

BOARD MEETING OF DECEMBER 17, 2009

C. Kent Conine, Chair



Gloria Ray, Vice-Chair

Leslie Bingham Escareño, Member

Tom Gann, Member

Lowell Keig, Member

Juan Muñoz, Member

MISSION

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

***TO HELP TEXANS ACHIEVE AN IMPROVED QUALITY
OF LIFE THROUGH THE DEVELOPMENT OF BETTER
COMMUNITIES***

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

A G E N D A

**10:30 am
December 17, 2009**

Capitol Extension Auditorium
1100 Congress Avenue, Austin, TX

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

Kent Conine, Chairman

PUBLIC COMMENT

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

CONSENT AGENDA

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

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

Executive:

- a) Presentation, Discussion, and Possible Approval of Minutes from October 15 and November 9, 2009
- b) Presentation, Discussion, and Possible Approval of Authorization for the Executive Director to Apply to the U.S Department of Housing and Urban Development for the Performance Based Contract Administration (PBCA) contract for Texas and to Procure a Partner to Apply for and Possibly Administer that PBCA Contract
- c) Presentation, Discussion, and Possible Approval of Authorization for the Executive Director to Initiate Requests for Proposals, Requests for Information and other Procurement or Bidding Documents

Tim Irvine
Secretary to the Board

Multifamily Division Items - Housing Tax Credit Program:

- d) Presentation, Discussion, and Possible Approval of Housing Tax Credit Extensions

Robbye Meyer
Dir. Multifamily Finance

060181	Crescent Village Apartments II	Kerrville
07422	Salem Village	Victoria
07423	Garden Apartments	Lubbock
07424	Los Ebanos	Victoria
07425	Chaparral Village Apartments	Odessa
07426	River Park Village East	Fort Worth
07427	High Plains Apartments	Lubbock
07428	El Nido	El Paso
07429	Win Lin Apartments	Amarillo
07430	Spring Terrace	Amarillo
07431	Cove Village	Copperas Cove
07432	Sierra Vista	El Paso
07433	Peppertree Acres	Fort Worth
07434	Jose Antonio Escajeda	El Paso
08100	Grand Reserve Seniors	Waxahachie
08135	Gardens at Clearwater	Kerrville
09135	Lincoln Terrace	Fort Worth

- e) Presentation, Discussion, and Possible Approval of Housing Tax Credit Amendments

04006	Pineywoods Orange	Orange
09007	Mill Stone Apartments	Fort Worth

Community Affairs:

Dir. Community Affairs

- f) Presentation, Discussion and Possible Approval of the Homeless Housing and Services Program (HHSP) Award Recommendations for City of Dallas, City of Houston, City of El Paso, United Way of Tarrant County (on behalf of City of Fort Worth), and Mother Theresa's Shelter (on behalf of City of Corpus Christi)
- g) Presentation, Discussion, and Possible Approval of the Program Year 2010 Community Services Block Grant (CSBG) Annual Funding Allocation
- h) Presentation, Discussion, and Possible Approval of PY 2010 Community Services Block Grant (CSBG) State Discretionary Funds Distribution and Notice of Funding Availability
- i) Presentation, Discussion, and Possible Approval of an ARRA WAP Award to South Plains Community Action Association for the 6 county service area of Caprock Community Action and to Institute for Rural Development for Duval County
- j) Presentation, Discussion, and Possible Approval of the reallocation of unexpended Program Year 2008 and 2009 Emergency Shelter Grants Program (ESGP) Funds
- k) Presentation, Discussion, and Possible Approval of the PY 2010 Comprehensive Energy Assistance Program (CEAP) Awards

Disaster Recovery:

Sara Newsom

DED – Disaster Recovery
and Emergency Housing

- l) Presentation and report on homes considered and reviewed by the Executive Director for services for accessibility requirements that exceed the established cap of \$15,000
- m) Presentation and report on homes considered and reviewed by the Executive Director for services for municipal requirements that exceed the established cap of \$10,000

HOME

- n) Presentation, Discussion, and Possible Approval of HOME Program Award Recommendations:

Jeannie Arellano

Dir HOME Program

Owner-Occupied Housing Assistance Program

2009-0038	City of Floydada	Floydada
2009-0039	City of Lorenzo	Lorenzo
2009-0042	City of Bowie	Bowie
2009-0047	City of Belton	Belton
2009-0048	City of Olton	Olton

Tenant-Based Rental Assistance Program – Persons with Disabilities (PWD)

2009-0049	Tri-County MHMR	Liberty, Montgomery, & Walker Counties
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Homebuyer Assistance Program – Persons with Disabilities (PWD)

2009-0045	United Cerebral Palsy Association of Texas	Dallas, Johnson, Parker, Tarrant, Fort Bend, Harris, Montgomery, Bastrop, Blanco, Caldwell, Hays, Travis, Williamson, Bell, Coryell, & McLennan
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2009-0046	El Paso Collaborative for Community & Economic Development	El Paso
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Owner-Occupied Housing Assistance Program – Disaster Relief

2009-0020	Montague County	Montague County
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- o) Presentation, Discussion, and Possible Approval of Requests for Amendments to HOME Program Contracts/Commitments from the following list:

1000958	Affordable Caring Housing	TBRA
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Compliance and Asset Oversight:

- p) Presentation, Discussion, and Possible Approval to authorize the executive director to request proposal for inspection of single family homes assisted with Community Development Block Grant funds

Patricia Murphy
Chief Asset Oversight &
Compliance

Housing Resource Center:

- q) Presentation, Discussion, and Possible Approval of the 2010 State of Texas Low Income Housing Plan and Annual Report (Draft for Public Comment)

Elizabeth Yevich
Mgr. Housing Resource
Ctr.

Housing Trust Fund:

- r) Presentation, Discussion, and Possible Approval of Housing Trust Fund Program 2009 Homeownership SuperNOFA Awards from the following list:

Sharon Gamble
Division Mgr. HTF

Homebuyer Assistance

2009-0006	Dallas Area Habitat for Humanity	Dallas
2009-0007	Austin Habitat for Humanity	Austin
2009-0009	Fort Worth Housing Authority	Fort Worth
2009-0011	Fort Hood Area Habitat for Humanity	Killeen
2009-0017	County of El Paso	El Paso

Housing Rehabilitation Assistance

2009-0010	Eagle Pass Housing Authority	Eagle Pass
2009-0015	Community Council of Southwest Texas, Inc.	Uvalde
2009-0018	County of El Paso	El Paso

ACTION ITEMS**Item 2: Appeals:**

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

Robbye Meyer
Dir. Multifamily Finance

Appeals Timely Filed

- b) Presentation, Discussion, and Possible Action for Reinstatement of Housing Tax Credit Applications:

Robbye Meyer
Dir. Multifamily Finance

08260	Harris Manor Apartments	Houston
09115	Magnolia Trace	Dallas
09116	Tuscany Villas	Plano

- c) Presentation, Discussion, and Possible Action for Tax Credit Assistance Program Appeals:

Tom Gouris
DED Housing Programs

Appeals Filed Timely

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

Jeannie Arellano
Dir. HOME Program

Appeals Filed Timely

- e) Presentation, Discussion, and Possible Action for Housing Trust Fund Program Appeals:

Sharon Gamble
Division Mgr. HTF

Appeals Filed Timely

- f) Presentation, Discussion, and Possible Action for Underwriting Appeals:

Brent Stewart
Dir. Real Estate Analysis

09758/09181	TCAP	Bowie Garden Apartments	Brownsville
09759/09179	TCAP	Emory Senior Living Apartments	Lubbock
09769/09211	TCAP	Corban Townhomes	Corpus Christi

Appeals Filed Timely

Item 3: Multifamily Division Items - Housing Tax Credit Program:

- a) Presentation, Discussion, and Possible Action Relating to the Certification Process for 4% Housing Tax Credit Applications Obtaining New Bond Reservation Docket Numbers:

Robbye Meyer
Dir. Multifamily Finance

09402	The Mirabella Apartments	San Antonio
09404	Cevallos Lofts	San Antonio

- b) Presentation, Discussion, and Possible Approval of the Issuance of Forward Commitments for Allocations from the 2010 State Housing Credit Ceiling for 2009 Applications not Awarded in the 2009 Application Round listed below:

09113	Estacado Place Apartments	Lubbock
09320	Oxford Street Apartments	Amarillo
09168	LifeNet Lofts	Dallas
09129	Napa Villas	Plano
*09140	Village of Salado	Cedar Hill
*09200	Mariposa Pointe	Hutchins
*09264	Sedona Ranch	Fort Worth
*09160	Stone Court Senior Residences	Houston
*09102	Magnolia Trails	Magnolia
*09169	Orem Ranch	Houston
*09191	Sendero Pointe	Houston
*09201	Ventana Pointe	Houston
*09269	Eldridge Oaks	Houston
*09272	Mason Apartment Homes	Houston
*09276	Cypress Creek at Calder Drive	Dickinson
*09281	Mariposa at Keith Harrow	Houston
09311	Deerbrook Place Apartments	Houston
09313	Hampshire Court Apartments	Pasadena
09293	Villas of Shady Grove	Burnet
09118	Fairways at Sammons Park	Temple
09121	Red Oak Seniors	Waco
09187	Pleasanton Farms	San Antonio
09202	Tesoro Hills	San Antonio
09230	Darson Marie Terrace	San Antonio
09304	Gardens at Clearwater Apartments	Kerrville
09307	Medio Springs Ranch Apartments	San Antonio
09299	Hillcrest Acres	Midland
09306	Canyon Square Village	El Paso

*Although on the list of applications not awarded, may not qualify due to "one mile" or "\$2 million limit" issues.

- c) Presentation, Discussion, and Possible Approval of Request from Moore Grocery Lofts
- d) Presentation, Discussion, and Possible Approval of a Placement in Service Extension for Legacy Senior Housing of Port Arthur

Item 4: Disaster Recovery:

Sara Newsom

- a) Presentation, Discussion, and Possible Approval of CDBG Disaster Recovery Program Award Recommendations for the \$58 million affordable rental housing set-aside related to Hurricanes Ike and Dolly

DED – Disaster Recovery and Emergency Housing

09807	2101 Church Street	Galveston
09822	Fountains of Westchase	Houston
09821	Towers at Clear Lake	Houston
09803	Union Acres	Center
09812	Champion Homes at Bay Walk	Galveston
09820	Lexington Square Apartments	Angelton
09818	Colony of Humble	Humble
09800	Arthur Robinson Apartments	Houston
09818	Countryside Village Apartments	Humble
09804	Balboa Apartments	Nassau Bay
09813	Champion Homes at Marina Landing	Galveston

Item 5: Rules:

- a) Presentation, Discussion, and Possible Approval to publish in the *Texas Register* a final order adopting amendments to 10 TAC Chapter 60 Subchapter A, § 60.102 Definitions and § 60.105 Reporting Requirements

Patricia Murphy
Chief Asset Oversight & Compliance

Item 6: Financial Administration:

- a) Presentation, Discussion, and Possible Approval of the Amended FY2010 Operating Budget
- b) Presentation, Discussion, and Possible Approval of the Amended FY2010 Housing Finance Budget

Dir. Financial Admin.

Item 7: Bond Finance:

- a) Presentation, Discussion, and Possible Approval of granting staff the authority to negotiate a liquidity agreement with the Federal Home Loan Bank of Dallas
- b) Presentation, Discussion, and Possible Approval of Resolution No. 10-010 authorizing the Department to enter into substitute liquidity facilities provided by the Fannie Mae and Freddie Mac (the "GSEs") for the 2004 Series D Single Family Variable Rate Mortgage Revenue Bonds and approving amendments to their Supplemental Indentures and approving reoffering documents
- c) Presentation, Discussion, and Possible Approval of Resolution No. 10-011 approving a Mortgage Credit Certificate Program (MCC) for first-time homebuyers (Program 75) along with related program documents to be administered by the Texas Department of Housing and Community Affairs

Matt Pogor
Dir. Bond Finance**Item 8: Texas Homeownership:**

- a) Presentation, Discussion, and Possible Approval to provide additional down payment and closing cost assistance for Mortgage Revenue Bond (MRB) Program 74 by monetizing the federal first time homebuyer tax credit

Eric Pike
Director, Texas
Homeownership**EXECUTIVE SESSION**

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

Kent Conine, Chairman

1. The Board may go into Executive Session Pursuant to Texas Government Code §551.074 for the purposes of discussing personnel matters including to deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee.
2. Pursuant to Tex. Gov't. Code, §551.071(1) to seek the advice of its attorney about pending or contemplated litigation or a settlement offer, including:
 - a. *The Inclusive Communities Project, Inc. v Texas Department of Housing and Community Affairs*, et al filed in federal district court,
 - b. *M.G. Valdez Ltd. v. Texas Department of Housing and Community Affairs filed in District Court, Hidalgo County, and*
 - c. *The EEOC Claim of Don Duru*
3. Pursuant to Tex. Gov't. Code, §551.071(2) for the purpose of seeking the advice of its attorney about a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this Tex. Gov't. Code, Chapter 551
4. Pursuant to Tex. Gov't. Code, §551.072 to deliberate the possible purchase, sale, exchange, or lease of real estate because it would have a material detrimental effect on the Department's ability to negotiate with a third person

OPEN SESSION

Except as specifically authorized by applicable law, the Board may not take any actions in Executive Session

REPORT ITEMS

Kent Conine, Chairman

1. Presentation and Discussion of the Disaster Recovery Division's Status Report on CDBG and FEMA AHPP Contracts Administered by TDHCA
2. Presentation and Discussion on a Status Report on the Implementation of the American Recovery and Reinvestment Act of 2009 (Recovery Act)
3. Explanation of ICP Removal from Board Agenda
4. TDHCA Outreach Activities, November 2009

ADJOURN

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

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

BOARD SECRETARY
BOARD ACTION REQUEST
DECEMBER 17, 2009

Action Items

Presentation, Discussion, and Possible Approval of Board Meeting Minutes for October 15 and November 9, 2009.

Required Action

Review minutes for October 15 and November 9, 2009 Board Meetings.

Background

The Board is required to keep minutes of each of their meetings.

Recommendation

Staff recommends approval of minutes, with any requested corrections.

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

October 15, 2009; 9:30 a.m.

**Capitol Extension, E1.036
1300 N. Congress; Austin, TX 78701**

SUMMARY OF MINUTES

CALL TO ORDER, ROLL CALL, CERTIFICATION OF QUORUM

The Board Meeting of the Texas Department of Housing and Community Affairs of October 15, 2009 was called to order by Chair, Kent Conine, at 9:30 a.m. It was held at the Capitol Extension, E1.036, 1100 Congress Avenue, Austin, TX 78701. Roll call certified a quorum was present.

Members Present:

Kent Conine, Chair
Gloria Ray, Vice Chair
Leslie Bingham-Escareño, Member
Tom H. Gann, Member
Lowell Keig, Member
Juan Muñoz, Member

Mr. Conine announced the appointment of Mr. Lowell Keig to the TDHCA Audit Committee.

PUBLIC COMMENT

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

Robin Miller, First Southwest Company, provided testimony in appreciation of their appointment to the Underwriting Team.

Walter Moreau, director of Foundation Communities, provided testimony requesting commitment of tax credits for M Station.

Faye Goggins, provided testimony in support of the M Station project.

Linda DeLeon, city council, Lubbock, Texas, provided testimony in support of Emory Senior Living Apartments, and read letter from Council members Floyd Price, Ms. DeLeon and Todd Klein.

Granger McDonald, incoming president of the Texas Association of Home Builders, provided testimony inviting the board and staff to the industry forum held in Dallas on October 31st.

Steve Moore, owner, Premier Apartments in Houston, 09919, provided testimony.

Michael Gaertner, Galveston, Texas, provided testimony expressing concern for housing in Galveston.

Douglas Matthews, former Galveston City Manager, provided testimony requesting the board to fund both Bay Walk and Marina Landing apartment complexes on Galveston Island.

Mark Mayfield, Texas Housing Foundation, provided testimony in support of San Gabriel Crossing, 09390.

Deanne Desjardin, Catellus Development Group, provided testimony in support of a forward commitment for the Wildflower Terrace, 09268.

Jim Guidry, Galveston, Texas, provided testimony concerning the Marina Landing Apartments, requesting the board to provide the necessary funds to demolish the two damaged apartment units unroofed by Ike and to allow the complete rehabilitation of the complex that was severely damaged during Hurricane Ike.

CONSENT AGENDA

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

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

Executive:

- a) Presentation, Discussion, and Possible Approval of Audit Committee Items
- b) Presentation, Discussion, and Possible Approval of Minutes from July 16, 2009 and July 30, 2009
- c) Presentation, Discussion, and Possible Approval of a policy regarding the voluntary early termination of certain land use restriction agreements
- d) Resolution of the Board of Directors rescinding Resolution No. 09-038 and adopting Resolution No. 10-001, designating signature authority due to reorganization and the designation of new signature designees

Community Affairs:

- e) Presentation, Review and Possible Approval of 2010 Emergency Shelter Grants Program (ESGP) Notice of Funding Availability (NOFA)

Multifamily Division Items - Housing Tax Credit Program:

- f) Presentation, Discussion, and Possible Approval of Housing Tax Credit Extensions.

060118	Sunset Haven	Brownsville
060071	Retama Village Apartments	McAllen

Compliance and Asset Oversight:

- g) Presentation, Discussion, and Possible Adoption of Resolution Number 10-003 concerning the holding of real estate beyond three year limitation, authorize new disposition strategy, and direct application of net proceeds
- h) Presentation, Discussion and Possible Approval for publication in the *Texas Register* notice of proposed amendments to 10 TAC, Chapter 60, Subchapter A, §60.102 and §60.105

Bond Finance:

- i) Presentation, Discussion and Approval of Resolution No. 10-002 authorizing application to the Texas Bond Review Board for reservation of H.R. 3221 single family private activity bond authority in the amount of \$60 million and presentation, discussion and approval of a Mortgage Credit Certificate Program (MCC) for first-time homebuyers (Program 75) to be administered by the Texas Department of Housing and Community Affairs
- j) Presentation, Discussion, and Possible Approval of granting staff the authority to prepare and publish a request for proposals to seek a financial advisor

Office of Colonia Initiatives:

- k) Presentation, discussion and possible approval of the 2010 & 2011 Housing Trust Fund – Texas Department of Housing and Community Affairs (TDHCA) Texas Bootstrap Loan Program Notice of Funding Availability (NOFA)

Housing Trust Fund:

- l) Presentation, Discussion and Possible Approval of Requests for Amendments to Housing Trust Fund Program Awards from the following list:

08335	Meadow Park Village	HTF Multifamily
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Item l) pulled from Consent Agenda for further discussion.

Disaster Recovery:

- m) Presentation and Report on homes considered and reviewed by the Executive Director for services for local code requirements that exceed the established cap of \$10,000

Multifamily Division Items – Private Activity Bond Program

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

HOME

- o) Presentation, Discussion, and Possible Approval of HOME Program Award Recommendations:

Owner-Occupied Housing Assistance Program		
2009-0019	City of Cooper	Cooper
2009-0022	City of Weimar	Weimar
2009-0023	City of Bloomburg	Bloomburg
2009-0024	City of Huntsville	Huntsville
2009-0025	Community Development Corp. of Brownsville	Brownsville
2009-0032	City of Gatesville	Gatesville
Community Housing Development Organization Rental Housing Development Program		
09138	Belmont Senior Village	Leander

Motion by Ms. Ray to approve Consent Agenda, with the exception of Agenda Item 1 l); seconded by Mr. Gann; passed unanimously.

ACTION ITEMS

AGENDA ITEM 2: MULTIFAMILY DIVISION ITEMS - HOUSING TAX CREDIT PROGRAM:

- a) Presentation, Discussion, and Possible Approval of Housing Tax Credit Amendments
- 060053 CANDLETREE APARTMENTS FORT WORTH
Motion by Ms. Bingham-Escareño to approve staff recommendation; seconded by Ms. Ray; passed unanimously.
- 060087 Sphinx at Alsbury Burleson
Motion by Ms. Ray to approve staff recommendation; seconded by Ms. Bingham-Escareño; passed unanimously.
- 060111 Evergreen at Rockwall Rockwall
Motion by Ms. Ray to approve staff recommendation; seconded by Mr. Gann; passed unanimously.
- 08300 Blackshear San Angelo
Stephanie Dugan, National Development Council, provided testimony.
Motion by Mr. Keig to approve amendment; seconded by Dr. Muñoz; passed unanimously.
- 05629 Village Park Houston
Motion by Ms. Bingham-Escareño to approve staff recommendation (microwaves are acceptable in lieu of the ceiling fans; seconded by Ms. Ray; passed unanimously.

The Board took a brief recess.

- b) Presentation, Discussion, and Possible Approval of Policy Clarification Regarding the Exchange Program and the 10% Test and Placed in Service Deadlines
Raymond Lucas, provided testimony.
Eric Opiela, representing Aurrora Meadows, provided testimony.
Donald Pace, general partner of Tammy's Point in Maverick County, Eagle Pass, provided testimony.
R.J. Collins, provided testimony in favor of Tammy's Point/Aurrora Meadows development, 07178, 08905.
David Marquez, representing the 307 projects, Urban Progress, Las Palmas Apartments, LULAC Hacienda, LULAC Group of Corpus Christi, and West End Baptist; provided testimony.
Min Pak, on behalf of Chan Pak, developer of Villas on Raiford, 07303 and 08096, provided testimony.
Terri Anderson, Anderson Capital, LLC., provided testimony.
Motion by Ms. Bingham-Escareño to table item; seconded by Mr. Gann; passed unanimously.
- c) Presentation, Discussion, and Possible Approval of Forward Commitments from the 2010 State Housing Credit Ceiling for the Allocation of Competitive Housing Tax Credits
Steve Ford, representing Hampshire Court Apartments in Pasadena, Texas, provided testimony.
David Potter, City of Austin Neighborhood Housing and Community Development Office, read a letter into the record from Mayor Pro Tem Mike Martinez.
Mahesh Aiyer, Wells Fargo Community Lending and Investment, provided testimony in support of a forward commitment for Wildflower Terrace, 09268.
Diana McIver, DMA Development, provided testimony in support of a forward commitment for Wildflower Terrace, 09268.
Cynthia Bast, Locke Lord Liddell, representing Investment Builders in El Paso, requesting a forward commitment for Canyon Square Apartments, 09306.
Ike Monte, provided testimony requesting a forward commitment for Canyon Square Apartments, 09306.
Cynthia Bast, Locke Lord Liddell, representing Wolcott Development and G.G. MacDonald Companies in connection with the Mustang Heights Apartments, Sweetwater, provided testimony in support of a forward commitment.
Granger MacDonald, provided testimony in support of a forward commitment for Mustang Heights Apts, Sweetwater, TX.
R.J. Collins, provided testimony in support of forward commitments for Red Oak, Waco 09121.
Richard Washington, Retirement Housing Foundation, provided testimony in support of forward commitments for Darson Marie Terrace, San Antonio, TX.
Mark Viator, provided testimony in support of a forward commitment for Champion Homes Marina Landing.
Bill Fisher, Odyssey Residential, provided testimony in support of a forward commitment for Marina Landing, Galveston.
John Shackelford, Shackelford, Melton, McKinley, representing Chicory Court 7 and Chicory Court 1, provided testimony requesting the Board to waive the \$2 million cap requirement.

EXECUTIVE SESSION

At 12:25 p.m. Mr. Conine convened the Executive Session.

- a) The Board may go into Executive Session (close its meeting to the public) on any agenda item if appropriate and authorized by the Open Meetings Act, Texas Government Code, Chapter 551
- b) The Board may go into Executive Session Pursuant to Texas Government Code §551.074 for the purposes of discussing personnel matters including to deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee.
- c) Consultation with Attorney Pursuant to §551.071(1) and (2), Texas Government Code including:
 1. With Respect to pending litigation styled *The Inclusive Communities Project, Inc. v Texas Department of Housing and Community Affairs*, et al filed in federal district court
 2. With Respect to pending litigation styled *M.G. Valdez Ltd. v. Texas Department of Housing and Community Affairs* filed in District Court, Hidalgo County
 3. With Respect to EEOC Claim from Don Duru
 4. With Respect to Any Other Pending Litigation Filed Since the Last Board Meeting
 5. Potential sale of agency owned real estate and/or sales of loans, pursuant to §551.072, Texas Government Code

OPEN SESSION

At 1:55 p.m. Mr. Conine reconvened the Open Session and announced that no action had been taken during the Executive Session and certified that the posted agenda had been followed.

AGENDA ITEM 2: Multifamily Division Items - Housing Tax Credit Program: [CONTINUED]

- b) Presentation, Discussion, and Possible Approval of Policy Clarification Regarding the Exchange Program and the 10% Test and Placed in Service Deadlines

Motion by Ms. Ray to approve the commencement of construction by May 31 and closing date of March 2010; seconded by Ms. Bingham-Escareño; passed unanimously.

- c) Presentation, Discussion, and Possible Approval of Forward Commitments from the 2010 State Housing Credit Ceiling for the Allocation of Competitive Housing Tax Credits

Motion by Mr. Gann to table; seconded by Dr. Muñoz; passed unanimously.

Motion by Dr. Muñoz to provide forward commitments to M Station 09130, Wildflower Terrace, Mustang Heights 09110, and Champion Homes at Marina Landing; seconded by Ms. Ray; passed unanimously.

AGENDA ITEM 3: HOME Program Division:

- a) Presentation, Discussion and Possible Approval of Policy Clarifications Regarding the Regional Allocation of the Remainder of the Tax Credit Assistance Program Funds and the inclusion of an Additional Draw at 75% Completion
Donna Rickenbaker, Marquis Consultants, provided testimony explaining the effect of the TCAP funding options on Emory Senior Living Apts.
Michael Hartman, Roundstone Development, provided testimony in support of Option B for the second round of TCAP.
Deborah Guerrero, NRP Group, provided testimony in support of Option A for the second round of TCAP.
Brad Foursland, provided testimony in support of Option B for the second round of TCAP.
Hunter Botts, National Equity Fund, provided testimony in support of Option B for the second round of TCAP.
Louis Williams, representing Abilene Senior Village, provided testimony in support of Option A for the second round of TCAP.
Motion by Ms. Bingham-Escareño to approve staff recommendation for Option A; seconded by Ms. Ray; passed unanimously.

AGENDA ITEM 4: Appeals:

- a) Presentation, Discussion, and Possible Action on Multifamily Program Appeals:
None Filed.
- b) Presentation, Discussion, and Possible Action for Tax Credit Assistance Program Appeals:
09727 The Mirabella
Withdrawn from consideration.
Appeals Filed Timely
None Filed.

- c) Presentation, Discussion, and Possible Action for 2009 Competitive Housing Tax Credit and HOME Appeals of Underwriting:
Appeals Timely Filed

None Filed.

- d) Presentation, Discussion, and Possible Action for Underwriting Appeals
Appeals Timely Filed

None Filed.

AGENDA ITEM 5: Rules:

- a) Presentation, Discussion, and Possible Approval for publication in the *Texas Register* a final order adopting repeal of Title 10, Texas Administrative Code (TAC), Part 1, Chapter 2, Texas Bootstrap Loan Program Rules and final order adopting new Title 10, Texas Administrative Code (TAC), Part 1, Chapter 2, Texas Bootstrap Loan Program Rules

Motion by Mr. Keig to approve with grammatical corrections; seconded by Ms. Ray; passed unanimously.

AGENDA ITEM 6: Bond Finance:

- a) Presentation, Discussion and Approval of Resolution No. 10-004 authorizing application to the Texas Bond Review Board for reservation of the 2009 single family private activity bond authority

Motion by Ms. Ray to approve staff recommendation; seconded by Mr. Gann; passed unanimously.

AGENDA ITEM 7: Disaster Recovery:

- a) Presentation, Discussion and Possible Approval of a policy to enable the Department to provide assistance to homeowners under Hurricane Rita Round 2 based on notification to and consent from lien holders

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

- b) Presentation, Discussion and Possible Approval of Request for Change in the Maximum Benefit Limitation for Elevation Assistance to the Homeowner Assistance Program (HAP) and Sabine Pass Restoration Program (SPRP) for CDBG Disaster Recovery Rita Round 2

Motion by Ms. Ray to approve staff recommendation to grant the TDHCA executive director the authority to evaluate and grant an increase on a case-by-case basis, based on executive review team, not to exceed \$20,000 beyond the \$30,000 limit; seconded by Ms. Bingham-Escareño; passed unanimously.

- c) Presentation, Discussion and Possible Approval of Requests for Amendments to CDBG Disaster Recovery Contracts Administered by TDHCA for CDBG Round 1 Funding:

C06003 South East Texas Regional Planning Commission

Motion by Ms. Ray to approve staff recommendation; seconded by Dr. Muñoz; passed unanimously.

- d) Presentation, Discussion and Approval of Potential Policy Changes to the Current NOFA to Allow Current Applications to be funded Don Young, provided testimony in support of 09804, Balboa Apartments, Nassau Bay, Harris County, discussed reimbursement procedure for a loss as it relates to insurance claims, and requested that the Board deny approval of the proposed amendment.

Jennifer Chester, provided testimony concerning an alternate suggestion for CDBG Round 2.

Deborah Guerrero, NRP Group, provided testimony in support of the staff recommendation.

Bill Fisher, provided testimony in support of the revised staff recommendation.

Motion by Ms. Bingham-Escareño to approve amended staff recommendation to fill the current NOFA with the compliant applicants or the applicants that meet the requirements of the NOFA, and then very promptly issue a second notice NOFA with guidelines that address some of the policy needs but prioritizing the damaged properties, queuing up the same applicants that had already been applicants for NOFA, allowing the grant versus loan decision as appropriate, and increasing the cap to \$10 million and with the provision that people who had applied previously could come back and amend to avail themselves of the higher cap; seconded by Ms. Ray; passed unanimously.

- e) Presentation, Discussion, and Possible Approval of CDBG Disaster Recovery Program Award Recommendations for the \$58 million affordable rental housing set-aside related to Hurricanes Ike and Dolly

09815 Tidwell Estates

Houston

Motion by Dr. Muñoz to approve staff recommendation; seconded by Ms. Bingham-Escareño; passed unanimously.

09801 Beacon Bay

Port Isabel

Withdrawn from consideration.

09817 Bayou Bend

Houston

Withdrawn from consideration.

09800 Arthur Robinson Apartments

Orange

Withdrawn from consideration.

REPORT ITEMS

1. Presentation and Discussion of the Disaster Recovery Division's Status Report on CDBG and FEMA AHPP Contracts Administered by TDHCA
2. HTC Quarterly Reports
3. TDHCA Outreach Activities, July 2009

ADJOURN:

Since there was no other business to come before the Board, the meeting was adjourned at 3:11 p.m. on October 15, 2009.

Timothy K. Irvine, Board Secretary

NOTE: To view the full Transcript for this meeting, please visit the TDHCA website at: www.TDHCA.state.tx.us

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

November 9, 2009; 9:30 a.m.

John H. Reagan Building
105 W. 15th St, Room 140, Austin, TX

SUMMARY OF MINUTES

CALL TO ORDER, ROLL CALL, CERTIFICATION OF QUORUM

The Board Meeting of the Texas Department of Housing and Community Affairs of November 9, 2009 was called to order by Chair, Kent Conine, at 9:35 a.m. It was held at the John H. Reagan Building, 105 W. 15th St, Room 140, Austin, TX 78701. Roll call certified a quorum was present.

Members Present:

Kent Conine, Chair
Gloria Ray, Vice Chair
Leslie Bingham-Escareño, Member
Tom H. Gann, Member
Juan Muñoz, Member
Lowell Keig, Member

PUBLIC COMMENT

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

The Honorable State Representative Joe Deshotel, provided testimony in support of Arthur Robinson Housing Project in Orange County, Texas.

The Honorable Mayor Brown Claybar, provided testimony in support of Arthur Robinson Housing Project in Orange County, Texas.

The Honorable Mayor John Windham, provided testimony in support of 09803 the Union Acres Apartments in Center, Texas.

Ann Lott, Housing Initiatives Program for the Inclusive Communities Project, provided testimony to request the Board to add an agenda item to December's Board meeting that allows the Department to review and modify the rent structure and loan criteria for NSP.

Cynthia Bast, Locke Lord & Liddell, provided testimony requesting the Board to add Moore Grocery Lofts, Tyler, to the December Board agenda.

Steve Ford, provided testimony requesting the Board add the issue of forward commitments to the December Board agenda.

Jim Brown, executive director of the Texas Affiliation of Affordable Housing Providers, provided testimony in support of Agenda Item 3(d).

Barry Palmer, Coats Rose Law Firm, provided testimony concerning the TCAP program.

Michael Lyttle read for the record, a letter from the Honorable Senator Robert Nichols, in support of Union Acres Apts, Center, TX.

Michael Lyttle read for the record, a letter from the Honorable Senator Tommy Williams, in support of the two TCAP projects under Round 2, located in Southeast Texas.

Michael Lyttle read for the record, a letter from the Honorable Senator Tommy Williams, in support of the Arthur Robinson venture project in the city of Orange

CONSENT AGENDA

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

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

Executive:

- a) Presentation, Discussion, and Possible Approval of Minutes from September 3, 2009

Financial Administration:

- b) Presentation and Discussion of the 4th Quarter Investment Report

Multifamily Division Items - Housing Tax Credit Program:

- c) Presentation, Discussion, and Possible Approval of Housing Tax Credit Extensions
060401 Cypress Creek at River Bend fka Northwest Residential
- d) Presentation, Discussion, and Possible Approval of Housing Tax Credit Amendments
03159 Summit Senior Village of Gainesville

Community Affairs:

- e) Presentation, Discussion and Possible Approval of the 2010 Section 8 Payment Standards for Housing Choice Vouchers. Resolution # 10-007

Disaster Recovery:

- f) Presentation and report on homes considered and reviewed by the Executive Director for services for accessibility requirements that exceed the established cap of \$15,000

Office of Recovery Act Accountability and Oversight:

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

HOME

- h) Presentation, Discussion, and Possible Approval of HOME Program Award Recommendations:

Owner-Occupied Housing Assistance Program

2009-0030 City of Martindale Martindale

2009-0028 City of Commerce Commerce

2009-0040 City of Sulphur Springs Sulphur Springs

Homebuyer Assistance Program

2009-0034 City of Waxahachie Waxahachie

Tenant-Based Rental Assistance Program

2009-0036 Housing Authority of New Braunfels

2009-0044 Ellis Community Resources New Braunfels

Motion by Ms. Ray to approve Consent Agenda; seconded by Mr. Gann; passed unanimously.

ACTION ITEMS

AGENDA ITEM 2: RULES:

- a) Presentation, Discussion and Possible Approval to publish in the *Texas Register* the repeal of 10 TAC Chapter 1, Sections 1.31 – 1.37, 2009 Real Estate Analysis Rules and Guidelines and a final order adopting new 10 TAC Chapter 1, Sections 1.31 – 1.37, 2010 Real Estate Analysis Rules and Guidelines

Motion by Ms. Ray to approve; seconded by Ms. Bingham-Escareño; passed unanimously.

- b) Presentation, Discussion and Possible Approval to publish in the *Texas Register* a final order adopting amendments to 10 TAC Chapter 60, Subchapter A, concerning compliance monitoring

Jean Latsha, National Farm Workers Service Center, provided testimony.

Motion by Ms. Bingham-Escareño to approve; seconded by Ms. Ray; passed unanimously.

- c) Presentation, Discussion, and Possible Approval for publication in the *Texas Register* of a final order adopting the repeal of 10 TAC Chapter 50, concerning 2008 Housing Tax Credit Program Qualified Allocation Plan and Rules, and a final order adopting the new 10 TAC Chapter 50, concerning 2010 Housing Tax Credit Program Qualified Allocation Plan and Rules

Jean Latsha, National Farm Workers Service Center, provided testimony.

Sarah Anderson, S. Anderson Consulting and S2A Development Consulting, provided testimony.

Tamea Dula, Coats Rose, provided testimony.

Barry Kahn, developer from Houston, provided testimony.

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

Motion by Ms. Ray to approve QAP for 2010, the repeal of the 2008 QAP, along with the agreed-upon adjustments to those recommendations as approved, as well as necessary technical corrections for *Texas Register*; seconded by Ms. Bingham-Escareño; passed unanimously.

- d) Presentation, Discussion and Possible Approval to publish in the *Texas Register* of a final order adopting the repeal of 10 TAC Chapter 33, concerning 2008 Multifamily Housing Revenue Bond Rules, and a final adopting the new 10 TAC Chapter 33, concerning 2010 Multifamily Housing Revenue Bond Rules

Motion by Ms. Bingham-Escareño to approve staff recommendation; seconded by Ms. Ray; passed unanimously.

AGENDA ITEM 3: RECOVERY ACT:

- a) Presentation, Discussion and Possible Approval of ARRA WAP Awards for Community Action Corporation of South Texas, Community Services Agency of South Texas, and Greater East Texas Community Action Program

David Ojeda, provided testimony, supporting the staff recommendation.

Motion by Dr. Muñoz to approve staff recommendation, acknowledging that the four factors have been addressed to the Board's satisfaction; seconded by Mr. Gann; passed unanimously.

- b) Presentation, Consideration and Possible Approval of Clarification of the Extension of Deadlines and Allocation Priority for the Housing Tax Credit Exchange Program

Motion by Mr. Gann to approve staff recommendation; seconded by Dr. Muñoz; passed unanimously.

- c) Presentation, Discussion and Possible Approval of Conditional Awards for Round 2 Tax Credit Assistance Program (TCAP) Applications

09397	Abilene Senior Village	Abilene
09398	The Mirabella	San Antonio
09399	Horizon Meadows Apts	La Marque
09710	Orchard at Oak Forest	Houston
09758	Bowie Garden Apts	Brownsville
09759	Emory Senior Living Apts	Lubbock
09760	Taylor Farms	Dallas
09761	Cevallos Lofts	San Antonio
09762	Woodmont Apartments	Fort Worth
09763	Costa Mariposa	Texas City
09764	Encino Pointe	San Marcos
09765	Casa Brazoria	Clute
09766	Ventana Pointe	Houston
09767	Crestshire Village	Dallas
09768	Trebah Village	Katy
09769	Corban Townhomes	Corpus Christi
09770	Champion Homes at Bay Walk	Galveston
09771	Champion Homes at Marina Landing	Galveston
09772	Greenhouse Place	Houston
09773	Pearland Senior Village	Pearland
09774	South Acres Ranch II	Houston
09775	Cherrywood Apts	West
09776	Courtwood Apts	Eagle Lake
09777	Hillwood Apts	Weimar
09778	Heights at Corral	Kingsville
09779	Chelsea Senior Community	Houston
09780	Malibu Apts	Austin
09781	Beechnut Oaks	Houston
09782	Tuscany Villas	Plano
09783	Magnolia Trace	Dallas
09784	Evergreen at Vista Ridge	Lewisville
09785	Arrowsmith Apts	Corpus Christi
09786	Gholson Hotel	Ranger
09787	Skytop Apts	Conroe
09788	Sierra Meadows	Houston
09789	Canyons Retirement Community	Amarillo
09790	Grace Lake Townhomes	Beaumont
09791	Floral Gardens	Houston
09792	Hacienda Del Sol	Dallas
09793	Belmont Senior Village	Leander
09794	Irvington Court	Houston
09795	Park Lane Apts	Houston
09796	Golden Bamboo Village II	Houston
09797	Villages at Snyder	Snyder
09798	Stone Hearst Seniors	Beaumont
09799	Mariposa at Ella Blvd	Houston

Chris Akbari, Itex Developers, provided testimony requesting that 09790, Grace Lake Townhomes, Beaumont, TX, be added.

