowen National Research's *Texas Rural Farmworker Housing Analysis*.

    Staff response: No changes were made to the OYAP as a result of this comment. Many of the recommendations provided in the study would require additional sources of funding or funding with fewer federal restrictions, such as large state funded rental assistance or predevelopment loan programs. The Department remains open to implementing recommendations reflected in the study, but the Department does not have the available resources to carry out many of the recommendations. As is evident in the study, the majority of the best practices highlighted from other states rely on large sources of state funding. The Department, instead, has identified farmworkers as a special needs population to facilitate accessing available affordable housing resources funded and developed through the Department's programs.

15. One comment suggested that that farmworkers are not benefitting from being included as a special needs group within the HOME program and it was also recommended to aggressively outreach to the farmworker population, in order to serve more individuals who are often viewed as an invisible population and do not step forward to take advantage of social services or other programs.

    Staff response: No changes were made to the OYAP as a result of this comment. The recommendations made are more appropriately addressed by the Department's rulemaking process for the specific funding source from which the commenter would like outreach performed.

16. One comment was a recommendation that HOME funding cycles and other TDHCA funding cycles correspond with U.S. Department of Agriculture ("USDA") funding cycles for farmworker housing. This recommendation was specifically in regards to the USDA farm labor housing and rental assistance (Section 514, 516 and 523) in order to leverage HOME funds, showing commitment of other funding sources, which is required within one year of USDA approval. The commenter cites California, Florida, Washington, and Oregon which have state grant and loan programs specifically to work with Section 514/516.

    Staff response: The Department's rules and OYAP do not impose restrictions that preclude the Department from having a cycle that aligns with funding cycles of other federal programs, such as the USDA 514, 516 and 523 programs. However, the Department has little control over the timing of HUD's provision of HOME funding to the Department or the timeframes associated with other federal programs not administered by the Department. Still, the Department generally endeavors to make HOME program funding available through open cycle Notices of Funding Availability ("NOFA") so that HOME funding can be effectively leveraged with other sources of funds.

17. One comment was a question asking if there will be any data gathering for farmworkers, as referenced in the 2015-2019 State of Texas Consolidated Plan.

    Staff response: No changes were made to the OYAP as a result of this comment. TDHCA continues to collect farmworker data through a voluntary process and HOME grantees are not required to solicit an individual's status as a farmworker or non-farmworker.

18. One commenter stated concerns regarding the decrease in funding for the STEP funding category in the CDBG program, including several examples of communities with water needs that could be met through the program.

    Staff response: TDA recognizes the value of the STEP fund for communities that are committed to self-help methods to addressing water system issues. The decrease in funding reflects both a decrease in the overall TxCDBG funding, as well as the recent participation level in the STEP fund. Because STEP funded projects are challenging and require the right project in a community with committed volunteers, the STEP funding has been underutilized in recent years. Therefore, TDA has set aside a smaller amount of funds for this category in Program year 2016.

## Public Comments Submitted for 2016 OYAP

*Amazing Grants, Inc.*

*Lifeworks*

*MET, Inc.*

*SafePlace*

AMAZING GRANTS, INC.

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October 29, 2015

Ms. Suzanne Barnard
State Director, CDBG
Texas Department of Agriculture
P. O. Box 12847
Austin, TX 78711

RE: Small Towns Environment Program

Suzanne,

I have serious concerns over the proposed decrease in funding available for STEP projects through the CDBG program. Generally speaking, STEP project beneficiaries are the lowest of the low income. A substantial decrease in the funding will be devastating to the poorest of the poor, particularly in some of the most outlying areas of our counties.

In some of our counties that we regularly work with, there are as many as twelve water supply corporations vying for CDBG dollars. These WSC's have lines that were installed in the 1960's, some of which are one-inch and literally reduce water to a trickle by the time it reaches homes. In the neighborhoods adjacent to these homes, who already must coordinate with one another to be able to wash clothes and bathe, are homes that have no water. And, until the WSC replaces the existing lines with larger lines, they are prohibited by TCEQ from providing water to those homes. Even if it were an option, most in these rural areas cannot afford to pay the membership and tap fees. The STEP program has provided an avenue for these Texans to do what they do best: work hard and do whatever is needed to bring water to their homes and improve their quality of life.

My office receives calls daily from people who are desperate for water. I just want to share a couple of their stories with you:

> One of our most recently completed STEP projects provided first-time water to homes primarily occupied by fixed income retirees who lived in tiny homes, not because they are fashionable these days, but because it is what they could afford. Volunteers chose the first home to install water service, and it was an elderly man undergoing chemotherapy. The volunteers cheered when they realized they had successfully run water in front of his home. The moment was captured on film, and I have attached a copy.

Another recent STEP project brought water to an area whose wells dried up due to the drought. Some residents still had water, but it was neon orange. It was certainly not fit for consumption. It couldn't even be used to wash clothes, as it would stain them. I have also attached a picture of the water available to residents of this community prior to the completion of the STEP project.

The rules of water use and ownership are changing rapidly. Water has become the new gold. Even the use of water on one's own property is currently being debated. Between this fact and the recent drought, it has become more imperative than ever to ensure that a potable water source is available to as many households as possible, and STEP funding fills much a needed gap in program availability and opportunities to do so.

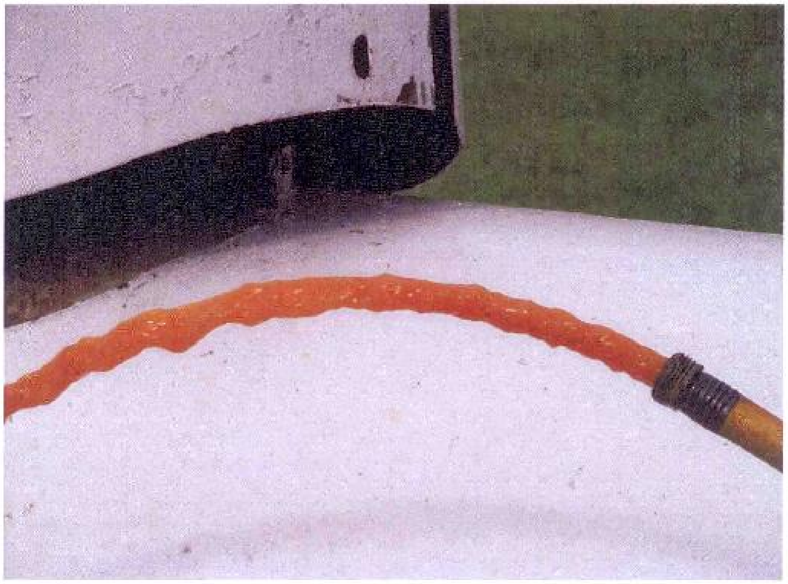
Some localities (and their consultants) show little interest in participating in the STEP program. There are a couple of reasons for this. For one, it takes effort. It's not just "free money" or "free treats." It takes commitment on behalf of the community and the consultant. Also, we all know that elected officials love road projects, but we also know that this is because road repairs are the most visible to constituents. What people don't often see is the number of their neighbors without a dependable water supply and what that means for their livelihood. Fortunately, the Texas Department of Agriculture has, in the past, seen the need to continue to provide much needed infrastructure to rural communities. One of your very own representatives recently told a group of potential volunteers at a STEP community meeting that "Rural communities are the lifeblood of Texas agriculture." I only hope that this vision continues into the future.