Motion by Ms. Bingham-Escareño to approve staff recommendation; seconded by Ms. Ray; passed unanimously.

d) Presentation, Discussion, and Possible Approval to Award 2007 and 2008 Housing Tax Credit Exchange Program Funds and to Authorize the Return of 2009 Tax Credit Authority to the Treasury and Award of 2009 Housing Tax Credit Program Funds

09901	Las Palmas Gardens Apartments	San Antonio
09902	Oak Tree Village	Dickinson
09903	West End Baptist Manor Apartments	San Antonio
09904	LULAC Hacienda Apartments	Corpus Christi
09905	Aurora Meadows	Eagle Pass
09906	377 Villas	Brownwood
09907	Melbourne Senior Apartments	Alvin
09909	Champion Homes at La Joya	La Joya
09910	Lexington Square	Angleton
09911	Trinity Garden Apartment Homes	Liberty
09912	Wentworth Apartments	Atascocita
09913	Villas on Raiford	Carrollton
09914	StoneLeaf at Dalhart	Dalhart
09915	Jackson Village Retirement Center	Lake Jackson
09916	Mid-Towne Apartments	Tomball
09917	Alta Vista Apartments	Marble Falls
09918	Gardens at Clearwater	Kerrville
09919	Premier on Woodfair	Houston
09920	Anson Park Seniors	Abilene
09921	Oak Manor/Oak Village Apartments	San Antonio
09922	Parkview Terrace	Pharr
09923	Villas at Beaumont	McAllen
09924	Maeghan Pointe	Elsa
09925	Suncrest Apartments	El Paso
09926	Highland Manor	La Marque
09927	Carpenter's Point	Dallas
09928	Heritage Park Vista	Fort Worth
09929	Buena Vida Senior Village	Corpus Christi
09930	Creekside Villas Senior Village	Buda
09931	Montgomery Meadows Phase II	Huntsville
09932	Constitution Court	Copperas Cove
09934	Harris Manor Apartments	Pasadena
09936	Lake View Apartment Homes	Tyler
09937	Cambridge Crossing	Corsicana
09938	Stardust Village	Uvalde
09939	Vista Bonita Apartments	Houston
09940	St. Charles Place	Crowley
09941	Residences at Stalcup	Fort Worth
09942	Southern View Apartments	Fort Stockton
09943	Leona Apartments	Uvalde
09944	Heritage Square	Texas City
09945	Park Place Apartments	Cleveland
09946	Cedar Street Apartments	Brownfield
09947	Mineral Wells Pioneer Crossing	Mineral Wells
09948	Park Ridge Apartments	Llano
09949	Hampton Villages	Pampa
09950	Emory Senior Living Apartments	Lubbock
09951	Canyons Retirement Community	Amarillo
09952	Villages at Snyder	Snyder
09953	Gholson Hotel	Ranger
09954	Mustang Heights Apartments	Sweetwater
09955	Oakwood Apartments	Brownwood
09956	Abilene Senior Village	Abilene
09957	Woodland Park at Decatur	Decatur
09958	Crestmoor Park South Apartments	Burleson
09959	Magnolia Trace	Dallas

09960	Tuscany Villas	Plano
09961	Lincoln Terrace	Fort Worth
09962	Evergreen at Vista Ridge	Lewisville
09963	Hacienda Del Sol	Dallas
09964	Taylor Farms	Dallas
09965	Peachtree Seniors	Balch Springs
09966	Turner Street Apartments	Palestine
09967	Millie Street Apartments	Longview
09968	Arbor Pines Apartment Homes	Orange
09970	Lufkin Pioneer Crossing for Seniors	Lufkin
09971	Stone Hearst Seniors	Beaumont
09972	Grace Lake Townhomes	Beaumont
09973	Senior Villages at Huntsville	Huntsville
09974	Courtwood Apts	Eagle Lake
09975	Hillwood Apts	Weimar
09976	Trebah Village	Katy
09977	Chelsea Senior Community	Houston
09978	Floral Gardens	Houston
09979	Sterling Court Senior Residences	Houston
09981	Casa Brazoria	Clute
09982	Sierra Meadows	Houston
09983	Brazos Bend Villa	Richmond
09984	Beechnut Oaks	Houston
09986	Greenhouse Place	Houston
09987	Heritage Crossing	Sante Fe
09988	Villas at El Dorado Apts	Houston
09989	Champion Homes at Bay Walk	Galveston
09990	San Gabriel Crossing	Liberty Hill
09991	Belmont Senior Village	Leander
09992	Northgate Apts and Rhomberg Apts	Burnet
09993	Malibu Apartments	Austin
09994	Holland House Apartments	Holland
09995	Village Place Apartments	Loerena
09996	Whispering Oaks Apartments	Goldhwaite
09997	Autumn Villas	Loerena
09998	Prairie Village Apartments	Rogers
09999	Cherrywood Apartments	West
09350	Tremont Apartment Homes	Kileen
09351	Tierra Pointe	Karnes City
09352	Heights at Corral	Kingsville
09353	Hyatt Manor I and II Apartments	Gonzales
09354	Arrowsmith Apartments	Corpus Christi
09355	Corban Townhomes	Corpus Christi
09356	Legacy Villas	Eagle Pass
09357	Weslaco Hills Apartments	Weslaco
09358	Bowie Garden Apartments	Brownsville
09360	Sage Brush Village	Odessa

Mike Sugrue, provided testimony.

Tony Sisk, Churchill Residential, provided testimony, asking the Board to reassess the statewide collapse based on a sub-regional basis vs regional basis.

Jeff Crozier, executive director, Rural Rental Housing Association, provided testimony.

Motion by Ms. Bingham-Escareño to table; seconded by Mr. Keig; passed unanimously.

Motion by Mr. Keig to take item off the table; seconded by Mr. Gann; passed unanimously.

Motion by Ms. Ray to approve staff's recommendation to authorize staff to return tax credit authority in the amount of \$69,893,116 to the U.S. Treasury, equivalent of 2007, 2008 and 2009 Exchange Program awards currently totaling \$556,286,563 subject to threshold review, and the approval of these awards subject to the return of additional Exchange funds; seconded by Ms. Bingham-Escareño; passed unanimously.

AGENDA ITEM 4: COMMUNITY AFFAIRS:

- a) Presentation, Discussion and Possible Action on: Approval of an Amendment to the TDHCA ARRA Weatherization Assistance Plan (the Plan) to be Submitted to the Department of Energy (DOE)

Motion by Ms. Bingham-Escareño to approve staff recommendation; seconded by Ms. Ray; passed unanimously.

- b) Presentation, Discussion and Possible Approval of the Homeless Housing and Services Program (HHSP) Award Recommendations for City of Austin, City of Arlington and Haven for Hope (on behalf of City of San Antonio)

The Honorable Representative Jose Menendez, provided testimony.

Motion by Ms. Ray to approve staff recommendation; seconded by Dr. Muñoz; passed unanimously.

EXECUTIVE SESSION

At 12:45 p.m. Mr. Conine convened the Executive Session.

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

1. The Board may go into Executive Session Pursuant to Texas Government Code §551.074 for the purposes of discussing personnel matters including to deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee. Review and possible pay increase for Executive Director, Michael Gerber and Director of Internal Audit, Sandy Donoho.
2. Pursuant to Tex. Gov't. Code, §551.071(1) to seek the advice of its attorney about pending or contemplated litigation or a settlement offer, including:
 - a. *The Inclusive Communities Project, Inc. v Texas Department of Housing and Community Affairs*, et al filed in federal district court.
 - b. *M.G. Valdez Ltd. v. Texas Department of Housing and Community Affairs* filed in District Court, Hidalgo County, and
 - c. *The EEOC Claim of Don Duru*;
3. Pursuant to Tex. Gov't. Code, §551.071(2) for the purpose of seeking the advice of its attorney about a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this Tex. Gov't. Code, Chapter 551; and
4. Pursuant to Tex. Gov't. Code, §551.072 to deliberate the possible purchase, sale, exchange, or lease of real estate because it would have a material detrimental effect on the Department's ability to negotiate with a third person

OPEN SESSION

At 1:50 p.m. Mr. Conine reconvened the Open Session and announced that no action had been taken during the Executive Session and certified that the posted agenda had been followed.

Motion by Ms. Ray to approve Audit Committee recommendation to provide the Internal Auditor a salary increase of 5 percent, based on the current performance evaluation; seconded by Mr. Gann; passed unanimously.

AGENDA ITEM 5: COMPLIANCE AND ASSET OVERSIGHT:

- a) Presentation, Discussion and Possible Approval of contract to sell Real Estate Owned in Tyler, Texas

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

AGENDA ITEM 6: APPEALS:

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

None Filed.

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

None Filed.

- c) Presentation, Discussion, and Possible Action for HOME Program Appeals:

None Filed.

- d) Presentation, Discussion, and Possible Action for 2009 Competitive Housing Tax Credit and HOME Appeals of Underwriting:

None Filed.

- e) Presentation, Discussion, and Possible Action for Underwriting Appeals
09817 Bayou Bend Houston
Withdrawn from consideration.

AGENDA ITEM 7: FINANCIAL ADMINISTRATION:

- a) Presentation, Discussion and Possible Approval of the Amended FY2010 Operating Budget
Withdrawn from consideration until the December Board meeting.
- b) Presentation, Discussion and Possible Approval of the Amended FY2010 Housing Finance Budget
Withdrawn from consideration until the December Board meeting.

AGENDA ITEM 8: HOUSING RESOURCE CENTER:

- a) Presentation, Discussion and Possible Approval of the 2010-2014 State of Texas Consolidated Plan
Motion by Mr. Gann to approve staff recommendation; seconded by Ms. Ray; passed unanimously.
- b) Presentation, Discussion and Possible Approval of the 2010 Regional Allocation Formula Methodology
Motion by Ms. Ray to approve staff recommendation; seconded by Mr. Gann; passed unanimously.
- c) Presentation, Discussion and Possible Approval of the 2010 Affordable Housing Needs Score
Motion by Dr. Muñoz to approve staff recommendation; seconded by Ms. Ray; passed unanimously.

AGENDA ITEM 9: BOND FINANCE:

- a) Presentation, Discussion and Possible Approval of Resolution No. 10-005 authorizing the extension of the certificate purchase period for Single Family Mortgage Revenue Bonds, 2007 Series B (Program 70)
Michael Baumrin, RBC Capital Markets, provided testimony.
Motion by Ms. Bingham-Escareño to approve Resolution No. 10-005; seconded by Mr. Gann; passed unanimously.
- b) Presentation, Discussion and Possible Approval of Resolution No. 10-006 authorizing approval of the Residential Mortgage Revenue Bonds (Program 76) issued under the Homeowner Affordability and Stability Plan as well as approval of Senior Underwriter for Program 76
Michael Baumrin, RBC Capital Markets, provided testimony.
Motion by Ms. Bingham-Escareño to approve Resolution No. 10-006; seconded by Mr. Gann; passed unanimously.
- c) Presentation, Discussion and Possible Approval of granting staff the authority to negotiate a liquidity agreement with Fannie Mae and Freddie Mac under the Homeowner Affordability and Stability Plan
Motion by Ms. Bingham-Escareño to approve staff recommendation; seconded by Dr. Muñoz; passed unanimously.
- d) Presentation, Discussion and Possible Issuance of \$96 Million in Multifamily Mortgage Revenue Bonds, Resolution #10-008
Withdrawn from consideration.
- e) Presentation, Discussion and Possible Issuance of \$28 Million in Multifamily Mortgage Revenue Refunding Bonds, Resolution #10-009
Withdrawn from consideration.

AGENDA ITEM 10: DISASTER RECOVERY:

- a) Presentation, Discussion, and Possible Approval of CDBG Disaster Recovery Program Award Recommendations for the \$58 million affordable rental housing set-aside related to Hurricanes Ike and Dolly
9801 Beacon Bay Apartments Port Isabel
Bill Fisher, Odyssey Financial, provided testimony.
Motion by Ms. Ray to approve staff recommendation; seconded by Ms. Bingham-Escareño; passed unanimously.
- 9817 Bayou Bend Apartments Houston
Withdrawn from consideration.

b) Presentation, Discussion, and Possible Approval of a Request for Proposal (RFP) for a contractor to administer Alternative Housing Pilot Program (AHPP)

Motion by Ms. Ray to approve staff recommendation; seconded by Dr. Muñoz; passed unanimously.

REPORT ITEMS

1. Presentation and Discussion of the Disaster Recovery Division's Status Report on CDBG and FEMA AHPP Contracts Administered by TDHCA.
2. Monthly Update on the Status of Recovery Act Programs.
3. TDHCA Outreach Activities, October 2009.

ADJOURN:

Since there was no other business to come before the Board, the meeting was adjourned at 2:43 p.m. on November 9, 2009.

Timothy K. Irvine, Board Secretary

NOTE: To view the full Transcript for this meeting, please visit the TDHCA website at: www.TDHCA.state.tx.us.

COMPLIANCE AND ASSET OVERSIGHT DIVISION

BOARD ACTION REQUEST

DECEMBER 17, 2009

Action Item

Staff recommends that the Board authorize staff to proceed with an application to the U.S Department of Housing and Urban Development (“HUD”) for the Performance Based Contract Administration (PBCA) contract for Texas and to procure a third party to assist in administering any such PBCA contract.

In May 1999 HUD procured PBCA services for project-based Housing Assistance Payments (HAP) Contracts under Section 8 on a state by state basis. At that time, TDHCA did not respond to HUD’s RFP. In all but thirteen states, the state HFA administers the PBCA contract with HUD; based on incentive fees for successful contract administration, this has brought in significant additional funds to those states and they have been able to use these revenues for additional affordable housing activities.

HUD is rebidding these contracts in January 2010. TDHCA is considering submitting an application to HUD for the Texas contract. The primary reason to pursue this contract would be to pursue the additional funds for housing noted above. However, the fee structure from HUD is changing toward providing less incentive, and the new fee structure is not clearly delineated such that staff can determine what income would be generated. There may also be other reasons that limit the benefit of these funds (*i.e.* inability to use the funds for housing based on state provisions, the possible negative issues with the portfolio, etc.).

If TDHCA concludes that the activity is worth pursuing, it would seek a third party to assist in administering any PBCA contract awarded by HUD. Specifically, the Department would procure a qualified firm, experienced in the contract administration of project –based Section 8 housing assistance payment (HAP) contracts under the PBCA model, to serve as the Section 8 Performance Based Contractor Administrator for the State of Texas and to assist with the application to HUD. If a partner is procured it would not obligate the Department to proceed with any application to HUD.

Recommendation

RESOLVED, that the Executive Director and his designees and each of them be and they hereby are authorized and empowered, for and on behalf of this Department, to procure a qualified third party to assist in making application to the Department of Housing and Urban Development for a contract to carry out Project Based Contract Administration for the State of Texas, to apply to HUD for the award of such a contract, and, in the event that such a contract is awarded to negotiate and enter into an agreement with the third party selected to assist the Department in administering such contract; and

FURTHER RESOLVED, in order to effectuate the foregoing the Executive Director, his designees, and each of them are authorized and empowered, for and on behalf of the Department, to take such actions; make such applications; prepare and circulate such requests for proposal, bids, or similar procurement documents; execute and deliver such other documents, instruments, and writings; and perform such other acts and deeds as they or any of them may deem necessary or advisable to effectuate the foregoing; PROVIDED, however, that if the Executive Director at any time deems it not to be in the best interest of the Department to pursue such procurements or applications, he may decline to proceed, and

FURTHER RESOLVED, that the Executive director shall provide the Board with updates on any action taken with regard to the foregoing.

BOARD ACTION REQUEST
Executive Division

December 17, 2009

Requested Action

Authorize the Executive Director to initiate requests for proposals, requests for information, and other procurement or bidding documents as follows:

Whereas, the Texas Department of Housing and Community Affairs (the “Department”) is facing extraordinary challenges in meeting the urgent demands of implementing a number of major programs that are new and complex and involve exponential increases in programmatic activities, all in addition to continuing to administer its regular programmatic activity and the ever-increasing portfolios of activities created and subject to ongoing administration and oversight, and

Whereas, the Governing Board of the Department has a strong bias towards action, recognizing the critical importance of administering these programs, especially disaster recovery funding and federal economic stimulus funding, in a manner that optimizes rapidity while retaining prudent and transparent management standards, and

Whereas, recent issuances from a variety of federal entities have established timeframes for required actions that demand extremely rapid response, and

Whereas the Governing Board of the Department desires to ensure that the Department can respond to such matters with sufficient speed and flexibility, and

Whereas, among its greatest responsibilities, this Governing Board establishes broad policy and provides oversight,

The Executive Director and his or her designees be and each of them hereby are authorized, empowered, and directed, for and on behalf of the Department, to take such lawful steps and measures and to execute, deliver, and cause to be performed such documents, instruments, and writing as they or any of them may reasonably deem necessary or advisable to effectuate the programs assigned to the Department for funding and administration, including but not limited to issuing requests for proposal, requests for bids, request for qualifications, or other similar procurement documents to seek and obtain procured providers of services; engaging temporary or additional staff; and issuing notices of funds availability; and

The foregoing conferring of authority and responsibility is and remains in all respects subject to the requirements of applicable state and federal law (including, but not limited to, the General Appropriations Act) and the policies from time to time established by this Governing Board; and

The Executive Director be and he or she hereby is directed to provide at the next duly posted and held meeting of this Governing Board, a regular report item of all actions that have been commenced or taken under the foregoing authority and responsibility.

Background

As the Department moves quickly to implement numerous programs, including those necessitated by disaster recovery, those created and assigned the 81st Legislature, and those created by the American Recovery and Reinvestment Act of 2009 and the Housing and Economic Recovery Act of 2008, staff is identifying a number of instances where procurement will be a necessary component of overall success. Such procurement will entail identifying third party solutions to provide goods and/or services required by state or federal law that the Department cannot provide itself or that can be provided more effectively and/or efficiently by a third party with established and specialized capabilities. Some of these services will be of limited duration and addressing them via procurement instead of additional staff will minimize the impact on staffing levels and attendant managerial time, although all procured providers will need to be managed and monitored carefully.

**MULTIFAMILY FINANCE PRODUCTION DIVISION
BOARD ACTION REQUEST
December 17, 2009**

Requested Action

Approve the requests for extensions related to one (1) 2006, thirteen (13) 2007, two (2) 2008, and one (1) 2009 Housing Tax Credit allocations.

Background

Pertinent facts about the request for extension are given below. The requests were accompanied by a mandatory \$2,500 extension request fee.

**HTC No. 060181, Crescent Village Apartments II
(Cost Certification Extension)**

Summary of Request: Pursuant to §50.15(b)(2) of the 2006 Qualified Allocation Plan, "...Required Cost Certification documentation must be received by the Department no later than January 15 following the year the Credit Period begins...". The owner elected to initiate the credit period in 2008 and missed the January 15, 2009 deadline to submit cost certification documentation for the above referenced development. The owner submitted the full cost certification documentation on October 19, 2009 and the Real Estate Analysis Division is currently reviewing the documentation for completeness. The owner's extension request included all documentation necessary to comply with the requirement.

The credits are ultimately recovered and the Department is not able to reallocate the credits, pursuant to §49.20(m) of the QAP, an additional penalty fee equal to one (1) year credit amount of the lost credits.

Owner:	Crescent Village II, Ltd.
General Partner:	Crescent Village III, LLC
Developer:	Crescent Village II Development, LLC and Realtex Development Corp.
Principals/Interested Parties:	Rick J. Deyoe and John O. Boyd
City/County:	Elgin/Bastrop
Set-Aside:	N/A
Type of Area:	Rural
Type of Development:	New Construction
Population Served:	Family
Units:	76 HTC units
2006 Allocation:	\$522,568
Allocation per HTC Unit:	\$6,876
Extension Request Fee Paid:	\$2,500
Current Deadline:	January 15, 2009
New Deadline Requested:	October 19, 2009
New Deadline Recommended:	October 19, 2009
Previous Extensions:	N/A

HTC No. 07422 Salem Village Apartments
(Cost Certification Extension)

Summary of Request: Pursuant to §49.15(b)(2) of the 2007 Qualified Allocation Plan, "...Required Cost Certification documentation must be received by the Department no later than January 15 following the year the Credit Period begins...". The owner elected to initiate the credit period in 2008 and missed the January 15, 2009 deadline to submit cost certification documentation for the above referenced development. The owner submitted the full cost certification documentation on March 31, 2009 and the Real Estate Analysis Division is currently reviewing the documentation for completeness. The owner's extension request included all documentation necessary to comply with the requirement.

Owner:	RHAC-Salem, LLC
General Partner:	RHAC-Texas, LLC and Texas Council of Foundations for Social Resources, Inc.
Developer:	GungHo Partners, LLC
Principals/Interested Parties:	Chris Porter, Joseph L. Sherman, and JSS Family Trust
City/County:	Victoria/Victoria
Set-Aside:	N/A
Type of Area:	Urban
Type of Development:	Acq/Rehab
Population Served:	Family
Units:	105 HTC units
2007 Allocation:	\$181,840
Allocation per HTC Unit:	\$1,732
Extension Request Fee Paid:	\$2,500
Current Deadline:	January 15, 2009
New Deadline Requested:	March 31, 2009
New Deadline Recommended:	March 31, 2009
Previous Extensions:	N/A

HTC No. 07423 Garden Apartments
(Cost Certification Extension)

Summary of Request: Pursuant to §49.15(b)(2) of the 2007 Qualified Allocation Plan, "...Required Cost Certification documentation must be received by the Department no later than January 15 following the year the Credit Period begins...". The owner elected to initiate the credit period in 2008 and missed the January 15, 2009 deadline to submit cost certification documentation for the above referenced development. The owner submitted the full cost certification documentation on March 31, 2009 and the Real Estate Analysis Division is currently reviewing the documentation for completeness. The owner's extension request included all documentation necessary to comply with the requirement.

Owner:	RHAC-Garden, LLC
General Partner:	RHAC-Texas, LLC and Texas Council of Foundations for Social Resources, Inc.
Developer:	GungHo Partners, LLC
Principals/Interested Parties:	Chris Porter, Joseph L. Sherman, and JSS Family Trust
City/County:	Lubbock/Lubbock
Set-Aside:	N/A
Type of Area:	Urban
Type of Development:	Acq/Rehab
Population Served:	Family
Units:	61 HTC units
2007 Allocation:	\$95,477
Allocation per HTC Unit:	\$1,565
Extension Request Fee Paid:	\$2,500
Current Deadline:	January 15, 2009
New Deadline Requested:	March 31, 2009
New Deadline Recommended:	March 31, 2009
Previous Extensions:	N/A

HTC No. 07424 Los Ebanos Apartments
(Cost Certification Extension)

Summary of Request: Pursuant to §49.15(b)(2) of the 2007 Qualified Allocation Plan, "...Required Cost Certification documentation must be received by the Department no later than January 15 following the year the Credit Period begins...". The owner elected to initiate the credit period in 2008 and missed the January 15, 2009 deadline to submit cost certification documentation for the above referenced development. The owner submitted the full cost certification documentation on March 31, 2009 and the Real Estate Analysis Division is currently reviewing the documentation for completeness. The owner's extension request included all documentation necessary to comply with the requirement.

Owner:	RHAC-Los Ebanos, LLC
General Partner:	RHAC-Texas, LLC and Texas Council of Foundations for Social Resources, Inc.
Developer:	GungHo Partners, LLC
Principals/Interested Parties:	Chris Porter, Joseph L. Sherman, and JSS Family Trust
City/County:	Victoria/Victoria
Set-Aside:	N/A
Type of Area:	Urban
Type of Development:	Acq/Rehab
Population Served:	Family
Units:	65 HTC units
2007 Allocation:	\$127,723
Allocation per HTC Unit:	\$1,965
Extension Request Fee Paid:	\$2,500
Current Deadline:	January 15, 2009
New Deadline Requested:	March 31, 2009
New Deadline Recommended:	March 31, 2009
Previous Extensions:	N/A

HTC No. 07425 Chaparral Village Apartments
(Cost Certification Extension)

Summary of Request: Pursuant to §49.15(b)(2) of the 2007 Qualified Allocation Plan, "...Required Cost Certification documentation must be received by the Department no later than January 15 following the year the Credit Period begins...". The owner elected to initiate the credit period in 2008 and missed the January 15, 2009 deadline to submit cost certification documentation for the above referenced development. The owner submitted the full cost certification documentation on March 31, 2009 and the Real Estate Analysis Division is currently reviewing the documentation for completeness. The owner's extension request included all documentation necessary to comply with the requirement.

Owner:	RHAC-Chaparral Village, LLC
General Partner:	RHAC-Texas, LLC and Texas Council of Foundations for Social Resources, Inc.
Developer:	GungHo Partners, LLC
Principals/Interested Parties:	Chris Porter, Joseph L. Sherman, and JSS Family Trust
City/County:	Odessa/Ector
Set-Aside:	N/A
Type of Area:	Urban
Type of Development:	Acq/Rehab
Population Served:	Family
Units:	80 HTC units
2007 Allocation:	\$283,179
Allocation per HTC Unit:	\$3,540
Extension Request Fee Paid:	\$2,500
Current Deadline:	January 15, 2009
New Deadline Requested:	March 31, 2009
New Deadline Recommended:	March 31, 2009
Previous Extensions:	N/A

HTC No. 07426 River Park Village East Apartments
(Cost Certification Extension)

Summary of Request: Pursuant to §49.15(b)(2) of the 2007 Qualified Allocation Plan, "...Required Cost Certification documentation must be received by the Department no later than January 15 following the year the Credit Period begins...". The owner elected to initiate the credit period in 2008 and missed the January 15, 2009 deadline to submit cost certification documentation for the above referenced development. The owner submitted the full cost certification documentation on March 31, 2009 and the Real Estate Analysis Division is currently reviewing the documentation for completeness. The owner's extension request included all documentation necessary to comply with the requirement.

Owner:	RHAC-River Park Village East, LLC
General Partner:	RHAC-Texas, LLC and Texas Council of Foundations for Social Resources, Inc.
Developer:	GungHo Partners, LLC
Principals/Interested Parties:	Chris Porter, Joseph L. Sherman, and JSS Family Trust
City/County:	Fort Worth/Tarrant
Set-Aside:	N/A
Type of Area:	Urban
Type of Development:	Acq/Rehab
Population Served:	Family
Units:	50 HTC units
2007 Allocation:	\$45,612
Allocation per HTC Unit:	\$912
Extension Request Fee Paid:	\$2,500
Current Deadline:	January 15, 2009
New Deadline Requested:	March 31, 2009
New Deadline Recommended:	March 31, 2009
Previous Extensions:	N/A

HTC No. 07427 High Plains Apartments
(Cost Certification Extension)

Summary of Request: Pursuant to §49.15(b)(2) of the 2007 Qualified Allocation Plan, "...Required Cost Certification documentation must be received by the Department no later than January 15 following the year the Credit Period begins...". The owner elected to initiate the credit period in 2008 and missed the January 15, 2009 deadline to submit cost certification documentation for the above referenced development. The owner submitted the full cost certification documentation on March 31, 2009 and the Real Estate Analysis Division is currently reviewing the documentation for completeness. The owner's extension request included all documentation necessary to comply with the requirement.

Owner:	RHAC-High Plains, LLC
General Partner:	RHAC-Texas, LLC and Texas Council of Foundations for Social Resources, Inc.
Developer:	GungHo Partners, LLC
Principals/Interested Parties:	Chris Porter, Joseph L. Sherman, and JSS Family Trust
City/County:	Lubbock/Lubbock
Set-Aside:	N/A
Type of Area:	Urban
Type of Development:	Acq/Rehab
Population Served:	Family
Units:	50 HTC units
2007 Allocation:	\$114,601
Allocation per HTC Unit:	\$2,292
Extension Request Fee Paid:	\$2,500
Current Deadline:	January 15, 2009
New Deadline Requested:	March 31, 2009
New Deadline Recommended:	March 31, 2009
Previous Extensions:	N/A

HTC No. 07428 El Nido
(Cost Certification Extension)

Summary of Request: Pursuant to §49.15(b)(2) of the 2007 Qualified Allocation Plan, "...Required Cost Certification documentation must be received by the Department no later than January 15 following the year the Credit Period begins...". The owner elected to initiate the credit period in 2008 and missed the January 15, 2009 deadline to submit cost certification documentation for the above referenced development. The owner submitted the full cost certification documentation on March 31, 2009 and the Real Estate Analysis Division is currently reviewing the documentation for completeness. The owner's extension request included all documentation necessary to comply with the requirement.

Owner:	RHAC-El Nido, LLC
General Partner:	RHAC-Texas, LLC and Texas Council of Foundations for Social Resources, Inc.
Developer:	GungHo Partners, LLC
Principals/Interested Parties:	Chris Porter, Joseph L. Sherman, and JSS Family Trust
City/County:	El Paso/El Paso
Set-Aside:	N/A
Type of Area:	Urban
Type of Development:	Acq/Rehab
Population Served:	Family
Units:	104 HTC units
2007 Allocation:	\$296,404
Allocation per HTC Unit:	\$2,850
Extension Request Fee Paid:	\$2,500
Current Deadline:	January 15, 2009
New Deadline Requested:	March 31, 2009
New Deadline Recommended:	March 31, 2009
Previous Extensions:	N/A

HTC No. 07429 Win Lin Apartments
(Cost Certification Extension)

Summary of Request: Pursuant to §49.15(b)(2) of the 2007 Qualified Allocation Plan, "...Required Cost Certification documentation must be received by the Department no later than January 15 following the year the Credit Period begins...". The owner elected to initiate the credit period in 2008 and missed the January 15, 2009 deadline to submit cost certification documentation for the above referenced development. The owner submitted the full cost certification documentation on March 31, 2009 and the Real Estate Analysis Division is currently reviewing the documentation for completeness. The owner's extension request included all documentation necessary to comply with the requirement.

Owner:	RHAC-Win-Lin Village, LLC
General Partner:	RHAC-Texas, LLC and Texas Council of Foundations for Social Resources, Inc.
Developer:	GungHo Partners, LLC
Principals/Interested Parties:	Chris Porter, Joseph L. Sherman, and JSS Family Trust
City/County:	Amarillo/Randall
Set-Aside:	N/A
Type of Area:	Urban
Type of Development:	Acq/Rehab
Population Served:	Family
Units:	50 HTC units
2007 Allocation:	\$67,136
Allocation per HTC Unit:	\$1,343
Extension Request Fee Paid:	\$2,500
Current Deadline:	January 15, 2009
New Deadline Requested:	March 31, 2009
New Deadline Recommended:	March 31, 2009
Previous Extensions:	N/A

HTC No. 07430 Spring Terrace Apartments
(Cost Certification Extension)

Summary of Request: Pursuant to §49.15(b)(2) of the 2007 Qualified Allocation Plan, "...Required Cost Certification documentation must be received by the Department no later than January 15 following the year the Credit Period begins...". The owner elected to initiate the credit period in 2008 and missed the January 15, 2009 deadline to submit cost certification documentation for the above referenced development. The owner submitted the full cost certification documentation on March 31, 2009 and the Real Estate Analysis Division is currently reviewing the documentation for completeness. The owner's extension request included all documentation necessary to comply with the requirement.

Owner:	RHAC-Spring Terrace, LLC
General Partner:	RHAC-Texas, LLC and Texas Council of Foundations for Social Resources, Inc.
Developer:	GungHo Partners, LLC
Principals/Interested Parties:	Chris Porter, Joseph L. Sherman, and JSS Family Trust
City/County:	Amarillo/Potter
Set-Aside:	N/A
Type of Area:	Urban
Type of Development:	Acq/Rehab
Population Served:	Family
Units:	50 HTC units
2007 Allocation:	\$102,726
Allocation per HTC Unit:	\$2,055
Extension Request Fee Paid:	\$2,500
Current Deadline:	January 15, 2009
New Deadline Requested:	March 31, 2009
New Deadline Recommended:	March 31, 2009
Previous Extensions:	N/A

HTC No. 07431 Cove Village
(Cost Certification Extension)

Summary of Request: Pursuant to §49.15(b)(2) of the 2007 Qualified Allocation Plan, "...Required Cost Certification documentation must be received by the Department no later than January 15 following the year the Credit Period begins...". The owner elected to initiate the credit period in 2008 and missed the January 15, 2009 deadline to submit cost certification documentation for the above referenced development. The owner submitted the full cost certification documentation on March 31, 2009 and the Real Estate Analysis Division is currently reviewing the documentation for completeness. The owner's extension request included all documentation necessary to comply with the requirement.

Owner:	RHAC-Cove Village, LLC
General Partner:	RHAC-Texas, LLC and Texas Council of Foundations for Social Resources, Inc.
Developer:	GungHo Partners, LLC
Principals/Interested Parties:	Chris Porter, Joseph L. Sherman, and JSS Family Trust
City/County:	Copperas Cove/Coryell
Set-Aside:	N/A
Type of Area:	Urban
Type of Development:	Acq/Rehab
Population Served:	Family
Units:	50 HTC units
2007 Allocation:	\$84,133
Allocation per HTC Unit:	\$1,683
Extension Request Fee Paid:	\$2,500
Current Deadline:	January 15, 2009
New Deadline Requested:	March 31, 2009
New Deadline Recommended:	March 31, 2009
Previous Extensions:	N/A

HTC No. 07432 Sierra Vista
(Cost Certification Extension)

Summary of Request: Pursuant to §49.15(b)(2) of the 2007 Qualified Allocation Plan, "...Required Cost Certification documentation must be received by the Department no later than January 15 following the year the Credit Period begins...". The owner elected to initiate the credit period in 2008 and missed the January 15, 2009 deadline to submit cost certification documentation for the above referenced development. The owner submitted the full cost certification documentation on March 31, 2009 and the Real Estate Analysis Division is currently reviewing the documentation for completeness. The owner's extension request included all documentation necessary to comply with the requirement.

Owner:	RHAC-Sierra Vista, LLC
General Partner:	RHAC-Texas, LLC and Texas Council of Foundations for Social Resources, Inc.
Developer:	GungHo Partners, LLC
Principals/Interested Parties:	Chris Porter, Joseph L. Sherman, and JSS Family Trust
City/County:	El Paso/El Paso
Set-Aside:	N/A
Type of Area:	Urban
Type of Development:	Acq/Rehab
Population Served:	Family
Units:	106 HTC units
2007 Allocation:	\$198,490
Allocation per HTC Unit:	\$1,873
Extension Request Fee Paid:	\$2,500
Current Deadline:	January 15, 2009
New Deadline Requested:	March 31, 2009
New Deadline Recommended:	March 31, 2009
Previous Extensions:	N/A

HTC No. 07433 Peppertree Acres
(Cost Certification Extension)

Summary of Request: Pursuant to §49.15(b)(2) of the 2007 Qualified Allocation Plan, "...Required Cost Certification documentation must be received by the Department no later than January 15 following the year the Credit Period begins...". The owner elected to initiate the credit period in 2008 and missed the January 15, 2009 deadline to submit cost certification documentation for the above referenced development. The owner submitted the full cost certification documentation on March 31, 2009 and the Real Estate Analysis Division is currently reviewing the documentation for completeness. The owner's extension request included all documentation necessary to comply with the requirement.

Owner:	RHAC-Peppertree Acres, LLC
General Partner:	RHAC-Texas, LLC and Texas Council of Foundations for Social Resources, Inc.
Developer:	GungHo Partners, LLC
Principals/Interested Parties:	Chris Porter, Joseph L. Sherman, and JSS Family Trust
City/County:	Fort Worth/Tarrant
Set-Aside:	N/A
Type of Area:	Urban
Type of Development:	Acq/Rehab
Population Served:	Family
Units:	148 HTC units
2007 Allocation:	\$238,533
Allocation per HTC Unit:	\$1,612
Extension Request Fee Paid:	\$2,500
Current Deadline:	January 15, 2009
New Deadline Requested:	March 31, 2009
New Deadline Recommended:	March 31, 2009
Previous Extensions:	N/A

HTC No. 07434 Jose Antonio Escajeda
(Cost Certification Extension)

Summary of Request: Pursuant to §49.15(b)(2) of the 2007 Qualified Allocation Plan, "...Required Cost Certification documentation must be received by the Department no later than January 15 following the year the Credit Period begins...". The owner elected to initiate the credit period in 2008 and missed the January 15, 2009 deadline to submit cost certification documentation for the above referenced development. The owner submitted the full cost certification documentation on March 31, 2009 and the Real Estate Analysis Division is currently reviewing the documentation for completeness. The owner's extension request included all documentation necessary to comply with the requirement.

Owner:	RHAC-Jose Antonio Escajeda, LLC
General Partner:	RHAC-Texas, LLC and Texas Council of Foundations for Social Resources, Inc.
Developer:	GungHo Partners, LLC
Principals/Interested Parties:	Chris Porter, Joseph L. Sherman, and JSS Family Trust
City/County:	El Paso/El Paso
Set-Aside:	N/A
Type of Area:	Urban
Type of Development:	Acq/Rehab
Population Served:	Family
Units:	88 HTC units
2007 Allocation:	\$252,781
Allocation per HTC Unit:	\$2,873
Extension Request Fee Paid:	\$2,500
Current Deadline:	January 15, 2009
New Deadline Requested:	March 31, 2009
New Deadline Recommended:	March 31, 2009
Previous Extensions:	N/A

HTC No. 08100, Grand Reserve Seniors Waxahachie
(Commencement of Substantial Construction)

Summary of Request: Pursuant to §50.14(c) of the 2008 Qualified Allocation Plan, “The Development Owner must submit evidence of having commenced and continued substantial construction activities. The evidence must be submitted not later than December 1 of the year after the execution of the Carryover Allocation Document with a possibility of an extension...”. The owner is requesting an extension of the deadline to submit documentation fulfilling the commencement of substantial construction requirement for the above referenced development. The extension requested a change in the deadline from December 1, 2009 to May 25, 2010.

The reason given for the request is that the owner is waiting on Department’s approval of the Tax Credit Assistance Program (TCAP) loan application submitted for this development. The owner has indicated that they anticipate closing on the TCAP loan in December of 2009, they have an agreement in place to close on their syndication and construction loan as soon as the TCAP loan has closed, then construction will commence, and they intend to have the Development meet its placed in service requirement. The owner’s extension request included all documentation necessary to comply with the requirement.

Owner:	The Grand Reserve-Waxahachie, Ltd.
General Partner:	Waxahachie Grand Reserve, LLC
Developer:	The Grand Reserve-Waxahachie, Ltd.
Principals/Interested Parties:	Kenneth H. Mitchell and Amy E. Mitchell
City/County:	Waxahachie/Ellis
Set-Aside:	N/A
Type of Area:	Rural
Type of Development:	New Construction
Population Served:	Elderly
Units:	80 HTC units
2007 Allocation:	\$986,830
Allocation per HTC Unit:	\$12,335
Extension Request Fee Paid:	\$2,500
Current Deadline:	December 1, 2009
New Deadline Requested:	May 25, 2010
New Deadline Recommended:	May 25, 2010
Previous Extensions:	N/A

HTC No. 08135, Gardens at Clearwater Apartments
(Commencement of Substantial Construction)

Summary of Request: Pursuant to §50.14(c) of the 2008 Qualified Allocation Plan, “The Development Owner must submit evidence of having commenced and continued substantial construction activities. The evidence must be submitted not later than December 1 of the year after the execution of the Carryover Allocation Document with a possibility of an extension...”. The owner is requesting an extension of the deadline to submit documentation fulfilling the commencement of substantial construction requirement for the above referenced development. The extension requested a change in the deadline from December 1, 2009 to June 1, 2010.

The reason given for the request is that the owner is waiting on Department’s approval of the Tax Credit Exchange Program (Exchange) loan application submitted for this development. The owner has indicated that they anticipate closing on the Exchange loan in December of 2009. Upon the Exchange closing, the owner has indicated that they have an agreement in place to close on their remaining financing, then construction will commence, and they intend to have the Development meet its placed in service requirement. The owner’s extension request included all documentation necessary to comply with the requirement.

Owner:	Kerrville Gardens at Clearwater Apartments, L.P.
General Partner:	Kerrville Gardens at Clearwater Developers, L.L.C. and J.C. Ventures, L.L.C.
Developer:	Kerrville Gardens at Clearwater Builders, L.L.C., Resolutions Real Estate Services, LLC, and MacDonald and Associates, Inc.
Principals/Interested Parties:	Lucille Jones, Leslie Clark, J. Steve Ford, and G. Granger MacDonald, and T. Justin MacDonald
City/County:	Kerrville/Kerr
Set-Aside:	N/A
Type of Area:	Rural
Type of Development:	New Construction
Population Served:	Elderly
Units:	80 HTC units
2007 Allocation:	\$760,867
Allocation per HTC Unit:	\$9,510
Extension Request Fee Paid:	\$2,500
Current Deadline:	December 1, 2009
New Deadline Requested:	June 4, 2010
New Deadline Recommended:	June 1, 2010
Previous Extensions:	N/A

HTC No. 09135, Lincoln Terrace
(Carryover Documentation)

Summary of Request: Pursuant to §49.14(a) of the 2009 Qualified Allocation Plan and Rules, “All Developments which received a Commitment Notice, and will not be placed in service and receive IRS Form 8609 in the year the Commitment Notice was issued, must submit the Carryover documentation to the Department no later than November 2 of the year in which the Commitment Notice is issued pursuant to §42(h)(1)(c) IRC”. The owner is requesting an extension of the deadline to submit documentation to November 6, 2009.

The reason given for the request is that the Owner had not received approval from HUD for the continuation of the HAP contract in time to file the carryover documentation. The owner has acknowledged that they understand they will receive a five (5) point penalty on any subsequent applications submitted in the 2010 application cycle.

Staff does note for the Board that this application was terminated during the 2009 application cycle for material noncompliance with one of the partners in the application. The Board reinstated the application subject to the removal of that partner. The owner has complied with the Board’s request; however, they missed the deadline to submit the carryover documentation. The owner’s extension request included all documentation necessary to comply with the requirement.

Owner:	Lincoln Terrace, LP
General Partner:	Lincoln Terrace GP, LLC and Wind Terrace, Inc.
Developer:	Carleton Development, Ltd.
Principals/Interested Parties:	City of Fort Worth Housing Authority, Neal Hildebrandt, and Barbara Holston
City/County:	Fort Worth/Tarrant
Set-Aside:	At-Risk
Type of Area:	Urban
Type of Development:	Reconstruction
Population Served:	Family
Units:	72 HTC units
2009 Allocation:	\$928,806
Allocation per HTC Unit:	\$12,900
Extension Request Fee Paid:	\$2,500
Current Deadline:	November 2, 2009
New Deadline Requested:	November 6, 2009
New Deadline Recommended:	November 6, 2009
Previous Extensions:	N/A
Staff Recommendation:	Approve the extension as requested.

CRESCENT VILLAGE II, LTD

November 20, 2009

Audrey Martin
Senior Cost Certification Specialist
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

RE: Crescent Village Apartments II (TDHCA #060181)
Cost Certification Package

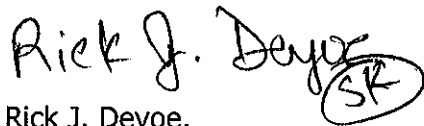
Dear Ms. Martin:

Please accept this letter as our written request for approval of an extension of the filing of the 8609 application package for the development referenced above. The cost certification package was not submitted by the January 15th deadline as the accountants were not able to complete the required information by 1-15-09 since the cost certification was through 12-31-08 and the deadline was only 2 weeks from their date of close-out. However, the cost certification package has since been submitted and is being reviewed by the Real Estate Analysis Department.