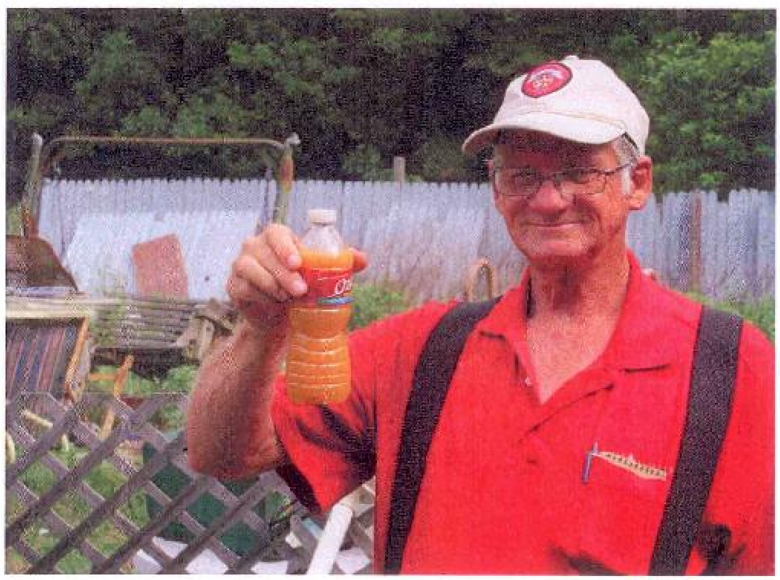
The bottom line is that the STEP program is one of TDA's greatest success stories. It may not be the most celebrated or sought after, but those who receive the benefits of the program are by far the most in need of assistance and the most grateful.

Sincerely,

Mary Kay

Mary Kay Thomas





**From:** Natalie Metzger-Smit [natalie.metzger-smit@lifeworksaustin.org]
**Sent:** Thursday, November 19, 2015 1:43 PM
**To:** info
**Cc:** Peg Gavin; marianasalazar@austinecho.org; Erin Whelan
**Subject:** LifeWorks Comments re: Draft 2016 One-Year Action Plan

Good afternoon,

Thank you for the opportunity to comment on the Draft 2016 One-Year Action Plan. Our comments are in specific response to the language that would allow the use of ESG Homelessness Prevention funds for persons who meet the at-risk of homelessness definition AND who are in transitional housing.

*LifeWorks supports the expansion of ESG Homeless Prevention Funds to include those who reside in transitional housing. Although we currently do not receive ESG funds for Homelessness Prevention, thus no immediate impact is felt, given this change we would consider applying for these funds in future years. At this time approximately 93% of clients we serve meet the Literally Homeless definition, versus 7% who meet the At-Risk of Homelessness definition. We anticipate that approximately 9% would benefit from this change.*

*LifeWorks applauds any expansion of eligibility that widens the resources clients can access to obtain housing. In such instances where the client is exiting our Transitional Living Program and needs subsidized housing, although they meet the income and situational guidelines of "at-risk of homelessness" definition, they could not access Homeless Prevention funds that provide support for housing, case management or other supportive services. Expansion of this definition to include transitional housing allows clients to access funds for housing where they otherwise may be homeless.*

Thank you again for the opportunity to comment. Feel free to contact me directly with any questions.

**Natalie Metzger-Smit | Grants and Contracts Manager**
**LifeWorks, Empowering Self-Sufficiency**
3700 S. 1st Street | Austin, TX 78704
O - 512.735.2466 | F - 512.735.2452

**MET** motivation education & training, inc.

Austin Office
1811 West 38th Street
Austin TX 78731 Telephone:
512-965-0101 Fax
number: 512-374-1657

November 19, 2015

Mr. Tim Irvine
Texas Department of Housing and Community Affairs
PO Box 13941
Austin, TX 78711-3941

RE: Comments related to the Draft 2016 State of Texas One-Year Action Plan

Dear Mr. Irvine,

We appreciate the opportunity to comment on TDHCA's Draft 2016 State of Texas Consolidated Plan. Motivation Education & Training, Inc. MET is a private nonprofit 501(c)(3) organization funded by a variety of public and private grants and contracts. MET was incorporated in 1967 and operates on a statewide basis in Texas. The organization was founded for the purpose of providing academic and vocational training to migrant and seasonal farm workers, with the objective of furthering economic self-sufficiency for MET participants. MET has conducted programs to improve farmworkers' housing situations since the 1970's.

As described in Bowen National Research's Texas Rural Farmworker Housing Analysis (September 2012) needs assessment section, all farmworkers including non-migrant seasonal workers, live in "run-down apartments, overcrowded conditions, families forced to share limited housing, and families living in shacks, barns, outdated trailers or camping along riverbanks or in orchards" (page 52). Therefore, directing TDHCA programs and resources to farmworkers is very important.

It is vital that TDHCA spearhead implementing the recommendations cited in the Texas Rural Farmworker Housing Analysis to improve farmworker housing options, and provide leadership to bring recommendations into fruition in the state.

Once again a review of the Annual Progress Reports to HUD show that farmworkers are not benefitting from being included as a special needs group within the HOME program. Only 16 farmworkers have been served from these programs since 2005! (See the attached summary of past Annual Progress Reports). The sixteen farmworkers (only one in 2014) represents only 0.12% of the 12,833 persons with special needs served by the agency – a truly pathetic accomplishment.

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Physical Address: 22551 Gene Campbell Blvd. • New Caney • TX • 77357
Telephone: 281.689.5544 • Fax: 281.689.5279 • email: metinc@metinc.org

We recommend HOME funding and other TDHCA programs give special attention to providing leverage to USDA funding and rental assistance from Section 514, 516, and 523. Committed leverage funding is a significant scoring factor for farm labor housing applications (Section 514/516) that are competitively scored nationally, and come with rental assistance (Section 523). Applications need to show funding approvals prior to application submittals to USDA and firm funding commitments within one year of USDA approval. Thus timetables must work together and the agency needs to be ready to attract this precious federal funding to Texas.

In recent years Texas applicants have been at a disadvantage in competing nationally for these funds. California, Florida, Washington, and Oregon all have state grant and loan programs geared to work specifically with Section 514/516. Although Texas ranks second among states in the number of farmworkers, Texas applicants have not had ready access to TDHCA resources to attract Section 514/516 to the state.

Predevelopment funding is often lacking. Early commitments are essential.

Missing from the draft Plan, is any indication that that TDHCA will to gather data on farmworkers, as was indicated in the five year plan. Will there be any data gathering or outreach activities for farmworkers?

Better outreach is needed to the farmworker population in order to assist more than a handful of members of the farmworker population. Studies show farmworkers are often an invisible population and do not step forward to take advantage of social services or other programs. Aggressive outreach is needed.

Thank you for the opportunity to comment. Please contact me if you have any questions or need clarification on any of these suggestions. MET would be happy to continue to work with TDHCA on these or other initiatives that benefit Texas farmworkers. We appreciate the efforts the Department has made to learn more about farmworker housing needs. We need to continuing working together to get past investigative stages. We need to work harder to actualize programs that truly improve housing options for the state's farmworker population.

Sincerely,

Kathy Tyler

Kathy Tyler
Housing Services Director

**Migrant Farmworkers Served Annually - as part of HOME Special Needs Population**

Prepared by MET Inc using State of Texas Consolidated Plan Annual Performance Reports (CAPERs) accessed from TDHCA website

*"In the One Year Action Plan, TDHCA had a goal of allocating a minimum of 20 percent of the annual HOME allocation to applicants serving persons with special needs. Persons with "special needs" include homeless persons, elderly persons, persons with disabilities, persons with AIDS and AIDS-related diseases, victims of domestic violence, persons with alcohol and/or drug addictions, colonia residents, and **farmworkers**. Eligible applicants include nonprofits, units of general local government, and PHAs with documented histories of working with special needs populations. Eligible activities include homebuyer assistance, homeowner rehabilitation, and tenant-based rental assistance."* (italics and bold added)

| Reporting on Program Year | Total Special Needs Population | Migrant Farmworkers | (Farmworkers to All Special Needs) | | Report Dated |
|---|---|---|---|---|---|
| 2005 | 2,142 | 2 | 0.09% | | April 2006 |
| 2006 | 2,361 | 6 | 0.25% | | April 2007 |
| 2007 | 2,464 | 1 | 0.04% | | April 2008 |
| 2008 | 1,296 | 2 | 0.15% | | April 2009 |
| 2009 | 382 | 0 | 0.00% | | April 2010 |
| 2010 | 463 | 4 | 0.86% | | April 2011 |
| 2011 | 1,014 | 0 | 0.00% | | May 2012 |
| 2012 | 1,426 | 0 | 0.00% | | May 2013 |
| 2013 | 721 | 0 | 0.00% | | May 2014 |
| 2014 | 614 | 1 | 0.16% | | Jan 2015 |
| | 12,883 | 16 | 0.12% | | |

MET's Recommendations:

1. Give program preferences to farmworkers and jive funding timetables to attract federal funds
2. Improve outreach to farmworkers
3. Improve tracking of farmworkers served

safe place

A Partner Agency of SAFE

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For Deaf/HH/Deaf-Blind community, please use relay/VRS

**November 10, 2015**

**RE: Response to DRAFT 2016 State of Texas Consolidated Plan One-Year Action Plan**

Dear State of Texas Housing and Health Directors:

SafePlace appreciates the opportunity to provide comments and feedback on the 2016 State of Texas Consolidated Plan One-Year Action Plan (OYAP) in regard to the Emergency Solutions Grants Program (ESGP). We are a current recipient of the ESGP through a subcontract with Youth and Family Alliance, dba LifeWorks. Since 1974, SafePlace has served women, children and men in Austin/Travis County who have experienced domestic and sexual violence, and often poverty and homelessness. Our services include: a 105-bed emergency family Shelter; 51 transitional housing apartments; a 24-hour crisis Hotline; case management; Life Skills classes; therapeutic counseling; and outreach, education, training and violence prevention programs in schools and the greater community. In 2014, 4,980 people received direct services, 12,482 hotline calls were answered, and 31,778 people participated in trainings, presentations, or awareness-raising activities from SafePlace. Our mission is to lead in ending sexual assault and exploitation and domestic violence through prevention, intervention and advocacy for change.

SafePlace is a longtime recipient of both direct and subcontracted ESGP funding, and we have focused our comments solely on this program. As mentioned, SafePlace is currently a sub-recipient of ESG funding through Youth and Family Alliance, dba LifeWorks, a local 501 (c)(3) agency that provides comprehensive services to youth and young adults seeking their path to self-sufficiency. We currently use ESG funds to support Emergency Shelter, Homelessness Prevention, and Rapid Rehousing activities.

Below, you will find the selected ESGP categories from the OYAP for which we chose to respond (in bold) and our corresponding comments. Thank you in advance for taking the time to review and consider our feedback.

**ESG Performance Measures and Funds Expended**

Although ESG expenditures show limited disparities, we feel that the three percent difference in what the State committed for homelessness prevention (HP) verse the actual homelessness prevention activity in Texas represents a need for increased funding in this category. Spending the Homeless Prevention Funds has been challenging for our organization. Often, clients have several months of past due rent. The cost to keep the client housed is high, and a large number of these clients need continuous financial support after their housing has been secured, mostly to address utility debt. While most property managers cooperate with case managers to stop an eviction in process, many are reluctant or refuse to cooperate due to the cost of court-filing fees that they've already had to pay.

Many property managers are also reluctant to enter an ESGP Rental Assistance Agreement with us on behalf of the client, viewing it as a second "lease" that would somehow void the original lease between the tenant (client) and the property. In response to this, we would like to suggest that the Rental Assistance form be revised to be distinctly differentiated from a lease, or at least to include a statement that the Agreement does not override the general terms of the original lease.

Due to these complexities, we have limited our use of HP funds to assisting clients with utility deposits and payments only. If the complexities were removed, we would access homelessness prevention funds for other items, such as rental assistance.

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**CoC Coordination of ESG funds**

We were able to identify what we perceive as both positive and negative outcomes of this proposed change, and therefore appreciate that the State will continue to consult with agencies, groups and organizations throughout the public comment period. The pros and cons that we identified consist of the following:

**Pro**: This arrangement will allow more local oversight of the ESG Program, resulting in increased community coordination of the funds and the corresponding services.

**Con**: This system may create more competition in respective communities, as well as more of a planning burden (i.e., two IRT presentations).

We would like to see a summary of the results from the CoC pilots listed in the OYAP. We feel that Texas ESGP recipients could greatly benefit from the examples.

**Use of Funds and Expected Amount Available**

We appreciate that ESG funds can be used for conversion and rehabilitation for transitional housing and for transitional housing assistance. We recognize the push to change Transitional Housing into Rapid Rehousing, however, transitional housing continues to be the best option for many domestic violence survivors. The Transitional Housing model has proven highly successful for our client base. We believe this success is due to the reality that transitional housing offers the time and support services needed to address the ***legal*** and ***safety*** needs of individuals and families whose homelessness has been caused by family violence. These individuals and families are also provided the opportunity to learn and practice their individualized safety plans--a set of protocols that domestic violence survivors and their children put in place to address their safety needs and reduce their danger. We believe that providing a secure transitional living environment for survivors while they address these vital safety measures is imperative. Due to the instability that fleeing domestic violence causes, families fleeing domestic violence need temporary supportive services that are available to people who are considered homeless: according to HUD definitions, families living in transitional housing maintain a homeless status, while those living in RRH are considered permanently housed, thus limiting the programs and services for which they would otherwise qualify.

**ESG Serves Special Needs**

We appreciate that the ESG program acknowledges special needs populations and provides eligible points for applicants who serve persons with high barriers. Among those we serve with high barriers are those who are undocumented. Undocumented persons are highly vulnerable to violence and often seek emergency shelter services. Although Federal welfare reform legislation mandates that undocumented persons cannot be turned away from emergency and short-term shelter programs, their undocumented status disqualifies them for many other needed social services. Therefore, we would like to see this classification included in the special needs category of the OYAP.

**Broadened Use of ESG Funds**

We appreciate that ESG Program activities are in alignment with HUD activities.

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**ESG Lead-Based Paint**

We appreciate TDHCA's commitment to providing information and technical assistance related to lead-based paint regulations. Often, habitations built before 1978 are all that are available for housing, so we are strongly committed to informing families of the hazards that lead-based paint could cause to their families, especially to children and seniors.

**ESG Program-Specific Requirements**

One of the Program specific requirements listed in the OYAP is as follows: *Assuring that it will meet HUD's standards for participation in a local Homeless Management Information System and the collection and reporting of client-level information*. Due to legal mandates under the Violence Against Women Act and the Family Violence Prevention Services Act (FVPSA), domestic violence agencies are prohibited from entering data into HMIS and are thus required to maintain a comparable database to collect and report client-level data. The legislation mentioned above has strict requirements regarding client confidentiality. We would like to see the TDHCA include a clause about domestic violence programs and HMIS prohibition in this section of the OYAP.

We would also like to comment on the rule change in regard to homeless participation on sub-recipient Boards. Although it is no longer a requirement for homeless and/or formerly homeless individuals to serve on the Board of Directors of sub-recipient agencies, we appreciate that this population will still be able to provide input regarding the ESG program. We also support the decision, if it were made, to invite them back to serving on sub-recipient boards, since their feedback is invaluable to the ESG program.

If you have questions or need clarification regarding any of our feedback, please feel free to contact me at mcantu@safeaustin.org or 512-356-1614.

Thank you,

Melinda Cantu
SafePlace Executive Director

| | |
|---|---|
| From: | Hosie Washington |
| To: | info |
| Cc: | Melinda Cantu |
| Subject: | RE: Response to Draft 2016 State of Texas Consolidated Plan OYAP from SafePlace, Austin, TX |
| Date: | Monday, November 16, 2015 3:33:07 PM |
| Attachments: | image001.png<br>image002.png<br>Submitted OYAP Public Comment_2016.pdf |

Good afternoon,

We originally submitted the attached comments on November 10. Please accept the text below as an additional comment from our agency:

Domestic violence programs, per the Violence Against Women Act, cannot use the Homeless Management Information System (HMIS) and must have a comparable database. We understand that HUD has changed the format of the ESG CAPER. We have a recommendation that any programs using comparable databases receive at least three months' notice of any reporting changes in order to have sufficient time to produce required data. While local CoCs support the administration of HMIS, agencies using a comparable database need sufficient time to do the programming necessary to create comparable reports. We appreciate TDHCA's consideration of the special needs of grantees who do not directly enter information into HMIS due to statutory requirements.