As required, please find enclosed a check in the amount of \$2,500.00 which represents the extension fee.

We respectfully request approval of this extension. Should you have any questions or require additional information, please do not hesitate to contact us.

Sincerely,



Rick J. Deyoe,
Managing Member of Crescent Village III, LLC, GP

RHAC – TEXAS PORTFOLIO, LP

11/17/2009

Kent Bedell
Texas Department of Housing and Community Affairs
Multifamily Finance Production Division
Post Office Box 13941
Austin, Texas 78711-3941

Re: Request for Cost Certification Extension

Dear Mr. Bedell,

Please accept this letter as our formal request for a deadline extension to submit our cost certification packages. We request this be taken up at the December, 2009 Board Meeting.

The 2007 QAP states that the required cost certification documentation must be received by the Department no later than January 15 following the year the Credit Period begins. We have elected to start the credit period in 2008; however we were unable to submit our cost certification packages until March 31, 2009. Due to the complexity of these deals and some delays in finishing construction we were unable to get all necessary documents, mainly Exhibit 10c Total Development Cost Schedule, completed prior to the 1/15/2009 deadline. As such the cost certification packages were not submitted to the Department until 3/31/2009. We would like to request that the deadline be extended for the following projects:

PROPERTY NAME	TDHCA FILE #
Spring Terrace Apts	07430
Win Lin Apartments	07429
Cove Village	07431
El Nido Apartments	07428
Jose Antonia Escajeda	07434
Sierra Vista Apartments	07432
Peppertree Acres	07433
River Park Village East	07426
Garden Apartments	07423
High Plains Apartments	07427
Chaparral Village Apartments	07425
Salem Village Apartments	07422
Los Ebanos Apartments	07424

A check in the amount of \$32,500 (\$2500/property) is included. Please contact me at 415-501-9607 or cporter@reliantgroup.com if you have any questions.

Sincerely,



Chris Porter
Authorized Agent

KENNETH H. MITCHELL, P.C.

CERTIFIED PUBLIC ACCOUNTANT
1005 SHADY RIVER COURT NORTH
BENBROOK, TEXAS 76126-2915

(817) 249-6886

FAX (817) 249-1010

November 19, 2009

11-20-09A11:38 PAID

Mr. Michael Gerber
Executive Director
Texas Department of Housing and Community Affairs
P.O. Box 13941
Capitol Station
Austin, Texas 78711-3941

Dear Mr. Gerber:

This letter is a request for an extension for my project, The Grand Reserve Seniors-Waxahachie Community (#08100), to satisfy the Commencement of Substantial Construction requirement by December 1, 2009.

The construction for my project was delayed due to a shortage of equity capital available in the investment community in 2009. I submitted an application for additional funds from the TDHCA through the TCAP program. I recently received the underwriting report for my project, and the TCAP funds and terms approved are sufficient for me to move forward with the development of my project. Currently the Department has established December 30th as the date to close the TCAP loan. I can not start construction before the TCAP loan is closed.

I have a commitment for an equity investment that will work well with the TCAP funds. In addition, the loan documents for the construction loan are presently being prepared by the construction lender.

I would appreciate an extension to satisfy the Commencement of Substantial Construction requirement until May 25, 2010. Enclosed is a check for \$2,500 to pay the extension fee as provided by the tax credit rules. I appreciate your consideration of this request.

Sincerely,


Kenneth H. Mitchell

KHM/khm
Enclosure

Kerrville Gardens at Clearwater, L.P.

2951 Fall Creek Road

Kerrville, Texas 78028

November 20, 2009

Kent Bedell
Multifamily Housing Specialist
TDHCA
P.O. Box 13941
Austin, Texas 78711-3941

11-23-09 10:55 PAID

RE: Gardens at Clearwater, TDHCA #08135

Dear Mr. Bedell,

We request an extension of the December 1, 2009, deadline for submitting the Construction Progress Report, Commencement of Substantial Construction, for Gardens at Clearwater, TDHCA #08135, and have included payment in the amount of \$2500 for the required extension fee. We would like to extend the submission deadline to June 1, 2010.

Due to the current economic environment we have been unable to procure a syndicator or lender and have submitted the necessary documents for the Tax Credit Exchange program. Construction has been delayed pending approval of this exchange.

We appreciate your consideration and understanding in this matter. Please feel free to contact me if you need any additional information to process this request.

Sincerely,

Kerrville Gardens at Clearwater Apartments, L.P.

By: Kerrville Gardens at Clearwater Developers, L.L.C., its General Partner



By: Lucille Jones, Manager

(830) 257-5323
FAX: (830) 257-3168

Kent Bedell

From: Lucille Jones [ljones@macdonald-companies.com]
Sent: Tuesday, November 24, 2009 9:16 AM
To: Kent Bedell
Cc: Granger MacDonald; T. Justin MacDonald
Subject: RE: COC Extension Request for TDHCA #08135

Kent

This project is in the Exchange Program, not TCAP. We have submitted our due diligence to Teresa Shell and requested an expedited closing. Our lender is ready to close as soon as we can close the Exchange Agreement with the Department.

The schedule all depends on how quickly the Department can close.

If we can close before the end of the year, we could possibly make the PIS requirement. If it runs later, then we cannot.

From the date we close with the Exchange Program and the Construction Loan, we estimate that it will take about 90 days to get to Commencement of Construction requirements.

Lucille Jones

MacDonald Companies

2951 Fall Creek Road
Kerrville, Texas 78028
830-257-5323
830-257-3168-Facsimile
ljones@macdonald-companies.com

From: Kent Bedell [mailto:kent.bedell@tdhca.state.tx.us]
Sent: Tuesday, November 24, 2009 8:49 AM
To: Lucille Jones
Subject: COC Extension Request for TDHCA #08135
Importance: High

Lucille,

When are you anticipating to close on a TCAP award? When do you anticipate closing on your equity and perm/construction loans? Additionally, how long will it take to commence construction after TCAP closing, equity closing, and perm/construction loan closing? Finally, please confirm if you will still be on schedule to meet your PIS requirement?

Thanks,

Kent Bedell

Multifamily Housing Specialist
Texas Dept. of Housing and Community Affairs
(512) 475-3882 (P)
(512) 475-1895 (F)
kent.bedell@tdhca.state.tx.us



FORT WORTH HOUSING AUTHORITY

"Investing in the Community"

BARBARA HOLSTON
Executive Director

November 19, 2009

[Via E-Mail to robbye.meyer@tdhca.state.tx.us](mailto:robbye.meyer@tdhca.state.tx.us)

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

RE: Lincoln Terrace Apartments (TDHCA # 09135); Request for Extension of Carryover Deadline.

Dear Ms. Meyer:

This letter is to follow up on the October 29, 2009 e-mail from our attorney, Tamea A. Dula of Coats Rose, advising you of the need for an extension of time with regard to filing the Carryover Allocation package for Lincoln Terrace. We confirm the need for an extension of this deadline. As you are aware, we have already submitted the \$2,500.00 extension fee, and the Carryover Allocation package itself was submitted electronically on November 6, 2009, thereby meeting the Internal Revenue Code's deadline for submission of Carryover Allocation packages.

We recognize that requesting an extension of time in which to file the Carryover Allocation package and actually filing it after November 2, 2009, means that under the 2010 Qualified Allocation Plan we will incur a five point penalty on any 9% Tax Credit Application filed in the 2010 Competitive Round. While we really regret having to be late in the filing, it was necessitated by our inability to get HUD approval by November 2, 2009, regarding the continuation of the Housing Assistance Payments contract for the Section 8 assistance to 100% of the project units.

Thank you very much for your review of our request for an extension.

Sincerely,

Barbara Holston
President and CEO

cc: Kenneth Fambro
Tamea A. Dula

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

December 17, 2009

Requested Action

Approve the requests for amendments.

Background and Recommendations

§2306.6712, Texas Government Code, indicates that the Board should determine the disposition of a requested amendment if the amendment is a “material alteration,” would materially alter the development in a negative manner or would have adversely affected the selection of the application in the application round. The statute identifies certain changes as material alterations and the requests presented below include material alterations.

The requests and pertinent facts about the affected developments are summarized below. The recommendation of staff is included at the end of each write-up.

The approval of a request to amend an application does not exempt a development from the requirements of Section 504 of the Rehabilitation Act of 1973, fair housing laws, local and state building codes or other statutory requirements that are not within the Board’s purview. Notwithstanding information that the Department may provide as assistance, the development owner retains the ultimate responsibility for determining and implementing the courses of action that will satisfy applicable regulations.

§50.9(c), 2010 Qualified Allocation Plan and Rules, entitled, “Adherence to Obligations,” states in part:

If a Development Owner does not produce the Development as represented in the Application; does not receive approval for an amendment to the Application by the Department prior to implementation of such amendment; or does not provide the necessary evidence for any points received by the required deadline:

(1) The Development Owner must provide a plan to the Department, for approval and subsequent implementation, that incorporates additional amenities to compensate for the non-conforming components; and

(2) The Board will opt either to terminate the Application and rescind the Commitment Notice, Determination Notice or Carryover Allocation Agreement as applicable or the Department must:

(A) Reduce the score for Applications for Competitive Housing Tax Credits that are submitted by an Applicant or Affiliate related to the Development Owner of the non-conforming Development by up to ten points for the two Application Rounds concurrent to, or following, the date that the non-conforming aspect, or lack of financing, was recognized by the Department of the need for the amendment; the placed in service date; or the date the amendment is accepted by the Board.

(B) Prohibit eligibility to apply for Housing Tax Credits for a Tax-Exempt Bond Development that are [sic] submitted by an Applicant or Affiliate related to the Development Owner of the non-conforming Development for up to 24 months from the date that the non-conforming aspect, or lack of financing, was recognized by the Department of the need for the

amendment; the placed in service date; or the date the amendment is accepted by the Board, less any time delay caused by the Department.

(C) In addition to, or in lieu of, the penalty in subparagraph (A) or (B) of this paragraph, the Board may assess a penalty fee of up to \$1,000 per day for each violation.

A summary of each amendment follows.

HTC No. 04066, Pineywoods Orange

Summary of Request: The owner requested approval for several changes in the original development proposal. The development consists of 36 primarily single family dwelling units on scattered sites in the central area of the City of Orange. The changes resulted from conflicts between the original construction plans and requirements of the local development code or were simply errors or improvements made in the original plans. The owner's account of each of the relevant change is recounted below as summarized by staff and with staff's comments.

The owner stated that a lot between two lots in the development, 704 Hart Avenue and 710 Hart Avenue, was purchased to eliminate encroachments of the improvements on 704 Hart Avenue and 710 Hart Avenue into the side set-backs. The original two lots were each reconfigured to include half of the new lot, increasing the distance to the side boundaries and set-backs. This change added 0.161 acres to the development's total land area. Another addition was made to the development when approximately 1,000 square feet of land was added to the lot of 1011 3rd Street because the alley next to the lot was abandoned by the passage of a city ordinance.

The owner stated that the design of each dwelling unit was changed to accommodate a revision in the design of the HVAC system. This change was noted as adding area to each unit and increasing the total net rentable area (NRA) from 46,692 square feet to 56,211 square feet. The unit mix was said to remain as originally proposed with the exception that ten of the eighteen four-bedroom units were reportedly built with 2 ½ bathrooms instead of 2 bathrooms as originally proposed.

Staff reported that perimeter fencing was cited as a deficiency of the finished development. The application had inconsistencies concerning the fencing. The Specifications and Amenities form had the description, "Perimeter Fencing" marked. The Development Cost Schedule contained the low figure of \$14,400 or about \$400 per unit for fencing. The checkbox for "Full perimeter fencing with controlled gate access" in the Common Amenities exhibit was left unmarked and the site plans did not indicate the presence of perimeter fences.

Staff confirmed that the application identified a community laundry room, covered pavilion and covered porch. Staff agrees with the owner that no furnished community room was proposed.

Regarding the remaining amenities that were at issue, staff reported that the development was built with significantly more unit amenities than proposed in the application as a whole, including more than proposed in the Unit Amenities exhibit, and with the same common amenities as proposed in the Common Amenities exhibit.

Owner:	Pineywoods Orange Home Team
General Partner:	Pineywoods Home Team Affordable Housing, Inc. (nonprofit managing GP)
Developers:	Pineywoods Home Team Affordable Housing, Inc. (50%); Shannock Development, LLP (50%)
Principals/Interested Parties:	Doug Dowler, Executive Director and Carol Moore, President of Pineywoods Home Team Affordable Housing, Inc.; Carol & Jerry Moore (principals of Shannock); Partners for Effective Development, Inc. (Carol Moore and Erin Moore Thiebert, officers)
Syndicator:	SunAmerica
Construction Lender:	SunAmerica
Permanent Lender:	SunAmerica
Other Funding:	City of Orange (CDBG)
City/County:	Orange/Orange
Set-Aside:	Nonprofit

Type of Area:	Rural
Region:	5
Type of Development:	New Construction
Population Served:	General Population
Units:	36 HTC units
2004 Allocation:	\$411,155
Allocation per HTC Unit:	\$11,421
Prior Board Actions:	7/04 – Approved award of tax credits
REA Recommendation:	The changes do not negatively impact the underwriting of the transaction. No change in the credit recommendation is recommended prior to the completion of the cost certification review process.

HTC No. 09007 Mill Stone Apartments, 2008 forward commitment formerly 08124

Summary of Request: The owner requested approval to change the land to be developed from 9.5 acres as proposed in the 2008 application to approximately 10.39 acres as amended. The change was made by removing approximately 1.9 acres from the northwestern corner of the original tract and adding land to the length of the eastern side of the original site. The change was said to be required to preserve 26 trees as required by local code and identified by survey in the development process. The owner stated that although the site plan will change, the unit plans, unit mix, building plans, net rentable area and common area will not change.

This request would not have affected the six points that the application scored for submission of a Pre-Application because the 9.5 acre site proposed in the application was from the 13.2 acres of land proposed as the development site in the Pre-Application. The owner also presented evidence to show that the amended site remained under its control throughout the application review period and thereafter through the current date.

Owner:	FW Mill Stone Partners L.P.
General Partner:	FW Mill Stone Development, LLC
Developers:	Magill Development Company LLC
Principals/Interested Parties:	Jennifer T. and Albert E. Magill
Syndicator:	Apollo Housing Capital/RBC
Construction Lender:	Wells Fargo
Permanent Lender:	Wells Fargo
Other Funding:	NA
City/County:	Fort Worth/Tarrant
Set-Aside:	General Population
Type of Area:	Urban
Region:	3
Type of Development:	New Construction
Population Served:	General Population
Units:	144 HTC units
2009 Allocation:	\$1,410,399
Allocation per HTC Unit:	\$9,794
Prior Board Actions:	7/08 – Approved award of tax credits
REA Recommendation:	The changes do not negatively impact the underwriting of the transaction. The previously awarded credit allocation is still supported.



Memorandum

To: File

From: Rosalio Banelos, Real Estate Analysis

cc: Ben Sheppard, Multifamily Finance Production

Date: November 23, 2009

Re: Amendment Request for Pineywoods Community Orange, TDHCA #04066/07018

Background

The Development received an award of \$403,142 in 9% tax credits during the 2004 9% Housing Tax Credit application cycle and an additional \$26,874 as a result of the Final Policy for Addressing Cost Increases for 2004 and 2005 Competitive Housing Tax Credit Developments approved by the Board in October of 2006. In May of 2005, the Board approved an application amendment for the substitution of seven of the originally proposed lots. Construction is complete and the cost certification has been submitted to the Department.

Amendment Request

The Owner requested the following in a letter dated November 6, 2009:

1. Acreage Change –
 - a. Approval for the purchase of 0.161 acre currently owned by the City of Orange. The additional land is between two lots that are currently part of the development. However, the two lots that are part of the development have improvements encroaching into the county mandated side-yard setback, which makes them nonconforming lots, and the solution is to either acquire additional land or move the improvements. The Owner indicated that the City of Orange will sell the additional land for approximately \$1,750.
 - b. Approval for the addition of 1,000 square feet to the lot of 1011 3rd Street. This increase resulted because the alley next to the lot was abandoned by the passage of a city ordinance. This change will not affect the development costs.
2. Unit Floor Plans –
 - a. Net Rentable Area increased from 46,692 square feet at application to 56,211 square feet at cost certification.
 - b. Number of bathrooms – At application, the proposed unit mix consisted of 18 3BR/two-bathroom units and 18 4BR/two-bathroom units. As built, the development has 18 3BR/two-bathroom units, eight 4BR/two-bathroom units, and 10 4BR/2.5 bathroom units.
3. Project Amenities –

- a. Perimeter Fencing – The Owner explained that full perimeter fencing was not indicated at application and is requesting approval for the omission of this amenity. The Owner indicated that fencing is provided around a portion of the back yard areas of the lots only.
- b. Furnished Community Room – The Owner requested approval for the substitution of community pavilion, manager’s office, utility storage area and public restrooms in lieu of a furnished community room.

Conclusion

The cost certification has been submitted to the Department. The Owner’s final costs, as certified by the CPA, are within 5% of the Underwriter’s estimate at application and remain within 5% even if the acquisition cost stated by the Owner for the proposed additional piece of land is included. Regarding the substituted facilities, the costing methodology used by the Underwriter does not estimate the cost of amenities individually. Therefore, the Underwriter’s analysis indicates that the requested changes do not negatively impact the underwriting of the transaction. No change to the credit recommendation is recommended prior to the completion of the cost certification review process.

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS**

DATE: July 26, 2004 **PROGRAM:** 9% HTC **FILE NUMBER:** 04066

DEVELOPMENT NAME

Pineywoods Community Development, Single Family Rental Homes

APPLICANT

Name:	<u>Pineywoods Orange Home Team</u>	Type:	<u>For-profit w/non-profit general partner</u>
Address:	<u>1610 South First Street, Suite 202</u>	City:	<u>Lufkin</u> State: <u>Texas</u>
Zip:	<u>75901</u>	Contact:	<u>Douglas R. Dowler</u> Phone: <u>(936) 637-7607</u> Fax: <u>(936) 637-7631</u>

PRINCIPALS of the APPLICANT/ KEY PARTICIPANTS

Name:	<u>Pineywoods Home Team Affordable Housing, Inc.</u>	(%):	<u>89</u>	Title:	<u>Managing General Partner</u>
Name:	<u>Douglas Dowler</u>	(%):	<u>N/A</u>	Title:	<u>Executive Director of G.P.</u>
Name:	<u>Partners for Effective Development</u>	(%):	<u>1</u>	Title:	<u>Special Limited Partner</u>
Name:	<u>Carole Camp Moore</u>	(%):	<u>N/A</u>	Title:	<u>Sole shareholder of Special Limited Partner</u>

PROPERTY LOCATION

Location: 36 single family lots located throughout the City of Orange **QCT** **DDA**
City: Orange **County:** Orange **Zip:** 77630

REQUEST

<u>Amount</u>	<u>Interest Rate</u>	<u>Amortization</u>	<u>Term</u>
<u>\$411,155</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Other Requested Terms: <u>Annual ten-year allocation of housing tax credits</u>			
Proposed Use of Funds: <u>New construction</u>		Property Type: <u>Multifamily</u>	
Special Purpose (s): <u>General population, Non-Profit</u>			

RECOMMENDATION

RECOMMEND APPROVAL OF A HOUSING TAX CREDIT ALLOCATION NOT TO EXCEED \$403,142 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.

CONDITIONS

1. Receipt, review, and acceptance by carryover of documentation verifying the appropriate re-zoning of each site for the use as planned.
2. Receipt, review, and acceptance by carryover of a third party itemized estimate of off-site costs.
3. Receipt, review, and acceptance at the time of cost certification of documentation that all recommendations made by the Phase I ESA have been followed in accordance with any applicable state and federal regulations.
4. Receipt, review, and acceptance of a flood hazard mitigation plan to include, at a minimum, consideration and documentation of flood plain reclamation site work costs, building flood insurance and tenant flood insurance costs prior to the initial closing on the property.
5. Receipt, review, and acceptance of a revised permanent loan commitment reflecting an increase in the debt or initial deferral of Developer's fee of at least \$54,412, or any combination of additional debt

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS**

- plus deferred Developer's fee totaling the same amount.
6. Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.

REVIEW of PREVIOUS UNDERWRITING REPORTS

No previous reports.

DEVELOPMENT SPECIFICATIONS

IMPROVEMENTS

Total Units: 36 **# Rental Buildings:** 36 **# Common Area Bldgs:** 1 **# of Floors:** 1&2 **Age:** N/A yrs **Vacant:** N/A at / /

Net Rentable SF: 46,143 **Av Un SF:** 1,282 **Common Area SF:** 756 **Gross Bldg SF:** 46,899

STRUCTURAL MATERIALS

The structures will be wood frame on a post-tensioned concrete slab on grade. According to the plans provided in the application the exterior will be comprised of 60% brick veneer and 40% cement fiber siding. The interior wall surfaces will be drywall and the pitched roof will be finished with asphalt composite shingles.

APPLIANCES AND INTERIOR FEATURES

The interior flooring will be a combination of carpeting & vinyl tile. Each unit will include: range & oven, hood & fan, garbage disposal, dishwasher, refrigerator, microwave oven, fiberglass tub/shower, washer & dryer connections, ceiling fans, laminated counter tops, individual water heaters, and individual heating and air conditioning.

ON-SITE AMENITIES

A 2,250-square foot community building (750 s.f. of indoor space) will include a 1,500 s.f. covered pavilion, a laundry room, public restrooms, and an office.

Uncovered Parking: 72 spaces **Carports:** 0 spaces **Garages:** 72 spaces

PROPOSAL and DEVELOPMENT PLAN DESCRIPTION

Description: The Pineywoods Community Development is a scattered site, in-fill development comprised of 36 three and four-bedroom, single family rental houses. A small community center will be built on a thirty-seventh lot.

Architectural Review: The proposed house plans are of good design and sufficient size, with attractive elevations.

SITE ISSUES

SITE DESCRIPTION

Size: 7.3 (est.) acres 318,000 square feet **Zoning/ Permitted Uses:** Single family residential (See note)

Flood Zone Designation: Zone AE **Status of Off-Sites:** Partially improved

SITE and NEIGHBORHOOD CHARACTERISTICS

Location: Orange is located in southeast Texas, approximately 100 miles east of Houston. The 36 single family lots are scattered throughout the city. Most of the sites are located on residential streets within single family residential neighborhoods.

Public Transportation: Public transportation services are not available within the City of Orange.

Shopping & Services: The sites are within 2 miles of major grocery stores, shopping centers, public parks and sports fields, schools, churches, and health care facilities. Hospitals, restaurants, and amenities are located within a short driving distance from the site.

Special Adverse Site Characteristics: The following issues have been identified as potentially bearing on the viability of the site for the proposed development:

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
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- **Zoning:** Some of the sites are subject to replatting and rezoning. Receipt, review, and acceptance of documentation verifying the appropriate re-zoning of each site for the use as planned is a condition of this report.
- **Floodplain:** All but six lots lie within the 100-year flood plain, and the remaining six lots lie within the 500-year flood plain. Since the majority of the City of Orange does lie within the 100-year flood plain, the Applicant notes that requirements to have finished floor elevations no less than one foot above the flood plain elevation are standard conditions for obtaining building permits within the city. Receipt, review, and acceptance of a flood hazard mitigation plan to include, at a minimum, consideration and documentation of flood plain reclamation sitework costs, building flood insurance and tenant flood insurance costs prior to the initial closing on the property is a condition of this report.

Site Inspection Findings: TDHCA staff performed site inspections on July 16, 2004 and found the locations to be acceptable for the proposed development.

HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

A Phase I Environmental Site Assessment report dated February 27, 2004 and prepared by Preservation Assessment Services, LLC identified the following recognized environmental conditions:

1. abandoned underground tanks at 205 Park Street,
2. suspected asbestos containing materials and lead based paint in vacant houses on two of the lots, and
3. construction materials in storage sheds located on the lots.

The ESA recommends:

1. the City of Orange properly remove the underground storage tanks from 205 Park Street and obtain satisfactory closure of the facility from the TCEQ,
2. the Applicant ensure that comprehensive asbestos surveys are conducted at the two houses prior to demolition and any potentially friable asbestos materials are properly removed from the houses prior to demolition,
3. the Applicant ensure that comprehensive lead based paint surveys are conducted at the two houses prior to demolition and any lead based paint materials are properly removed from the houses prior to demolition, and
4. the Applicant remove the construction materials and storage sheds from the lots.

Receipt, review, and acceptance at the time of cost certification of documentation that all recommendations made by the Phase I ESA have been followed in accordance with any applicable state and federal regulations.

POPULATIONS TARGETED

Income Set-Aside: The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside. All of the units will be reserved for low-income tenants. Eleven units (31%) will be reserved for households earning 50% or less of AMGI, and twenty-five units (69%) will be reserved for households earning 60% or less of AMGI.

MAXIMUM ELIGIBLE INCOMES						
	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
60% of AMI	\$20,100	\$22,980	\$25,860	\$28,740	\$31,020	\$33,360

MARKET HIGHLIGHTS

A market feasibility study dated February 27, 2004 was prepared by Mark C. Temple ("Market Analyst") and highlighted the following findings:

Definition of Primary Market Area (PMA): The primary market are (PMA) defined for the proposed development includes the City of Orange (p. II-1). This area encompasses approximately 25 square miles and is equivalent to a circle with a radius of 2.8 miles.

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Population: The estimated 2003 population of Orange was 30,806 and is expected to increase by 0.08% annually to approximately 30,856 by 2005. Within the primary market area there were estimated to be 12,225 households in 2004.

Total Primary Market Demand for Rental Units: The Market Analyst calculated a total demand of 1,394 qualified households in the PMA, based on the current estimate of 12,225 households, the projected annual household growth rate of 0.5%, renter households estimated at 35% of the population, income-qualified households estimated at 25.9%, and an annual renter turnover rate of 65.7% (p. 1). The Market Analyst used an income band of \$16,663 to \$33,360.

ANNUAL INCOME-ELIGIBLE SUBMARKET DEMAND SUMMARY				
Type of Demand	Market Analyst		Underwriter	
	Units of Demand	% of Total Demand	Units of Demand	% of Total Demand
Household Growth	23	1.7%	3	0.4%
Resident Turnover	1,371	98.3%	728	99.6%
TOTAL ANNUAL DEMAND	1,394	100%	731	100%

Ref: p. 1

Inclusive Capture Rate: The Market Analyst calculated an inclusive capture rate of 2.6% based upon 1,394 units of demand and no unstabilized affordable housing in the PMA other than the subject (p. 1). The Underwriter calculated an inclusive capture rate of 14.2% based upon a revised supply of unstabilized comparable affordable units of 104 (including the subject) divided by a revised demand of 731 units. The Underwriter included the approved but not yet constructed 68 affordable units at Fox Run (03213). An additional 54 affordable units are proposed for the area in Roselawn Manor which could increase the capture rate to 22% however as of the date of this report the Roselawn Manor development does not appear to have a score high enough to garner a tax credit award.

Local Housing Authority Waiting List Information: “Verification with the Housing Authority of the City of Orange indicates there is a lengthy waiting list for family units. Currently, the Housing Authority has a waiting list for 347 Public Housing Units and 522 Section 8 Units”(p. IV-5).

Market Rent Comparables: The Market Analyst surveyed seven comparable apartment projects totaling 1,211 units in the market area (p. III-1).

RENT ANALYSIS (net tenant-paid rents)					
Unit Type (% AMI)	Proposed	Program Max	Differential	Est. Market	Differential
3-Bedroom (50%)	\$519	\$480	+\$39	\$706	-\$187
3-Bedroom (60%)	\$640	\$605	+\$35	\$706	-\$66
4-Bedroom (50%)	\$576	\$521	+\$55	\$860	-\$284
4-Bedroom (60%)	\$712	\$660	+\$52	\$860	-\$148

(NOTE: Differentials are amount of difference between proposed rents and program limits and average market rents, e.g., proposed rent = \$500, program max = \$600, differential = -\$100)

Primary Market Occupancy Rates: “This evaluation included a market analysis of 7 market rate apartment projects located in the Orange Market Area reflecting an average occupancy level of 93 percent” (p. V-1).

Absorption Projections: “Based on current positive multifamily indicators and present absorption levels of 4 to 8 units per month, it is estimated that a 95+ percent occupancy level can be achieved in a 5 to 9 month time frame” (p. V-3).

Known Planned Development: “A review of local building permits did not indicate any other planned developments.” (p. III-37). The Underwriter found one other approved transaction in the primary market area and one other proposed and discussed both in the inclusive rate capture area above.

Market Study Analysis/Conclusions: The Underwriter found the market study provided sufficient information on which to base a funding recommendation. The Market Analyst only examined apartment complexes as comparable properties from which data was obtained. The proposed development, however, consists solely of single family rental houses.

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS**

OPERATING PROFORMA ANALYSIS

Income: The Applicant's rent projections were slightly higher than the maximum rents allowed under HTC/program guidelines. The corrected maximum program rents are achievable according to the Market Analyst. Tenants will pay water, sewer, and trash services in this project, and rents and expenses were calculated accordingly. Estimates of secondary income and vacancy and collection losses are consistent with TDHCA underwriting guidelines.

Expenses: The Applicant's total expense estimate of \$5,049 per unit is 10% higher than the Underwriter's estimate of \$4,609 per unit. The Applicant's budget shows several line item estimates that deviate significantly when compared to the Underwriter's estimate, particularly general and administrative (\$8K lower), payroll (\$18K higher), repairs and maintenance (\$14K higher), utilities (\$4K lower), and water, sewer, and trash (\$3K lower). The Applicant is a non-profit organization and may be eligible for certain property tax exemptions. However, in accordance with agreements made with the City, the Applicant will not seek a tax exemption in exchange for the City's assistance with the transaction.

Conclusion: The Applicant's estimated income and total estimated operating expense is inconsistent with the Underwriter's expectation. Therefore, the Underwriter's NOI will be used to evaluate debt service capacity. The Underwriter's estimated debt coverage ratio (DCR) of 1.40 exceeds the program maximum standard of 1.30 (as does the Applicant's projected DCR of 1.44). This suggests that the project could support a debt service of \$59,032 annually. This results in an additional potential \$54,412 in serviceable debt, and may reduce the need for other funds.

ACQUISITION VALUATION INFORMATION

ASSESSED VALUE

Land: 4.15 acres	\$37,180	Assessment for the Year of:	2003
Building:	N/A	Valuation by:	Orange County Appraisal District
Total Assessed Value:	\$65,500 (estimated)	Tax Rate:	\$2.89

EVIDENCE of SITE or PROPERTY CONTROL

Type of Site Control:	Earnest money contract					
Contract Expiration Date:	12/	31/	2004	Anticipated Closing Date:	12/	31/ 2004
Acquisition Cost:	\$74,120			Other Terms/Conditions:		
Seller:	Various			Related to Development Team Member:	No	

CONSTRUCTION COST ESTIMATE EVALUATION

Acquisition Value: The site cost of \$74,120 (approximately \$2,000 per finished lot) is in general substantiated by the tax assessed values averaging \$1,682 per lot and ranging from \$840 to \$2,620 in value, and by the acquisitions being arm's-length transactions.

Off-Site Costs: The Applicant claimed off-site costs of \$40,000 for demolition and removal activities but did not provide a third party cost certification to justify these costs. Receipt, review, and acceptance of a third party engineering off-site cost certification is a condition of this report.

Sitework Cost: The Applicant's claimed sitework costs of \$7,268 per unit are within the Department's allowable guidelines for multifamily developments without requiring additional justifying documentation.

Direct Construction Cost: The Applicant's costs are 9% higher than the Underwriter's Marshall & Swift *Residential Cost Handbook*-derived estimate after all of the Applicant's additional justifications were considered. This would suggest that the Applicant's direct construction costs are understated.

Fees: The Applicant's contractor general requirements, contractor general and administrative fees, and contractor profit exceed the 6%, 2%, and 6% maximums allowed by HTC guidelines by \$6,508 based on their own construction costs. Likewise, the Applicant's developer fees also exceed 15% of the Applicant's

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS**

adjusted eligible basis by \$1,325. Finally the Applicant's contingencies exceed t5% of site work costs and direct construction costs and therefore eligible basis was reduced by the amount of this overage, \$2,324.

Conclusion: The Underwriter regards total costs to be understated by \$202K or 4.7%. This percentage is within the acceptable 5% margin of tolerance, and therefore the Applicant's cost estimate is used to size the total sources of funds needed for the development. As a result an eligible basis of \$3,800,363 is used to determine a potential credit allocation of \$403,142 from this method. The resulting syndication proceeds will be compared to the Applicant's request and to the gap of funds needed using the Underwriter's costs to determine the recommended credit amount.

FINANCING STRUCTURE

INTERIM CONSTRUCTION FINANCING

Source: SunAmerica, Inc. **Contact:** Michael L. Fowler
Principal Amount: \$685,000 **Interest Rate:** 7.00%
Additional Information:
Amortization: N/A yrs **Term:** 2 yrs **Commitment:** LOI Firm Conditional

PERMANENT FINANCING

Source: SunAmerica, Inc. **Contact:** Michael L. Fowler
Principal Amount: \$685,000 **Interest Rate:** 7.00%
Additional Information:
Amortization: 15 yrs **Term:** 30 yrs **Commitment:** LOI Firm Conditional
Annual Payment: \$54,688 **Lien Priority:** 1st **Commitment Date** 02/ 23/ 2004

GRANT

Source: City of Orange **Contact:** Sam Kitrell
Principal Amount: \$40,000 **Commitment:** LOI Firm Conditional
Additional Information: CDBG funds for on-site development costs **Commitment Date** 01/ 06/ 2004

TAX CREDIT SYNDICATION

Source: SunAmerica, Inc. **Contact:** Michael L. Fowler
Net Proceeds: \$3,327,026 **Net Syndication Rate (per \$1.00 of 10-yr HTC)** 81¢
Commitment LOI Firm Conditional **Date:** 02/ 23/ 2004
Additional Information:

APPLICANT EQUITY

Amount: \$12,975 **Source:** Deferred Developer Fee

FINANCING STRUCTURE ANALYSIS

Permanent Financing: The permanent financing commitment is consistent with the terms reflected in the sources and uses of funds listed in the application. The Applicant's estimated operating proforma results in a DCR of 1.44 which exceeds TDHCA's guidelines of a 1.30 maximum. Based on TDHCA's projections, the DCR would be 1.40. This would indicate that, given the terms proposed by the lender, primary debt could be increased from \$685,000 to approximately \$739,412.

HTC Syndication: The tax credit syndication commitment is consistent with the terms reflected in the sources and uses of funds listed in the application.

Deferred Developer's Fees: The Applicant's proposed deferred developer's fees of \$12,975 amount to less than 3% of the total fees. Based on the Underwriter's estimate of total costs and revised potential financing, it is expected that the deferred portion of the Developer's fee would have to be increased to approximately \$23,400, which represents approximately 5% of the Developer's fee, and would likely be repayable within

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS**

the first two years of operations.

Financing Conclusions: Based on the Underwriter's estimated construction costs, the HTC allocation should not exceed the Applicant's request of \$403,142 annually for ten years, resulting in syndication proceeds of approximately \$3,262,189. The Underwriter anticipates \$23,400 in deferred developer fees assuming the additional \$54,412 can be achieved. Should the additional debt not be achieved the initial deferred developer fee could increase by \$54,412 to satisfy the funding gap and this additional deferral would still be repayable within ten years of stabilized operation.

DEVELOPMENT TEAM

IDENTITIES of INTEREST

The Applicant, Developer, General Contractor, Property Manager and Supportive Services firm are all related entities. These are common relationships for HTC-funded developments.

APPLICANT'S/PRINCIPALS' FINANCIAL HIGHLIGHTS, BACKGROUND, and EXPERIENCE

Financial Highlights:

- The General Partner of the Applicant are single-purpose entities created for the purpose of receiving assistance from TDHCA and therefore have no material financial statements.
- Pineywoods Home Team Affordable Housing Inc., the General Partner of the Applicant, submitted an audited financial statement as of December 31, 2001 reporting total assets of \$2,434,355 and consisting of \$8,395 in cash, \$30,667 in receivables, \$137,730 in lot inventory and undeveloped land, \$194,440, \$60,531 in completed homes for sale, \$47,173 in construction in progress, and \$1,955,419 in land, buildings and equipment less depreciation. Liabilities totaled \$2,528,094, resulting in a net worth of negative \$93,739. Unaudited interim financial statements as of February 2004 show total assets of \$3,070,704 and total liabilities of \$3,431,509, resulting in a net worth of negative \$360,805.
- Partners for Effective Development, the Special Limited Partner submitted unaudited financial statements dated December 31, 2004 showing total assets of \$62,686 comprised of \$99 in cash, \$6,216 in accounts receivable, \$1,166 in prepaid income taxes, \$10,500 in property and equipment after depreciation, and \$44,705 in projects in progress. Liabilities of \$170,041 result in a total net worth of negative \$107,355.
- Shannock Development, the Co-developer, submitted audited financial statements dated December 31, 2003 show total assets of \$1,453,472 comprised of \$8,634 in cash, \$1,337,338 in developer's fees receivable, and \$107,500 due from related parties. Total liabilities of \$58,810 result in a net worth of \$1,394,662.
- Carole Moore, the principal of the Special Limited Partner, and Jerry Moore, the principal of the Co-developer, submitted a joint unaudited financial statements as of December 31, 2003 and are anticipated to be guarantors of the development.

Background & Experience: Multifamily Production Finance Staff have verified that the contractor has met the Department's experience requirements and Portfolio Management and Compliance staff will ensure that the proposed owners have an acceptable record of previous participation.

SUMMARY OF SALIENT RISKS AND ISSUES

- The Applicant's estimated income, operating expenses, and operating proforma are more than 5% outside of the Underwriter's verifiable ranges.
- The Applicant's direct construction costs differ from the Underwriter's *Marshall and Swift*-based estimate by more than 5%.
- Significant environmental and locational risks exist regarding potential asbestos containing materials on some of the sites, the potential presence of lead based paint in building materials on some of the sites, the presence of an underground storage tank at one of the sites, certain construction materials located on some of the sites, the location of most of the sites within the 100-year flood plain, and the present status of some of the sites not being appropriately zoned or platted for the proposed development.
- If the Applicant were to claim property tax exemptions, then the recommended allocation may be excessive.
- The significant financing structure changes being proposed have not been reviewed or accepted by the

TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS

Applicant, lenders, and syndicators, and acceptable alternative structures may exist.