Thanks again for giving us the opportunity to provide feedback about this important work. Please feel free to contact us with questions.

Sincerely,

| hosie washington, governmental grants coordinator | on behalf of

| Melinda Cantu, Executive Director, SafePlace| the SAFE alliance| office 512.356.1614 | http://safeaustin.org

24-hr Hotline: 512.267.SAFE (7233) | for Deaf people of all identities, please use relay/VRS

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From: Hosie Washington
Sent: Tuesday, November 10, 2015 2:49 PM
To: 'info@tdhca.state.tx.us'
Cc: Wendie Abramson; Melinda Cantu
Subject: Response to Draft 2016 State of Texas Consolidated Plan OYAP from SafePlace, Austin, TX

Texas Department of Housing and Community Affairs

Attn: Housing Resource Center

P.O. Box 13941

Austin, TX 78711-3941

November 10, 2015

Good afternoon,

In response to the request for public comment on the Draft 2016 State of Texas Consolidated Plan One-Year Action Plan (OYAP), please see the attached letter from our agency's Executive Director.

Thank you for giving us the opportunity to provide feedback about this important work. Please feel free to contact us with questions.

Sincerely,

| hosie washington, governmental grants coordinator | the SAFE alliance

| office 512.356.1659 | http://safeaustin.org

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## 2016 OYAP Substantial Amendment Public Comment Summary and Reasoned Responses

Once the posting for the Draft 2016 State of Texas National Housing Trust Fund ("NHTF") Allocation Plan, draft Substantially Amended 2015-2019 Consolidated Plan, and Draft Substantially Amended 2016 OYAP (the "Plan") was submitted to the *Texas Register*, the Public Comment period was open from July 15, 2016, through August 15, 2016, and a public hearing was held on August 4, 2016, in Austin, TX. The State received five total comments from the following five organizations: Coastal Bend Center for Independent Living, Texas Low Income Housing Information Service, Dallas Area Habitat for Humanity, Accessible Housing Austin, and Texas Association of Community Development Corporations. A summary of the comments received and reasoned responses are provided below.

1. Two comments requested that at least half or some portion of the units created with NHTF funding should serve extremely low income people who do not have rental vouchers.

    Staff response: No changes were made to the Plan as a result of this comment. Staff believes this is an important consideration that was addressed in the 2016-1 Multifamily Direct Loan Notice of Funding Availability ("NOFA") and will be addressed again in the 2017-1 NOFA and/or 2017 Uniform Multifamily Rules and Direct Loan rules that take into account NHTF funding.

2. Two comments noted that supportive services should not be required for either households to occupy a property assisted with NHTF or for a development to receive NHTF funding. One commenter noted that there are a lot of people who are extremely low income who need housing but they don't necessarily need services. Another commenter noted that attaching services to housing may have negative consequences whereby if a person loses his/her housing, he/she would lose their services as well. Additionally, the commented stated, that households living in NHTF funded developments should have the right to bring their own services.

    Staff response: No changes were made to the Plan as a result of this comment. Staff will address this comment as it drafts the 2017-1 NOFA and/or 2017 Uniform Multifamily Rules and Direct Loan rules that take into account NHTF funding.

3. Four comments asked staff to consider making the application process for NHTF funding more accessible to smaller mission-driven nonprofits. The reasons for making this consideration, commenters noted, include encouraging diversity, allowing nonprofits who really wants to serve the deepest levels of income to serve those households, and decreasing the cost of applying for organizations whose purpose is to serve extremely low income households.

Staff response: No changes were made to the Plan as a result of this comment. Staff will address this comment as it drafts the 2017-1 NOFA and/or 2017 Uniform Multifamily Rules and Direct Loan rules that take into account NHTF funding.

4. Three comments stated that the NOFA should be open for public comment if more granular details will be addressed in that or a similar document.

   Staff response: No changes were made to the Plan as a result of this comment. Staff will open the draft 2017-1 NOFA and/or 2017 Uniform Multifamily Rules and Direct Loan rules for public comment this fall.

5. Two comments requested that the minimum length of affordability requirement stated in the draft Allocation Plan be extended beyond 30 years.

   Staff response: No changes were made to the Plan as a result of this comment. Staff will address this comment as it drafts the 2017-1 NOFA and/or 2017 Uniform Multifamily Rules and Direct Loan rules that take into account NHTF funding.

6. Two comments requested that households at 15% or 20% AMI be targeted through NHTF funds rather than simply 30% AMI households.

   Staff response: No changes were made to the Plan as a result of this comment. Staff will address this comment as it drafts the 2017-1 NOFA and/or 2017 Uniform Multifamily Rules and Direct Loan rules that take into account NHTF funding.

7. One comment stressed the importance of new affordability rather than replacing, repairing, or expanding existing units.

   Staff responses: No changes were made to the Plan as a result of this comment. Staff will address this comment as it drafts the 2017-1 NOFA and/or 2017 Uniform Multifamily Rules and Direct Loan rules that take into account NHTF funding.

8. One comment requested that NHTF funds be made available for homeownership.

   Staff responses: No changes were made to the Plan as a result of this comment. TDHCA may develop a first-time homebuyer program for NHTF in the future, but that use is not contemplated for the 2016 Allocation Plan. If there is sufficient funding and demand in the future to implement an NHTF Homebuyer program, the State will develop the required provisions at that time and submit them for approval.

## Substantial Amendment Public Comments Submitted

*Texas Association of Community Development Corporations*

*Accessible Housing Austin*

*Coastal Bend Center for Independent Living*

*Texas Low Income Housing Information Service*

*Dallas Area Habitat for Humanity*

**Coastal Bend Center for Independent Living**

1537 Seventh Street • Corpus Christi, Texas 78404
361.883.8461 (TTY) • Toll Free: 877.988.1999
Fax: 361.883.4820 • www.cbcil.org

Tim Irvine, Executive Director
Marni Holloway, Director of Multifamily Finance
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78701

August 15, 2016

Dear Mr. Irvine and Ms. Holloway:

Thank you for the opportunity to provide input on the recommendations for Texas' allocation of National Housing Trust Fund (NHTF) dollars. This funding represents a long-awaited opportunity to provide housing for the lowest-income Texans, those most in need and many of whom would be eligible for housing subsidies through vouchers, if vouchers were available.

I represent the Coastal Bend Center for Independent living in the Corpus Christi area, Accessible Housing Resources, Inc., a small non-profit affordable housing developer, and the Housing Navigator initiative through the Aging and Disability Resource Center of the Coastal Bend. As an advocate for affordable, accessible and integrated housing for individuals with disabilities, my signature is also on the letter provided to you by the Texas Low Income Information Service on behalf of homeless and disability advocates and a subsequent letter from disability housing advocate colleagues. Based on the draft under consideration by TDHCA, my comments are as follows:

1. **At least half of the units created with NHTF funding should serve extremely low income people who do NOT have rental vouchers.** According to the National Low Income Housing Coalition (NLIHC), there is a deficit of 595,231 units affordable and available to extremely low income Texans, inclusive of a DEFICIT FAMILY INCOME, which is approximately the same as an individual on social security income.[1] The people in this income category in the Coastal Bend who are unable to access any form of housing vouchers are the hundreds of individuals with disabilities in institutions who cannot leave because of the lack of housing that is affordable, accessible, integrated and available to them when needed.

   The NHTF was created to expand the inventory of housing for individual households defined as Extremely Low Income (ELI). The funds should be concentrated in this area of housing support. The creative use of operating assistance and cross-subsidization through integrating ELI units with other units that offer higher net operating incomes is one acceptable strategy. The NLIHC document entitled "Funding Strategies for Developing and

[1] National Low Income Housing Coalition, *The Gap: The Affordable Housing Gap Analysis 2016*. Retrieved from: http://nlihc.org/sites/default/files/Gap-Report_print.pdf.

Operating Extremely Low Income Housing" lays out some additional approaches.