Underwriter:	_____ <i>Stephen Apple</i>	Date:	_____ July 26, 2004
Director of Real Estate Analysis:	_____ <i>Tom Gouris</i>	Date:	_____ July 26, 2004

MULTIFAMILY COMPARATIVE ANALYSIS

Pineywoods Commnity Development, Orange, HTC #04066

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Net Rent per Unit	Rent per Month	Rent per SF	Tnt Pd Util	Wtr, Swr, Trsh
TC 60%	6	3	2	1,134	\$747	\$605	\$3,627	\$0.53	\$66.28	\$76.17
TC 50%	3	3	2	1,249	622	480	1,439	0.38	66.28	76.17
TC 50%	4	3	2	1,251	622	480	1,918	0.38	66.28	76.17
TC 60%	5	3	2	1,251	747	605	3,023	0.48	66.28	76.17
TC 60%	14	4	2	1,371	834	660	9,234	0.48	84.36	90.07
TC 50%	4	4	2	1,422	695	521	2,082	0.37	84.36	90.07
TOTAL:	36		AVERAGE:	1,297	\$751	\$592	\$21,323	\$0.46	\$75.32	\$83.12

INCOME

Total Net Rentable Sq Ft: **46,692**

POTENTIAL GROSS RENT

Secondary Income Per Unit Per Month: \$15.00
 Other Support Income: (describe)

POTENTIAL GROSS INCOME

Vacancy & Collection Loss % of Potential Gross Income: -7.50%
 Employee or Other Non-Rental Units or Concessions

EFFECTIVE GROSS INCOME

EXPENSES

	% OF EGI	PER UNIT	PER SQ FT
General & Administrative	7.57%	\$510	0.39
Management	6.17%	416	0.32
Payroll & Payroll Tax	15.47%	1,043	0.80
Repairs & Maintenance	11.95%	805	0.62
Utilities	2.01%	136	0.10
Water, Sewer, & Trash	0.74%	50	0.04
Property Insurance	5.29%	356	0.27
Property Tax 2.89	15.00%	1,012	0.78
Reserve for Replacements	2.97%	200	0.15
Services, Compliance fees	1.19%	81	0.06

TOTAL EXPENSES

NET OPERATING INC

DEBT SERVICE

Sun America Loan

City of Orange CDBG

City of Orange CDBG

NET CASH FLOW

AGGREGATE DEBT COVERAGE RATIO

RECOMMENDED DEBT COVERAGE RATIO

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT
Acquisition Cost (site or bldg)		1.81%	\$2,142	\$1.65
Off-Sites		0.94%	1,111	0.86
Sitework		6.13%	7,268	5.60
Direct Construction		53.55%	63,478	48.94
Contingency	4.71%	2.81%	3,332	2.57
General Req'ts	5.65%	3.37%	3,998	3.08
Contractor's G & A	1.88%	1.12%	1,333	1.03
Contractor's Profit	5.65%	3.37%	3,998	3.08
Indirect Construction		8.31%	9,849	7.59
Ineligible Costs		1.93%	2,286	1.76
Developer's G & A	2.83%	2.33%	2,761	2.13
Developer's Profit	11.33%	9.32%	11,045	8.52
Interim Financing		3.53%	4,187	3.23
Reserves		1.48%	1,752	1.35
TOTAL COST		100.00%	\$118,540	\$91.40

Recap-Hard Construction Costs

SOURCES OF FUNDS

Sun America Loan	16.05%	\$19,028	\$14.67
City of Orange CDBG	0.94%	\$1,111	\$0.86
HTC Syndication Proceeds	77.96%	\$92,417	\$71.25
Deferred Developer Fees	0.30%	\$360	\$0.28
Additional (excess) Funds Required	4.74%	\$5,623	\$4.34
TOTAL SOURCES			

	TDHCA	APPLICANT
POTENTIAL GROSS RENT	\$255,878	\$275,340
Secondary Income	6,480	6,480
Other Support Income	0	0
POTENTIAL GROSS INCOME	\$262,358	\$281,820
Vacancy & Collection Loss	(19,677)	(21,132)
Employee or Other Non-Rental Units or Concessions	0	0
EFFECTIVE GROSS INCOME	\$242,681	\$260,688
General & Administrative	\$18,371	\$10,260
Management	14,968	13,034
Payroll & Payroll Tax	37,549	55,690
Repairs & Maintenance	28,996	42,790
Utilities	4,881	1,200
Water, Sewer, & Trash	1,803	300
Property Insurance	12,834	13,843
Property Tax 2.89	36,414	34,560
Reserve for Replacements	7,200	7,200
Services, Compliance fees	2,900	2,900
TOTAL EXPENSES	\$165,916	\$181,777
NET OPERATING INC	\$76,765	\$78,911
Sun America Loan	\$54,688	\$54,688
City of Orange CDBG	0	0
City of Orange CDBG	0	0
NET CASH FLOW	\$22,078	\$24,223
AGGREGATE DEBT COVERAGE RATIO	1.40	1.44
RECOMMENDED DEBT COVERAGE RATIO	1.30	

	PER SQ FT	PER UNIT	% OF EGI
Comptroller's Region		5	
IREM Region		Houston	
Secondary Income	\$15.00	Per Unit Per Month	
Vacancy & Collection Loss	-7.50%	of Potential Gross Rent	
General & Administrative	\$0.22	\$285	3.94%
Management	0.28	362	5.00%
Payroll & Payroll Tax	1.19	1,547	21.36%
Repairs & Maintenance	0.92	1,189	16.41%
Utilities	0.03	33	0.46%
Water, Sewer, & Trash	0.01	8	0.12%
Property Insurance	0.30	385	5.31%
Property Tax 2.89	0.74	960	13.26%
Reserve for Replacements	0.15	200	2.76%
Services, Compliance fees	0.06	81	1.11%
TOTAL EXPENSES	\$3.89	\$5,049	69.73%
NET OPERATING INC	\$1.69	\$2,192	30.27%
Sun America Loan	\$1.17	\$1,519	20.98%
City of Orange CDBG	\$0.00	\$0	0.00%
City of Orange CDBG	\$0.00	\$0	0.00%
NET CASH FLOW	\$0.52	\$673	9.29%
AGGREGATE DEBT COVERAGE RATIO			
RECOMMENDED DEBT COVERAGE RATIO			

	TDHCA	APPLICANT
Acquisition Cost (site or bldg)	\$77,120	\$69,120
Off-Sites	40,000	40,000
Sitework	261,630	261,630
Direct Construction	2,285,197	2,090,772
Contingency	119,944	119,944
General Req'ts	143,933	143,933
Contractor's G & A	47,978	47,978
Contractor's Profit	143,933	143,933
Indirect Construction	354,559	354,559
Ineligible Costs	82,303	82,303
Developer's G & A	99,405	99,405
Developer's Profit	397,620	397,620
Interim Financing	150,746	150,746
Reserves	63,058	63,058
TOTAL COST	\$4,267,426	\$4,065,001
Recap-Hard Construction Costs	\$3,002,615	\$2,808,190

	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)	\$1.48	\$1,920	1.70%
Off-Sites	0.86	1,111	0.98%
Sitework	5.60	7,268	6.44%
Direct Construction	44.78	58,077	51.43%
Contingency	2.57	3,332	2.95%
General Req'ts	3.08	3,998	3.54%
Contractor's G & A	1.03	1,333	1.18%
Contractor's Profit	3.08	3,998	3.54%
Indirect Construction	7.59	9,849	8.72%
Ineligible Costs	1.76	2,286	2.02%
Developer's G & A	2.13	2,761	2.45%
Developer's Profit	8.52	11,045	9.78%
Interim Financing	3.23	4,187	3.71%
Reserves	1.35	1,752	1.55%
TOTAL COST	\$87.06	\$112,917	100.00%
Recap-Hard Construction Costs	\$60.14	\$78,005	69.08%

RECOMMENDED

Sun America Loan	\$685,000	\$685,000
City of Orange CDBG	40,000	40,000
HTC Syndication Proceeds	3,327,026	3,327,026
Deferred Developer Fees	12,975	12,975
Additional (excess) Funds Required	202,425	0
TOTAL SOURCES	\$4,267,426	\$4,065,001

Developer Fee Available	\$739,412
% of Dev. Fee Deferred	\$497,025
5%	3,262,189
15-Yr Cumulative Cash Flow	23,400
	0
	\$4,065,001
	\$324,114.84

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Pineywoods Community Development, Orange, HTC #04066

DIRECT CONSTRUCTION COST ESTIMATE

Residential Cost Handbook

Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$60.51	\$2,825,145
Adjustments				
Exterior Wall Finish			\$0.00	\$0
Elderly/9-Ft. Ceilings			0.00	0
Roofing			0.00	0
Subfloor			(2.04)	(95,252)
Floor Cover			2.59	120,932
Porches/Balconies	\$0.00		0.00	0
Plumbing	\$845		0.00	0
Built-In Appliances	\$2,350	36	1.81	84,600
Stairs/Fireplaces			0.00	0
Floor Insulation			0.00	0
Heating/Cooling			1.61	75,174
Garages/Carports	\$17.72	14,400	5.47	255,226
Comm &/or Aux Bldgs	\$77.19	756	1.25	58,375
Subdivision Discount	-15.00%		(9.08)	(423,772)
SUBTOTAL			62.12	2,900,429
Current Cost Multiplier	1.07		4.35	203,030
Local Multiplier	0.90		(6.21)	(290,043)
TOTAL DIRECT CONSTRUCTION COSTS			\$60.25	\$2,813,416
Plans, specs, survy, bld prm	3.90%		(2.35)	(109,723)
Interim Construction Interes	3.38%		(2.03)	(94,953)
Contractor's OH & Profit	11.50%		(6.93)	(323,543)
NET DIRECT CONSTRUCTION COSTS			\$48.94	\$2,285,197

PAYMENT COMPUTATION

Primary	\$885,000	Amort	360
Int Rate	7.00%	DCR	1.40

Secondary	\$40,000	Amort	
Int Rate	0.00%	Subtotal DCR	1.40

Additional		Amort	
Int Rate		Aggregate DCR	1.40

RECOMMENDED FINANCING STRUCTURE:

Primary Debt Service	\$59,032
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	\$17,733

Primary	\$739,412	Amort	360
Int Rate	7.00%	DCR	1.30

Secondary	\$40,000	Amort	0
Int Rate	0.00%	Subtotal DCR	1.30

Additional	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.30

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

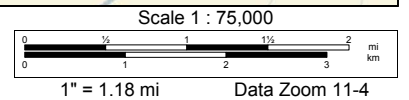
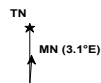
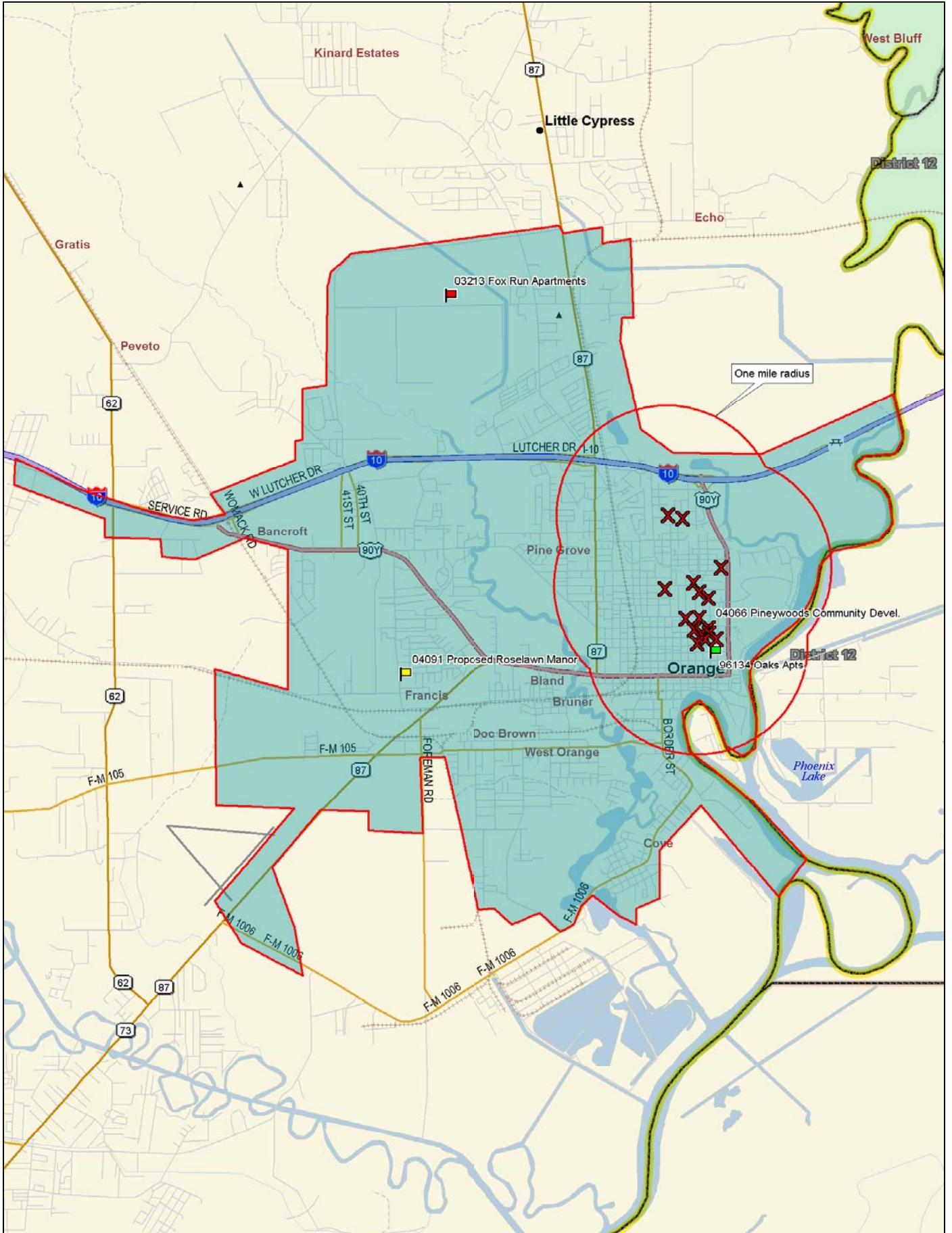
INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$255,878	\$263,554	\$271,461	\$279,605	\$287,993	\$333,863	\$387,038	\$448,683	\$602,993
Secondary Income	6,480	6,674	6,875	7,081	7,293	8,455	9,802	11,363	15,271
Other Support Income: (descri	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	262,358	270,229	278,336	286,686	295,286	342,318	396,840	460,046	618,264
Vacancy & Collection Loss	(19,677)	(20,267)	(20,875)	(21,501)	(22,146)	(25,674)	(29,763)	(34,503)	(46,370)
Employee or Other Non-Renta	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$242,681	\$249,962	\$257,460	\$265,184	\$273,140	\$316,644	\$367,077	\$425,543	\$571,894
EXPENSES at 4.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
General & Administrative	\$18,371	\$19,106	\$19,870	\$20,665	\$21,492	\$26,148	\$31,813	\$38,706	\$57,294
Management	14,968	15,417	15,880	16,356	16,847	19,530	22,641	26,247	35,274
Payroll & Payroll Tax	37,549	39,051	40,613	42,238	43,927	53,444	65,023	79,110	117,102
Repairs & Maintenance	28,996	30,155	31,362	32,616	33,921	41,270	50,211	61,089	90,427
Utilities	4,881	5,076	5,279	5,490	5,710	6,947	8,452	10,283	15,221
Water, Sewer & Trash	1,803	1,875	1,950	2,028	2,109	2,566	3,122	3,799	5,623
Insurance	12,834	13,347	13,881	14,436	15,014	18,267	22,224	27,039	40,024
Property Tax	36,414	37,871	39,385	40,961	42,599	51,828	63,057	76,719	113,563
Reserve for Replacements	7,200	7,488	7,788	8,099	8,423	10,248	12,468	15,169	22,454
Other	2,900	3,016	3,137	3,262	3,393	4,128	5,022	6,110	9,044
TOTAL EXPENSES	\$165,916	\$172,403	\$179,145	\$186,152	\$193,434	\$234,375	\$284,033	\$344,270	\$506,026
NET OPERATING INCOME	\$76,765	\$77,559	\$78,316	\$79,033	\$79,706	\$82,268	\$83,044	\$81,272	\$65,868
DEBT SERVICE									
First Lien Financing	\$59,032	\$59,032	\$59,032	\$59,032	\$59,032	\$59,032	\$59,032	\$59,032	\$59,032
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$17,733	\$18,527	\$19,284	\$20,001	\$20,674	\$23,236	\$24,012	\$22,240	\$6,836
DEBT COVERAGE RATIO	1.30	1.31	1.33	1.34	1.35	1.39	1.41	1.38	1.12

LIHTC Allocation Calculation - Pineywoods Community Development, Orange, HTC #04066

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
(1) Acquisition Cost				
Purchase of land	\$69,120	\$77,120		
Purchase of buildings				
(2) Rehabilitation/New Construction Cost				
On-site work	\$261,630	\$261,630	\$261,630	\$261,630
Off-site improvements	\$40,000	\$40,000		
(3) Construction Hard Costs				
New structures/rehabilitation hard costs	\$2,090,772	\$2,285,197	\$2,090,772	\$2,285,197
(4) Contractor Fees & General Requirements				
Contractor overhead	\$47,978	\$47,978	\$47,048	\$47,978
Contractor profit	\$143,933	\$143,933	\$141,144	\$143,933
General requirements	\$143,933	\$143,933	\$141,144	\$143,933
(5) Contingencies	\$119,944	\$119,944	\$117,620	\$119,944
(6) Eligible Indirect Fees	\$354,559	\$354,559	\$354,559	\$354,559
(7) Eligible Financing Fees	\$150,746	\$150,746	\$150,746	\$150,746
(8) All Ineligible Costs	\$82,303	\$82,303		
(9) Developer Fees			\$495,700	
Developer overhead	\$99,405	\$99,405		\$99,405
Developer fee	\$397,620	\$397,620		\$397,620
(10) Development Reserves	\$63,058	\$63,058		
TOTAL DEVELOPMENT COSTS	\$4,065,001	\$4,267,426	\$3,800,363	\$4,004,945

Deduct from Basis:			
All grant proceeds used to finance costs in eligible basis			
B.M.R. loans used to finance cost in eligible basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units [42(d)(3)]			
Historic Credits (on residential portion only)			
TOTAL ELIGIBLE BASIS		\$3,800,363	\$4,004,945
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS		\$4,940,472	\$5,206,429
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		\$4,940,472	\$5,206,429
Applicable Percentage		8.16%	8.16%
TOTAL AMOUNT OF TAX CREDITS		\$403,142	\$424,845

Syndication Proceeds	0.8092	\$3,262,189	\$3,437,800
Total Credits (Eligible Basis Method)		\$403,142	\$424,845
Syndication Proceeds		\$3,262,189	\$3,437,800
Requested Credits		\$411,155	
Syndication Proceeds		\$3,327,025	
Gap of Syndication Proceeds Needed		\$3,285,589	
Credit Amount		\$406,034	





Memorandum

To: File

From: Audrey Martin, Real Estate Analysis

cc: Ben Sheppard, Multifamily Finance Production

Date: November 30, 2009

Re: Amendment Request for Mill Stone Apartments, TDHCA #09007 / 08124

Background

The Development received a forward commitment of 2009 housing tax credits in the amount of \$1,410,399 during the 2008 9% Housing Tax Credit application cycle. The Carryover has been submitted to the Department and included revised application exhibits as described below.

Amendment Request

The Owner requested the following in a letter dated November 17, 2009:

- Acreage Change – Approval for an increase in site acreage from 9.5 acres to 10.4 acres. The entire site as proposed (10.4 acres) was under site control at application.

The acquisition cost increased by \$52K since original underwriting. The Owner submitted, and the Underwriter evaluated a revised development cost schedule, rent schedule, operating pro forma, and sources of funds summary.

Conclusion

The Underwriter's analysis indicates that the requested changes do not negatively impact the underwriting of the transaction. The previously awarded credit allocation is still supported.



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
 Real Estate Analysis Division
 Underwriting Report

REPORT DATE: 02/17/09 PROGRAM: 9% HTC FILE NUMBER: 08124

DEVELOPMENT

Mill Stone Apartments

Location: 8600 Randol Mill Road Region: 3
 City: Fort Worth County: Tarrant Zip: 76120 OCT DDA
 Key Attributes: New Construction, Multifamily, Urban, Family

ALLOCATION

TDHCA Program	REQUEST			RECOMMENDATION*		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
Housing Tax Credit (Annual)	\$1,200,000			\$1,410,399		

* The recommended tax credit allocation incorporates the November 13, 2008 TDHCA Board approval to use the 9% credit rate and a 10% increase in direct and sitework construction costs for all competitive 2007 and 2008 transactions as well as all applications on the 2008 waiting list to be considered for a forward commitment.

CONDITIONS

- 1 Receipt, review, and acceptance, by carryover, of documentation of the release of the Vendor's Liens itemized in schedule C of the title commitment.
- 2 Receipt, review, and acceptance, by carryover, of evidence that the subject site has received the appropriate zoning for the proposed development.
- 3 Should the terms or amounts of the proposed debt or equity change, the transaction should be reevaluated and an adjustment to the credit amount may be warranted.

SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
50% of AMI	50% of AMI	120
60% of AMI	60% of AMI	24

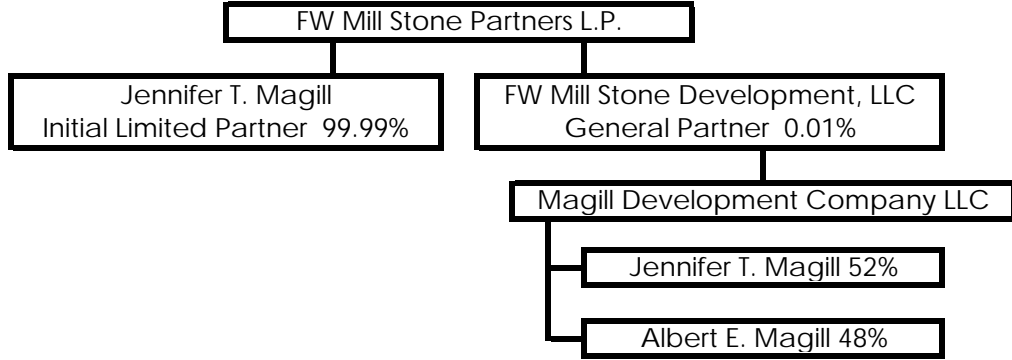
PREVIOUS UNDERWRITING REPORTS

None.

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DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

Contact: Bert Magill Phone: (713) 785-6006 Fax: (713) 785-6004
 Email: aem3@att.net

KEY PARTICIPANTS

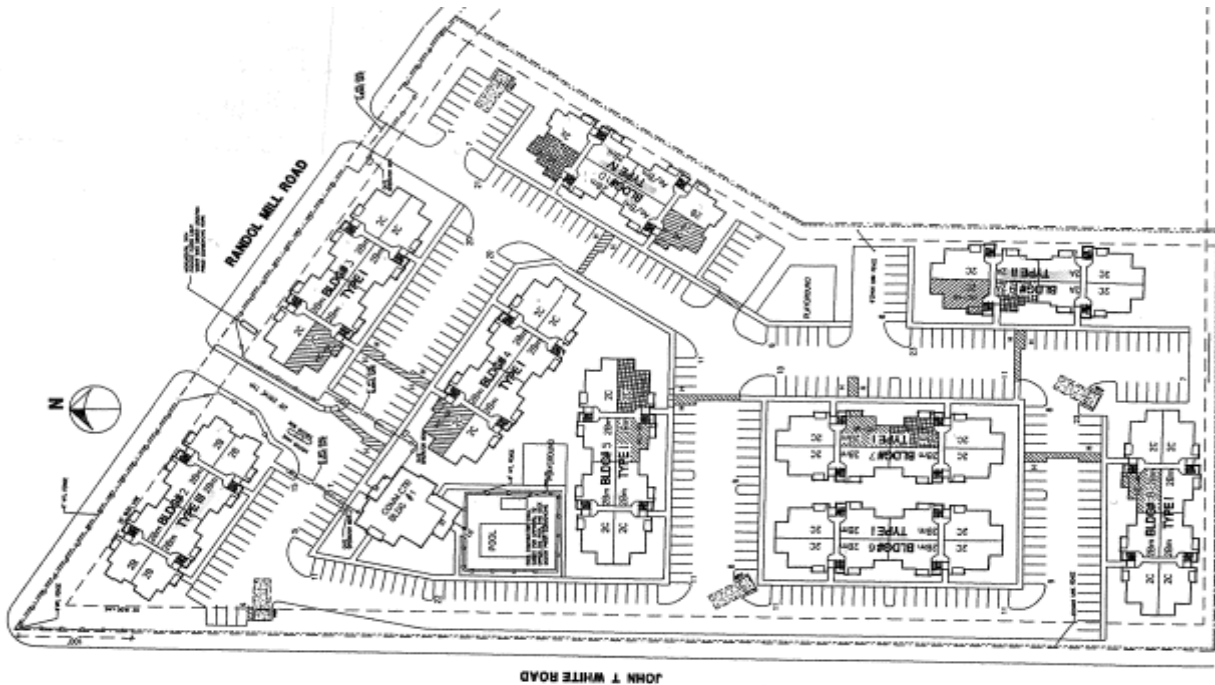
Name	Financial Notes	# Completed Developments
San Jacinto Realty Services, LLC	N/A	
Magill Development Company, LLC	N/A	
Jennifer & Albert Magill	N/A	6

IDENTITIES of INTEREST

- The Applicant and Developer are related entities. These are common relationships for HTC-funded developments.

PROPOSED SITE

SITE PLAN



BUILDING CONFIGURATION

Building Type	I	II	III	IV								Total Buildings
Floors/Stories	2	2	2	2								
Number	6	1	1	1								9

BR/BA	SF	Units										Total Units	Total SF
1 / 1	800		8		2							10	8,000
2 / 2	1,050	8		16	14							78	81,900
3 / 2	1,193	8	8									56	66,808
Units per Building		16	16	16	16							144	156,708

SITE ISSUES

Total Size: 9.5 acres Scattered site? Yes No
 Flood Zone: X Within 100-yr floodplain? Yes No
 Zoning: C, CF Needs to be re-zoned? Yes No N/A

Comments:

Part of the subject site is currently zoned CF (Community Facilities), and an adjacent tract is currently zoned E (Neighborhood Commercial District). The Applicant has a pending application with the City of Fort Worth to have these tracts re-zoned as C (Medium Density Multi-Family). The hearing is scheduled for January 20, 2009.

Any recommended financing will be subject to receipt, review, and acceptance, before carryover, of evidence that the subject site has received the appropriate zoning for the proposed development.

TDHCA SITE INSPECTION

Inspector: Manufactured Housing staff. Date: 4/22/2008
 Overall Assessment:
 Excellent Acceptable Questionable Poor Unacceptable
 Surrounding Uses:
 North: vacant East: mobile home park
 South: multifamily West: multifamily

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Phase Engineering, Inc. Date: 3/25/2008
 Recognized Environmental Concerns (RECs) and Other Concerns:
 • "This assessment has revealed no evidence of recognized environmental conditions in connection with the property." (p. 2)
 Comments:
 "It is the opinion of Phase Engineering, Inc. that no additional appropriate investigation is necessary to detect the presence of hazardous substances or petroleum products at the subject property." (p. 2)

MARKET HIGHLIGHTS

Provider: Apartment MarketData, LLC Date: 3/4/2008
 Contact: Darrell Jack Phone: (210) 530-0040 Fax: (210) 340-5830
 Number of Revisions: none Date of Last Applicant Revision: N / A

This section intentionally left blank.

Primary Market Area (PMA): 41 sq. miles 4 mile equivalent radius

"The boundaries of the Primary Market Area follow those of the following census tracts:

48439101201	48439106507	48439106513	48439113107	48439121604
48439101301	48439106509	48439106514	48439113108	48439121605
48439101401	48439106510	48439106515	48439113112	48439121703
48439106502	48439106511	48439106516	48439121601	48439121704
48439106503	48439106512			

Secondary Market Area (SMA):

The market study does not define a secondary market.

PROPOSED, UNDER CONSTRUCTION & UNSTABILIZED COMPARABLE DEVELOPMENTS							
PMA				SMA			
Name	File #	Total Units	Comp Units	Name	File #	Total Units	Comp Units
Cobblestone Senior	05441	220	senior				

INCOME LIMITS						
Tarrant						
% AMI	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
50	\$22,600	\$25,850	\$29,050	\$32,300	\$34,900	\$37,450
60	\$27,120	\$31,020	\$34,860	\$38,760	\$41,880	\$44,940

MARKET ANALYST'S PMA DEMAND by UNIT TYPE							
Unit Type	Turnover Demand	Growth Demand	Other Demand	Total Demand	Subject Units	Unstabilized Comparable (PMA)	Capture Rate
1 BR 50%	390	1		391	10	0	3%
2 BR 50%	189	-7		182	66	0	36%
2 BR 60%	188	-1		187	12	0	6%
3 BR 50%	94	-1		93	44	0	47%
3 BR 60%	125	-1		124	12	0	10%

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE							
Unit Type	Turnover Demand	Growth Demand	Other Demand	Total Demand	Subject Units	Unstabilized Comparable (PMA)	Capture Rate
1 BR 50%	207	-1		207	10	0	5%
2 BR 50%	191	-7		184	66	0	36%
2 BR 60%	99	0		99	12	0	12%
3 BR 50%	97	-1		96	44	0	46%
3 BR 60%	104	-1		103	12	0	12%

OVERALL DEMAND							
	Target Households	Household Size	Income Eligible	Tenure	Demand		
PMA DEMAND from TURNOVER							
Market Analyst p.	37,170	97%	36,021	13%	4,664	37%	1,726
Underwriter	100% 37,170	97%	36,018	25% 8,976	52% 4,633	42%	1,941
PMA DEMAND from HOUSEHOLD GROWTH							
Market Analyst p.		97%	189	13%	24	100%	24
Underwriter		97%	337	25% 81	52% 42	100%	42

INCLUSIVE CAPTURE RATE						
	Subject Units	Unstabilized Comparable (PMA)	Unstabilized Comparable (25% SMA)	Total Supply	Total Demand	Inclusive Capture Rate
Market Analyst p. 58	144	0	0	144	1,750	8%
Underwriter	144	0	0	144	1,983	7%

Supply and Demand:

The Market Analyst calculated demand for 1,726 units due to household turnover, and demand for 24 units due to household growth. The unstabilized comparable supply consists only of the 144 units at the subject; this results in an inclusive capture rate of 8%. The Market Analyst applied the TDHCA-reported turnover rate of 37% for Region 3. The demand calculations provided in the market study do not appear to be consistent with the demographic source data provided. Based on the data provided, and applying a turnover rate of 42% (the 2008 TDHCA-reported rate for Fort Worth), the underwriting analysis identifies demand for 1,941 units due to household turnover and demand for 42 units due to household growth; this results in an inclusive capture rate of 7%. Both conclusions are well below the maximum 25% for urban developments targeting families.

Primary Market Occupancy Rates:

"The current occupancy of the market area is 89.4% as a result of older, deteriorating projects and minimal recent new construction. Properties constructed in the 1990's report 98.7% occupancy and properties built since 2000 average 99.6%. The two affordable projects are 54.3% occupied because Northridge, constructed in 1978, is undergoing much needed renovations, and Cobblestone Manor Senior is in its initial lease-up." (p. 10) "Silver Leaf Villas, the subject project's closest potential competitor, is presently 99% occupied with strong rents and no concessions." (p. 14)

Absorption Projections:

"Absorption in the Trade Area has been severely limited in recent years by a lack of new construction. Absorption from 1990 to 2000 for all rental unit types is estimated to be 118 units per year. Absorption over the previous eight years for all unit types has been negative 45 units per year, due to deteriorating properties and minimal new construction. We expect this to improve as the number of new households continues to grow and as additional rental units become available." (p. 11)

RENT ANALYSIS (Tenant-Paid Net Rents)						
Unit Type (% AMI)	Proposed Rent	Program Maximum	Market Rent	Underwriting Rent	Savings Over Market	
1 BR 800 SF 50%	\$536	\$536	\$690	\$536	\$154	
2 BR 1,050 SF 50%	\$642	\$642	\$830	\$642	\$188	
2 BR 1,050 SF 60%	\$787	\$787	\$830	\$787	\$43	
3 BR 1,193 SF 50%	\$744	\$744	\$955	\$744	\$211	
3 BR 1,193 SF 60%	\$912	\$912	\$955	\$912	\$43	

Market Impact:

"The proposed project is not likely to have a dramatically detrimental effect on the balance of supply and demand in this market. Newer and better quality projects are very well occupied. There is only one existing family 'affordable' housing project in the Primary Market Area. It is undergoing renovations and reports 88.1% occupancy. The one senior 'affordable' project opened recently and is leasing very well. This demonstrates that the demand for affordable rental housing is high, and that there is a shortage of affordable housing in this market. Due to the subject's age, quality, amenities, and excellent location, it will easily lease and maintain occupancy." (p. 14)

Comments:

The market study provided sufficient information on which to base a funding recommendation.

Concentration:

Staff has calculated the concentration rate of the areas surrounding the property in accordance with Section 1.32(i)(2) of the Texas Administrative Code approved in 2007. The Underwriter has concluded a census tract concentration of 165 units per square mile, which is less than the 1,432 units per square mile limit; and a Primary Market Area concentration of 327, which is less than the 1,000 units per square mile limit. Therefore, the proposed development is in an area which has an acceptable level of apartment dispersion based upon the Department's standard criteria.

OPERATING PROFORMA ANALYSIS

Income: Number of Revisions: none Date of Last Applicant Revision: N / A

The Applicant's projected rental income is based on the maximum HTC program rents adjusted for utility allowances provided by the Fort Worth Housing Authority. Projected losses due to vacancy and collection are consistent with underwriting guidelines. Overall, the Applicant's effective gross income is equivalent to the underwriting estimate.

Expense: Number of Revisions: none Date of Last Applicant Revision: N / A

The Applicant's projected annual operating expenses equal \$4,314 per unit. This is 3% less than the underwriting estimate of \$4,437, based on the TDHCA database and other third-party sources. However, a number of line items vary significantly. These include general & administrative expense (the Applicant's figure is \$35K lower than the underwriting estimate); utilities (the Applicant's figure is \$14K lower); and water, sewer, & trash (the Applicant's figure is \$16K higher).

Conclusion:

The Applicant's projected gross income, annual expenses, and net operating income (NOI) are each within 5% of the underwriting estimates; the Applicant's projections will therefore be used to determine debt capacity and feasibility. The Applicant's projections and proposed financing structure indicate a first year debt coverage ratio (DCR) of 1.22, which falls within the acceptable range of 1.15 to 1.35.

Feasibility:

The Applicant's projections are used to create a 30-year operating proforma, applying a 3% growth factor to income and 4% to expenses. This analysis indicates continued positive cash flow and a DCR that remains above the minimum 1.15 throughout the proforma period. The development can therefore be considered financially feasible.

ACQUISITION INFORMATION

ASSESSED VALUE

Land Assessed: 14.9 acres	<u>\$162,350</u>	Tax Year:	<u>2008</u>
prorata per acre:	<u>\$10,890</u>	Valuation by:	<u>Tarrant County CAD</u>
Subject Site: 9.5 acres	<u>\$103,456</u>	Tax Rate:	<u>2.761857</u>

EVIDENCE of PROPERTY CONTROL

Type: Purchase and Sale Agreement (Raw Land) Acreage: 9.5

Contract Expiration: 6/1/2009 Valid Through Board Date? Yes No

Acquisition Cost: \$848,331 Other: _____

Seller: Bentley Venture Related to Development Team? Yes No

TITLE

Comments:

Schedule C of the title commitment references a Vendor's Lien in Deed dated August 17, 1981 securing the payment of a note in the principal sum of \$264,330; and a Vendor's Lien in Deed dated September 10, 1981 securing the payment of a note in the principal sum of \$36,000. Any recommended financing will be subject to receipt, review, and acceptance, before carryover, of documentation of the release of these liens.

CONSTRUCTION COST ESTIMATE EVALUATION

COST SCHEDULE Number of Revisions: 1 Date of Last Applicant Revision: 12/23/2008

Acquisition Value:

The acquisition cost of \$89K per acre is assumed to be reasonable as the purchase is an arm's length transaction.

Sitework Cost:

The Applicant's projected sitework is less than the maximum \$9,000 per unit; therefore, no further substantiation is necessary.

Direct Construction Cost:

The Applicant's projected direct construction cost is \$8.6 Million. This is within 3% of the underwriting estimate, derived with the Marshall & Swift Residential Cost Handbook.

Interim Financing, Contingency & Fees:

The Applicant's projections for interim financing, developer and contractor fees, and contingency are all consistent with underwriting guidelines.

Conclusion:

The Applicant's total development cost is within 5% of the underwriting estimate; therefore, the Applicant's cost will be used to calculate eligible basis and determine the need for permanent financing. The calculated eligible basis of \$14,687,500 supports an annual tax credit allocation of \$1,321,875. The TDHCA Board acted on November 13, 2008 to allow all transactions the benefit of the 9% applicable percentage which is accounted for in this calculation.

In addition the Board approved an increase in the credit amount for all 2008 transactions based on an additional 10% of direct construction and site work cost as contingency. In this case the adjusted cost results in an additional \$983,600 in eligible basis and \$88,524 in additional credit. The total eligible credit of \$1,410,399 will be compared to the amount determined by the gap in financing to determine any recommended allocation.

FINANCING STRUCTURE

SOURCES & USES Number of Revisions: 1 Date of Last Applicant Revision: 12/23/2008

Source: Wells Fargo Type: Interim to Permanent Financing

Principal: \$7,000,000 Interest Rate: 6.0% Fixed Term: 30 months

Principal: \$5,000,000 Interest Rate: 8.0% Fixed Amort: 420 months

Comments:

The lender's letter dated December 23, 2008 indicates construction financing at a variable rate of 3-month LIBOR plus 3.00%, and permanent financing fixed at the 10-year Treasury rate plus 5.90% for 35 years.

This section intentionally left blank.

Source: Apollo Housing Capital / RBC Type: Syndication

Proceeds: \$8,760,000 Syndication Rate: 73% Anticipated HTC: \$ 1,200,000

Comments:

The syndication letter dated November 25, 2008 proposes a total capital contribution of \$8,760,000 based on an anticipated annual tax credit allocation of \$1,200,000.

Based on the current underwriting analysis, if the syndication price increased above \$0.84 per tax credit dollar, the equity proceeds would exceed the gap in financing, and the allocation should be reevaluated accordingly; alternatively, if the price fell to \$0.71 or below, the required additional funds would exceed the available developer fee, and the viability of the development would be jeopardized.

Amount: \$2,155,831 Type: Deferred Developer Fees

CONCLUSIONS

Recommended Financing Structure:

At its November 13, 2008 meeting, the Governing Board approved an increase in tax credits for all competitive 2007 and 2008 transactions based on the 9% credit rate and a 10% increase in direct and sitework construction costs. As a result, all applications on the 2008 waiting list to be considered for a forward commitment will be treated in the same manner. As discussed previously, the Applicant's total development cost estimate is within 5%; therefore, their cost will be used for purposes of determining the development's eligible basis and funding need. Accordingly, the Applicant's development cost has been increased by 10% as approved by the TDHCA Board for purposes of determining the recommended tax credit allocation.

The Applicant's total development cost estimate (including the 10% increase) less the permanent loan of \$5,000,000 indicates the need for \$11,899,431 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,630,059 annually would be required to fill this gap in financing. Of the two possible tax credit amounts, the gap-driven amount (\$1,630,059) and the eligible basis derived amount (\$1,410,399), the eligible basis amount is recommended. An allocation of \$1,410,399 results in equity proceeds of \$10,295,913 based on the proposed syndication price of \$0.73 per dollar of tax credit.

The Underwriter's recommended financing structure indicates the need for \$1,603,518 in additional permanent funds. Deferred developer fees in this amount appear to be repayable from development cashflow within fifteen years of stabilized operation.