2. **Services should NOT be required for a project or units to receive NHTF funding for the following reasons:**
   a) Of the hundreds of thousands of Texans at Extremely Low Income needing housing, the majority either do not require services or are independent consumers of whatever services they require. Their need for housing is not and should not be predicated upon services provision;
   b) Attaching services to housing may have negative consequences for persons with disabilities: if a person loses her housing, she loses her services as well, and vice versa;
   c) Individuals should have the right to bring or secure their own services and supports, or not. And, like all renters, have the responsibility to adhere to lease requirements;
   d) Providing services and housing together creates a substantial risk of violation of privacy for the tenant. Landlords should neither request nor be privy to the specific nature of a person's disability;
   e) Individuals with disabilities exiting institutions to communities under Money Follows the Person (MFP) and Promoting Independence (PI) have benefit of services from Managed Care Organizations. Relocation Specialists, Centers for Independent Living and/or Aging & Disability Centers, that provide supports for community living.

3. **Developments should be more flexible to reflect the uniqueness of the program.** This could include encouraging diversity, such as supporting small, mission-driven developer participation by altering the experience factor that favors large developers. Extra points should be given to projects that lower physical and systemic barriers to housing. NHTF-funded projects that go above and beyond Fair Housing accessibility requirements to accessible, affordable, INTEGRATED projects:
   a) In addition to complying with Fair Housing, Section 504, and other applicable laws, 10% of the units in the entire project should be accessible for people with mobility disabilities and 4% for people with vision & sensory disabilities;
   b) In accordance with federal integration standards, no more than 25% of units within each multi-family (5+ units) project should be set aside for people with disabilities with no exceptions for supportive housing projects which risk segregating people with disabilities;
   c) Single family (1-4 units) scattered-site projects should be considered integrated as long as they are not in a segregated subdivision or development.

The National Housing Trust Funds present the opportunity to create more units serving the lowest-income Texans, removing as many barriers as possible to access those units, providing rental housing for extremely low-income housing-insecure Texans with the greatest need.

Sincerely,

Judy Telge
Coastal Bend Center for Independent Living, AAA-ADRC Housing Navigator,
Accessible Housing Resources, Inc.

Texas Low Income Housing Information Service

1800 West Sixth Street
Austin, TX 78703-4795
512.477.8910
texashousing.org

August 2, 2016

Tim Irvine, Executive Director
Tom Gouris, Deputy Executive Director for Housing Programs
Marni Holloway, Director of Multifamily Finance
Texas Department of Housing and Community Affairs
221 East 11th Street, Austin, TX 78701

Mr. Irvine, Mr. Gouris and Ms. Holloway:

In April, we joined a coalition of advocates and housing providers with recommendations for how TDHCA could take advantage of the rare opportunity presented by the National Housing Trust Fund and best serve the low income Texans most in need of affordable housing. We have serious concerns that the agency's recently-released draft allocation plan does not provide a clear path toward those goals and, if implemented, would fail to live up to the Trust Fund's potential.

The utter inaccessibility of TDHCA's draft makes public input on Trust Fund allocation very difficult, and is unusual for a state housing agency. Advocates and housing providers met for weeks prior to the TDHCA roundtables to come to consensus regarding what priorities should be in the plan and we are disappointed that this Action Plan does not adequately reflect those priorities. Ed Gramlich, a policy expert at the National Low Income Housing Coalition who has reviewed Trust Fund allocation plans from state agencies around the country, wrote that he found the TDHCA draft "vague and confusing…not informative and repetitive."

Moreover, it appears from the vague nature of the draft that TDHCA intends for much of the rulemaking for the Trust Fund to come not via this allocation plan, but instead through the agency's Notice of Funding Availability. The NOFA is not required to be submitted for public comment, and given the inaccessible and incomplete nature of the draft, it appears very possible that the Trust Fund allocation plan could be implemented without meaningful input from the public.

This would be an unacceptable result for the first new funding program for ELI housing in decades. We appreciate the department's concerns with long-term financial viability and at the same time want to ensure the state takes full advantage of this opportunity to address Texas' chronic shortage of affordable housing for the most vulnerable Texans. We ask to meet with you regarding recommendations we have made that are not adopted into the next draft or NOFA, and ask that the NOFA process be opened to the public in order to forge the best NOFA possible.

With input from NLIHC's Ed Gramlich, we submit the following comments on the TDHCA draft:

New affordability: The draft states that "highest priority in the evaluation of applications will be the creation of new units serving ELI households that would not otherwise exist." This language could be very useful in ensuring that the Trust Fund expands affordability, increasing the total number of units for ELI households rather than replacing, repairing or expanding existing units. The requirement that any Trust Fund-aided activity, including the refinancing of development debt, must be undertaken in a manner that produces additional affordability should be reiterated and strengthened throughout the draft.

Unfortunately, the draft does not explicitly address affordability. As we noted in our recommendations, the greatest need in Texas is for households with income below 15 percent of AMI, yet the draft does not mention creating units affordable to this population. By not including extra points for applications serving those below 15 percent, the draft plan misses a critical opportunity to reduce our state's affordable housing gap.

Length of affordability: We recommended that the state would get the most from its NHTF allocation by requiring that units created with Trust Fund dollars be affordable for ELI households for 50 years. While we were pleased to see the draft plan state that "applications that propose a longer affordability period could have a scoring advantage," it does not specify what that advantage would be nor what requirements or incentives would be provided to lengthen the affordability of Trust Fund units. Without those details, it is unlikely that the Trust Fund will result in affordable units for longer than 30 years.

Diversify development: The draft promises that the "NHTF Program awards loans to for-profit and nonprofit multifamily developers" but offers no solutions for the high barriers to funding access for small, mission-driven developers who are well-suited to serve ELI households. By maintaining the TDHCA Experience Requirement for all applicants, the allocation plan will inappropriately award significant points to large developers by inflating what should simply be a threshold requirement, greatly disadvantaging small mission-driven organizations.

Current developer experience requirements are prohibitive to participation by CHDOs and small, mission-driven non-profits – those who are most deeply committed to serving ELI households and who may be able to achieve integration through the scale of their projects.

We believe some of these requirements are unnecessary and recommend that TDHCA ease such requirements for small, mission-driven developers. The extra, unnecessary expense increases the cost of the project and, again, is prohibitive to smaller organizations and mission-driven non-profits serving the lowest-income Texans – the very people that the National Housing Trust Fund is designed to serve.

Prioritization: The draft plan implies that certain features, such as "the needs of extremely low income households" or an affordability period greater than the minimum 30 years, could be prioritized or might score higher in competition for NHTF funds. But an explicit, consistent set of priorities, such as an articulated point system, is not offered. Moreover, the plan indicates that Trust Fund awards will be limited to several segments of the ELI population but does not list or name these beneficiaries, instead referring readers to "AP-25" of the 2016 Annual Action Plan but providing no link to that document.

Rather than limit awards to undefined segments of the ELI population, our recommendations laid out one clear strategy for prioritization: To provide housing opportunity to the most underserved households, the allocation plan should prioritize projects that will serve and set rents affordable for those under 15 percent AMI. In order to best serve this group, the plan could also award extra points to projects that lower physical and systemic barriers to housing, including proof of employment, credit checks, services and case management as a condition of tenancy, limited criminal history and more

Transparency: That the draft plan does not articulate or provide a link to its list of target populations is an example of the document's overall lack of accessibility to the public. Only the 2015 Annual Action Plan is listed on TDHCA's "Plans and Records" webpage, and though a keyword search reveals the 2016 Annual Action Plan, one would need to know that "AP-25" means "Allocation Priorities." Even then, over five pages, AP-25 discusses a very broad range of more than 15 population characteristics prioritized by the agency. Despite the Trust Fund draft stating that population preferences will be chosen, it is impossible for the public to know which groups will be given preference.

We hope that our comments are given serious consideration and that we will be able to continue to provide sorely-needed public input throughout the NOFA process and the implementation of this critical program.