Underwriter: _____ Date: February 17, 2009
Thomas Cavanagh

Acting Director of Real Estate Analysis: _____ Date: February 17, 2009
Raquel Morales

MULTIFAMILY COMPARATIVE ANALYSIS

Mill Stone Apartments, Fort Worth, 9% HTC #08124

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Rent Collected	Rent per Month	Rent per SF	Tnt-Pd Util	WS&T
TC 50%	10	1	1	800	\$605	\$536	\$5,360	\$0.67	\$69	\$22
TC 50%	66	2	2	1,050	\$726	\$642	\$42,372	\$0.61	\$84	\$24
TC 60%	12	2	2	1,050	\$871	\$787	\$9,444	\$0.75	\$84	\$24
TC 50%	44	3	2	1,193	\$840	\$744	\$32,736	\$0.62	\$96	\$28
TC 60%	12	3	2	1,193	\$1,008	\$912	\$10,944	\$0.76	\$96	\$28
TOTAL:	144		AVERAGE:	1,088		\$700	\$100,856	\$0.64	\$87.63	\$25.42

INCOME

Total Net Rentable Sq Ft: 156,708

POTENTIAL GROSS RENT

Secondary Income Per Unit Per Month: \$14.00

Other Support Income:

POTENTIAL GROSS INCOME

Vacancy & Collection Loss % of Potential Gross Income: -7.50%

Employee or Other Non-Rental Units or Concessions

EFFECTIVE GROSS INCOME

EXPENSES

	% OF EGI	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% OF EGI
General & Administrative	5.79%	\$459	0.42	\$66,062	\$31,500	\$0.20	\$219	2.76%
Management	5.00%	396	0.36	57,094	55,000	0.35	382	4.82%
Payroll & Payroll Tax	13.06%	1,036	0.95	149,128	150,000	0.96	1,042	13.14%
Repairs & Maintenance	7.47%	593	0.54	85,324	85,000	0.54	590	7.44%
Utilities	3.32%	263	0.24	37,854	24,000	0.15	167	2.10%
Water, Sewer, & Trash	3.85%	305	0.28	43,920	60,000	0.38	417	5.25%
Property Insurance	3.55%	282	0.26	40,559	48,000	0.31	333	4.20%
Property Tax 2.76	9.73%	772	0.71	111,159	120,000	0.77	833	10.51%
Reserve for Replacements	3.15%	250	0.23	36,000	36,000	0.23	250	3.15%
TDHCA Compliance Fees	0.50%	40	0.04	5,760	5,760	0.04	40	0.50%
Other: Supportive Services	0.53%	42	0.04	6,000	6,000	0.04	42	0.53%
TOTAL EXPENSES	55.95%	\$4,437	\$4.08	\$638,861	\$621,260	\$3.96	\$4,314	54.41%
NET OPERATING INC	44.05%	\$3,493	\$3.21	\$503,019	\$520,624	\$3.32	\$3,615	45.59%

DEBT SERVICE

Wells Fargo	37.32%	\$2,959	\$2.72	\$426,157	\$426,157	\$2.72	\$2,959	37.32%
Additional Financing	0.00%	\$0	\$0.00	0	0	\$0.00	\$0	0.00%
Additional Financing	0.00%	\$0	\$0.00	0	0	\$0.00	\$0	0.00%
NET CASH FLOW	6.73%	\$534	\$0.49	\$76,862	\$94,467	\$0.60	\$656	8.27%

AGGREGATE DEBT COVERAGE RATIO

1.18 1.22

RECOMMENDED DEBT COVERAGE RATIO

1.22

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		5.42%	\$5,891	\$5.41	\$848,331	\$848,331	\$5.41	\$5,891	5.02%
Off-Sites		0.00%	0	0.00	0	0	0.00	0	0.00%
Sitework		7.74%	8,403	7.72	1,210,000	1,210,000	7.72	8,403	7.16%
Direct Construction		53.40%	57,997	53.29	8,351,506	8,626,000	55.05	59,903	51.04%
Contingency 4.97%		3.04%	3,299	3.03	475,000	475,000	3.03	3,299	2.81%
Contractor's Fees 14.00%		8.56%	9,296	8.54	1,338,611	1,350,000	8.61	9,375	7.99%
Indirect Construction		5.14%	5,587	5.13	804,500	804,500	5.13	5,587	4.76%
Ineligible Costs		1.47%	1,597	1.47	230,000	230,000	1.47	1,597	1.36%
Developer's Fees 14.97%		11.99%	13,021	11.96	1,875,000	1,875,000	11.96	13,021	11.10%
Interim Financing		2.22%	2,410	2.21	347,000	347,000	2.21	2,410	2.05%
Reserves		1.02%	1,111	1.02	160,027	150,000	0.96	1,042	0.89%
TOTAL COST		100.00%	\$108,611	\$99.80	\$15,639,975	\$16,899,431	\$107.84	\$117,357	100.00%
Construction Cost Recap		72.73%	\$78,994	\$72.59	\$11,375,117	\$11,661,000	\$74.41	\$80,979	69.00%

SOURCES OF FUNDS

				TDHCA	APPLICANT	RECOMMENDED	
Wells Fargo	31.97%	\$34,722	\$31.91	\$5,000,000	\$5,000,000	\$5,000,000	Developer Fee Available
Additional Financing	0.00%	\$0	\$0.00	0	0	0	\$1,875,000
RBC / Apollo Housing Capital	56.01%	\$60,833	\$55.90	8,760,000	8,760,000	10,295,913	% of Dev. Fee Deferred
Deferred Developer Fees	13.78%	\$14,971	\$13.76	2,155,831	2,155,831	1,603,518	86%
Additional (Excess) Funds Req'd	-1.76%	(\$1,916)	(\$1.76)	(275,856)	983,600	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				\$15,639,975	\$16,899,431	\$16,899,431	\$2,432,513

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Mill Stone Apartments, Fort Worth, 9% HTC #08124

DIRECT CONSTRUCTION COST ESTIMATE

*Marshall & Swift Residential Cost Handbook
Average Quality Multiple Residence Basis*

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$53.50	\$8,383,957
Adjustments				
Exterior Wall Finish	3.20%		\$1.71	\$268,287
Elderly	0.00%		0.00	0
9-Ft. Ceilings	3.40%		1.82	285,055
Roofing			0.00	0
Subfloor			(1.24)	(193,534)
Floor Cover			2.43	380,800
Breezeways/Balconies	\$21.66	29,792	4.12	645,146
Plumbing Fixtures	\$805	402	2.07	323,610
Rough-ins	\$400	144	0.37	57,600
Built-In Appliances	\$1,800	144	1.65	259,200
Exterior Stairs	\$1,875	36	0.43	67,500
Enclosed Corridors	\$0.00		0.00	0
Heating/Cooling			1.90	297,745
Garages/Carports			0.00	0
Comm &/or Aux Bldgs	\$72.63	3,000	1.39	217,890
Other: fire sprinkler	\$1.95	156,708	1.95	305,581
SUBTOTAL			72.10	11,298,836
Current Cost Multiplier	1.01		0.72	112,988
Local Multiplier	0.90		(7.21)	(1,129,884)
TOTAL DIRECT CONSTRUCTION COSTS			\$65.61	\$10,281,941
Plans, specs, survy, bld prm	3.90%		(\$2.56)	(\$400,996)
Interim Construction Interes	3.38%		(2.21)	(347,015)
Contractor's OH & Profit	11.50%		(7.55)	(1,182,423)
NET DIRECT CONSTRUCTION COSTS			\$53.29	\$8,351,506

PAYMENT COMPUTATION

Primary	\$5,000,000	Amort	420
Int Rate	8.00%	DCR	1.18

Secondary	\$0	Amort	
Int Rate		Subtotal DCR	1.18

Additional	\$8,760,000	Amort	
Int Rate		Aggregate DCR	1.18

RECOMMENDED FINANCING STRUCTURE

APPLICANT'S NOI:

Primary Debt Service	\$426,157
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	\$94,467

Primary	\$5,000,000	Amort	420
Int Rate	8.00%	DCR	1.22

Secondary	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.22

Additional	\$8,760,000	Amort	0
Int Rate	0.00%	Aggregate DCR	1.22

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NOI)

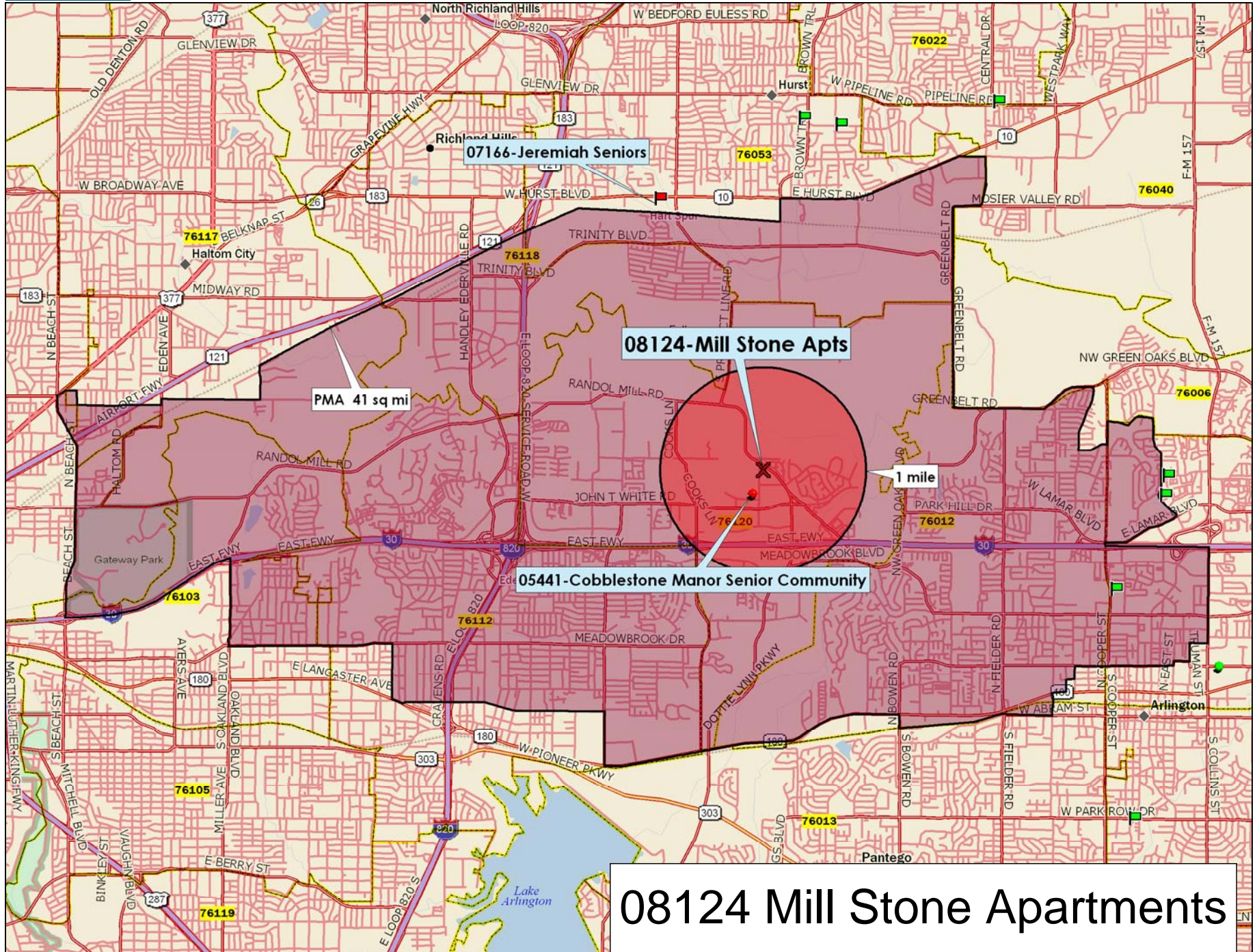
INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$1,210,272	\$1,246,580	\$1,283,978	\$1,322,497	\$1,362,172	\$1,579,130	\$1,830,645	\$2,122,219	\$2,852,085
Secondary Income	24,192	24,918	25,665	26,435	27,228	31,565	36,593	42,421	57,010
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	1,234,464	1,271,498	1,309,643	1,348,932	1,389,400	1,610,696	1,867,238	2,164,640	2,909,095
Vacancy & Collection Loss	(92,580)	(95,362)	(98,223)	(101,170)	(104,205)	(120,802)	(140,043)	(162,348)	(218,182)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$1,141,884	\$1,176,136	\$1,211,420	\$1,247,762	\$1,285,195	\$1,489,893	\$1,727,195	\$2,002,292	\$2,690,913
EXPENSES at 4.00%									
General & Administrative	\$31,500	\$32,760	\$34,070	\$35,433	\$36,851	\$44,834	\$54,548	\$66,366	\$98,238
Management	55,000	56,650	58,349	60,100	61,903	71,762	83,192	96,442	129,611
Payroll & Payroll Tax	150,000	156,000	162,240	168,730	175,479	213,497	259,751	316,027	467,798
Repairs & Maintenance	85,000	88,400	91,936	95,613	99,438	120,982	147,192	179,082	265,085
Utilities	24,000	24,960	25,958	26,997	28,077	34,159	41,560	50,564	74,848
Water, Sewer & Trash	60,000	62,400	64,896	67,492	70,192	85,399	103,901	126,411	187,119
Insurance	48,000	49,920	51,917	53,993	56,153	68,319	83,120	101,129	149,695
Property Tax	120,000	124,800	129,792	134,984	140,383	170,797	207,801	252,822	374,238
Reserve for Replacements	36,000	37,440	38,938	40,495	42,115	51,239	62,340	75,847	112,271
Other	11,760	12,230	12,720	13,228	13,758	16,738	20,365	24,777	36,675
TOTAL EXPENSES	\$621,260	\$645,560	\$670,816	\$697,065	\$724,347	\$877,727	\$1,063,771	\$1,289,467	\$1,895,578
NET OPERATING INCOME	\$520,624	\$530,575	\$540,604	\$550,697	\$560,848	\$612,167	\$663,424	\$712,825	\$795,335
DEBT SERVICE									
First Lien Financing	\$426,157	\$426,157	\$426,157	\$426,157	\$426,157	\$426,157	\$426,157	\$426,157	\$426,157
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$94,467	\$104,419	\$114,447	\$124,540	\$134,692	\$186,010	\$237,267	\$286,669	\$369,178
DEBT COVERAGE RATIO	1.22	1.25	1.27	1.29	1.32	1.44	1.56	1.67	1.87

HTC ALLOCATION ANALYSIS -Mill Stone Apartments, Fort Worth, 9% HTC #08124

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS	10% Increase
Acquisition Cost					
Purchase of land	\$848,331	\$848,331			
Purchase of buildings					
Off-Site Improvements					
Sitework	\$1,210,000	\$1,210,000	\$1,210,000	\$1,210,000	\$121,000
Construction Hard Costs	\$8,626,000	\$8,351,506	\$8,626,000	\$8,351,506	\$862,600
Contractor Fees	\$1,350,000	\$1,338,611	\$1,350,000	\$1,338,611	
Contingencies	\$475,000	\$475,000	\$475,000	\$475,000	
Eligible Indirect Fees	\$804,500	\$804,500	\$804,500	\$804,500	
Eligible Financing Fees	\$347,000	\$347,000	\$347,000	\$347,000	
All Ineligible Costs	\$230,000	\$230,000			
Developer Fees					
Developer Fees	\$1,875,000	\$1,875,000	\$1,875,000	\$1,875,000	
Development Reserves	\$150,000	\$160,027			
TOTAL DEVELOPMENT COSTS	\$15,915,831	\$15,639,975	\$14,687,500	\$14,401,617	\$983,600

Deduct from Basis:					
All grant proceeds used to finance costs in eligible basis					
B.M.R. loans used to finance cost in eligible basis					
Non-qualified non-recourse financing					
Non-qualified portion of higher quality units [42(d)(3)]					
Historic Credits (on residential portion only)					
TOTAL ELIGIBLE BASIS			\$14,687,500	\$14,401,617	\$983,600
High Cost Area Adjustment			100%	100%	100%
TOTAL ADJUSTED BASIS			\$14,687,500	\$14,401,617	\$983,600
Applicable Fraction			100%	100%	100%
TOTAL QUALIFIED BASIS			\$14,687,500	\$14,401,617	\$983,600
Applicable Percentage			9.00%	9.00%	9.00%
TOTAL AMOUNT OF TAX CREDITS			\$1,321,875	\$1,296,146	\$88,524

Syndication Proceeds	0.7300	\$9,649,688	\$9,461,862	\$646,225
Total Tax Credits (Eligible Basis Method)		\$1,321,875	\$1,296,146	\$1,410,399
Syndication Proceeds		\$9,649,688	\$9,461,862	\$10,295,913
Requested Tax Credits		\$1,200,000		
Syndication Proceeds		\$8,760,000		
Gap of Syndication Proceeds Needed		\$11,899,431	\$10,639,975	
Total Tax Credits (Gap Method)		\$1,630,059	\$1,457,531	



08124 Mill Stone Apartments

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**COMMUNITY AFFAIRS DIVISION
BOARD ACTION REQUEST
DECEMBER 17, 2009**

Requested Action

Approve five funding recommendations for the Homeless Housing and Services Program (HHSP) to City of Dallas, City of Houston, City of El Paso, United Way of Tarrant County (on behalf of City of Fort Worth), and Mother Theresa's Shelter (on behalf of City of Corpus Christi). By this action the Board is authorizing the Department to enter into contracts for \$13.2 million with five cities, or their designees, to serve the homeless as described herein.

Background

The following five cities are recommended for funding through the Homeless Housing and Services Program:

City of Dallas: Award of \$3,361,364

The City of Dallas will utilize \$300,000 of the HHSP funds for direct services (service plans, housing vouchers/placement, rental and utility assistance vouchers) for formerly incarcerated homeless persons. The balance of the HHSP funds is to be subcontracted to the Metro Dallas Homeless Alliance, who has The Bridge as a shelter facility, for providing multiple services for the homeless including, guest services, care management, case management, employment placement, and housing placement.

City of Houston: Award of \$5,756,053

The City of Houston proposes to allocate 100% of its HHSP allocation to three subcontractors; SEARCH, St. Luke's Episcopal Health Charities, and The Bread of Life. SEARCH, through its Housing PLUS Program, will deliver targeted services to clients in permanent housing. The Episcopal Homeless Initiative will support a train-the-trainer case management system to address the needs of Houston's homeless. The Bread of Life's Daybreak Program will use the HHSP funds to support an existing drop-in center to provide shelter services to the homeless from 7:00 p.m. to 7:00 a.m. Monday through Thursday.

City of El Paso: Award of \$1,667,459

The City of El Paso's Department of Community and Human Development will oversee the HHSP operations for the eligible entity. All HHSP funds awarded to City of El Paso will be subcontracted to eleven area homeless service providers for fourteen different HHSP projects and initiatives. HHSP funding will provide a combination of expanded and new services, such as case management, educational support, transportation services, access to legal services, health services, detoxification services, employment search, and emergency shelter.

United Way of Tarrant County: Award of \$1,667,312

The City of Fort Worth has designated United Way of Tarrant County as the Sole Designee of HHSP funds. Through a competitive process, the United Way has identified seven subrecipients to provide eligible activities determined by the City of Fort Worth. Those eligible activities include: permanent supportive housing vouchers; voucher-linked supportive services; shelter-based case management; job placement assistance; mobile street engagement; and to fund an annual outreach and benefits program called Project Homeless Connect.

Mother Theresa’s Shelter: Award of \$779,446

The City of Corpus Christi has designated Mother Theresa’s Shelter as the Sole Designee of HHSP funds. Mother Theresa’s Shelter will use HHSP funds to acquire property adjacent to their current location for the construction of a transitional housing group home. Additionally, Mother Theresa’s Shelter will utilize HHSP funds to expand personal hygiene and laundry facilities to provide expanded services to the homeless. If successfully leveraged, Mother Theresa’s will also utilize funds to develop a clinic to provide non-emergency medical assistance to the homeless.

The Homeless Housing and Services Program (HHSP) was created during the 81st Legislative Session and provides \$20 million over the biennium to be administered by the Texas Department of Housing and Community Affairs (the Department) to fund HHSP in the eight largest cities.

The Board approved the Department Policy for the implementation and allocation of funds for the Homeless Housing and Service Program (HHSP) on September 3, 2009 which included the formula that determined the amounts eligible for each city. On September 25, 2009 the Department released a Funding Request Submission Packet to be completed by the eight largest cities or their primary designee. In November, 2009, the TDHCA Board approved the awards for three out of the eight cities.

Per statute, eligible recipients (Subgrantees) are limited to the eight largest cities in Texas with populations larger than 285,500 persons per the latest U.S. Census figures. By designation of the mayor, Cities may appoint a sole direct designee in lieu of the City. Such designee shall be deemed the Subgrantee for the duration of the award.

Upon approval, a contract obligating the funds, and outlining performance benchmarks and requirements, will be executed. This approval authorizes staff to work with each recipient on finalizing, based upon staff review of their Submission Packets, an acceptable scope of work and performance benchmarks for their contracts.

**COMMUNITY AFFAIRS DIVISION
BOARD ACTION REQUEST
DECEMBER 17, 2009**

Requested Action

Approve the distribution of the PY 2010 funding allocation for the Community Services Block Grant (CSBG) award estimated at \$33,507,182 as detailed in Department rules and as described herein.

Background

The CSBG Act (42 USC 9907) requires that not less than 90% of annual CSBG funds shall be used by the State to make grants to eligible entities. The CSBG subrecipient network of CSBG eligible entities is currently comprised of 48 entities that provide services to all 254 counties in the State. The state is authorized to utilize up to five percent (5%) of the CSBG funds for administration. The Department sets aside the remaining five percent (5%) of the CSBG funds for discretionary programs.

Fund Allocation

Per notice from the US Department of Health and Human Services, the estimated 2010 CSBG funds are \$33,507,182. The Department uses a multi-factor fund distribution formula, which is reflected in the Department's rules, to equitably provide CSBG funds throughout the State's 254 counties to the CSBG eligible entities. The formula incorporates the 2000 U.S. Census figures at 125% of poverty; a base of \$50,000; a \$150,000 floor (the minimum funding level); a 98% weighted factor for poverty population; and, a 2% weighted factor for the inverse ratio of population density. Appendix I reflects the proposed funding amounts for each of the 48 eligible entities.

Staff recommends that five percent (5%) of the Department's annual CSBG allocation, \$1,675,359 be used to cover state administrative costs, including salary and benefits for State CSBG staff, indirect costs, a portion of operating costs (space, telephone, staff travel, etc.), and capital expenditures (furnishings, equipment, etc.).

The Department recommends setting aside five percent (5%) of CSBG funds for "discretionary" purposes. The majority of the 2010 CSBG State discretionary funds will be made available on a competitive basis based on the Board's approval of the 2010 CSBG State Discretionary Notice of Funding Availability under a separate Board action item.

APPENDIX I

CSBG PY 2010 Funding Distribution

Subrecipient Name	PY 2010 Allocation
Aspermont Small Business Development Center, Inc.	\$150,000
Austin, City of, Health and Human Services Department	\$891,136
Bee Community Action Agency	\$287,609
Big Bend Community Action Committee, Inc.	\$156,151
Brazos Valley Community Action Agency	\$956,325
Cameron and Willacy Counties Community Projects, Inc.	\$994,567
Caprock Community Action Association, Inc.	\$181,331
Central Texas Opportunities, Inc.	\$222,326
Combined Community Action, Inc.	\$202,688
Community Action Corporation of South Texas	\$252,816
Community Action Council of Victoria	\$296,679
Community Action Inc. of Hays, Caldwell and Blanco Counties	\$202,623
Community Action Program, Inc.	\$242,070
Community Action Social Services & Education	\$195,122
Community Council of Reeves County	\$215,668
Community Council of South Central Texas, Inc.	\$522,137
Community Council of Southwest Texas, Inc.	\$271,348
Community Services Agency of South Texas	\$150,000
Community Services of Northeast Texas	\$279,244
Community Services, Inc.	\$1,046,599
Concho Valley Community Action Agency	\$278,292
Dallas Urban League	\$2,630,339
Economic Action Committee of The Gulf Coast	\$150,000
Economic Opportunities Advancement Corporation of Planning Region XI	\$509,084
El Paso Community Action Program, Project BRAVO, Inc.	\$1,414,847
Fort Worth, City of, Parks & Community Services Department	\$1,368,941
Galveston County Community Action Council, Inc.	\$822,882
Greater East Texas Community Action Program (GETCAP)	\$938,606
Gulf Coast Community Services Association	\$4,411,356
Hidalgo County Community Services Agency	\$1,699,495
Hill Country Community Action Association, Inc.	\$471,973
Institute for Rural Development	\$150,000
Lubbock, City of, Community Services Department	\$401,188
Northeast Texas Opportunities, Inc.	\$260,384
Nueces County Community Action Agency	\$527,367
Panhandle Community Services	\$611,926
Pecos County Community Action Agency	\$150,000
Rolling Plains Management Corporation	\$324,060
San Antonio, City of, Community Action Division	\$1,922,826
South Plains Community Action Association, Inc.	\$198,602

South Texas Development Council	\$303,251
Southeast Texas Regional Planning Commission	\$540,071
Texas Neighborhood Services	\$378,656
Texoma Council of Governments	\$235,390
Tri-County Community Action, Inc.	\$391,348
Webb County Community Action Agency	\$549,463
West Texas Opportunities, Inc.	\$608,438
Williamson-Burnet County Opportunities, Inc.	\$191,240
Total	\$30,156,464

**COMMUNITY AFFAIRS DIVISION
BOARD ACTION REQUEST
DECEMBER 17, 2009**

Requested Action

Approve the 2010 Community Services Block Grant (CSBG) State Discretionary Funds Distribution and Notice of Funding Availability (NOFA) as described herein.

Background

The Department has set aside 5% of its 2010 annual CSBG for state discretionary projects which include the following categories for funding to be reflected in the CSBG Discretionary Funds NOFA: organizations serving migrant and seasonal farm workers and Native Americans; innovative and demonstration projects; statewide projects addressing hunger and homelessness; and statewide projects that provide training and technical assistance to CSBG eligible entities.

Upon Board approval, the NOFA for \$1,250,000 will be released to the public for application by CSBG eligible entities, private non-profit organizations, units of local government, and regional councils headquartered within the State of Texas. Applications for statewide initiatives and for organizations serving migrant and seasonal farm workers and Native Americans will be due January 29, 2010 with contracts to start on May 1, 2010. Applications for Innovative and Demonstration Projects will be due on February 15, 2010 with contracts to start on July 1, 2010.

Funds will be awarded on a competitive basis. The Department will assign a team of reviewers and use a standardized scoring instrument to evaluate and score each eligible application. The scoring instrument follows the content and order of the NOFA. The Department's Portfolio Management and Compliance Division will be consulted to determine if applicants have issues which will make the applicant's application ineligible for funding.

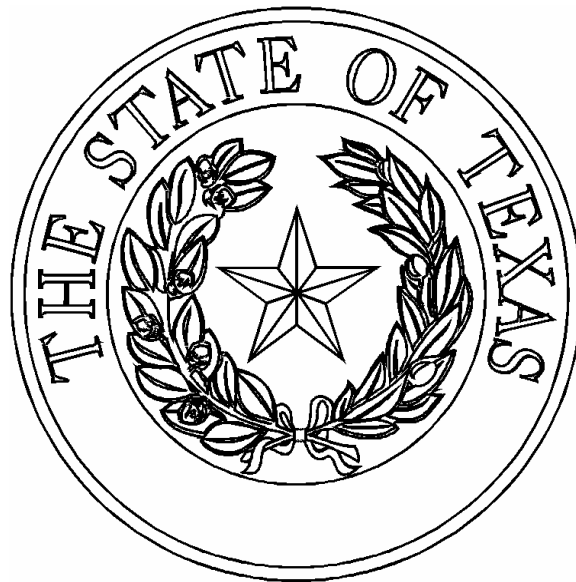
Furthermore, a one-time allocation of \$50,000 in discretionary funds shall be provided to South Plains Community Action Association, Inc. for costs associated with the absorption of the counties and service areas currently served by the Caprock Community Action Association. On January 1, 2010, Caprock Community Action Association will cease to exist and South Plains Community Action Association will assume the responsibility for the six counties currently served by Caprock.

Attachment: 2010 CSBG State Discretionary Funds NOFA.

TEXAS DEPARTMENT OF
HOUSING AND COMMUNITY AFFAIRS

NOTICE OF FUNDING AVAILABILITY (NOFA)

FFY 2010
COMMUNITY SERVICES BLOCK GRANT (CSBG)
STATE DISCRETIONARY FUNDS



APPLICATION PACKET
DECEMBER 2009

TO: Interested Parties
Community Services Block Grant Program

FROM: Michael DeYoung
Director
Community Affairs Division

DATE: December 21, 2010

SUBJECT: Notice of Funding Availability - FFY 2010 Texas Community Services
Block Grant State Discretionary Funds

The Texas Department of Housing and Community Affairs (the Department) is pleased to provide you with the Notice of Funding Availability (NOFA) for the FFY 2010 Community Services Block Grant (CSBG) State Discretionary Funds. The source of the funds is the U. S. Department of Health and Human Services (USDHHS).

An announcement of the 2010 Community Services Block Grant (CSBG) State Discretionary Funds Notice of Funding Availability (NOFA) will appear in the January 2, 2010 *Texas Register*.

The funds available for competitive applications are limited to support local innovative or demonstration projects and to support statewide initiatives for specific population groups or purposes as outlined within the eligible activities listed in the NOFA.

The Department looks forward to receiving your submission in response to this NOFA. Questions pertaining to the content of this application packet or eligible activities may be directed to Rita Gonzales-Garza, Project Manager for Planning and Contract Implementation, at (512) 475-3905 Rita.Garza@tdhca.state.tx.us or to J. Al Almaguer, Senior Planner, at (512) 475-3908 Al.Almaguer@tdhca.state.tx.us. This application will be posted on the Department's web-site at <http://www.tdhca.state.tx.us/cs.htm#CSBG>.

CSBG NOFA SUBMISSION INFORMATION

DEADLINE FOR RECEIPT OF STATEWIDE, MIGRANT AND SEASONAL FARMWORKER, AND NATIVE AMERICAN APPLICATIONS:

Friday, January 29, 2010 by 5:00 pm CST

DEADLINE FOR RECEIPT OF INNOVATIVE APPLICATIONS:

Friday, February 12, 2010 by 5:00 pm CST

TWO COPIES DUE:

One Original, Two Complete Paper Copies, and One Electronic Version on CD

Applicants must submit one original and two complete copies of the application on or before the deadline. Applications that arrive after the deadline will not be considered. If you would like to confirm the Department's receipt of application, e-mail Cate Taylor at Cate.Taylor@tdhca.state.tx.us two weeks after your submission.

<u>Mailing Address:</u> (All U.S. Postal Service including Express)	Community Services Section Attn: Rita D. Gonzales-Garza Texas Department of Housing and Community Affairs Post Office Box 13941 Austin, Texas 78711-3941
<u>Courier Delivery:</u> (Fed Ex, UPS, Overnight, etc.)	1st Floor 221 East 11 th Street Austin, Texas 78701
<u>Hand Delivery:</u>	If you are hand delivering the application, contact Cate Taylor at (512) 475-4576 or J. Al Almaguer (512) 475-3908 when you arrive at the lobby of our building so they may accept your application.

Please use the following format for the narrative portion of the application:

- Minimum 11 font, double spaced
- Standard 8½ " x 11" paper with 1" margins
- The narrative must not exceed 10 consecutively numbered pages, double spaced.

Complete paper applications must be bound using binder clips. **DO NOT USE FOLDERS OR NOTEBOOKS OF ANY TYPE.** The original application must contain original signatures and original pictures. **Complete electronic copies must be on CD or DVD and in PDF format.** Adherence to submission guidance will be considered in scoring.

Questions pertaining to the content of this application packet may be directed to Rita Gonzales-Garza, Project Manager for Planning & Contract Implementation at (512) 475-3905 or to J. Al Almaguer, Senior Planner at (512) 475-3908. This application is posted on the Department's website: <http://www.tdhca.state.tx.us/cs.htm#CSBG>

**TIMELINE FOR
FFY 2010 CSBG STATE DISCRETIONARY FUNDS NOFA**

Statewide, MSFW & Native American Applications	Innovative Applications	Action
December 21, 2009	December 21, 2009	The application will be available through the TDHCA Website: http://www.tdhca.state.tx.us/cs.htm#CSBG
January 29, 2010	February 12, 2010	Deadline for applicants to submit applications in response to NOFA for FFY 2010 CSBG State Discretionary Funds.
February 26, 2010	March 31, 2010	Department will complete reviewing and scoring of applications submitted in response to the NOFA.
March 11, 2010	May 13, 2010	The Department will provide funding recommendations the TDHCA Board of Directors for approval.
April 1, 2010	May 1, 2010	The Department will begin negotiation of contracts with organizations selected for funding as approved by the TDHCA Board of Directors.
May 1, 2010	July 1, 2010	Contract Start Date

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Eligible Applicant Organizations	2
Award Amounts and Limitations on Applicants	2
Selection Process	3
Application Content and Scoring	4

Attachments and Appendix:

Attachment A – Standard Form 424	
Attachment B - Roster for Board of Directors	
Attachment C - Attendance Roster for Board of Directors	
Attachment D - CSBG Budget Form and Budget Support Sheets and Certification of Board Approval Form	
Appendix 1 - Public Law 105-285, Title II CSBG	

NOFA INFORMATION/INSTRUCTIONS

Background

The Texas Department of Housing and Community Affairs (the Department) has been designated as the state agency to administer the Community Services Block Grant. On an annual basis, the Department receives block grant funds from the U.S. Department of Health and Human Services to ameliorate the causes of poverty within communities.

When the Department receives the State's annual award of CSBG funds, it reserves ninety percent (90%) of the allotment for CSBG eligible entities to provide services/assistance to the low-income population in all 254 counties. Five percent (5%) is reserved for state administration expenses and the remaining five percent (5%) is reserved for state discretionary use. This Notice of Funding Availability (NOFA) relates to the Department's proposed release and use of FFY 2010 CSBG State Discretionary Funds.

Eligible Activities/Types of Activities to be Funded

There will be four categories of projects to be funded with 2010 CSBG State Discretionary Funds. Funds will be awarded on a competitive basis for serving low-income population groups and special populations and for supporting single innovative/demonstration projects or statewide initiatives as described below. Persons assisted must have annual income at or below 125% of the federal poverty income guidelines issued annually by the U.S. Department of Health and Human Services. The four categories are:

- Statewide Initiative Projects promoting one or more of the following: training and technical assistance to CSBG eligible entities in best practices and program and management development, supporting the Department by conducting surveys of CSBG eligible entities in areas of particular interest, maintaining data on services and capabilities of CSBG eligible entities, assisting eligible entities in conducting agency self-assessments and implementing improvements, and coordinating efforts among CSBG eligible entities and state and national associations targeting services to CSBG eligible entities and other assistance initiatives targeting low-income individuals; or projects targeting support and training and technical assistance to providers of assistance and services to the homeless and potentially homeless.
- New or Existing Projects Providing Assistance and Services for the Migrant and Seasonal Farmworker Population (MSFW).
- Projects Providing Assistance and Services for the Native-American Population.
- Innovative or Demonstration Projects promoting activities such as after-school child care; youth development; leadership training; individual development accounts; services for seniors; employment related projects; tax preparation services; transportation related

initiatives; healthy family initiatives; communal food sustenance cooperatives; projects related to residential energy conservation: or other innovative and unique service delivery activities.

In order to be considered a **demonstration project**, the project must be a new project that has not been operated by your organization for more than 12 months prior to the date of the application and must also be replicable by your organization or by another entity.

Innovative projects must propose a project which is a new or unique idea, a new method of delivering a service or conducting an activity, and must be a project which assists an individual and/or family to further their education or employment skills or results in the improvement of their financial situation.

Statewide, MSFW, and Native-American Projects contracts supported with competitive funds are to have a one-year duration from May 1, 2010 through April 30, 2011. Innovative Projects contracts supported with competitive funds are to have a one-year duration from July 1, 2010 through June 31, 2011. The availability of FFY 2010 CSBG funds to subrecipient organizations will be dependent on the funds made available to the State from the U. S. Department of Health and Human Services. The initial access to funds will be approximately 25% of proposed one-year contract budgets. Availability of additional funds for the year will be dependent on additional federal continuing resolutions or final appropriations for the 2010 Community Services Block Grant.

Eligible Applicant Organizations

Organizations eligible to apply for the competitive FFY 2010 CSBG State Discretionary Funds include the following: CSBG eligible entities, private nonprofit organizations, units of local government, and regional councils. Applicant organizations must be headquartered within the State of Texas.

Funds Available and Award Amounts

Maximum award amounts will be \$125,000.

The four eligible categories have the following funds available:

Statewide Initiative Projects - \$250,000

Migrant and Seasonal Farmworker- \$250,000

Native-American - \$250,000

Innovative or Demonstration Projects - \$500,000

Applicants can only apply for one type of activity. The reasonableness of the amount of funds requested will be considered in the scoring of the application.

Selection Process

Applications from eligible applicant organizations and considered complete after threshold deficiencies are resolved will be reviewed and scored by the Department. The Department will utilize a standard scoring instrument to evaluate, score, and rank each application. The scoring instrument will award points based on the applicant's response to the requested information in the NOFA packet.

Applicants proposing to provide services and direct client assistance to Migrant and Seasonal Farmworker populations and Native-American Populations are expected to utilize a significant portion of the CSBG funds to provide direct client assistance to these populations. Consideration will be given to projects utilizing a higher percentage of the CSBG for direct client assistance.

The Department will consider past performance in funding determinations. The Department reserves the right to make award decisions based on factors other than scoring to promote dissemination of services across service areas and geographic areas.

APPLICATION CONTENT

I. Letter of Transmittal

II. Table of Contents

The table of contents must include page number(s) to indicate the location of all required items and components listed within this NOFA.

III. Project Narrative

The narrative portion of the application must provide all the information requested. The narrative must be formatted with one-inch margins and double-spaced on 8 1/2"X 11" paper. Minimum font size is 11 pitch. The narrative must not exceed 10 pages.

Organize the project narrative with clear headings and subheadings and in the same order as the following outline. If any heading or subheading does not apply to your project, please indicate N/A next to it.

Below are the narrative questions which must be addressed and the possible points to be awarded and in parenthesis are considerations to be taken into account when awarding points.

A. Organization Background

1. Describe your organization's history and mission. Include information on the current staff size and the educational background and work experience of key management staff. 5 POINTS TOTAL.
2. Provide information about the board of directors, at a minimum, include information on any vacancies, a list of subcommittees, and information on how often the board and subcommittees meet. Consideration will be given to board members attendance at board meetings. 1 POINT TOTAL.
3.
 - a. Provide a description of the accounting operations in your organization. Provide the name the type of accounting software utilized. Provide the titles, experience and education of accounting staff and provide the duties assigned to those personnel. 2 POINTS TOTAL. (Consideration will be given to the adequacy of staffing and the experience and education of accounting staff.)
 - b. Describe how accounting duties will be maintained to assure adequate separation of duties. 1 POINT TOTAL.
 - c. Provide information on the mechanisms in place to gather performance data and report such data electronically to the Department. Include information on whether a manual system is utilized or a computerized database is utilized and the type of software utilized, etc. 1 POINT TOTAL. (Consideration will be given to the adequacy of the reporting mechanisms in regards to providing accurate performance data.)

4.
 - a. Description of the type(s) of services currently provided. 5 POINTS TOTAL. (Consideration will be given to the number and types of services provided.)
 - b. The staff titles for staff that provide direct services to clients and a brief description of their duties and of their experience and education. 1 POINT TOTAL. (Consideration will be given to the number of staff providing direct client services, their education, and experience.)
 - c. The total number of persons currently served annually by your organization. 1 POINT TOTAL. (Consideration will be given to the number of persons served.)
 - d. Information on office(s) or centers currently utilized to provide services. Include the city and county and physical address and the staffing at the centers. 5 POINTS TOTAL. (Consideration will be given to the capacity to deliver services to the target population.)

B. Proposed Project

1. Provide a description of the proposed project. The description should include, at a minimum, the following:
 - a. the objective (purpose and goal(s)) of the proposed project, 10 POINTS TOTAL. (Consideration will be given to the objective of the proposed project.)
 - b. the proposed services and assistance to be provided to participants, 15 POINTS TOTAL. (Consideration will be given to the number and types of services provided).
 - c. the amount of CSBG funds to be utilized to provide direct client assistance; 20 POINTS TOTAL. (Consideration will be given to the number and types of services provided.)
 - d. information on how participants will be selected to receive services, 5 POINTS TOTAL.
 - e. a projection of the number of individuals to be served during the 12-month contract period. 10 POINTS TOTAL. (Consideration will be given to the number of persons proposed to be served.)
 - f. information on office(s) or centers which will be utilized to provide services with the CSBG discretionary grant. Include the size of the facility, the city and county and physical address and the staffing at the centers. 15 POINTS TOTAL. (Consideration will be given to the capacity to deliver services to the target population).
 - g. The staff titles for staff who provide direct services to clients proposed to be served and a brief description of their duties and of their experience and education. 15 POINTS TOTAL. (Consideration will be given to the number of staff providing direct client services, their education, and experience.)
2. Explain if the proposed project is a demonstration project or an innovative project and provide information on what factors make the proposed project a demonstration project or an innovative project. 20 POINTS TOTAL. This only applies to applicants requesting funds under the Innovative or Demonstration Projects. This does not apply to applicants requesting funds for the Statewide Initiative Projects, projects providing assistance and

services for the Migrant and Seasonal Farmworker Population and projects providing assistance and services for the Native-American Population. (Consideration will be given to the innovativeness of the proposed project and the conceived value of the demonstration project.)

C. Coordination Efforts

1. Describe how your organization coordinates or plans to coordinate services within your service area to meet the various needs of the population to be served. 10 POINTS TOTAL. (Consideration will be given to the level of coordination, the number of entities with whom applicant coordinates, and the types of client services coordinated.)

D. Previous Experience Serving Low-Income (if applicable)

1. Describe any experience in administering programs serving low-income populations. 3 POINTS TOTAL.

E. Unmet Need

1. Provide a description of the specific unmet need(s) and gaps in services that your organization will meet and address if the proposed CSBG project is funded. Specify the specific services which will be provided and state whether the service is not currently provided in the community or is not being adequately provided by the existing service delivery system. 15 POINTS TOTAL. (Consideration will be given to the evaluation of the need for the proposed services and activities based on the information provided by the applicant and Department staff knowledge of information related to the service area.)

F. Proposed Use of CSBG Funds

1. Based on the proposed CSBG budget, provide a description of the activities and or operation and administration costs to be paid for with the CSBG funds. Provide such by category and sub-category. Refer to the budget forms provided for budget categories. 10 POINTS TOTAL. (Consideration will be given to the reasonableness of the total request, the amounts requested by category, the proposed use of CSBG funds, the amount to be utilized to provide direct client assistance, and the amount to be utilized for operations and administration.)
2. What percentage of the CSBG funds requested will be used for direct assistance to clients? What types of assistance will be provided with CSBG funds (i.e. rent, food, medication, etc.)? 15 POINTS TOTAL. (Consideration will be given to the proposed use of CSBG funds and the percentage amount to be utilized to provide direct client assistance. Points will be awarded based on percentage of funds requested which are budgeted for direct client assistance.)

G. Evaluation of Project

1. Describe the benchmarks or measures to be used by your organization to measure the effectiveness of the services provided to your clients with CSBG funds and the methodology of the evaluation process. 15 POINT TOTAL. (Consideration will be given to the mechanisms set up to evaluate the effectiveness of the project at meeting the unmet needs in the service area.)

H. Single Audit

1. One copy of the most recent audit, as required by the Single Audit Act. If your organization is not required to complete a single audit, provide a copy of the end-of-the-year financial statements including a balance sheet, income statement, and a statement of cash flows. Consideration will be given to any identified deficiencies and disallowed or questioned costs and to the ratio of assets to liabilities. 5 POINTS. (Full points will be awarded to agencies not required to submit a Single Audit.)

I. Conclusion

1. What significant and beneficial impact(s) will the proposed project have on the low-income or special population to be served in your service area? Provide information on why the Department should consider funding your organization and the proposed project.

205 TOTAL MAXIMUM POINTS FOR INNOVATIVE, AND DEMONSTRATION PROJECTS

185 POINTS TOTAL FOR STATEWIDE, MIGRANT AND SEASONAL FARMWORKER, AND NATIVE AMERICAN APPLICATIONS

Note: The Points Total indicated for each question, indicates the maximum number of points which may be awarded for the particular item(s) or information requested. The Department may award anywhere from 0 points up to the total points indicated, in evaluating the information provided.

IV. Threshold Documents

- A. A copy of existing Internal Revenue Service (IRS) ruling. All private non-profit organizations must document their status as a 501(c)(3) tax-exempt entity. The Department prefers that the ruling be on IRS letterhead which is legible and signed by the IRS District Director. Expired advanced rulings are not acceptable. Other documentation which may be utilized to document 501(c)(3) status may be a letter from the State of Texas Comptroller of Public Accounts. Local nonprofit affiliate of a State or national nonprofit status can be submitted if your organization is a subsidiary of a parent organization. In case of the latter, provide a copy of the page listing your organization in the documents filed with the IRS.