Sincerely,

Karen Paup, co-director
Texas Low Income Housing Information Service

## Andrew Sinnott

**From:** Elizabeth Yevich
**Sent:** Tuesday, July 26, 2016 4:36 PM
**To:** Andrew Sinnott; Marni Holloway
**Cc:** Cate Tracz
**Subject:** FW: Public Comment Regarding Draft National Housing Trust Fund Allocation Program

Andrew and Marni,

Please see public comment below received today for NTHF.

All public comment on NHTF received via TDHCA's 'info@' email which HRC monitors will be forwarded to you both and also saved in the **NHTF shared folder**: Q:\HRC_Shared\NHTF\Public Comment Received

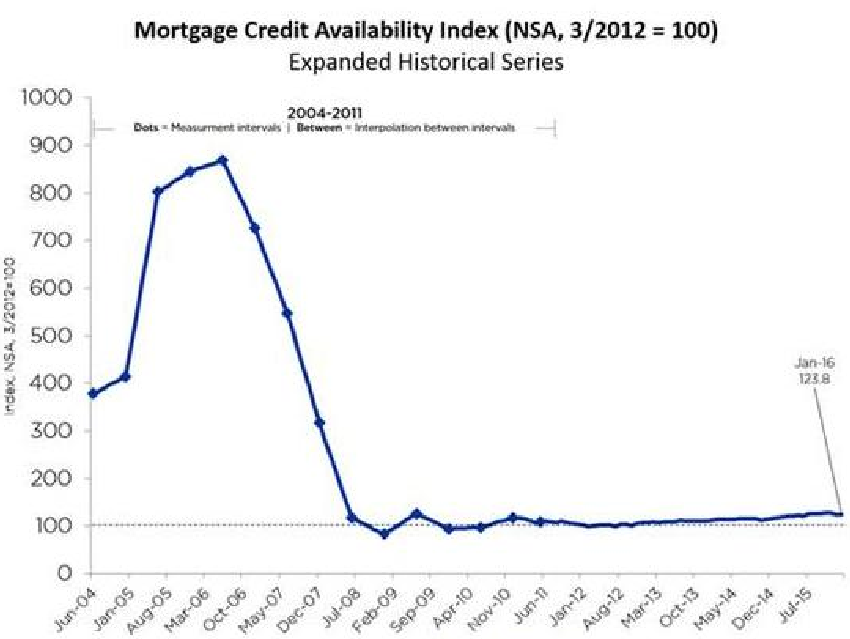
---

From: Kristen Schulz [mailto:kschulz@dallas-habitat.org]
Sent: Tuesday, July 26, 2016 3:51 PM
To: info
Subject: Public Comment Regarding Draft National Housing Trust Fund Allocation Program

Dear TDHCA,

Please modify the National Housing Trust Fund Allocation Program to use the full 10% permitted to support homeownership. Several Habitat affiliates throughout Texas provide first-time homeownership options to very-low income households and could potentially invest these funds to increase asset wealth and stability through homeownership. Increasing homeownership should be one of the goals of the HTF program because there are two alarming trends causing a housing affordability crunch: lack of mortgage credit availability and increasing rental costs.

**a. Lack of Mortgage Credit Availability**




Mortgage Bankers Association Mortgage Credit Availability Index (as of February 5, 2016)

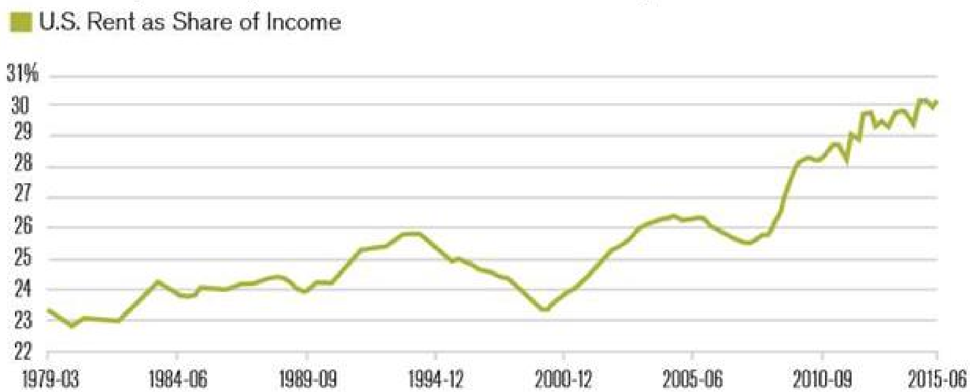
In many communities throughout Texas, low-and moderate-income households are unable to access mortgages. Although the housing market has recovered from the depths of the foreclosure crisis, unfortunately the same cannot be said for the mortgage market. According to a study published by the Urban Institute:[1]

> Borrowers with anything less than pristine credit have a hard time getting a mortgage today. Mortgage credit is much tighter than it was at the peak of the housing bubble in 2005 and 2006, as is both expected and appropriate. But credit is also significantly tighter than it was in 2001, before the housing crisis. Today's lenders are simply not originating loans for borrowers with less than perfect credit.

That study calculated that in 2013 alone, there were over 1.25 million mortgages that would have been made if the "cautious standards of 2001, rather than the severe standards of 2013 had been in place." These missing mortgages mean that many hard working Texas families are not able to achieve the American Dream of investing in their communities and owning their own homes. This lack of access to credit denies them the many benefits of homeownership: building wealth, improving childhood outcomes, enhancing neighborhoods, and providing economic benefits to the community. Habitat affiliates provide access to credit to many households that are not serviced by the private mortgage market and the HTF should invest in successful homeownership programs to the greatest extent allowed.

### b. Rising Rental Costs

The housing difficulties are only compounded by the simultaneous increase in rent as a share of income. "Rental costs now comprise the largest share of income in modern U.S. history":[2]




Investing 10% of the HTC in a homeownership program would help insulate some families from rising rental costs while allowing them to build asset wealth.

[1] Laure Goodman, Jun Zhu, and Taz George, "The Impact of Tight Credit Standards on 2009-2013 Lending," Urban Institute Housing Finance Policy Brief, (April 2015) available at: www.urban.org.
2 Joel Kotin, Wendell Cox, Mark Schill, & Ali Modarres, "Building Cities for People," Chapman University Center for Demographics and Policy, (2015) available here.

Thank you for considering these comments.
-Kristen Schulz

**Kristen Schulz**
DIRECTOR OF PUBLIC POLICY
Dallas Area Habitat for Humanity
E-mail: kschulz@dallas-habitat.org
Tel: 214-678-2332
Fax: 214-678-2380
Website: www.dallasareahabitat.org

[1] Laure Goodman, Jun Zhu, and Taz George, "The Impact of Tight Credit Standards on 2009-2013 Lending," Urban Institute Housing Finance Policy Brief, (April 2015) available at: www.urban.org.
[2] Joel Kotin, Wendell Cox, Mark Schill, & Ali Modarres, "Building Cities for People," Chapman University Center for Demographics and Policy, (2015) available here.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

PUBLIC HEARING

ON

DRAFT 2016
NATIONAL HOUSING TRUST FUND
ALLOCATION PLAN

Stephen F. Austin Building
Room 170
1700 N. Congress
Austin, Texas

Thursday,
August 4, 2016
1:42 p.m.

BEFORE:

MARNI HOLLOWAY, Director
Multifamily Finance

*ON THE RECORD REPORTING*
*(512) 450-0342*

I N D E X


| SPEAKER | PAGE |
|---|---|
| Isabelle Headrick | 4 |
| Matt Hull | 9 |

P R O C E E D I N G S

MS. HOLLOWAY: Good afternoon. Let the record show it is 1:42 p.m. My name is Marni Holloway. I am here to conduct a hear on behalf of the Texas Department of Housing and Community Affairs.

The Department's mission is to administer its assigned programs efficiently, transparently and lawfully, and to invest its resources strategically and develop high quality affordable housing which allows Texas communities to thrive. Through our rental housing programs, the Department encourages the new construction or rehabilitation of high quality housing, primarily through private developers. These developments benefit Texans by providing qualified families and individuals with safe, affordable housing.

The Department is conducting this hearing in order to receive comment on the National Housing Trust Fund Allocation Plan draft. This public hearing is being held in Austin in Room 170 of the Stephen F. Austin Building.