Failure to provide documentation of status as a 501(c)(3) tax-exempt entity will deem the application ineligible. Not applicable for units of local government

- B. A completed 12-month 2010 CSBG Budget with Budget Support Sheets utilizing Attachment D forms.
- C. Articles of Incorporation. Failure to provide documentation will deem the application ineligible. Not applicable to units of local government.
- D. Bylaws.
- E. Roster for Board of Directors utilizing Attachment A.
- F. Attendance Roster for Board of Directors utilizing Attachment B.
- G. Copy of accounting/fiscal policies and procedures.
- H. One copy of the most recent audit, as required by the Single Audit Act. If your organization is not required to complete a single audit, provide a copy of the end-of-the-year financial statements including a balance sheet, income statement, and a statement of cash flows.
- I. Fidelity bond coverage documentation.
- J. Letter of Transmittal
- K. Table of Contents
- L. Certification of Board Approval

NOTE: Failure to provide Threshold Documents will deem the application ineligible and the application will not be scored.

Attendance Roster for _ _ Board of Directors
Period: January 2009 – December 2009

Complete this form to document the attendance record for the Board of Directors.

Mark each box with an **A=Absent** or **P=Present** or **NM for no meeting** for the months indicated. If a member was not yet serving on board or policymaking entity, indicate **NA** in months not applicable.

Name of Organization: _____

Name of Board Member	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov

**FFY 2010
Attachment C**

I certify that this document has the attendance record for the Board of Directors.

Authorized Representative: _____ Date: _____

Attachment D

Fiscal Year 2010

**CSBG Budget and Budget Support Sheet Forms
and Certification of Board Approval Form**

**COMMUNITY SERVICES BLOCK GRANT BUDGET
FY 2010**

BUDGET SUPPORT SHEET FRINGE BENEFITS, TRAVEL, SUPPLIES

NAME OF APPLICANT:

FRINGE BENEFITS

F.I.C.A.	<input type="text"/>	<input type="text"/>
UNEMPLOYMENT	<input type="text"/>	<input type="text"/>
WORKMANS COMP. INSURANCE	<input type="text"/>	<input type="text"/>
HEALTH INSURANCE	<input type="text"/>	<input type="text"/>
OTHER <input type="text"/>	<input type="text"/>	<input type="text"/>
OTHER <input type="text"/>	<input type="text"/>	<input type="text"/>
CSBG BUDGETED AMOUNT	<input type="text"/>	<input type="text"/>

TRAVEL

LOCAL TRAVEL	<input type="text"/>	@	<input type="text"/>	<input type="text"/>
	MILES		RATE	
PER DIEM	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
OUT OF STATE TRAVEL	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
OTHER <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
OTHER <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
CSBG BUDGETED AMOUNT	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

SUPPLIES

OFFICE SUPPLIES	<input type="text"/>	<input type="text"/>
MAINTENANCE SUPPLIES	<input type="text"/>	<input type="text"/>
PROGRAM SUPPLIES	<input type="text"/>	<input type="text"/>
OTHER <input type="text"/>	<input type="text"/>	<input type="text"/>
OTHER <input type="text"/>	<input type="text"/>	<input type="text"/>
CSBG BUDGETED AMOUNT	<input type="text"/>	<input type="text"/>

**COMMUNITY SERVICES BLOCK GRANT BUDGET
FY 2010**

BUDGET SUPPORT SHEET EQUIPMENT, PURCHASES, LEASES

NAME OF APPLICANT:

EQUIPMENT				
Items with a per-unit acquisition cost of \$5,000 or greater will require the Department's prior written approval.				
DESCRIPTION	BRAND AND MODEL	UNIT COST	AMOUNT	% OF USAGE FOR CSBG
PURCHASES				
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> %
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> %
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LEASES				
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<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> %
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<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> %
PAGE TOTAL				<input type="text"/>

Applicant: _____

**CERTIFICATION OF BOARD APPROVAL
OF PROPOSED 2010 CSBG BUDGET**

On _____ the _____ Board
(Date) (Name of Agency)

of Directors reviewed and approved the attached FY 2010 CSBG Budget with a quorum of the governing board present.

The Executive Director is authorized to proceed with necessary negotiations with the Texas Department of Housing and Community Affairs.

(Signature of Board Chair)

(Date)

(Name of Board Chair)

**COMMUNITY AFFAIRS DIVISION
BOARD ACTION REQUEST
December 17, 2009**

Requested Action

Staff recommends the approval of South Plains Community Action Association, Inc., to administer the American Recovery and Reinvestment Act (ARRA)-Weatherization Assistance Program (WAP) program in the Caprock Community Action 6 county service area. Staff also recommends approval of the Institute for Rural Development to administer the ARRA-WAP program in Duval County. These actions will complete the ARRA WAP awards and provide WAP services for all 254 Texas counties.

Background

In June 2009, the Department received applications from South Plains Community Action Association to administer the ARRA WAP in the historical eight county services area. Concurrently, an agreement was reached to merge Caprock Community Action's programs and services into the South Plains Community Action Association structure. The staff recommends South Plains Community Action Association, Inc., be awarded WAP funding for the 6 county service area formerly served by Caprock Community Action in the amount of \$1,795,845.

In Duval County, the Institute for Rural Development Inc. is the existing WAP provider and was named in the DOE Plan to receive an award. They did not initially indicate an interest in pursuing the ARRA funds, however in the interest of serving their clients in a more timely fashion they will be accepting these funds, approximately \$327,610, as indicated in the DOE Plan.

**COMMUNITY AFFAIRS DIVISION
BOARD ACTION REQUEST
DECEMBER 17, 2009**

Requested Action

Approve the list of organizations to receive unexpended 2008 and 2009 ESGP funds.

Background

The Emergency Shelter Grants Program (ESGP) is funded by the U. S. Department of Housing and Urban Development (HUD) and is used to fund the rehabilitation or conversion of buildings for use as emergency shelter for the homeless, for the payment of certain operating expenses and for essential services in connection with emergency shelters for the homeless, and for homelessness prevention activities. The Department has available \$171,462 in unexpended PY 2008 ESGP funds and \$70,785 in unexpended PY 2009 ESGP funds as the result of recapturing unused funds and applicant decline of an award.

The Department recommends that the PY 2008 unexpended funds be reallocated to entities on a regional basis. In order to receive additional funds, the agency receiving the additional funds must meet the following criteria: they must have received funds in the 2008 funding cycle and are current 2009 subgrantees, have expended at least 98% of their PY 2008 funds; not have outstanding findings; and not be delinquent in the submission of expenditure and performance reports.

The Department recommends that the available PY 2009 funds be allocated to two entities: \$50,000 to Salvation Army Denton Corps (Region 3) and \$20,785 to Memorial Assistance Ministries (Region 6). During application review, Salvation Army Denton Corps was not provided a five-day period to cure a material deficiency identified by the Department as required by the Texas Administrative Code. Although Salvation Army Denton Corps had the highest score for applications for their region, they were deemed ineligible and were not included in the 2009 Award Recommendations. Due to this staff error, and after confirmation that the deficiency has been resolved, the Department is recommending the award of \$50,000 from these available funds. The balance of the funds (\$20,785) will be provided to Memorial Assistance Ministries, which was the last funded entity in Region 6 and did not receive its full funding request due to lack of funds.

The attached document has the recommendations for reallocation of the unexpended PY 2008 and PY 2009 ESGP funds.

Attachment: FY 2008 and FY 2009 Reallocation

**EMERGENCY SHELTER GRANTS PROGRAM
Reallocation of 2008 Unexpended Funds**

SUBRECIPIENT	Amount of 2008 ESGP Funds Recommended to Reallocate in 2009 ESGP Subrecipients
REGION 1	
Panhandle Crisis Center, Inc.	\$1,438
subtotal	\$1,438
REGION 2	
Pecan Valley Regional Domestic Violence Shelter	\$481
subtotal	\$481
REGION 3	
Denton, City of	\$10,586
Family Place, The	\$10,586
Grayson County Juvenile Alternatives, Inc.	\$10,586
Johnson County Family Crisis Center	\$10,586
Mission Granbury, Inc.	\$10,586
Salvation Army for Family Life Center	\$10,586
subtotal	\$63,518
REGION 4	
Randy Sam's Outreach Shelter, Inc.	\$1,180
Sabine Valley Center	\$1,180
Salvation Army of Tyler	\$1,180
Shelter Agencies for Families in East Texas, Inc.	\$1,180
subtotal	\$4,720
REGION 5	
Women's Shelter of East Texas, Inc.	\$1,289
subtotal	\$1,289
REGION 6	
Covenant House Texas	\$10,914
Harmony House, Inc.	\$10,914
Houston Area Women's Center	\$10,914
Memorial Assistance Ministries	\$10,914
SEARCH	\$10,914
Salvation Army of Galveston	\$10,914
Westside Homeless Partnership	\$10,914
Women's Home, The	\$10,914
subtotal	\$87,308

REGION 7	
subtotal	\$0
REGION 8	
Faith Mission and Help Center, Inc.	\$3,091
Families in Crisis, Inc.	\$3,091
Salvation Army of Waco	\$3,091
subtotal	\$9,273
REGION 9	
Comal County Family Violence Shelter, Inc.	\$1,721
Salvation Army of Kerrville	\$1,721
subtotal	\$3,441
REGION 10	
subtotal	\$0
REGION 11	
Family Crisis Center, Inc.	\$21,469
Providence Ministry Corporation	\$21,469
Wintergarden Women's Shelter, Inc.	\$21,469
subtotal	\$64,407
REGION 12	
Institute of Cognitive Development, Inc.	\$405
subtotal	\$405
REGION 13	
El Paso Villa Maria	\$2,032
La Posada Home, Inc.	\$2,032
Opportunity Center for the Homeless	\$2,032
subtotal	\$6,095
GRAND TOTAL UNEXPENDED 2008 FUNDS	\$242,375

**COMMUNITY AFFAIRS DIVISION
BOARD ACTION REQUEST
December 17, 2009**

Requested Action

Staff recommends Board approval of the plan to obligate the 2010 CEAP contracts totaling \$117,427,376 which includes PY 2009 unutilized administration and PY 2009 LIHEAP holdover to the 50 CEAP subrecipients by the formula approved in 10 TAC §6.203 and \$1,200 in travel for each subrecipient. Staff is recommending a holdover of 10 percent of the PY 2010 LIHEAP award which is allowable under LIHEAP guidelines. Staff also recommends approval to obligate additional PY 2010 LIHEAP awards or unutilized balances associated with this action.

Background

The United States Department of Health and Human Services (USDHHS) awards LIHEAP funds annually to the State of Texas. Historically, the Department has allocated approximately 75 percent of available LIHEAP funding to the Comprehensive Energy Assistance Program (CEAP), the maximum allowable 15 percent to the Weatherization Assistance Program (WAP), and the remaining ten percent to program administration, at both the Subrecipient and state levels, as allowed by USDHHS. The Department is retaining 2% for TDHCA administration and awarding 8% to the Subrecipients for administration of the program.

On October 26, 2009 USDHHS awarded \$137,694,665 in LIHEAP block grant funding. Staff recommends a holdover of the maximum allowable 10 percent or \$13,769,468 of the total PY 2010 LIHEAP award for contingency funding or to be distributed in PY 2011. The purpose of this holdover is to increase the Department's flexibility to address the needs of the low income population and minimize the impact of uncertain funding levels from the USDHHS.

The CEAP subrecipient network is comprised of 50 subrecipients that provide energy assistance services to all 254 counties in the state. CEAP can provide utility assistance to eligible client households. Additionally, some households can qualify for repair, replacement and/or retrofit of inefficient heating and cooling unit or appliances in their household or rental unit. An applicant seeking utility assistance applies to the CEAP subrecipient for assistance. The subrecipient determines income-eligibility, prioritizes status (this includes a review of the billing history to determine energy burden and consumption), and determines which CEAP component is the most appropriate for that eligible applicant. If the CEAP applicant is eligible and meets program priorities, the CEAP subrecipient makes the utility payment to the utility company through a vendor agreement.

This action will include that as any additional programmatic or administrative funds become available staff is authorized to apply the same formula and methodology among the same network of recipients to obligate those funds.

**DISASTER RECOVERY DIVISION
BOARD REPORT ITEM
December 17, 2009**

REPORT ITEM ONLY

Presentation and report on homes considered and reviewed by the Executive Director for services for accessibility requirements that exceed the established cap of \$15,000

BACKGROUND

Application Number	City	Requirement	Total
6851	Sabine Pass	Exterior Bundle #2 Walkway \$900.00, Interior bundle #4 \$2,900.00, Interior bundle #6 \$435.00, Interior bundle #9 \$800.00, Ramp \$14,975.00	\$20,010.00
7109	Sabine Pass	Ramp \$14,975.00, Interior bundle #4 \$2,900.00, Interior bundle #6 \$435.00	\$18,310.00
7187	Sabine Pass	Ramp \$14,975.00, Interior bundle #2 walkway \$900.00, Interior bundle #6 \$435.00	\$16,310.00
4595	Sabine Pass	Ramp \$17,112.00, Exterior bundle #2 walkway \$1,500.00, Exterior bundle #3 \$2,500.00, Interior bundle #5 \$3,000.00, Interior bundle #6 \$400.00	\$24,512.00
2317	Sabine Pass	Ramp \$14,975.00, Interior bundle #4 \$2,900.00	\$17,875.00
2327	Port Arthur	Ramp \$14,975.00, Exterior Bundle#2 (Walkway) \$450.00, Interior Accessibility Bundle #5 \$2,550.00, Interior Accessibility Bundle #6 (Water Closet) \$175.00	\$15,975.00

Application Number	City	Requirement	Total
4595	Sabine Pass	Exterior Accessibility Bundle #2 (Walkway) \$1500.00, Exterior Accessibility Bundle #3 (Parking Space) \$2500.00, Exterior Accessibility Bundle #1 in lieu of Handicapped Ramp (platform) \$17, 112.00, Interior Accessibility Bundle #5 (Doors/Bathtub) \$3000.00, Interior Accessibility Bundle #6 (Water Closet) \$400.00	\$24,512.00
5107	Splendora	Ramp + Elevation \$14,975.00, Exterior Bundle #2 Walkway \$900.00, Exterior Bundle #3 \$3400.00, Interior Accessibility Bundle #5 (Doors/Shower) \$2900.00, Interior Accessibility Bundle # 6 (Water Closet) \$435.00	\$22,610.00
5221	Dayton	Exterior Bundle #2 (Walkway) \$450.00, Exterior Bundle #3 (Parking Space) \$1,125.00, Interior Accessibility Bundle #5 (Doors/Shower) \$2550.00, Interior Accessibility Bundle #6 (Water Closet) \$175.00	\$17,125.00
5297	Gilchrist	Exterior Accessibility Bundle #1 in lieu of Handicapped Ramp (Platform), Exterior Accessibility Bundle #2 (Walkway) \$575.00, Exterior Accessibility Bundle #3 (Parking Space) \$3500.00, Interior Accessibility Bundle #4 (Doors/Bathtub) \$2200.00, Interior Accessibility Bundle #6 (Water Closet) \$485.00, Interior Accessibility Bundle #9 (Vinyl Flooring) \$875.00	\$22,285.00
6276	Beaumont	Exterior Accessibility Bundle #2 (Walkway) \$1500.00, Exterior Accessibility Bundle #3 (Parking Space) \$2500.00, Interior Accessibility Bundle #4 (Doors/Bathtub) \$2500.00, Interior Accessibility Bundle #6 (Water Closet) \$400.00	\$18,900.00

Application Number	City	Requirement	Total
6498	Orange	Exterior Accessibility Bundle #2 (Walkway) \$450.00, Interior Accessibility Bundle #5 (Doors/Shower) \$2,550.00, Interior Accessibility Bundle #6 (Water Closet) \$175.00	\$15,975.00

**DISASTER RECOVERY DIVISION
BOARD REPORT ITEM
December 17, 2009**

REPORT ITEM ONLY

Presentation and report on homes considered and reviewed by the Executive Director for services for that exceed municipal requirements the established cap of \$10,000

BACKGROUND

Application Number	City	Requirement	Total
1091	Brookeland	Septic (\$6,500), Fill dirt (\$5,500)	\$12,000.00
2970	Vidor	Well (\$10,000), Septic (\$12,500)	\$24,500.00
1535	Wiergate	Septic (\$7,000), Well (\$6,000)	\$13,000.00
1567	Buna	Septic (\$6,600), Well (\$6,000)	\$12,600.00
1698	Call	Well (\$4,000), Septic (\$6,600)	\$10,600.00
1749	Kirbyville	Septic (\$7,350), Well (\$7,350)	\$14,700.00
1882	Newton	Septic (\$6,600), Well (\$6,000)	\$12,600.00
1991	Kirbyville	Well (\$6,000), Septic (\$6,600)	\$12,600.00
2003	Jasper	Septic (\$6,500), Grading (\$3,750)	\$10,250.00
4236	Orange	Septic (\$12,500)	\$12,500.00
5266	Cleveland	Septic (\$6,600), Well (\$6,000)	\$12,600.00
5418	Beach City	Well (\$6,600), Septic with drip irrigation (\$10,000)	\$16,600.00
6219	Orange	Septic (\$6,600), Well (\$6,000)	\$12,600.00
6571	Orange	Septic system (\$12,600)	\$12,500.00
1975	Kirbyville	Septic system, (\$7,000), Water well (\$6,000)	\$13,000.00
1620	Jasper	Fill Dirt (\$6,500), Water Well (\$6,500)	\$17,000.00
5554	Spruger	Septic (\$7,350), Water Well (\$7,350)	\$14,700.00
5985	Bon Wier	Septic (\$6,500), Water Well (\$6,500)	\$13,000.00
1913	Bon Wier	Septic (\$7,350), Water Well (\$7,350)	\$14,700.00
1310	Bon Wier	Septic (\$6,500), Water Well (\$6,500)	\$13,000.00
1658	Bon Wier	Septic (\$7,350), Water Well (\$3,250)	\$10,600.00

Application Number	City	Requirement	Total
4344	Orange	Parking (\$3,600), Septic (\$10,000)	\$13,600.00
1351	Woodville	Septic (\$7,350), Water Well (\$8,800)	\$16,100.00
1553	Call	Septic (\$8,800), Water Well (\$7,300)	\$16,100.00
5026	Buna	Septic (\$8,800), Water Well (\$7,300)	\$16,100.00
5177	Dayton	Septic (\$8,800), Water Well (\$7,300)	\$16,100.00
5951	Kountze	Septic (\$6,500), Water Well (\$6,500)	\$13,000.00
6348	Evadle	Septic (\$8,000), Water Well (\$8,500)	\$16,500.00
7263	Buna	Water Well (\$8,500), Septic (\$8,000)	\$16,500.00
6180	Beaumont	Septic (\$11,000)	\$11,000.00
7263	Buna	Well (\$8,500), Septic (\$8,000)	\$16,500.00
1020	Evadale	Stump Removal (\$300), Well (\$5,692), Septic (\$8,500)	\$14,492.00
1119	Bon Weir	Well (\$8,500), Septic (\$8,000)	\$16,500.00
1202	Bon Weir	Propane Relocation (\$660.34), Well (\$6,5000), Septic (\$6,500)	\$13,660.34
1747	Call	Well (\$8,500), Septic (\$8,000)	\$16,500.00
1771	Broaddus	Well (\$7,500), Septic (\$7,500)	\$15,000.00
5108	Dayton	Well (\$5,692), Septic (\$8,500)	\$14,192.00
5939	Bon Weir	Well (\$7,300), Septic (\$8,800)	\$16,100.00
6097	Warren	Well (\$7,300), Septic (\$8,800)	\$16,100.00

Application Number	City	Requirement	Total
6127	Bon Weir	Well (\$8,500), Septic (\$8,000)	\$16,500.00
6419	Dayton	Well (\$7,500), Septic (\$7,500)	\$15,000.00
6667	Buna	Well (\$7,300), Septic (\$8,800)	\$16,100.00
7032	Magnolia	Water Tie In (\$4,767), Septic (\$8,800)	\$13,567.00
7247	Bon Wier	Well (\$7,350), Septic (\$7,350)	\$14,700.00
7543	Call	Well (\$6,000), Septic (\$7,500)	\$13,500.00
7620	Newton	Well (\$7,350), Septic (\$7,350)	\$14,700.00

HOME PROGRAM DIVISION
BOARD ACTION REQUEST
December 17, 2009

Requested Action

Approve as presented the HOME Program Award Recommendations, including the conditions for El Paso Collaborative for Community and Economic Development described below, involving the award of 9 applications, totaling \$3,562,939 in project funds and \$161,856 in administrative funds, which will result in assistance for 96 low income households.

Background

Awards for contracts from all active Notices of Funding Availability (NOFAs), reflecting multiple activity types and disaster relief, are combined under this action item.

OWNER-OCCUPIED HOUSING ASSISTANCE

Staff recommends awards totaling \$2,096,000 in project funds and \$83,840 in administrative funds to assist 25 households for the following five (5) applications:

City of Lorenzo
City of Olton
City of Floydada

Each applicant will receive \$432,000 in project funds which will be used to provide up to \$80,000 per household for the rehabilitation or reconstruction of five (5) homes owned by low-income households that are in significant disrepair;

City of Bowie
City of Belton

Each applicant will receive \$400,000 in project funds which will be used to provide up to \$80,000 per household for the rehabilitation or reconstruction of 5 homes owned by low-income households that are in significant disrepair.

The Board has previously approved funding for 12 applications totaling \$4,518,079 in project funds and \$228,721 in administrative funds under the 2009 HOME Program Single Family Owner-Occupied Housing Assistance (OCC), Tenant-Based Rental Assistance (TBRA), and Homebuyer Assistance (HBA) Programs Notice of Funding Availability (NOFA). In addition to the 5 applications being recommended for review, three applications are still under review, totaling \$940,000 in project funds requests.

This NOFA, which was approved on July 16, 2009, made available \$25,923,970 in HOME funds originally restricted in set-asides for each activity and by region but as of December 1, 2009, any funds not awarded or requested were made available statewide for any eligible HOME Program Activity specified in the NOFA until funding runs out or April 30, 2010. If the attached award recommendations are approved, a total of \$19,309,890 will remain in the NOFA.

SINGLE FAMILY HOUSING PROGRAMS FOR PERSONS WITH DISABILITIES

Staff recommends awards totaling \$966,939 in project funds and \$58,016 in administrative funds to assist 61 households for the following three (3) applications:

- | | |
|---|---|
| United Cerebral Palsy of Texas (HBA) | Applicant will receive \$476,000 in project funds to provide homebuyer assistance to 28 low-income first time homebuyers. Up to \$35,000 may be used for downpayment assistance with rehabilitation for required accessibility modifications. |
| El Paso Collaborative for Community and Economic Development (HBA) | Applicant will receive \$190,939 in project funds to provide homebuyer assistance to 5 low-income first time homebuyers. Up to \$35,000 may be used for downpayment assistance with rehabilitation for required accessibility modifications. |
| Tri-County Mental Health Mental Retardation (TBRA) | Applicant will receive \$300,000 in project funds to provide tenant based rental assistance to 28 low-income households. |

All applications received under the 2009 Single Family Housing Programs for Persons with Disabilities NOFA are being recommended for approval today. This NOFA, which was also approved on July 16, 2009, made available \$1,763,538 in HOME funds to serve persons with disabilities and was not subject to the Regional Allocation Formula. For each of the HBA and TBRA activities, the NOFA made available \$881,769, of which \$666,939 may be used in Participating Jurisdictions (PJs) and \$214,830 is restricted to Non-PJs. For the first six months of the NOFA only applicants requesting TBRA funds proposing to assist persons transitioning from an institution where at least 25% of the total households proposed must be targeted to persons transitioning from an institutional setting into a community placement or community setting were eligible. On November 2, 2009 any funds not requested were made available under each activity specified in the NOFA until February 2, 2010. On February 3, 2010 any remaining funds not requested will be made available to either activity specified in the NOFA until the earlier of the award of all funds or May 28, 2010. The final collapse must maintain the PJ and non-PJ set-asides.

El Paso Collaborative for Community and Economic Development requested \$280,000 in project funds Homebuyer Assistance (HBA) set-aside to assist 8 households within the City of El Paso. With the United Cerebral Palsy of Texas and the El Paso Collaborative requests totaling \$765,000, the HBA set-aside for use in a PJ is over subscribed by \$89,061. Therefore, the award amount for El Paso Collaborative was reduced by \$89,061 and the proposed number of units to be completed was adjusted to 5.

Additionally, El Paso Collaborative is currently responsible for administering 3 active HOME Program contracts - one Homebuyer Assistance (HBA) contract, one Owner-Occupied Housing Assistance (OCC) contract, and one Contract for Deed Conversion Program (CFD) contract. The HBA and OCC contracts are meeting the performance benchmarks established in the contract and rule. However, the CFD contract did not meet the 6 and 8-month benchmark requirements

(related to environmental clearance). El Paso Collaborative has provided a timeline for meeting the next benchmark (12-month March 9, 2010), which requires that 100% of the funds be committed to the 5 required households. Based on the information provided, staff anticipates that El Paso Collaborative will meet the 12-month benchmark and recommends conditioning this award for contract execution by the Executive Director of the Department upon meeting the 12-month benchmark no later than March 9, 2010 and continuing to meet performance benchmarks for the current HBA and OCC contracts. If the 12-month benchmark for the CFD contract is not met by March 9, 2010 or the HBA or OCC contract fails to meet performance benchmarks, staff recommends that the award is withdrawn.

If the attached award recommendations are approved, a total of \$796,599 will remain in the NOFA (HBA set-aside: \$214,830 for non-PJ areas and \$0 for PJ areas, TBRA set-aside: \$214,830 non-PJ areas and \$366,939 for PJ areas).

OWNER-OCCUPIED HOUSING ASSISTANCE – DISASTER RELIEF

Staff recommends an award totaling \$500,000 in project funds and \$20,000 in administrative funds to assist 10 households for the following application submitted under the Owner Occupied Housing Assistance for Disaster Relief Program:

Montague County

Applicant will receive \$500,000 in project funds which will be used to provide up to \$80,000 per household for the rehabilitation or reconstruction of ten (10) homes owned by low-income households that were affected by the disaster caused by wildfires in April of 2009.

On May 18, 2009 the Department received a letter from the Governor's Office recognizing that a disaster occurred on April 9, 2009 due to wildfires in Callahan, Clay, Jack, Montague, Wichita, and Young Counties. On May 19, 2009 the Department notified the disaster declared counties of the availability of HOME disaster relief funds as permitted by the Department's Deobligated Funds rule. The Department has only received one application, from Montague County, as a result of this notification.

All applications being recommended for funding have been reviewed by the Compliance and Asset Oversight Division, and no issues of material non-compliance, unresolved audit findings or questioned or disallowed costs have been identified.

Attached are the Application and Award Recommendations Logs.

2009 SF Application Log Final Collapse

Sorted by date/time received

Total NOFA Amount - \$25,923,970

Total Amount Available: \$21,405,890

App number	Received Date	Time Received	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2009-0019 2009 OCC	8/17/2009	1:45 PM	City of Cooper	4	\$432,693	\$17,307	5	\$432,693	\$17,307	5	Awarded 10/15/2009
2009-0021 2009 TBRA	8/19/2009	3:27 PM	Ellis Community Resources Inc.	9	\$300,000	\$36,000	27				Withdrawn
2009-0022 2009 OCC	8/28/2009	2:06 PM	City of Weimar	6	\$432,000	\$17,280	6	\$432,000	\$17,280	6	Awarded 10/15/2009
2009-0026 2009 HBA	8/31/2009		Community Development Corporation of Brownsville	11	\$300,000	\$12,000	30				Terminated
2009-0030 2009 OCC	8/31/2009	2:55 PM	City of Martindale	7	\$432,000	\$17,280	6	\$432,000	\$17,280	6	Awarded 11/9/2009
2009-0023 2009 OCC	8/31/2009	4:00 PM	City of Bloomburg	4	\$240,000	\$9,600	3	\$240,000	\$9,600	3	Awarded 10/15/2009
2009-0025 2009 OCC	8/31/2009	4:00 PM	Community Development Corporation of Brownsville	11	\$432,000	\$17,280	10	\$432,000	\$17,280	10	Awarded 10/15/2009
2009-0024 2009 OCC	8/31/2009	4:00 PM	City of Huntsville	6	\$432,000	\$17,280	6	\$432,000	\$17,280	6	Awarded 10/15/2009
2009-0031 2009 TBRA	9/2/2009	1:17 PM	Buckner Children & Family Services, Inc. dba Buckner Family Place	6	\$162,624	\$22,176	11				Terminated
2009-0033 2009 TBRA	9/2/2009	2:22 PM	Buckner Children & Family Services, Inc. dba Buckner Family Place	5	\$133,056	\$18,144	11				Terminated

App number	Received Date	Time Received	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2009-0028 2009 OCC	9/2/2009	4:38 PM	City of Commerce	3	\$432,693	\$17,307	5	\$432,693	\$17,307	5	Awarded 11/9/2009
2009-0032 2009 OCC	9/3/2009	4:31 PM	City of Gatesville	8	\$432,000	\$17,280	5	\$432,000	\$17,280	5	Awarded 10/15/2009
2009-0034 2009 HBA	9/18/2009	4:13 PM	City of Waxahachie	3	\$220,000	\$8,800	11	\$220,000	\$8,800	11	Awarded 11/9/2009
2009-0035 2009 TBRA	9/24/2009	2:43 PM	Housing Authority of New Braunfels	9	\$300,000	\$36,000	27	\$300,000	\$36,000	27	Awarded 11/9/2009
2009-0036 2009 OCC	9/29/2009	9:59 AM	City of Belton	8	\$400,000	\$16,000	5	\$0	\$0	5	Withdrawn
2009-0037 2009 TBRA	9/29/2009	10:00 AM	Affordable Caring Housing, Inc.	4	\$118,104	\$4,724	10				Withdrawn
2009-0039 2009 OCC	10/2/2009	12:07 PM	City of Lorenzo	1	\$432,000	\$17,280	5	\$432,000	\$17,280	5	Pending Award
2009-0038 2009 OCC	10/2/2009	12:08 PM	City of Floydada	1	\$432,000	\$17,280	5	\$432,000	\$17,280	5	Pending Award
2009-0040 2009 OCC	10/8/2009	4:15 PM	City of Sulphur Springs	4	\$432,693	\$17,307	5	\$432,693	\$17,307	5	Awarded 11/9/2009
2009-0044 2009 TBRA	10/12/2009	2:15 PM	Ellis Community Resources Inc.	9	\$300,000	\$36,000	27	\$300,000	\$36,000	27	Awarded 11/9/2009
2009-0041 2009 OCC	10/14/2009	9:21 AM	Town of Van Horn	13	\$432,000	\$18,000	5				Withdrawn
2009-0042 2009 OCC	10/15/2009	11:39 AM	City of Bowie	2	\$400,000	\$16,000	5	\$400,000	\$16,000	5	Pending Award

App number	Received Date	Time Received	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2009-0043 2009 TBRA	10/15/2009	4:31 PM	Catholic Charities of Corpus Christi, Inc	10	\$300,000	\$36,000	10				Withdrawn
2009-0050 2009 HBA	11/2/2009	11:50 AM	Town of Combes	11	\$300,000	\$12,000	15				Under Review
2009-0047 2009 OCC	11/2/2009	4:49 PM	City of Belton	8	\$400,000	\$16,000	5	\$400,000	\$16,000	5	Pending Award
2009-0048 2009 OCC	11/4/2009	5:08 PM	City of Olton	1	\$432,000	\$17,280	5	\$432,000	\$17,280	5	Pending Award
2009-0051 2009 OCC	11/10/2009	3:44 PM	Village of Vinton	13	\$320,000	\$12,800	4				Under Review
2009-0052 2009 OCC	11/25/2009	12:36 PM	City of DeKalb	4	\$320,000	\$12,800	4				Under Review
Totals:					\$9,699,863	\$513,205	273	\$6,614,079	\$312,561	146	

2009 HOME SF NOFA (2009 OCC) - Award Recommendations Log

November 30, 2009

Sorted by Date and Time Received

Statewide Summary	Totals
SF NOFA Amount:	\$25,923,971
OCC Set-Aside Amount:	\$18,146,779
Total Recommended:	\$2,096,000
Total Apps. Recommended:	5

App number	Received Date	Time Received	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2009-0039	10/2/2009	12:07 PM	City of Lorenzo	1	\$432,000	\$17,280	5	\$432,000	\$17,280	5	Pending Award
2009-0038	10/2/2009	12:08 PM	City of Floydada	1	\$432,000	\$17,280	5	\$432,000	\$17,280	5	Pending Award
2009-0042	10/15/2009	11:39 AM	City of Bowie	2	\$400,000	\$16,000	5	\$400,000	\$16,000	5	Pending Award
2009-0047	11/2/2009	4:49 PM	City of Belton	8	\$400,000	\$16,000	5	\$400,000	\$16,000	5	Pending Award
2009-0048	11/4/2009	5:08 PM	City of Olton	1	\$432,000	\$17,280	5	\$432,000	\$17,280	5	Pending Award
Totals:					\$2,096,000	\$83,840	25	\$2,096,000	\$83,840	25	

2009 PWD - Application Log

Sorted by date/time received

Total Set-Aside Amount - \$1,763,538

Total Amount Available Prior to Action: \$1,763,538

App number	Received Date	Time Received	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2009-0045	10/2/2009	2:00 PM	United Cerebral Palsy of Texas	3678	\$476,000	\$28,560	28	\$476,000	\$28,560	28	Pending Award
2009-0046	10/12/2009	11:36 AM	El Paso Collaborative for Community and Economic Development	13	\$280,000	\$16,800	8	\$190,939	\$11,456	5	Pending Award
2009-0049	11/3/2009	4:47 PM	Tri-County Mental Health Mental Retardation	6	\$300,000	\$18,000	28	\$300,000	\$18,000	28	Pending Award
Totals:					\$1,056,000	\$63,360	64	\$966,939	\$58,016	61	

2009 PWD - Award Recommendations Log

Sorted by date/time received

Total Set-Aside Amount - \$1,763,538

Total Amount Available Prior to Action: \$1,763,538

App number	Received Date	Time Received	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2009-0045	10/2/2009	2:00 PM	United Cerebral Palsy of Texas	3678	\$476,000	\$28,560	28	\$476,000	\$28,560	28	Pending Award
2009-0046	10/12/2009	11:36 AM	El Paso Collaborative for Community and Economic Development	13	\$280,000	\$16,800	8	\$190,939	\$11,456	5	Pending Award
2009-0049	11/3/2009	4:47 PM	Tri-County Mental Health Mental Retardation	6	\$300,000	\$18,000	28	\$300,000	\$18,000	28	Pending Award
Totals:					\$1,056,000	\$63,360	64	\$966,939	\$58,016	61	

Disaster - Application Log

Sorted by date/time received

Total Set-Aside Amount - \$6,850,000

Total Amount Available Prior to Action: \$2,350,000

App number	Received Date	Time Received	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2008-0001	2/1/2008	8:23 AM	Crystal City	11	\$500,000	\$20,000	9	\$500,000	\$20,000	9	Awarded 3/13/2008
2008-0010	2/18/2008	11:36 AM	City of Ames	6	\$500,000	\$20,000	6	\$500,000	\$10,000	7	Awarded 5/8/2008
2008-0009	2/19/2008	9:30 AM	City of Cleveland	6	\$500,000	\$20,000	6	\$500,000	\$10,000	7	Awarded 5/8/2008
2008-0011	2/20/2008	10:27 AM	Liberty County	6	\$500,000	\$20,000	5	\$500,000	\$10,000	7	Awarded 5/8/2008
2008-0029	3/27/2008	11:15 AM	Baylor County	3	\$500,000	\$20,000	10	\$0	\$0	0	Declined
2008-0056	5/29/2008	4:06 PM	City of Dayton	6	\$500,000	\$20,000	6	\$500,000	\$10,000	7	Awarded 7/31/2008
2008-0061	7/23/2008	4:13 PM	County of La Salle	11	\$500,000	\$10,000	9	\$500,000	\$10,000	7	Awarded 9/4/2008
2008-0131	2/13/2009	2:21 PM	City of Roma	11	\$500,000	\$20,000	7	\$500,000	\$20,000	7	Awarded 4/23/2009
2008-0164	4/22/2009	11:50 AM	City of Lyford	11	\$500,000	\$20,000	8	\$500,000	\$20,000	8	Awarded 7/16/2009
2008-0166	4/27/2009	3:50 AM	Jim Hogg County	11	\$500,000	\$20,000	6				Withdrawn

App number	Received Date	Time Received	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2008-0167	4/29/2009	1:08 PM	Starr County	5	\$490,000	\$19,600	7				Under Review
2009-0018	6/5/2009	3:25 PM	Bastrop County	7	\$500,000	\$20,000	5	\$500,000	\$20,000	5	Awarded 7/16/2009
2009-0020	8/10/2009	2:07 PM	Montague County	2	\$500,000	\$10,000	10	\$500,000	\$10,000	10	Pending Award
Totals:					\$6,490,000	\$239,600	94	\$5,000,000	\$140,000	74	

Disaster - Award Recommendations Log

Sorted by date/time received

Total Set-Aside Amount - \$6,850,000

Total Amount Available Prior to Action: \$2,350,000

App number	Received Date	Time Received	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2009-0020	8/10/2009	2:07 PM	Montague County	2	\$500,000	\$10,000	10	\$500,000	\$10,000	10	Pending Award
<i>Totals:</i>					\$500,000	\$10,000	10	\$500,000	\$10,000	10	

HOME PROGRAM DIVISION
BOARD ACTION REQUEST
December 17, 2009

Requested Action

Approve Amendment to HOME Program Contract to complete assistance for 10 households with Tenant-Based Rental Assistance in Walker County as presented for:

1000958

Affordable Caring Housing, Inc.

TBRA

Background

On August 8, 2008 the Department executed a 36 month contract with Affordable Caring Housing, Inc. for their administration of \$71,111 in TBRA funds (\$68,376 in project funds and \$2,735 in administrative funds). The contract was to provide rental assistance to at least 7 low-income households. Rental assistance provides a subsidy for the difference between the rent for a unit and the amount that the household can afford to pay, which allows low-income households to access safe, decent, and affordable housing.

To date, the Administrator has performed in accordance with the terms of the contract and rules under which the award was approved. On September 28, 2009, Affordable Caring Housing, Inc., the Administrator for an active Tenant Based Rental Assistance (TBRA) contract, requested an increase in the amount of funding available in their contract from \$68,376 to \$93,283 in order to provide rental assistance to the 10 households currently being served for the full 12 months under their current leases. The Administrator indicated that the funding increase is necessary because the original calculation of the rental subsidy for the households did not contemplate the changes in employment status experienced by several of the households and the accompanying increase in subsidy necessary to serve these households. While the Administrator committed to serve at least 7 households, ultimately 10 households were identified for 24 months of assistance during which time the Administrator is obligated to provide self sufficiency planning to each household served.

Because the amount of funding requested exceeds 25% of the original contract amount, Board approval of the request is necessary. Authority for the Board's action is provided in 10 TAC §53.62(b) (2006 HOME Program Rule), which states that a modification or amendment to the dollar amount of a contract that results in an increase that is greater than 25% or \$50,000, whichever is greater, or significantly decreases the benefits to be received by the Department will be presented to the Board for approval.

Staff has reviewed the documentation submitted to support the request and finds that the Administrator's request is reasonable. Staff recommends that the Board approve the requested increase in project funds of approximately 36% from \$68,376 to \$93,283.

Current Contract Status

Amendment Number:	1
Contract Administrator:	Affordable Caring Housing, Inc.
Activity Type:	TBRA
Contract Executor:	Wade Bienski, Chief Program Administrator
Contract Start Date:	August 8, 2008
Contract End Date:	August 7, 2011
Service Area:	Walker County
Total Original Contract Amount:	\$71,111.00
Total Requested Contract Amount:	\$96,996.00
Households Required:	7
Households Committed:	10
Project Amount Drawn To-Date:	\$48,680.00
Admin. Amount Drawn To-Date:	\$1,922.50



Affordable Caring Housing, Inc.

2518 Dartmouth, College Station, Texas 77840 Office: (979) 485-0567 • Fax (979) 485-0567
Email Address: achinc@suddenlinkmail.com

September 28, 2009

Dear Artricia Allen,

This letter is to request an amendment to Affordable Caring Housing's TBRA contract #1000958. Based on the completion of recertification for this contract, in order to assist every tenant for the final 12 months of their contract, ACH will need an additional \$24,907 in funds. As it stands now, ACH will only be able to assist each tenant for four months. The primary cause for the over budgeting of funds was the decrease in tenant income, resulting in increased subsidy from our original calculations. Four specific examples of this situation were in activity # 29827, where just into the first month of assistance, the tenant went from a full time job to a part time job, increasing the subsidy for the next 11 months. In activity # 29822, there was an addition of \$420/month in child care expenses half way into the contract, increasing subsidy. In activity #29829, the tenant originally reported part time income during the application process, but right before contract execution, tenant quit job per maternity leave, thus increasing subsidy. In activity # 29912, tenant originally reported full time income during initial qualifications, but before contract execution enrolled full time into school, and reduced her hours to part time, thus increasing subsidy.