All comment that you provide today will be recorded and a transcript of that comment will be presented to the Department's Board prior to action on the final National Housing Trust Fund Allocation Plan. If you wish to speak but haven't completed a witness affirmation form, please be sure and complete one and hand it to me during this meeting. Also, if you do not wish to speak but would like to provide written comment, your witness affirmation form may also serve as comment and will be included in the public comment presented to the Department's Board.

If you have not signed in, please do so, so the Department will have a record of attendance for this meeting.

When you come to the podium, please state your name clearly for the record. You must come to the microphone to speak. Each person will be given as long as you need to make your comments.

Are there any questions before I begin?

(No response.)

MS. HOLLOWAY: Our first speaker is Isabelle Headrick.

MS. HEADRICK: Good afternoon. My name is Isabelle Headrick. I'm the executive director of Accessible Housing Austin. We're a nonprofit that provides affordable, accessible, integrated housing for people with disabilities here in Austin. I'm also on the board of the National Low Income Housing Coalition which is the premier affordable housing national organization that has been behind the National Housing Trust Fund implementation and actually getting it passed and all of that for the past several decades actually, so I'm very proud to serve on that board, and I'm here to talk to you about the National Housing Trust Fund.

I have so many things to say, I don't know if I'm going to hit all of my points, but I'm here wearing a couple of different hats. One is to speak on behalf of a coalition of disability and homeless advocates who came together to advocate for certain points relating to the trust fund, and also to represent disability advocates within that group, not contradicting any of those points.

I want to start out by saying that even though this is a very small amount of money and we're not going to get a lot of money up front the first year, there is a possibility that this money will grow over time. There is advocacy at the federal level to grow the National Housing Trust Fund, and this is a really important opportunity for the State of Texas, and I really hope that the Department takes this opportunity very seriously and uses it in a way that's different than the Tax Credit Program, doesn't just fold it into multifamily but actually uses it in some ways that can be maybe more creative and solve some problems that aren't currently being solved.

And right now we know that there is a huge amount of housing need for people who are not just extremely low income, but around 15 percent MSI and below, and that represents a lot of the population with disabilities and a lot of the population dealing with homelessness issues and housing instability, and so this is an opportunity to really dive deep into those numbers and try to address housing needs for those people, and especially for the thousands and thousands, probably tens of thousands of Texas who don't have any sort of rental assistance, any kind of voucher. So I really urge the Department to take this opportunity very seriously and think about what we can do with it that would be different and exciting and new and not just folded into the regular multifamily.

The disability advocates are particularly concerned about people who don't have any voucher assistance because that is a lot of the population of their colleagues and themselves, actually, people who don't have any kind of housing vouchers. And I realize we have to balance this for source of income protection, but I'm pretty convinced that we can find a way to do that, to provide for people who do have vouchers, not discriminate against them, but at the same time reach out to those people who don't have any kinds of vouchers.

And I feel like the housing project that I've been developing is an example of how we can try to do that through cross-subsidization. Even with small projects I think it's possible to try to reach really deep affordability levels for people without vouchers, especially if they're integrated, and of course, we do integrated housing, so I think that actually meets two concerns at the same time.

I also want to on behalf of disability advocates talk about the need to have housing and services provided separately. Some people need services and housing. Most of those people, it's actually better for them to have those being provided by two different providers, so if you lose your services, you don't lose your housing, and if you lose your housing, you don't lose your services.

And I actually think the 811 Program is a great example of what you guys have done to have a formula by which people can have services but their housing isn't dependent on those services, and so they have choice, they have opportunity, and obviously that doesn't overlap with National Housing Trust Fund. But I think that's a great example of what you guys have done to keep those two things separate in people's lives so that they don't run the risk of losing one if they lose the other. And that's something that the disability community is very strongly in favor of keeping those things separate.

Also, not making service eligibility a requirement for housing. There are a lot of people who are extremely low income who need housing but they don't necessarily need services or they don't need the kind of services that are being provided by Medicaid. And so for them, they still need the housing, they're still housing insecure, they're still very vulnerable, but maybe services isn't what they need. And so giving them an opportunity to also have housing I think is really important.

So finally, I want to hit the point of how, as a small nonprofit developer, it's very prohibitive, it's prohibitively expensive and difficult to apply for any kind of multifamily housing. And I know there are a lot of reasons why you have the policies you do, and some of them you have no choice about, but I think there are certain things that could be tweaked to make it more accessible for the smaller mission-driven nonprofits, those of us who really want to serve the deepest levels of income depth, to make that possible.

And I'll be submitting more written comments about that and our coalition is submitting that. But I just want you to be aware that it would be great if the National Housing Trust Fund, which is not subject to all the same rules as tax credits and everything, really could be a source of funding that, for example, that nonprofits in the city of Austin who have really great projects that are meeting those needs, that they could access that funding as well. So I realize that that is complicated to manage but I think it should be possible. And also, it should be possible to be used for single family and scattered site type of housing that is really serving those. So please do think about ways that we can sort of unhook this from the rest of the tax credit process, maybe.

And finally, what you guys presented in the materials so far has been fairly vague, it's not really clear how you're going to get what the objectives are. And so I think since it looks like most of this is going to be hashed out in the NOFA, it would be really good if the public would have an opportunity to comment on the NOFA as well, so that we can really see how is this going to work and is this going to achieve the goals that we are advocating for.

Thank you very much. I appreciate your time.

MS. HOLLOWAY: Thank you for your comments.

MR. HULL: I'm Matt Hull with the Texas Association of CDCs. We represent about 120 nonprofits across the state, and agree with everything that Isabelle said and want to thank her for her work on this issue.

Our members are concerned about the draft for many of the reasons that she said. I think they were expecting a little bit more concrete direction in the plan so that they

*ON THE RECORD REPORTING*
*(512) 450-0342*

would have a better idea. As Isabelle said, it's very vague, it's very open-ended, it has a lot of prioritization, maybe this, this and this but not a lot of concrete things being said in it. There's the concern that the NOFA when it comes out will provide that guidance and there's not a public comment period around that, and so just want to reiterate what Isabelle said about having some public comment around the NOFA, given that this is a new source of funding.

Decoupling it from the Tax Credit Program. In the plan that was presented it says it can be used with other programs, but reading between the lines, it seems like it's very heavily tied to the Tax Credit Program. The issue around smaller nonprofits, the way we read the plan is they would have to have the experience requirements of a tax credit developer in order to be able to apply for the funding which is 150 units. Small, community-based nonprofits that don't have that experience but who can effectively serve people through rental properties need to be able to access this funding because they're typically going to be the ones to serve families that are below 30 percent, so any way to help enable that.

But then I think in general the advocates, at least the people I've talked to, have really just two or three kind of overriding concerns. One is around the length of affordability. I think you heard from groups at two meetings, one here in Austin, one in Houston, about desiring a longer affordability period, up to 50 years even, I think that was kind of a lot of the recommendations. And I think the plan as it was presented just has it limited to 30 years.

And then income targeting. The plan as it's presented really doesn't discuss income targeting, and the advocates at both meetings, there was a fairly overriding and strong consensus to try to target it to families at or below 15 percent as opposed to just the otherwise minimum of 30 percent AMFI.

I think those are some of the big concerns that you'll be hearing in public comment. TACDC, we agree with those comments and want to do whatever we can to help work through this to get it to a place where more people can use it around the state and it not be tied necessarily to tax credit units.

Happy to answer any questions.

MS. HOLLOWAY: Thank you for your comments.

The National Housing Trust Fund Allocation Plan draft is posted to the Department's public comment website page located on the TDHCA website. Written and emailed comments outside of this meeting are also encouraged. Such comments must be submitted by 6:00 p.m. Austin local time on August 15, 2016.

Thank you for your participation. Public participation is very important to the Department. All comment being provided today has been recorded and a transcript of that comment will be presented to the Department's Board prior to action on the final National Housing Trust Fund Allocation Plan. The Board will make final decisions regarding the plan at the September 8, 2016 meeting.

For additional information you may contact Andrew Sinnott at andrew.sinnott@tdhca.state.tx.us, or 512-475-0538, or visit the program's website at www.tdhca.state.tx.us.

This concludes the public hearing. Let the record show it is 1:56 p.m. This hearing is now adjourned.

(Whereupon, at 1:56 p.m., the public hearing was concluded.)

C E R T I F I C A T E

IN RE: National Housing Trust Fund Allocation Plan public hearing

LOCATION: Austin, Texas

DATE: August 4, 2016

I do hereby certify that the foregoing pages, numbers 1 through 13, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Nancy H. King before the Texas Department of Housing and Community Affairs.

/s/ Nancy H. King 08/09/2016
(Transcriber) (Date)

On the Record Reporting
3636 Executive Ctr Dr., G22
Austin, Texas 78731

## Grantee Unique Appendices

Texas CDBG Local Revolving Loan Funds

| Administering Entity | Amount not reported in previous Action Plan | Expected Amount Available this program year | Account Type | Activity Type | National Objective |
|---|---|---|---|---|---|
| Childress | $13,959.32 | | RLF | 18A EconDev | LMJ |
| Copperas Cove | $38,520.00 | $38,520.00 | RLF | 18A EconDev | LMJ |
| Cuero | $5,321.64 | | RLF | 18A EconDev | LMJ |
| Franklin County | $19,818.08 | | RLF | 18A EconDev | LMJ |
| Gonzales County | $66,489.68 | $66,489.68 | RLF | 18A EconDev | LMJ |
| Memphis | $48,804.00 | $48,804.00 | RLF | 18A EconDev | LMJ |
| Nacogdoches | $59,069.88 | $59,069.88 | RLF | 18A EconDev | LMJ |
| Naples | $46,646.76 | $46,646.76 | RLF | 18A EconDev | LMJ |
| Schulenburg | $23,645.56 | | RLF | 18A EconDev | LMJ |
| Swisher County | $104,050.66 | $104,050.44 | RLF | 18A EconDev | LMJ |
| Tulia | $45,722.88 | $45,722.88 | RLF | 18A EconDev | LMJ |
| San Juan | $17,560.24 | | RLF | 18A EconDev | LMJ |
| Palestine | $235.56 | | RLF | 18A EconDev | LMJ |
| San Marcos | $6,000.00 | | RLF | 18A EconDev | LMJ |
| Three Rivers | $24,127.56 | | RLF | 18A EconDev | LMJ |

**Grantee SF-424's and Certification(s)**

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Greg Abbott
GOVERNOR



September 16, 2016

*Writer's direct phone # 512-475-3296*
*Email: tim.irvine@tdhca.state.tx.us*

Ms. Shirley J. Henley
Director, Office of Community Planning and Development
Fort Worth Regional Office – U.S. Department of Housing and Urban Development
801 Cherry Street
Unit 45, Suite 2500
Fort Worth, Texas 76102

RE: **2016 State of Texas National Housing Trust Fund Allocation Plan**

Dear Ms. Henley:

The State of Texas is pleased to submit the 2016 State of Texas National Housing Trust Fund Allocation Plan ("NHTF" or the "Plan"). This document is submitted in compliance with 24 CFR Parts 91 and 93, which included a Substantially Amended 2015-2019 Consolidated Plan and a Substantially Amended 2016 OYAP. Included with this submission and in accordance with Notice CPD-16-07 is a completed form SF-424 "Application for Federal Assistance."

The Plan reflects the intended uses of NHTF funds received by the State of Texas from HUD for Program Year 2016. The Plan also illustrates the State's strategies in addressing the priority needs and specific goals and objectives identified in the 2015-2019 State of Texas Consolidated Plan and 2016 OYAP.

If you have any questions during the review period, please contact Marni Holloway, Director, Multifamily Finance at (512) 475-1676 or by email to Marni.Holloway@tdhca.state.tx.us.

Sincerely,

Timothy K. Irvine
Executive Director

/mh

221 East 11th Street P.O. Box 13941 Austin, Texas 78711-3941 (800) 525-0657 (512) 475-3800

View Burden Statement

OMB Number: 4040-0004
Expiration Date: 8/31/2016

## Application for Federal Assistance SF-424

| * 1. Type of Submission: | * 2. Type of Application: | * If Revision, select appropriate letter(s): |
|---|---|---|
| ☐ Preapplication | ☒ New | |
| ☒ Application | ☐ Continuation | * Other (Specify): |
| ☐ Changed/Corrected Application | ☐ Revision | |

| * 3. Date Received: | 4. Applicant Identifier: |
|---|---|
| 05/05/2016 | DUNS 806781902 |

| 5a. Federal Entity Identifier: | 5b. Federal Award Identifier: |
|---|---|
| | |

**State Use Only:**

| 6. Date Received by State: | 7. State Application Identifier: |
|---|---|
| | |

**8. APPLICANT INFORMATION:**

* a. Legal Name: State of Texas

| * b. Employer/Taxpayer Identification Number (EIN/TIN): | * c. Organizational DUNS: |
|---|---|
| 74-2610542 | 8067819020000 |

**d. Address:**

| | |
|---|---|
| * Street1: | P.O. Box 13941 |
| Street2: | |
| * City: | Austin |
| County/Parish: | |
| * State: | TX: Texas |
| Province: | |
| * Country: | USA: UNITED STATES |
| * Zip / Postal Code: | 78711-3941 |

**e. Organizational Unit:**

| Department Name: | Division Name: |
|---|---|
| Housing and Community Affairs | Multifamily Division |

**f. Name and contact information of person to be contacted on matters involving this application:**

| | | | |
|---|---|---|---|
| Prefix: | Ms. | * First Name: | Marni |
| Middle Name: | | | |
| * Last Name: | Holloway | | |
| Suffix: | | | |

Title: Director, Multifamily Finance

Organizational Affiliation:

| * Telephone Number: | (512) 475-1676 | Fax Number: | (512)475-0070 |
|---|---|---|---|

* Email: Marni.Holloway@tdhca.state.tx.us

**Application for Federal Assistance SF-424**

* 9. Type of Applicant 1: Select Applicant Type:

A: State Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

* Other (specify):

* 10. Name of Federal Agency:

U.S. Department of Housing and Urban Development

11. Catalog of Federal Domestic Assistance Number:

14.275

CFDA Title:

National Housing Trust Fund

* 12. Funding Opportunity Number:

[illegible]

* Title:

National Housing Trust Fund

13. Competition Identification Number:

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

Add Attachment | Delete Attachment | View Attachment

* 15. Descriptive Title of Applicant's Project:

National Housing Trust Fund

Attach supporting documents as specified in agency instructions.

Add Attachments | Delete Attachments | View Attachments

**Application for Federal Assistance SF-424**

**16. Congressional Districts Of:**

* a. Applicant: TX-all

* b. Program/Project:

Attach an additional list of Program/Project Congressional Districts if needed.

Add Attachment | Delete Attachment | View Attachment

**17. Proposed Project:**

* a. Start Date: 02/01/2016

* b. End Date: 01/31/2017

**18. Estimated Funding ($):**

| | |
|---|---|
| * a. Federal | 4,778,364.00 |
| * b. Applicant | |
| * c. State | |
| * d. Local | |
| * e. Other | |
| * f. Program Income | |
| * g. TOTAL | 4,778,364.00 |

*** 19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

☐ a. This application was made available to the State under the Executive Order 12372 Process for review on

☐ b. Program is subject to E.O. 12372 but has not been selected by the State for review.

☒ c. Program is not covered by E.O. 12372.

*** 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)**

☐ Yes ☒ No

If "Yes", provide explanation and attach

Add Attachment | Delete Attachment | View Attachment

**21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)**

☑ ** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

**Authorized Representative:**

Prefix: Mr.

* First Name: Timothy

Middle Name:

* Last Name: Irvine

Suffix:

* Title: Executive Director

* Telephone Number: (512)475-3296

Fax Number:

* Email: tim.irvine@tdhca.state.tx.us

* Signature of Authorized Representative:

* Date Signed: 09/14/2016