In striving to allocation 100% of TBRA funds as required by TDHCA, ACH contracted with the number of tenants we could serve for two full years, assuming income stayed consistent from first year, to second year, and assuming there may be some tenants dropping off the program during the two year period. Neither of these assumptions were accurate with this contract, thus changing the way we will allocate funds in the future. In our request for additional funds, ACH does not seek additional admin fees, only project funds so we can assist each tenant as much as possible. ACH looks to continue assisting tenants in the future through the TBRA program, and will continue to strive for improvement in the administration of our program funds. Thank you for your consideration.

Respectfully,

Wade Bienski
Chief Program Administrator
Affordable Caring Housing
(979)485-0567

RECEIVED
SEP 28 2009

HOME DIVISION



Compliance and Asset Oversight

BOARD ACTION REQUEST

December 17, 2009

Action Items

Presentation, Discussion and Possible Approval to authorize the executive director to request proposals for inspection of single family homes assisted with Community Development Block Grant funds

Required Action

Authorize the Executive Director to request proposals for inspection of single family homes assisted with Community Development Block Grant funds.

Background

Under Disaster funding made available after Hurricanes Dolly and Ike, TDHCA will fund the elevation, reconstruction or rehabilitation of approximately 7,000 single family owner occupied homes. In order to ensure that the work is completed in a satisfactory manner, the Department may outsource the inspections.

Recommendation

Staff recommends that the Board authorize the Executive Director to issue a request for proposal for inspection of single family homes.

Housing Resource Center
BOARD ACTION REQUEST
December 17, 2009

Requested Action

Approve the release of the draft *2010 SLIHP* for public comment. The following attachments are provided:

- Attachment A - Summary of Substantive Changes from the *2009 SLIHP*
- Attachment B - *2010 SLIHP (Draft for Public Comment)*

Background

The Texas Department of Housing and Community Affairs is required to submit the *State of Texas Low Income Housing Plan and Annual Report* (SLIHP) annually to the governor, lieutenant governor, speaker of the house, and legislative oversight committee members not later than 30 days after the TDHCA board receives the final SLIHP. The document offers a comprehensive reference on statewide housing needs, housing resources, and strategies for funding allocations. It reviews TDHCA's housing programs, current and future policies, resource allocation plans to meet state housing needs, and reports on 2009 performance during the preceding fiscal year (September 1, 2008, through August 31, 2009).

The SLIHP will be made available for public comment on January 4th through February 2nd, 2010. The SLIHP will be presented to the Board for final approval on March 11th, 2010.

Attachment A

Summary of Substantial Changes from the 2009 SLIHP

- Updated Housing Analysis chapter with 2009 projections for demographic statistics and housing need.
- Updated Annual Report section reflecting FY 2009 program performance by households/individuals and income group for the state and each region; updated performance measure information for goals and strategies reflecting FY 2009 performance, including updated targets for FY 2010.
- Updated action plan to reflect programmatic changes including new programs such as in the Community Affairs Division and Housing Trust Fund Division.
- Added Recovery Act chapter reflecting new Department programs created as a result of the American Recovery and Reinvestment Act of 2009 (Recovery Act). Information on the new programs include program description, implementation and allocation and additional resources.
- Updated Regional Allocation Formula reflecting updated data and updated Colonia Action Plan.

Attachment B

2010 State of Texas Low Income Housing Plan and Annual Report

(Draft for Public Comment)

2010 State of Texas Low Income Housing Plan and Annual Report

DRAFT FOR PUBLIC COMMENT



**TEXAS DEPARTMENT OF
HOUSING & COMMUNITY AFFAIRS**

Building Homes. Strengthening Communities.

Cover (left to right): (1) Texas Department of Housing and Community Affairs' staff measures the depth of insulation in an attic, (2) a blower door measures how airtight a home is and helps locate air leaks; (3) a weatherization specialist with Houston's Sheltering Arms, funded through the Texas Department of Housing and Community Affairs, applies weather stripping to a door.

2010 STATE OF TEXAS LOW INCOME HOUSING PLAN AND ANNUAL REPORT

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GENERAL HOUSING NEEDS.....	ERROR! BOOKMARK NOT DEFINED.

SINGLE FAMILY HOUSING NEEDS	ERROR! BOOKMARK NOT DEFINED.
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SECTION 1: INTRODUCTION

The Texas Department of Housing and Community Affairs (TDHCA, Department) is the State's lead agency responsible for affordable housing. TDHCA offers a Housing Support Continuum for low- to moderate-income Texans with services ranging from poverty and homelessness prevention to homeownership to disaster recovery.

INSTITUTIONAL STRUCTURE

In 1991, the 72nd Texas Legislature created the Texas Department of Housing and Community Affairs. The Department's enabling legislation, Texas Government Code Chapter 2306, 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.

On September 1, 1992, two programs were transferred to TDHCA from the Texas Department of Human Services: the Low Income Home Energy Assistance Program (LIHEAP) and the Emergency Nutrition and Temporary Emergency Relief Program (ENTERP). Effective September 1, 1995, in accordance with House Bill 785, regulation of manufactured housing was transferred to the Department. In accordance with House Bill 7, effective September 1, 2002, the Community Development Block Grant (CDBG) and Local Government Services programs were transferred to the newly-created Office of Rural Community Affairs, now called the Texas Department of Rural Affairs (TDRA). However, TDHCA, through an interagency contract with TDRA, administers 2.5 percent of the CDBG funds used for the Self-Help Centers along the Texas-Mexico border and collaborates with TDRA on disaster recovery and Neighborhood Stabilization Program administration. Effective September 1, 2002, in accordance with Senate Bill 322, the Manufactured Housing Division became an independent entity administratively attached to TDHCA.

AGENCY MISSION AND CHARGE

TDHCA's mission is "to help Texans achieve an improved quality of life through the development of better communities."

TDHCA accomplishes this mission by administering a variety of housing and community affairs programs primarily for households whose incomes are low to moderate as determined by the Area Family Median Income (AMFI) or the poverty level. A primary function of TDHCA is to act as a conduit for federal grant funds for housing and community services. Additionally, because several major housing programs require the participation of private investors and private lenders, TDHCA also operates as a housing finance agency.

More specific policy guidelines are provided in §2306.002 of TDHCA's enabling legislation:

(a) The legislature finds that:

- (1) every resident of this state should have a decent, safe and affordable living environment;*
- (2) government at all levels should be involved in assisting individuals and families of low income in obtaining a decent, safe and affordable living environment; and*
- (3) the development and diversification of the economy, the elimination of unemployment or underemployment and the development or expansion of commerce in this state should be encouraged.*

(b) The highest priority of the department is to provide assistance to individuals and families of low and very low income who are not assisted by private enterprise or other governmental programs so that they may obtain affordable housing or other services and programs offered by the department.

Funding sources to meet the legislative goals include the U.S. Department of Housing and Urban Development, U.S. Treasury Department, U.S. Department of Health and Human Services, U.S. Department of Energy and State of Texas general revenue funds. With this funding, TDHCA strives to promote sound housing policies; promote leveraging of state and local resources; prevent discrimination; and ensure the stability and continuity of services through a fair, nondiscriminatory and open process. Because of the great amount of need in proportion to the federal and state funding available, the Department strives to provide the most benefit by managing these limited resources to have the greatest impact.

TDHCA is one organization in a network of housing and community services providers located throughout the state. This document focuses on programs within TDHCA's jurisdiction, which are intended to either work in cooperation with or as complements to the services provided by other organizations.

HOUSING SUPPORT CONTINUUM ACTIVITIES CHART

TDHCA's Housing Support Continuum can be divided into six categories. It should be noted that, with the exception of the Section 8 Housing Choice Voucher Program, TDHCA administers its programs and services through a network of organizations across Texas and does not fund individuals directly.

The TDHCA Housing Support Continuum includes (1) Poverty and Homelessness Prevention, (2) Rental Assistance and Multifamily Development, (3) Homebuyer Assistance and Single-Family Development, (4) Rehabilitation and Weatherization, (5) Foreclosure Relief, and (6) Disaster Recovery and Relief.

The following table outlines TDHCA's programs. When a program has "Recovery Act" after its name, it has been created as a result of the American Recovery and Reinvestment Act of 2009 (Recovery Act). For more detailed program information, please see "TDHCA Programs" in *Section 4: Action Plan*.

Continuum	Program/Activities	Description	Eligible Households	
(1) Poverty and Homelessness Prevention	(A) Poverty Prevention	Community Services Block Grant and Community Services Block Grant (Recovery Act)	Funds local community action agencies to provide essential services and poverty programs	<200% poverty
		Comprehensive Energy Assistance	Funds local agencies to offer energy education, financial assistance and Heating, Ventilating and Air Conditioning (HVAC) replacement	<200% poverty
	(B) Homelessness Prevention	Emergency Shelter Grant Program	Funds entities to provide shelter and related services to the homeless	<30% AMFI (Homeless)
		Homelessness Prevention and Rapid Re-Housing Program (Recovery Act)	Funds qualifying entities to provide homelessness prevention assistance and rapidly re-house persons who are homeless	<50% AMFI (Homeless)
		Homeless Housing and Services Program	Funds the eight largest Texas cities to provide services or facilities to homeless individuals and families	<50% AMFI (Homeless)
	(2) Rental Assistance and Multifamily Development	(A) Rental Assistance	Section 8 Housing Choice Vouchers	Acts as a public housing authority to offer tenant-based rental assistance vouchers in certain rural areas
Tenant-Based Rental Assistance (Home Program)			Grants for entities to provide tenant-based rental assistance for up to two years	<80% AMFI
TX Veterans Housing Assistance Program – Rental Assistance (Housing Trust Fund)			Provides rental subsidies for Veterans for a maximum of two years	<80% AMFI
(B) Multifamily Development		Affordable Housing Match Program (Housing Trust Fund)	Provides funding to Nonprofit Organizations to attract or meet requirements for affordable housing grants or government programs	<80% AMFI
		Community Housing Development Organization Set-aside (HOME Program)	These organizations can apply for loans to develop or preserve affordable rental housing	<80% AMFI
		Rental Housing Development (HOME Program)	Loans or grants to develop or preserve affordable rental housing	<80% AMFI
		Housing Tax Credit Program	Tax credits to developers for the creation or preservation of affordable rental housing	<60% AMFI
		Multifamily Bond Program	Loans to develop or preserve affordable rental housing	<60% AMFI
		Rental Housing Development Fund for Unique Housing Needs (Housing Trust Fund)	Funds the development of affordable rental housing serving a unique need	<80% AMFI
		Rural Housing Expansion Program (Housing Trust Fund)	Awards eligible applicants for enhancing capacity and preserving rural affordable housing	<80% AMFI
		Tax Credit Assistance Program (Home Program) (Recovery Act)	Allows HOME fund awards to housing tax credit developments affected by the tax credit devaluation	<60% AMFI
		Texas Tax Credit Exchange Program (Recovery Act)	Allows developments affected by the housing tax credit devaluation to return their credits and potentially receive a cash grant in its place	<60% AMFI

Continuum	Program/Activities	Description	Eligible Households	
(3) Homebuyer Education, Assistance and Single-Family Development	(A) Homebuyer	Colonia Self-Help Center Program	Homebuyer education offered through Colonia Self-Help Centers and Office of Colonia Initiatives (OCI) field offices	<115% AMFI (All)
		Texas Statewide Homebuyer Education	Training for nonprofits to provide homebuyer education	<115% AMFI (All)
	(B) Homebuyer Assistance	90-Day Down Payment Assistance (Recovery Act) and Mortgage Advantage Program (Recovery Act)	Provides 5 percent of the first lien mortgage amount up to a maximum of \$6,000 or \$7,000 for down payment and/or closing costs at 0 percent interest for 90 or 120 days, depending on program	<115% AMFI
		Affordable Housing Match Program	Provides funding to Nonprofit Organizations to attract or meet requirements for affordable housing grants or government programs	<80% AMFI
		First Time Homebuyer Program – Non-targeted funds	Low-interest loans and/or down payment and closing costs for first time homebuyers	<115% AMFI
		First Time Homebuyer Program – Targeted funds	Low-interest loans and/or down payment and closing costs for first time homebuyers in areas of chronic economic distress	<140% AMFI
		Homeownership Assistance - Contract For Deed Conversion (HOME Program)	Stabilizes colonia resident ownership by converting contract for deeds into traditional mortgages	<60% AMFI
		Homeownership Assistance (HOME Program)	Loan and grants for entities to offer down payment and closing cost assistance	<80% AMFI
		Homeownership Assistance Program – Homebuyer Assistance (Housing Trust Fund)	Loan and grants for entities to offer down payment and closing cost assistance	<80% AMFI
		Mortgage Credit Certificate Program	Annual tax credit for qualified homebuyers based on the interest paid on the homebuyer's mortgage loan	<115% AMFI
		TX Veterans Housing Assistance Program – Homeownership Assistance (Housing Trust Fund)	Funds eligible applicants to provide low-income veterans up to \$35,000 for down payment assistance, closing costs, and accessibility modifications	<80% AMFI
		(C) Single-family Development	Community Housing Development Organization Set-aside (HOME Program)	These organizations can apply for loans to assist in the acquisition, rehabilitation, or new construction of single-family housing
	Rural Housing Expansion Program (Housing Trust Fund)		Awards eligible applicants for enhancing capacity and preserving rural affordable housing	<80% AMFI
Texas Bootstrap Loan Program	Funds entities to offer owner-builder loans programs		<60% AMFI	
(4) Rehabilitation and Weatherization	(A) Rehabilitation	Home Free Barrier Removal and Rehabilitation Program (Housing Trust Fund)	Grants for entities to provide home modifications needed for accessibility for persons with disabilities	<80% AMFI
		Homeownership Assistance Program - Homeowner Rehabilitation (Housing Trust Fund)	Provides loans to homeowners for innovative homeownership initiatives, including barrier removal	<80% AMFI
		Homeowner Rehabilitation (HOME Program)	Loans and grants for entities to provide home repair assistance	<80% AMFI
	(B) Weatherization	Weatherization Assistance Program and Weatherization Assistance Program (Recovery Act)	Funds local agencies to provide minor home repairs to increase energy efficiency	<200% poverty

Continuum	Program/Activities	Description	Eligible Households
(5) Foreclosure Relief	(A) Foreclosure Prevention National Foreclosure Mitigation Counseling	Fund Foreclosure Counselors to assist households avoid foreclosure	None required
	(B) Post-Foreclosure Mitigation Neighborhood Stabilization Program	Purchase foreclosed properties to demolish or create affordable housing and stabilize existing neighborhoods	<120% AMFI
	Neighborhood Stabilization Program 2 (Recovery Act)	Not yet awarded- application for second round of funding Purchase foreclosed properties to demolish or create affordable housing and stabilize existing neighborhoods	<120% AMFI
(6) Disaster Recovery and Relief	Community Development Block Grant – Hurricanes Dolly and Ike	Funds for disaster relief, long-term recovery and restoration of infrastructure, housing and economic revitalization	50% of the funds used for <80% AMFI
	Community Services Block Grant – Emergency Disaster Relief	Provide persons with emergency shelter, food, clothing, and other essentials, such as appliances and hygiene items	<200% Poverty
	Community Development Block Grant Program – Round One	Targeted disaster recovery funding to provide home repair assistance and preserve affordable rental housing	<80% AMFI
	Community Development Block Grant – Round Two	Targeted disaster recovery funding to provide home repair assistance, preserve affordable rental housing, provide infrastructure repairs and provide community services for areas with evacuees	<80-150% AMFI
	Disaster Recovery Homeowner Repair (Housing Trust Fund)	Assists households who are lacking only a small portion of funds to fulfill their full cost of construction	<80% AMFI
	Disaster Relief Homeowner Rehabilitation Assistance (HOME Program)	Deobligated HOME funds may be used in non-Participating Jurisdictions to assist with home repair, rehabilitation and reconstruction of homes affected by a disaster	<80% AMFI
	Housing Tax Credit – Disaster Relief	Tax credits to develop or preserve affordable rental housing for the Gulf Coast Opportunity Zone and counties affected by Hurricane Ike	<60% AMFI
	Texas First Time Homebuyer – Targeted Funds	Assist those affected by natural disasters by improving existing residential housing through self-help construction	<60% AMFI

ADMINISTRATIVE STRUCTURE

Agency programs are grouped into the following divisions: Community Affairs, Disaster Recovery, HOME, Housing Trust Fund, Multifamily Finance, Neighborhood Stabilization Program, Office of Colonia Initiatives, and Texas Homeownership. The Manufactured Housing Division is administratively attached to TDHCA, though it is an independent entity with its own governing board.

Additionally, there are several Divisions within TDHCA which are involved in the administration of the agency as a whole but which do not administer specific programs. The Program Services Division is responsible for adherence, processing and completion of cross-cutting federal and departmental requirements for housing programs administered by the Department, including the processing and issuance of environmental clearances, labor standards requirements, loan closings and the commitment and disbursements of federal funds. The Office of Recovery Act Accountability and Oversight is responsible for identifying and mitigating risk in program development and operation and for issues that cut across all Recovery Act programs, such as reporting and federal guidance. The Department of Policy and Public Affairs disseminates information and is a liaison between TDHCA and industry stakeholders, advocacy groups and the executive and legislative branches of state and Federal government. The Housing Resource Center acts as a central clearinghouse for information and research regarding TDHCA programs and general housing-related issues. The Real Estate Analysis Division provides TDHCA with analytical reports necessary to make well-informed financial decisions about funding affordable housing developments. The Compliance and Asset Oversight Division ensures housing program and financial compliance with federal and state regulations by using various oversight measures including onsite monitoring visits and desk reviews. Other divisions that are involved in TDHCA's internal management include Administrative Support, Bond Finance, Financial Administration, Information Systems, Internal Audit, and Legal Services.

2009 STATE OF TEXAS LOW INCOME HOUSING PLAN AND ANNUAL REPORT

The *2009 State of Texas Low Income Housing Plan and Annual Report* (SLIHP, Plan) is prepared annually in accordance with §2306.072–2306.0724 of the Texas Government Code. This statute requires that TDHCA provide a comprehensive statement of activities in the preceding year, an overview of statewide housing needs and a resource allocation plan to meet the state's housing needs. It offers policy makers, affordable housing providers and local communities a comprehensive reference on statewide housing need, housing resources and performance-based funding allocations. The format is intended to help these entities measure housing needs, understand general housing issues, formulate policies and identify available resources. As such, the Plan is a working document and its annual changes reflect changes in programs or funding amounts, policy changes, statutory guidance and input received throughout the year.

The Plan is organized into eight sections:

- *Introduction*: An overview of TDHCA and the Plan
- *Housing Analysis*: An analysis of statewide and regional demographic information, housing characteristics and housing needs
- *Annual Report*: A comprehensive statement of activities for 2009, including performance measures, actual numbers served and a discussion of TDHCA's Strategic Plan goals
- *TDHCA Action Plan*: A description of TDHCA's program descriptions, initiatives, resource allocation plans, and goals
- *Recovery Act*: A program description, implementation and allocation and additional resources for the programs offered through TDHCA created as a result of the American Recovery and Reinvestment Act of 2009 (Recovery Act)
- *Public Participation*: Information on the Plan preparation and a summary of public comment

- *Colonia Action Plan:* A revised biennial plan for 2009–2010, which discusses housing and community development needs in the colonias, describes TDHCA’s policy goals, summarizes the strategies and programs designed to meet these goals and describes projected outcomes to support the improvement of living conditions of colonia residents
- *Texas State Affordable Housing Corporation (TSAHC) Plan:* This section outlines TSAHC’s plans and programs for 2009 and is included in accordance with legislation
- *Appendix:* Includes TDHCA’s enabling legislation

Because the Plan’s legislative requirements are rather extensive, TDHCA has prepared a collection of publications in order to fulfill these requirements. TDHCA produces the following publications in compliance with §2306.072–2306.0724 of the Texas Government Code:

- *State of Texas Low Income Housing Plan and Annual Report* (this document)
- *Basic Financial Statements and Operating Budget:* Produced by TDHCA’s Financial Administration Division, which fulfills §2306.072(c)(1)
- *TDHCA Program Guide:* A description of TDHCA’s housing programs and other state and federal housing and housing-related programs, which fulfills §2306.0721(c)(4) and §2306.0721(c)(10)
- *TDHCA Housing Sponsor Report:* A report that provides property and occupant profiles of developments that have received assistance from TDHCA, which fulfills §2306.072(c)(6), §2306.072(c)(8) and §2306.0724.

SECTION 2: HOUSING ANALYSIS

This section of the Plan contains an overview of the affordable housing needs in the state and an estimate and analysis of the housing needs in each region.

DATA SOURCES AND LIMITATIONS

The information provided in this section should be considered within the context of its limitations. The Department recognizes that the truest assessment of housing need can best be found only at the local level based on the direct experience of local households. Alternative methods, such as detailed on-location assessments by professionals skilled at reviewing such matters and local surveys might be utilized, but the Department lacks the resources to obtain such data through third parties or, confronted with a state covering over 265,000 square miles, to compile it directly. The following issues should be considered when reviewing the information contained in this report:

- Many nuances of housing need are lost when data is aggregated into regional, county and statewide totals. For example, housing needs in rural communities are often distorted when reported at the county level because housing needs are often very different in rural and urban areas. The large population of urban metropolitan areas can skew the data and mask the needs of the rural areas.
- Reliable data available on the condition of the housing stock, the homeless population and the housing needs of special needs populations is very limited.

2000 Census and 2000 Comprehensive Housing Affordability Strategy (CHAS) data is primarily used in this report. Data presented for 2009 was calculated by applying the percentage population change from HISTA data to the 2000 CHAS data. HISTA data is a four-way cross tabulation of household data built by a demographic data provider and made available for purchase from Ribbon Demographics. The Department purchased 2009 and 2014 population projections from Ribbon Demographics during the summer of 2009. Other data sources include the American Community Survey Estimates from the Census and projections from the State of Texas Demographer.

The content and format of the Census-based tables, graphs and maps provided in this section were derived, in part, from a methodology for housing needs assessment in the *National Analysis of Housing Affordability, Adequacy and Availability: A Framework for Local Housing Strategies*. The Urban Institute prepared this document for the U.S. Department of Housing and Urban Development (HUD). It provides a methodology with which to describe and analyze local housing markets in order to develop strategies for addressing housing problems and needs. The document served as a guide for the preparation of CHAS reports. As such, it provides a systematic framework for housing market analysis. HUD collaborated with the U.S. Census Bureau to develop special tabulations of the 2000 Census data.

The CHAS database classifies households into five relative income categories based on reported household income, the number of people in the household and geographic location. These income categories are used to reflect income limits that define eligibility for HUD's major assistance programs, as well as for other housing programs, such as the Housing Tax Credit Program. Households are classified into income groups by comparing reported household income to HUD-Adjusted Median Family Income (HAMFI). The income limits are calculated by household size for each metropolitan area and non-metropolitan county in the United States and its territories. They are based on HUD estimates of median family income with several adjustments as required by statute. The income classifications are 0-30 percent of HAMFI (extremely low income), 31-50 percent of HAMFI (very low income), 51-80 percent (low income), 81-95 percent of HAMFI (moderate income) and above 95 percent of HAMFI.¹

¹ The CHAS figures for moderate and higher income households in Region 11 indicate that there are only 199 persons with incomes between 80-95 percent of the AMFI. TDHCA has been unable to get more accurate information for this segment of the

The income limits for metropolitan areas may not be less than limits based on the state non-metropolitan median family income level and must be adjusted accordingly. Income limits must also be adjusted for family size and may be adjusted for areas with unusually high or low family income or housing-cost-to-income relationships.

Unit affordability compares housing cost to local area HAMFI. Affordable units are defined as units for which a household would pay no more than 30 percent of its income for rent and no more than two and one-half times its annual income to purchase. Since HUD's adjusted median family incomes are estimated for a family of four, affordability levels are also adjusted to control for various-sized units based on the number of people that could occupy a unit without overcrowding. This adjustment is made by multiplying the threshold described above by 75 percent for a zero-to-one-bedroom unit, 90 percent for a two-bedroom unit and 104 percent for a three-or-more-bedroom unit.

Homeless figures are taken from 2000 Census group quarters population and type tables, contained in Census 2000 Summary File 1. Group quarters type designations include institutional quarters, such as correctional facilities, hospitals and juvenile institutions, as well as noninstitutional quarters, such as military quarters, group homes, dormitories and other situations. Based on the Definitions of Subject Characteristics contained in the Technical Documentation for Summary File 1: 2000 Census of Population and Housing published by the U.S. Census Bureau, this report uses "other noninstitutional group quarters" and "other nonhousehold living situations" census figures to represent the homeless population in each region. "Other noninstitutional group quarters" counts individuals in shelters for abused women, soup kitchens, mobile food vans and other targeted nonsheltered outdoor locations where there is evidence of human occupation. "Other nonhousehold living situations" counts individuals with no usual home residing in hostels and YMCAs who were not counted in other tabulations.

The U.S. Census also completed a special tabulation, Emergency and Transitional Shelter Population: 2000, based on metropolitan areas with 100 or more people in emergency and transitional shelters. It must be noted that this data only refers to metropolitan areas with 100 or more people in shelters, so is not a comprehensive picture of the total population living in shelters. In the region sections of this document, if the Census counted individuals living in emergency shelters in a metropolitan area that is located in the region, those figures are provided.

It must be emphasized that the regional estimates of the homeless populations are not comprehensive. The various definitions of homeless and methods in counting the homelessness make definitive tabulations difficult. The Texas Interagency Council for the Homeless estimates that about 200,000 people, or 1 percent of the state's population, are homeless.² The 2000 Census figures for individuals living in "other noninstitutional group quarters" and "other nonhousehold living situations" count only 28,377 individuals statewide.

The needs assessment data is augmented with additional information from the perspective of local officials, where available. In March 2006, TDHCA conducted the 2006 State of Texas Community Needs Survey. This survey was designed to obtain a better understanding of housing and community development needs, issues and problems at the state, regional and local levels. The survey gave local officials, who are most familiar with the unique characteristics of their communities, a voice in determining how Texas's affordable housing, supportive service and community development needs can be most effectively addressed.

population. However, the planning impact for the SLIHP is relatively low because, except for the first time homebuyer program which is done through a network of participating lenders, TDHCA programs serve persons below 80 percent AMFI.

² Texas Interagency Council for the Homeless. (n.d.) "Key Facts," Retrieved from <http://www.tich.state.tx.us/facts.htm>.

STATE OF TEXAS

The state-level housing analysis includes information on demographics, special-needs populations and affordable-housing need indicators. Department plans reflect this statewide information as well as the consideration of affordable housing assistance from various sources.

DEMOGRAPHIC CHARACTERISTICS

Texas has grown in population faster than the national average. Between 2002 and 2008, Texas' population increased approximately 14.6 percent, compared to 8.3 percent nationwide. Approximately 3,111,480 people were added to Texas during this time. More than one of every seven persons added to the population of the United States from 2002 to 2008 was added in Texas. This growth estimate is according to the American Community Survey 1-Year Estimate for 2002³ (the first year nation-wide data was available) and 2008 (the most recent year for the survey).⁴ Total population estimate for January 1, 2009 according to Census data updated by HISTA data is approximately 23,705,962.

PROJECTED POPULATION CHANGE AND IMPLICATIONS FOR HOUSING NEED*

- Demand for affordable and subsidized housing will increase in the coming years: Long-term demographic projections show growth in total population and minority and older populations, indicating an increase in total need.
- The state's total population will grow: State population is projected to increase to 35.7 million by 2040.
- The Anglo percentage of the total population will decrease: The Anglo population makes up approximately 47.9 percent of the total population in 2009 and is projected to make up 32.2 percent of the total population in 2040.
- The Anglo population will not increase as fast as other races or ethnicities: Anglo population is projected to increase by 0.2 percent between 2009 and 2040, while Blacks are expected to increase by 20.0 percent and Hispanics by 53.1 percent.
- The population is becoming older: The percentage of the population that was 65 or older was 10.3 percent in 2009 but will increase to 18.0 percent by 2040. In contrast, the percentage of the population that was 18 or younger was 26.8 percent in 2009 but will decrease to 22.0 percent by 2040.⁵

*These projections assume the One-Half 1990-2000 Migration (0.5) Scenario. According to the State Demographer:

This scenario has been prepared as an approximate average of the zero (0.0) and 1990-2000 (1.0) scenarios. It assumes rates of net migration one-half of those of the 1990s. The reason for including this scenario is that many counties in the State are unlikely to continue to experience the overall levels of relative extensive growth of the 1990s. A scenario which projects rates of population growth that are approximately an average of the zero and the 1990 2000 scenarios is one that suggests slower than 1990-2000 but steady growth.⁶

³ U.S. Census Bureau, 2002 American Community Survey. (n.d.). Subject tables. Retrieved from <http://factfinder.census.gov>.

⁴ U.S. Census Bureau, 2008 American Community Survey. (n.d.). Subject tables. Retrieved from <http://factfinder.census.gov>.

⁵ Texas State Data Center and Office of the State Demographer. (2009, November 4). Texas Population Projections Program. Retrieved from <http://txsdc.utsa.edu/tpepp/2008projections/>.

⁶ Ibid.

Expected housing demand is directly linked to projected changes in population characteristics. The current racial and ethnic shift is significant because of the substantial differences between the race and ethnicities in terms of income level. According to American Community Survey 3-Year Estimates, the difference in median household income between Anglos and Blacks was \$17,621 during 2006 and 2008; and the Anglo-Hispanic difference was \$16,521 during 2006 to 2008. Generally Anglos made more than both these populations during this time period. Similarly, the poverty rates of 24.7 percent for Blacks and 21.2 percent for Hispanics was still more than two times as high as the 10.5 percent of persons in poverty among Anglos from 2006 to 2008. Because of these disparities, households in Texas will become poorer over the coming decades unless the relationship between ethnicity and income changes.⁷

SPECIAL NEEDS

A correlation also exists between age and income and home modifications. A 2008 survey of older Texans for Aging Texas Well, an advisory committee headed by the Texas Department of Aging and Disability Services, found that 56 percent of older Texan respondents spend more than 30 percent of their income on housing.⁸ Furthermore, disability rates are often related to age, necessitating home modifications. The 2005 to 2007 American Community Survey finds that 45.3 percent of the population 65 years and older had a disability during this time period. This is compared with 6.6 percent of the population aged 5 to 15 years and 11.8 percent of the population aged 16 to 64 years during the same time period.⁹ The survey for Aging Texas Well survey found that 14 percent of older Texans reported that their home's doorways, hallways, kitchen, bathroom, and closets needed substantial accessibility modifications. In addition, 15 percent of older Texans reported that their home's structure, heating and cooling systems, or electricity or plumbing needed substantial repair.¹⁰ These needed accessibility modifications or repairs may prevent elderly households from aging in place, necessitating an earlier move to costly nursing homes or other supportive housing.

POVERTY AND INCOME

According to census data updated by HISTA projections, approximately 3,585,250 people in Texas lived below the poverty line in 2009. According to the American Community Survey for 2006 to 2008, Texas had a poverty rate of 16.3 percent during this time period compared to the national poverty rate of 13.2 percent. Poverty conditions along the Texas-Mexico border warrant special attention. Parts of the region, like McAllen-Edinburg-Mission, suffered from unemployment rates higher than the state's (11.4 percent vs. 8.0 percent in August 2009¹¹) and its residents made approximately 62 percent the state's median income.¹² This trend continues for counties along the border. Conditions are particularly acute in the colonias, unincorporated areas along the Texas-Mexico border lacking infrastructure and decent housing.

Minority populations continue to be overrepresented in the Texas population under the poverty level (see Table: Annual Poverty Estimates by Race and Latino Origin – Texas, 2006-2008). According to the 2006 to 2008 American Community Survey, during that three-year period the percent of Black or African American and Some Other Race populations under the poverty level were 23.9 to 24.10 percent,

⁷ Murdock, S. H. et al., (2002, December), Texas challenge in the twenty-first century: Implications of population change for the future of Texas. Retrieved from <http://txsdc.utsa.edu/download/pdf/TxChall2002.pdf>.

⁸ Texas Department of Aging and Disability Services. (2009, April). Aging Texas well: Indicators survey overview report 2009. Retrieved from http://www.dads.state.tx.us/news_info/publications/studies/ATWIndicators2009.pdf.

⁹ U.S. Census Bureau, 2005-2007 American Community Survey. (n.d.). Subject tables. Retrieved from <http://factfinder.census.gov>.

¹⁰ Texas Department of Aging and Disability Services. (2009, April). Aging Texas well: Indicators survey overview report 2009. Retrieved from http://www.dads.state.tx.us/news_info/publications/studies/ATWIndicators2009.pdf.

¹¹ U.S. Bureau of Labor Statistics. (2009, November 5). Economy at a glance. Retrieved from <http://www.bls.gov/eag/eag.tx.htm>.

¹² U.S. Census Bureau, 2006-2008 American Community Survey. (n.d.). Subject tables. Retrieved from <http://factfinder.census.gov>.

respectively. Other recorded races show a much lower poverty rate ranging from 14.10 percent to 17.8 percent. Similarly, the Hispanic population in poverty was 16.2 percent higher than white alone.¹³

Annual Poverty Estimates by Race and Latino Origin – Texas, 2006 to 2008

	Total	Below poverty level	Percent below poverty level
One race	22,798,691	3,721,271	16.30%
White	16,637,808	2,352,590	14.10%
Black or African American	2,597,993	620,334	23.90%
American Indian and Alaska Native	114,474	20,355	17.80%
Asian	796,800	91,128	11.40%
Native Hawaiian and Other Pacific Islander	17,365	2,885	16.60%
Some other race	2,634,251	633,979	24.10%
Two or more races	433,501	70,817	16.30%
Hispanic or Latino origin (of any race)	8,397,171	2,086,053	24.80%
White alone, not Hispanic or Latino	11,113,284	952,621	8.60%

Source: 2006 to 2008 American Community Survey 3-Year Estimates

Many families who rely on low-wage occupations for a living find it difficult to cover all essential expenses. According to a study by the Center for Public Policy Priorities, “a significant proportion of families throughout the state struggle paycheck-to-paycheck to make ends meet.” The study examined a typical family’s fundamental expenses, such as housing, food, child care, medical costs, transportation, taxes, etc., and compared the total bill to typical wages earned in the 27 Texas Metropolitan Statistical Areas. The study asserts that a family of four in Texas requires a household hourly income of \$18 to \$22 per hour (depending on the metro area in which the family lives) to simply meet its most basic needs. In a majority of Texas metro areas, however, half of the total employment is in occupations with a median wage under \$10 per hour.¹⁴

In addition, expected economic growth will not necessarily lift the lowest-income groups. The Texas Comptroller’s Biennial Revenue Estimate predicts that the fastest growing sector of the state economy for 2010-2011 will be the professional and business services. This sector was also the fastest growing in 2008-2009 and it requires specialized education and skills.¹⁵ While this growth may buoy the state economy, it may not raise many low-income families, who may not have the necessary education or training, from their current positions.

To provide a more detailed breakdown of the population by income level, this report will use the five income groups designated by HUD. Households are classified into these groups by comparing reported

¹³ U.S. Census Bureau, 2006-2008 American Community Survey. (n.d.). Subject tables. Retrieved from <http://factfinder.census.gov>.

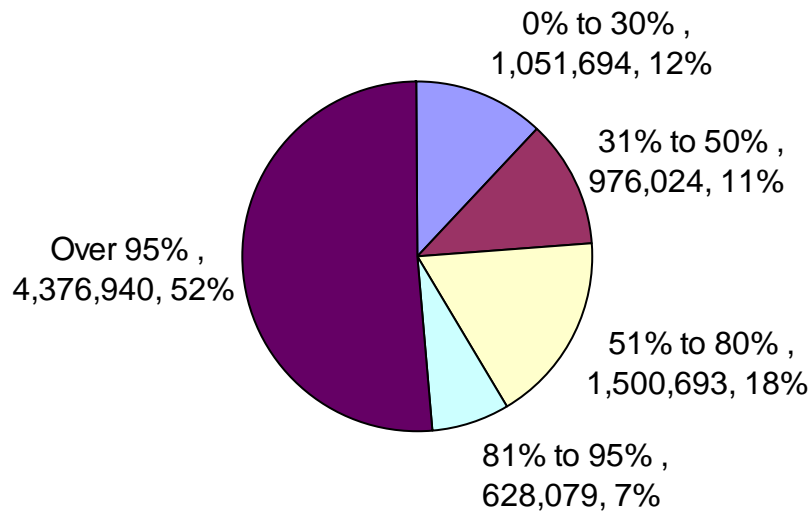
¹⁴ Center for Public Policy Priorities. (2002, September 1). Making it: what it really takes to live in Texas. Retrieved from <http://www.cppp.org/research.php?aid=120>.

¹⁵ Texas Comptroller of Public Accounts. (2009, January). Biennial revenue estimate: 2010-2011. Retrieved from <http://www.window.state.tx.us/taxbud/bre2010/outlook.html>.

household incomes to HUD-Adjusted Median Family Incomes (HAMFI). The income level definitions are as follows:

- Extremely Low Income: At or below 30 percent of HAMFI
- Very Low Income: Between 31 percent and 50 percent of HAMFI
- Low Income: Between 51 percent and 80 percent of HAMFI
- Moderate Income: Between 81 percent and 95 percent of HAMFI
- Above 95 percent of HAMFI

Households by Income Group – Texas, 2009



Source: CHAS 2000 with projections based on HISTA data.

The chart above indicates the 2009 projected distribution of households by income group across Texas by number and percentage. A total of 48 percent of all households are in the low income range (0 to 80 percent of HAMFI). Meeting the needs of this large portion of the state’s households is TDHCA’s primary focus.

AFFORDABLE HOUSING NEED

When analyzing local housing markets and developing strategies for meeting housing problems, HUD suggests the consideration of several factors. These factors include how much a household spends on housing costs (also called Housing Burden), the physical condition of the housing and whether or not the household is overcrowded. The following table reveals the number and percentage of households with at least one housing need by income category and household type.

Households with One or More Housing Problems - Texas, 2009

		Renter Households			Owner Households			Total Households
		At Least One Problem	Total Households	Percent with At Least One Problem	At Least One Problem	Total Households	Percent with At Least One Problem	
0-30% AMFI	Elderly Households	67,925	109,400	62.1%	117,016	175,853	66.5%	184,941
	Small Related Households	186,654	235,214	79.4%	88,731	118,834	74.7%	275,385
	Large Related Households	73,461	79,887	92.0%	45,537	51,417	88.6%	118,998
	Other Households	153,443	210,593	72.9%	45,667	68,579	66.6%	199,110
	Total Households	481,483	635,093	75.8%	296,951	414,683	71.6%	778,434
31-50% AMFI	Elderly Households	42,065	70,501	59.7%	72,987	194,982	37.4%	115,052
	Small Related Households	153,646	207,834	73.9%	91,647	278,560	32.9%	245,293
	Large Related Households	66,852	77,365	86.4%	62,532	121,022	51.7%	129,384
	Other Households	117,404	146,135	80.3%	28,305	79,216	35.7%	145,709
	Total Households	379,966	501,835	75.7%	255,471	673,780	37.9%	635,437
51-80% AMFI	Elderly Households	22,924	54,656	41.9%	47,761	244,435	19.5%	70,685
	Small Related Households	112,716	287,855	39.2%	140,597	327,510	42.9%	253,313
	Large Related Households	66,685	94,163	70.8%	94,937	153,426	61.9%	161,622
	Other Households	91,019	242,223	37.6%	41,734	92,646	45.0%	132,754
	Total Households	293,344	678,898	43.2%	325,029	818,017	39.7%	618,373
81-95% AMFI	Elderly Households	4,184	15,825	26.4%	11,464	91,545	12.5%	15,648
	Small Related Households	21,057	105,448	20.0%	46,574	171,542	27.2%	67,631
	Large Related Households	16,263	28,655	56.8%	29,629	62,440	47.5%	45,892
	Other Households	13,552	103,756	13.1%	16,297	47,030	34.7%	29,848
	Total Households	55,055	253,684	21.7%	103,964	372,557	27.9%	159,019
More Than 95% AMFI	Elderly Households	9,394	62,264	15.1%	27,207	577,016	4.7%	36,601
	Small Related Households	50,431	460,030	11.0%	153,049	2,029,389	7.5%	203,480
	Large Related Households	40,814	85,861	47.5%	106,986	418,592	25.6%	147,799
	Other Households	19,619	389,239	5.0%	40,506	351,997	11.5%	60,125
	Total Households	120,258	997,395	12.1%	327,748	3,376,994	9.7%	448,005
Total Households	Elderly Households	146,492	312,646	46.9%	276,435	1,283,831	21.5%	422,927
	Small Related Households	524,504	1,296,381	40.5%	520,598	2,925,834	17.8%	1,045,101
	Large Related Households	264,075	365,931	72.2%	339,620	806,897	42.1%	603,695
	Other Households	395,037	1,091,947	36.2%	172,509	639,469	27.0%	567,546
	Total Households	1,330,106	3,066,905	43.4%	1,309,162	5,656,031	23.1%	2,639,268

Source: CHAS 2000 with projections based on HISTA data.

PHYSICAL INADEQUACY (LACK OF KITCHEN AND PLUMBING FACILITIES)

The measure of physical inadequacy available from the CHAS database tabulation is the number of units lacking complete kitchen and/or plumbing facilities. While this is not a complete measure of physical inadequacy, the lack of plumbing and/or kitchen facilities can serve as a strong indication of one type of housing inadequacy. The following figure demonstrates that among the physically inadequate housing units, 31 percent are occupied by extremely low-income households.

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

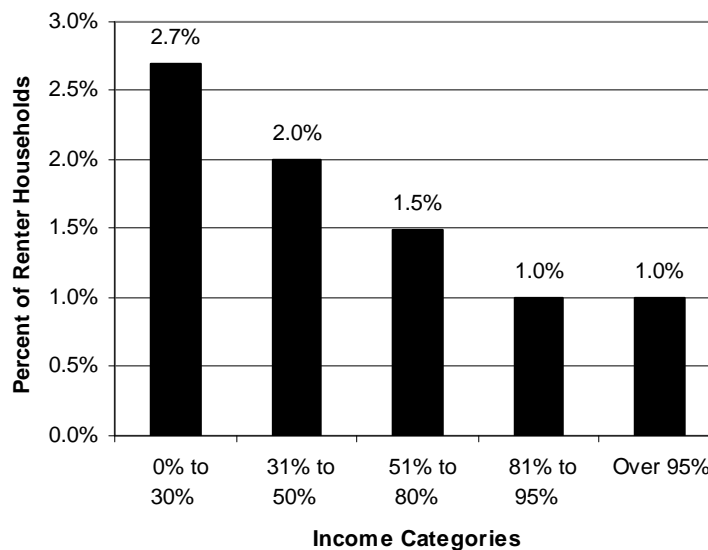
Income Group	Units	Percent
0% to 30%	29,690	31%
31% to 50%	18,293	19%
51% to 80%	18,792	20%
80% to 95%	4,838	5%
Over 95%	22,778	24%
Total	94,391	

Source: CHAS Database with projections based on HISTA data.

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

The following bar chart shows the distribution of this problem by income group. Households in the lowest income group earning 30 percent HAMFI or less have the highest incidence of physically inadequate rental housing.

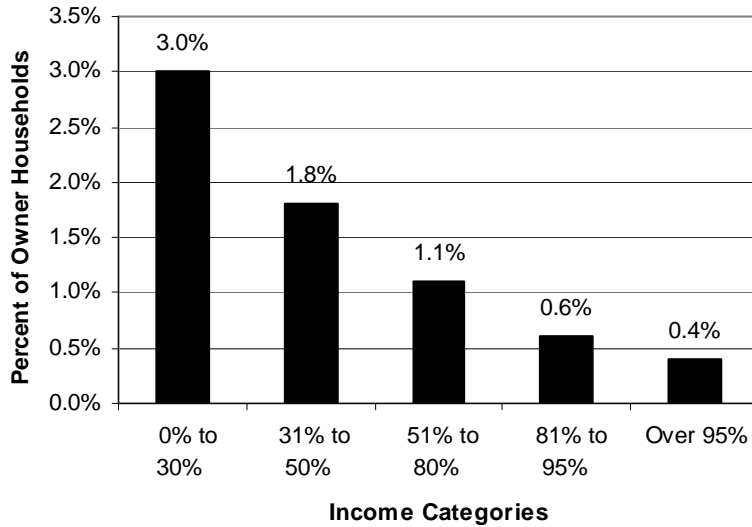
Renter Households with Substandard Housing by Percent – Texas, 2009



Source: CHAS Database with projections based on HISTA data.

Following the same trend as renter households, owner households in the lowest-income category have more incidents of substandard housing. Approximately three percent of owner households earning 30 percent HAMFI or less have substandard housing.

Owner Households with Substandard Housing Percent – Texas, 2009

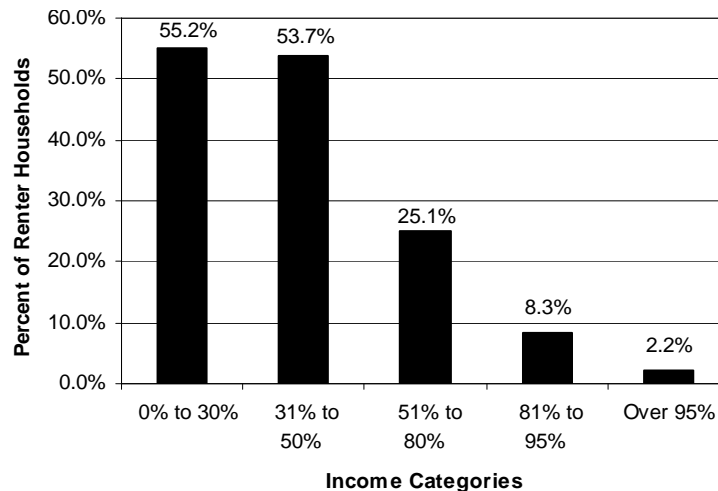


Source: CHAS Database with projections based on HISTA data

EXTREME HOUSING COST BURDEN

An excess cost burden is identified when a household pays more than 30 percent of its gross income for housing costs. When so much is spent on housing, other basic household needs may suffer. As the following graph shows, a majority of renter households in the lowest two income categories, totaling more than 621,200 households, is burdened by paying an excess portion of income toward housing. This is much greater than in the highest income category, above 95 percent HAMFI, where only 2.2 percent of households, or 22,005 households, experience the problem.

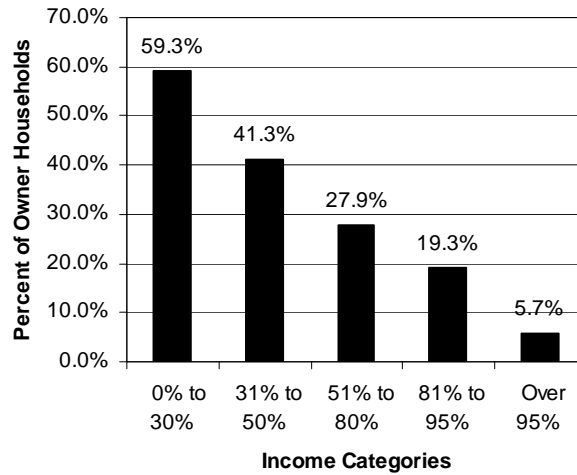
Renter Households with Extreme Housing Cost Burden (>30% of Income) by Percent – Texas, 2009



Source: CHAS Database with projections based on HISTA data

As shown in the following graph, excess housing cost burden affects 59.3 percent of owner households in the lowest income category. This figure, representing a majority, is much higher than the 5.7 percent of households affected in the highest income category. The graph illustrates the direct correlation between an owner household's income category and an owner household's likelihood of experiencing this problem.

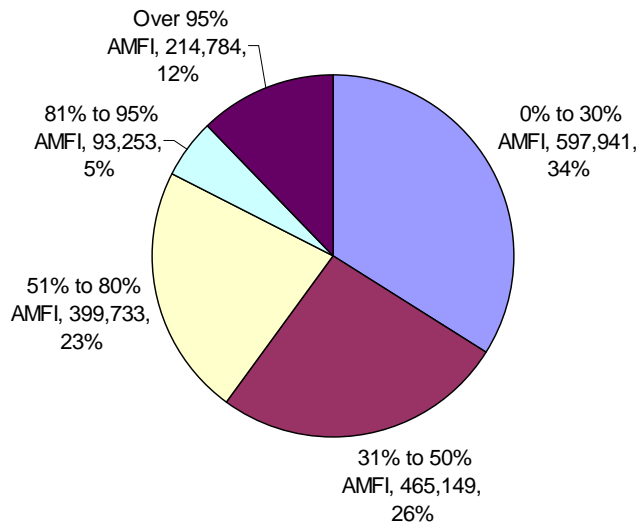
Owner Households with Excess Housing Cost Burden (>30% of Income) by Percent – Texas 2009



Source: CHAS Database with projections based on HISTA data

The chart below shows the total number and percentage of households with excess housing cost burden by income group.

Excess Housing Cost Burden by Income Group – Texas, 2009



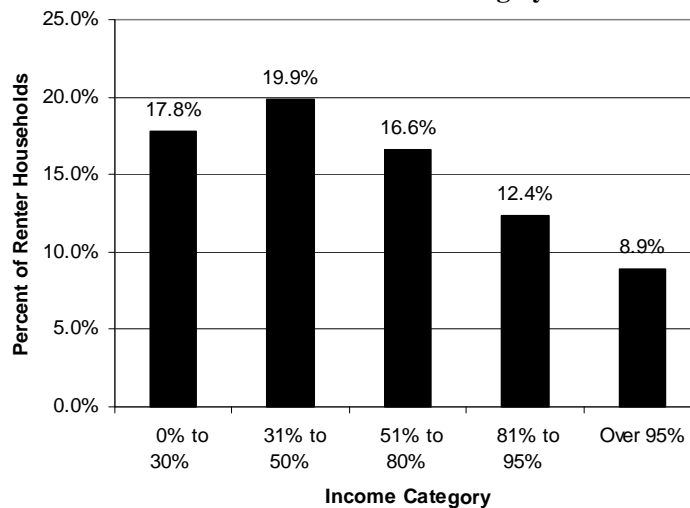
Source: CHAS Database with projections based on HISTA data

OVERCROWDING

Overcrowded housing conditions occur when a residence accommodates more than one person per each room in the dwelling. Overcrowding may indicate a general lack of affordable housing in a community where households have been forced to share space, either because other housing units are not available or because the units available are too expensive.

Lower income renter households experience overcrowded conditions more frequently than higher income households. Almost 18 percent of renter households in the extremely low income category and 19.9 percent of renter households in the low income category are afflicted by overcrowding.

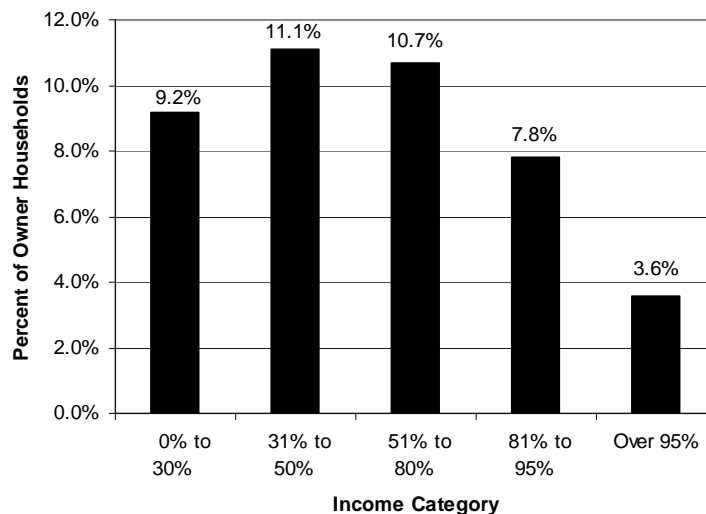
Renter Households with Incidence of Overcrowding by Percent – Texas, 2009



Source: CHAS Database with projections based on HISTA data

Lower income owner households also experience overcrowded conditions more frequently than higher income owner households. More than 21 percent of owner households earning less than 50 percent HAMFI live in overcrowded conditions compared to 11.4 percent of owner households over 80 percent HAMFI.

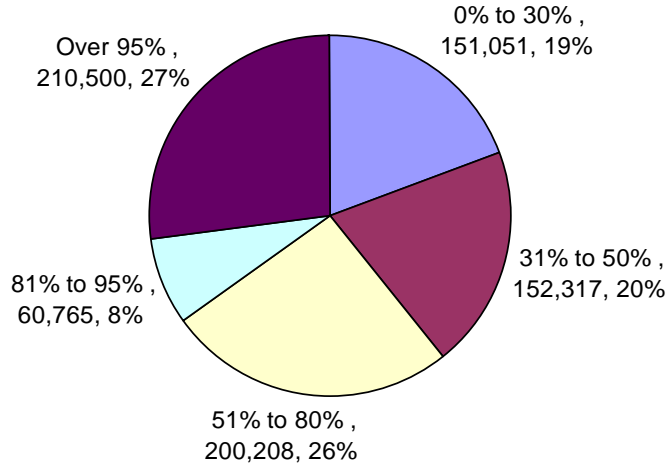
Owner Households with Incidence of Overcrowding by percent



Source: CHAS Database with projections based on HISTA data

The chart below shows the total incidence of overcrowded households by income group.

Overcrowded Households by Income Group – Texas, 2009



Source: CHAS Database with projections based on HISTA data

HOUSING AVAILABILITY AND AFFORDABILITY

The following figures compare demand and supply of affordable housing by looking at the number of households and housing units in different affordability categories. Because higher income households often reside in units that could be affordable to the lowest income households, there are fewer units available at a cost that is affordable to lower income households. For example, 1.4 million households that have incomes greater than 80 percent AMFI occupy units that would be affordable to households at 0-50 percent AMFI (see table below). Households in this category can afford units in any of the defined affordability categories. Therefore, households that are not low-income often limit the supply of affordable housing units available to low-income households.

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

**Occupied Affordable Housing Units by Income Group of Occupant, 2000,
by percentage of HAMFI**

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

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

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

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

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

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

Source: 2000 CHAS data

LOCAL ASSESSMENT OF NEED

TDHCA acknowledges that the greatest understanding of housing needs is found at the local level. TDHCA continuously strives to improve the methods used to identify regional affordable housing needs.

STATE OF TEXAS COMMUNITY NEEDS SURVEY

Beginning in March 2006 and ending May 2006, the Department conducted the 2006 Community Needs Survey (CNS) online to examine housing and community service needs at the local level. The survey contained 18 questions regarding housing, community affairs, and community development needs and was distributed to state representatives, state senators, mayors, county judges, city managers, housing/planning departments, USDA local offices, public housing authorities, councils of governments, community action agencies and Housing Opportunities for Persons with AIDS (HOPWA) agencies—a total of 2,529 individuals and entities. There was a 17.2 percent response rate for the survey.

Analysis of the 2006 CNS demonstrates a strong need for a wide range of housing and energy assistance. Of those respondents ranking their community's need for general assistance, approximately 31 percent indicated that housing assistance (including down payment assistance, home repair and rental payment assistance) was their first or second priority need. Approximately 28 percent of question respondents ranked energy assistance activities as their first or second priority need. Approximately 18 percent of respondents indicated that the development of apartments was the priority need, 15 percent chose capacity building assistance, and 7 percent chose assistance in addressing homelessness.

A significant 49 percent indicated that home repair assistance was the greatest need when compared to home purchase assistance and rental payment assistance. Only 8 percent stated that there was a minimal need for these housing activities in their communities. Regarding rental development activities, 35 percent indicated that their community's greatest need was the construction of new rental units, while approximately 33 percent indicated that both rental construction and rehabilitation activities were the same priority. Only 13 percent identified rehabilitation of existing units as their priority need, which is the same percentage of respondents who stated that there was a minimal need for rental development in their areas.

When considering energy assistance activities, 43 percent indicated that utility payment assistance was the greatest need followed by weatherization and minor home repairs. For homeless assistance activities, a majority 48 percent indicated that there was a minimal need for this type of assistance in their communities and 16 percent did not have an opinion on the subject. Of respondents that indicated a needed activity, homeless prevention services received the highest response with 12 percent indicating that it was their priority need.

The regional results from the CNS are incorporated into the regional plans in the next section of this report. A final report on the survey, the Report on the *2006 State of Texas Community Needs Survey*, is available online from the TDHCA Housing Resource Center at <http://www.tdhca.state.tx.us/ppa/housing-center/pubs.htm#reports>. When programming funds, TDHCA strongly encourages local and recipient participation.

STATE HOUSING SUPPLY

The 2000 U.S. Census reported that 90.6 percent of the housing units in Texas were occupied. The number of housing units increased 16 percent from units that were on the ground in 1990. The 2006-2008 American Community Survey estimates that there were approximately 5,378,160 owner-occupied units (65 percent) and 2,879,934 renter-occupied units (35 percent) during that time period. More renter households consist of one-person households (35.8 percent) compared to owner-occupied households (19.3 percent). Owner-households had the highest percentage of two-person households at 34.0 percent.

Approximately 70.3 percent of the housing units in Texas were one-unit structures, such as single-family homes, during this time period. Approximately 22 percent of housing units were within multifamily structures: 2 percent were in developments up to 2 units; 3.1 percent were in developments with 3 or 4 units; 4.7 percent were within 5 to 9 units; and 12 percent were in developments with or more 10 units. The remaining 7.3 percent of housing units were mobile homes, RVs or boats.¹⁶

Physical Housing Characteristics for Occupied Units – Texas, 2006-2008

	Total Occupied Units	Percent of Total	Renter Households	Owner Households
1, detached	5,582,472	67.6%	849,581	4,732,781
1, attached	222,969	2.7%	97,918	123,698
2 apartments	165,162	2.0%	152,637	16,134
3 or 4 apartments	256,001	3.1%	241,914	16,134
5 to 9 apartments	388,130	4.7%	1,005,097	32,269
10 or more apartments	1,040,520	12.6%	1,005,097	441,009
Mobile home or other type of housing	602840.862	7.3%	155,516	441,009

Source: 2006-2008 American Community Survey 3-Year Estimates

ASSISTED HOUSING INVENTORY

The following table shows the number of multifamily units in the state financed through state and federal sources, including TDHCA, the U.S. Department of Housing and Urban Development (HUD), public housing authorities (PHAs), Section 8 Housing Choice Vouchers and the United States Department of Agriculture (USDA). The table also includes local housing finance corporations (HFCs), a category which encompasses the Texas State Affordable Housing Corporation. Please note that because some developments layer funding from multiple sources, there may be double counting.

TDHCA data includes multifamily developments awarded up until the end of FY 2009, so not all units included in the total had been built at the time of this document's publication. Additionally, the TDHCA unit total only includes those units that have income restrictions and does not include market-rate units that are available in some developments.

HUD unit data was obtained from HUD's April 2007 report, *Multifamily Housing Inventory Survey of Units for the Elderly and Disabled*, available at <http://www.hud.gov/offices/hsg/mfh/hto/state/tx.pdf>. Though the report title specifically references units available to the elderly and persons with disabilities, the report also contains information on family properties and therefore encompasses the full scope of HUD properties. Please note, however, that there may be double counting with units financed through other programs, including public housing.

Numbers for current PHA units and Section 8 Housing Choice Vouchers were obtained from HUD's *Housing Authority Profiles* data at <https://pic.hud.gov/pic/haprofiles/haprofilelist.asp>. TDHCA Section 8 vouchers are also included in this figure. USDA unit data was obtained directly from USDA staff in October 2007.

HFC data, including Texas State Affordable Housing Corporation data, was obtained from the Housing Finance Corporation Annual Report that HFCs are required to submit to TDHCA annually. The figure describes the total units financed by the HFCs through June 2008 and does not specify assisted units, so

¹⁶ U.S. Census Bureau, 2006-2008 American Community Survey. (n.d.). Subject tables. Retrieved from <http://factfinder.census.gov>.

these unit totals will also include market-rate units in the area. Because the majority of HFC-financed developments also receive housing tax credits from TDHCA, these units are not included in the final state total.

Subsidized Multifamily Units

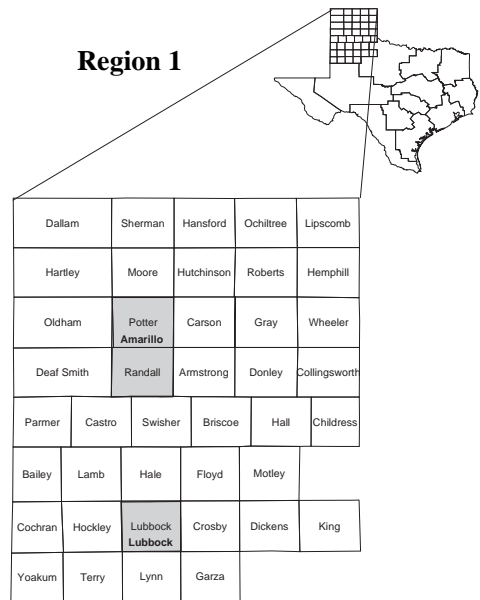
	State Total	Percent of State Inventory
TDHCA Units	199,125	29.98%
HUD Units*	102,349	15.41%
PHA Units*	55,098	8.30%
Section 8 Vouchers	252,515	38.02%
USDA Units	55,052	8.29%
HFC Units**	97,592	N/A
Total	664,139	100%

*Reflects the most updated numbers available.

**Because HFC developments report total units and do not specify assisted units and that the majority of HFC-financed developments also receive housing tax credits from TDHCA, these units are not included in the final total.

REGION 1

This 41-county region in the northwest corner of Texas encompasses over 39,500 square miles of the Panhandle. HISTA data projects that in 2009 the total population in Region 1 is 883,425, which represents 3.7 percent of the state's total population.



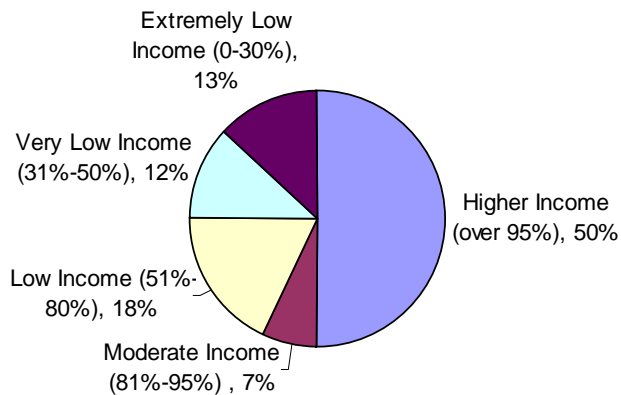
Region 1 Population Figures

	Region Total 2000	Percent in Region	Percent of State Total	Population Estimated Jan 1, 2009
Total Population	768,196		3.7%	883,425
Persons with Disabilities	138,520	18.0%		159,298
Elderly Persons (without disabilities)	50,862	6.6%		58,491
Individuals in Poverty	122,991	16.0%		141,440

Source: 2000 Census and CHAS Database with projections based on HISTA data.

Approximately 48 percent of the population lives in the urban areas, including Amarillo and Lubbock, and the rest live in rural areas of the region. In the map of Region 1 (right), the shaded counties are Metropolitan Statistical Areas as defined by the U.S. Census.

Region 1 Household Incomes



The pie chart to the left depicts the income breakdown of the 288,273 households in the region. Approximately 43 percent of households are low income. The most recent Census poverty estimate data for 2009 shows that there are 141,440 individuals living in poverty in the region which makes up 16.0 percent of the regional population. According to the Multiple Listing Service records for September 2009, the median home prices for Amarillo and Lubbock are \$ 117,600 and \$ 111,000, respectively.¹⁷

SPECIAL NEEDS POPULATIONS

According to 2009 population projections, there are approximately 159,298 persons with disabilities residing in the region, which is 18.0 percent of the regional population. In addition, there are approximately 58,491 elderly individuals without disabilities in the region, which is 6.6 percent of the regional population.

Data on the number of homeless individuals in the region is difficult to collect for a variety of reasons, including the fact that members of this population cannot be canvassed with regular location-based techniques. According to 2009 population projections, there are approximately 1,228 people in

¹⁷ Real Estate Center at Texas A&M University, "Texas Residential MLS Activity," <http://recenter.tamu.edu/data/hs/trends4.html> (accessed November 6, 2009).

noninstitutional group homes, including shelters, in the region. In its special tabulation on emergency and transitional shelters, the 2009 projections counted approximately 192 homeless persons in Amarillo.

HOUSING SUPPLY

According to the most recent US Census, 89 percent of the housing units in the region are occupied. Of the total housing stock, almost 75 percent are one unit; 15.9 percent are over two units; and the rest are mobile homes, boats, and RVs. Approximately 66.3 percent are occupied by their owners and 33.7 percent are occupied by renters.

HOUSING NEED

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database updated with HISTA population projections. There were approximately 91,669 owners and renters with housing problems in 2009.

Region 1 Households with Housing Problems

	Region Total	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
Households					
Extreme Cost Burden	67,159	25,939	18,689	13,818	8,712
Lacking Kitchen and/or Plumbing	3,211	898	558	604	1,151
Overcrowding	21,299	3,374	3,735	5,747	8,443
Total	91,669	30,211	22,982	20,169	18,306

Source: CHAS Database with projections based on HISTA data.

REGIONAL INPUT ON HOUSING NEEDS

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

When considering housing assistance as a category by itself, almost 40 percent of respondents indicated that home repair assistance was the greatest need, followed by homebuyer assistance at 25 percent. Regarding rental development by itself, 43 percent of respondents indicated that the construction of new rental units was their community’s greatest need, followed by 34 percent of respondents who indicated that the need for construction and rehabilitation of rental units was the same. When taking into account energy assistance by itself, 41 percent of respondents indicated that weatherization and minor home repairs was the greatest need followed by utility assistance with 39 percent.

ASSISTED HOUSING INVENTORY

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

Region 1 Assisted Multifamily Units

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	5,165	29.9%	2.6%
HUD Units*	3,451	20.0%	3.4%
PHA Units*	1,304	7.5%	2.4%
Section 8 Vouchers	5,679	32.9%	2.2%
USDA Units	1,676	9.7%	3.0%
HFC Units**	1,789		
Total	17,275	100.0%	3.3%

*Reflects the most updated numbers available.

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

REGION 2

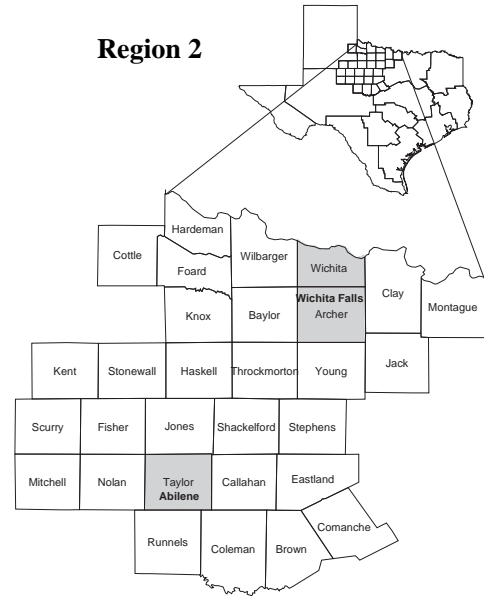
Region 2 surrounds the metropolitan areas of Wichita Falls and Abilene. HISTA data projects that in 2009 the total population in Region 2 is 618,253, which represents 2.6 percent of the state's total population.

Region 2 Population Figures

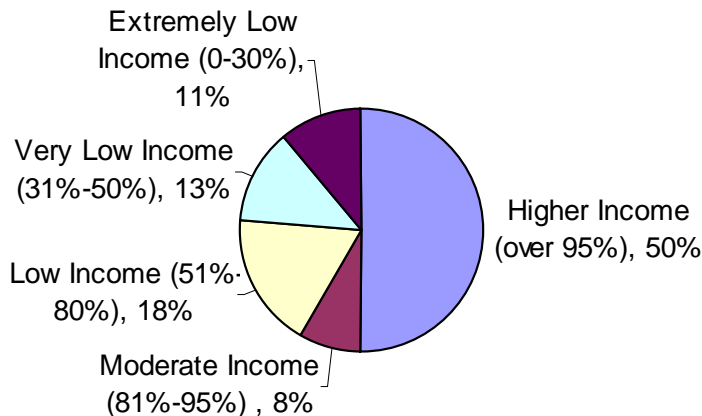
	Region Total 2000	Percent in Region	Region Percent of State	Population Estimated Jan 1, 2009
Total Population	549,267		2.6%	61,8253
Persons with Disabilities	105,325	19.6%		121,124
Elderly Persons (without disabilities)	42,485	7.9%		48,858
Individuals in Poverty	77,647	14.4%		89,294

Source: 2000 Census and CHAS Database with projections based on HISTA data.

Approximately 41 percent of the population lives in urban areas of the region. In the map of Region 2 (right), the shaded counties are Metropolitan Statistical Areas as defined by the U.S. Census.



Region 2 Household Incomes



The pie chart to the left depicts the income breakdown of the 206,459 households in the region. Approximately 42 percent of households are low income. There are 89,294 individuals living in poverty in the region which makes up 14.4 percent of the regional population. According to the Multiple Listing Service records for September 2009, the median home prices for Wichita Falls and Abilene are \$121,100 and \$108,700, respectively.¹⁸

SPECIAL NEEDS POPULATIONS

According to 2009 population projections, there are approximately 121,124 persons with disabilities residing in the region, which is 19.6 percent of the regional population. In addition, there are approximately 48,858 elderly individuals without disabilities in the region, which is 7.9 percent of the regional population.

Data on the number of homeless individuals in the region is difficult to collect for a variety of reasons, including the fact that members of this population cannot be canvassed with regular location-based techniques. According to 2009 population projections, there are approximately 700 people in noninstitutional group homes, which include shelters, in the region. In a special tabulation on emergency and transitional shelters, the Census did not count any homeless persons in metro areas.

¹⁸ Real Estate Center at Texas A&M University, "Texas Residential MLS Activity," <http://recenter.tamu.edu/data/hs/trends4.html> (accessed November 6, 2009).

HOUSING SUPPLY

According to the most recent US Census, 84 percent of the housing units in the region are occupied. Of the total housing stock, almost 77 percent are one unit; 12 percent are over two units; and the rest are mobile homes, boats, and RVs. Approximately 69.1 percent are occupied by their owners and 30.9 percent are occupied by renters.

HOUSING NEED

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database updated with HISTA population projections. There were approximately 56,447 owners and renters with housing problems in 2009.

Region 2 Households with Housing Problems

	Region Total	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
Households					
Extreme Cost Burden	44,820	16,401	13,389	8,732	6,298
Lacking Kitchen and/or Plumbing	2,161	670	367	459	665
Overcrowding	9,466	1,470	1,440	2,691	3,865
Total	56,447	18,541	15,196	11,882	10,828

Source: CHAS Database with projections based on HISTA data.

REGIONAL INPUT ON HOUSING NEEDS

According to the 2006 CNS data for Region 2, the two greatest general needs as ranked by survey respondents were energy assistance with 33 percent of total respondents and housing assistance with 29 percent of total respondents. Of the remaining respondents, approximately 21 percent indicated that the development of apartments was the priority need, 14 percent indicated that capacity building assistance was the priority need and 14 percent indicated that homeless assistance was the priority need.

When considering housing assistance as a category by itself, 54 percent of respondents indicated that home repair assistance was the greatest need, followed homebuyer assistance with 23 percent. Regarding rental development by itself, 40 percent of respondents indicated that the construction of new rental units was their community’s greatest need, followed by 28 percent of respondents who indicated that the need for construction and rehabilitation was the same. When taking into account energy assistance by itself, weatherization and minor home repairs tied with utility assistance as the greatest needs, each with 47 percent of respondents.

ASSISTED HOUSING INVENTORY

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

Region 2 Assisted Multifamily Units

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	3,308	25.0%	1.7%
HUD Units*	1,979	14.9%	1.9%
PHA Units*	3,026	22.8%	5.5%
Section 8 Vouchers	3,009	22.7%	1.2%
USDA Units	1,925	14.5%	3.5%
HFC Units**	280		
Total	13,247	100.0%	2.5%

* Reflects the most updated numbers available.

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

REGION 3

Region 3, which encompasses the metropolitan areas of Dallas, Fort Worth, Arlington, Sherman and Denison, is the state's most populous region. HISTA data projects that in 2009 the total population in Region 3 is 6,250,728, which represents 26.3 percent of the state's total population.

Region 3 Population Figures

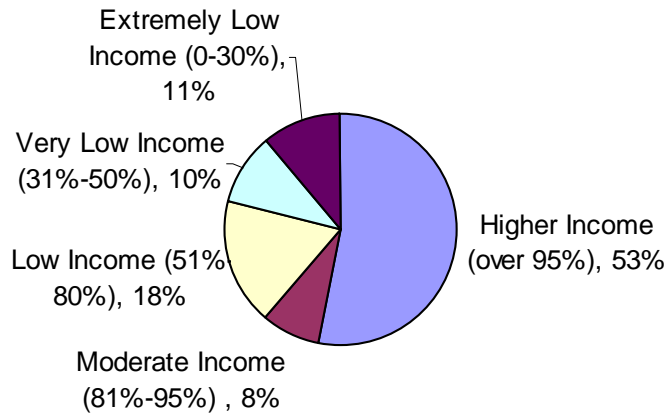
	Region Total 2000	Percent in Region	Region Percent of State	Population Estimated Jan 1, 2009
Total Population	5,435,416		26.3%	6,250,728
Persons with Disabilities	888,217	16.3%		1,021,449
Elderly Persons (without disabilities)	245,186	4.5%		281,964
Individuals in Poverty	588,688	10.8%		676,991

Source: 2000 Census and CHAS Database with projections based on HISTA data.



Approximately 93 percent of the population resides in urban areas. In the map of Region 3 (right), the shaded counties are Metropolitan Statistical Areas as defined by the U.S. Census.

Region 3 Household Incomes



The pie chart to the left depicts the income breakdown of the 1,988,135 households in the region. Approximately 39 percent of households are low income. There are 676,991 individuals living in poverty in the region which makes up 18.9 percent of the regional population. According to the Multiple Listing Service records for September 2009, the highest median home price is in Collin County at \$196,700, while the lowest is in Sherman-Denison at \$101,200.¹⁹

SPECIAL NEEDS POPULATIONS

According to 2009 population projections, there are approximately 1,021,449 persons with disabilities residing in the region, which is 16.3 percent of the regional population. In addition, there are 281,964 elderly individuals without disabilities in the region, which is 4.5 percent of the regional population.

Data on the number of homeless individuals in the region is difficult to collect for a variety of reasons, including the fact that members of this population cannot be canvassed with regular location-based techniques. According to the 2009 population projections, there are approximately 7,530 people in noninstitutional group homes, including shelters, in the region. In its special tabulation on emergency and

¹⁹ Real Estate Center at Texas A&M University, "Texas Residential MLS Activity," <http://recenter.tamu.edu/data/hs/trends4.html> (accessed November 6, 2009).

transitional shelters, the Census counted approximately 2,211 homeless persons in Tarrant and Dallas counties.

HOUSING SUPPLY

According to the most recent US Census, 93.7 percent of the housing units in the region are occupied; this is the highest occupancy rate among all of the regions. Of the total housing stock, 64 percent are one unit; 30 percent are over two units; and the rest are mobile homes and boats. Approximately 60.9 percent are occupied by their owners and 39.1 percent are occupied by renters.

HOUSING NEED

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database updated with HISTA population projections. There were approximately 699,636 owners and renters with housing problems in 2009.

Region 3 Households with Housing Problems

	Region Total	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
Households					
Extreme Cost Burden	483,443	148,173	124,704	118,320	92,246
Lacking Kitchen and/or Plumbing	18,571	4,988	3,378	3,940	6,266
Overcrowding	197,622	36,717	39,975	53,458	67,472
Total	699,636	189,878	168,057	175,718	165,984

Source: CHAS Database with projections based on HISTA data.

REGIONAL INPUT ON HOUSING NEEDS

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

When considering housing assistance as a category by itself, 52 percent indicated that home repair assistance was the greatest need, followed by a three-way tie between homebuyer assistance, rental subsidies and minimal need for housing assistance each with 14 percent of respondents. Regarding rental development by itself, 26 percent indicated that the need for construction and rehabilitation was approximately the same, followed by 25 percent of respondents who indicated that the rehabilitation of existing rental units was the greatest need, independent of construction of rental units. When taking into account energy assistance by itself, 39 percent of respondents indicated that utility assistance was the greatest need, followed by weatherization and minor home repairs with 37 percent.

ASSISTED HOUSING INVENTORY

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

Region 3 Multifamily Assisted Units

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	60,575	41.8%	30.4%
HUD Units*	28,032	19.3%	27.4%
PHA Units*	8,485	5.9%	15.4%
Section 8 Vouchers	43,833	30.2%	17.4%
USDA Units	4,076	2.8%	7.4%
HFC Units**	20,907		
Total	145,001	100.0%	27.6%

* Reflects the most updated numbers available.

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

REGION 4

Region 4, located in the northeast corner of the state, surrounds the urban areas of Texarkana, Longview-Marshall and Tyler. HISTA data projects that in 2009 the total population in Region 3 is 1,145,320, which represents 4.9 percent of the state’s total population.

Region 4 Population Figures

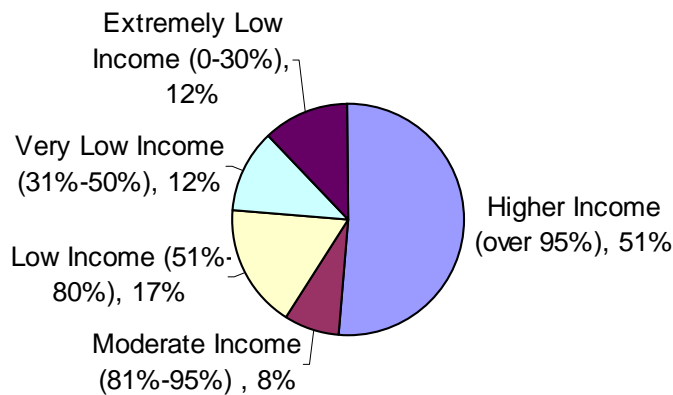
	Region Total 2000	Percent in Region	Region Percent of State	Population Estimated Jan 1, 2009
Total Population	995,930		4.9%	1,145,320
Persons with Disabilities	213,753	21.5%		245,816
Elderly Persons (without disabilities)	77,528	7.8%		89,157
Individuals in Poverty	152,036	15.3%		174,841

Source: 2000 Census and CHAS Database with projections based on HISTA data.



Region 4 has the highest percentage of rural population in the state at 77.5 percent. In the map of Region 4 (right), the shaded counties are Metropolitan Statistical Areas as defined by the U.S. Census.

Region 4 Household Incomes



The pie chart to the left depicts the income breakdown of the 380,765 households in the region. Approximately 41 percent of households are low income. There are 174,841 individuals living in poverty in the region, which makes up 15.3 percent of the regional population. According to the Multiple Listing Service records for September 2009, the median home prices for Tyler and Longview-Marshall are \$142,000 and \$127,200, respectively.²⁰

SPECIAL NEEDS POPULATIONS

According to 2009 population projections, there are approximately 245,816 persons with disabilities residing in the region, which is 21.5 percent of the regional population. In addition, there are approximately 89,157 elderly individuals without disabilities in the region, which is 7.8 percent of the regional population.

Data on the number of homeless individuals in the region is difficult to collect for a variety of reasons, including the fact that members of this population cannot be canvassed with regular location-based techniques. According to the 2009 population projections, there are 1,505 people in noninstitutional group homes, which include shelters, in the region. In its special tabulation on emergency and transitional

²⁰ Real Estate Center at Texas A&M University, "Texas Residential MLS Activity," <http://recenter.tamu.edu/data/hs/trends4.html> (accessed November 6, 2009).

shelters, the Census counted 127 homeless persons in Tyler. Region 4 also experienced damage from Hurricane Rita, which hit the southeast Texas area in September 2005. According to FEMA, \$1,037,418.22 worth of damage was reported. Households affected by the hurricane have unexpected needs.

HOUSING SUPPLY

According to the most recent US Census, 87.5 percent of the housing units in the region are occupied. Of the total housing stock, 71 percent are one unit; 11 percent are over two units; and the rest are mobile homes, boats, and RVs. Approximately 73.8 percent are occupied by their owners and 26.2 percent are occupied by renters.

HOUSING NEED

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database updated with HISTA population projections. There were approximately 115,387 owners and renters with housing problems in 2009.

Region 4 Households with Housing Problems

	Region Total	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
Households					
Extreme Cost Burden	87,846	31,977	23,560	18,322	13,988
Lacking Kitchen and/or Plumbing	5,578	1,724	994	1,002	1,858
Overcrowding	21,963	3,657	3,640	5,408	9,258
Total	115,387	37,358	28,194	24,732	25,104

Source: CHAS Database with projections based on HISTA data

REGIONAL INPUT ON HOUSING NEEDS

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

When considering housing assistance as a category by itself, 53 percent indicated that home repair assistance was the greatest need, followed by homebuyer assistance at 28 percent. Regarding rental development by itself, 34 percent indicated that the need for construction and rehabilitation was the same, followed by 33 percent of respondents who indicated that construction of new units without rehabilitation was the greatest need. When taking into account energy assistance by itself, 41 percent indicated that utility assistance was the greatest need, followed by weatherization and minor home repairs with 40 percent.

ASSISTED HOUSING INVENTORY

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

Region 4 Assisted Multifamily Units

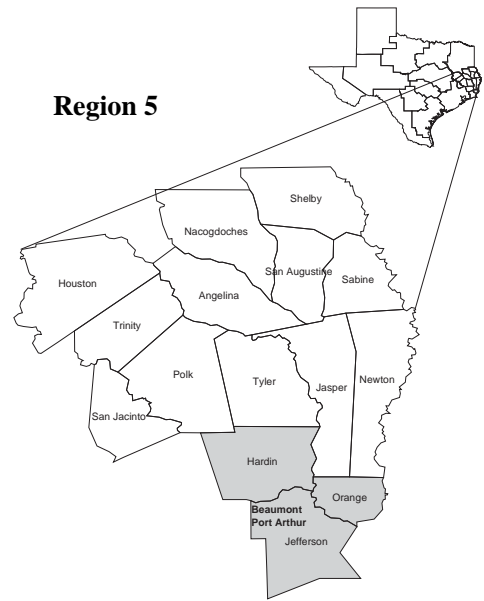
	Region Total	Percent in Region	Percent of State Total
TDHCA Units	5,629	26.4%	2.8%
HUD Units*	3,577	16.8%	3.5%
PHA Units*	2,252	10.6%	4.1%
Section 8 Vouchers	5,988	28.1%	2.4%
USDA Units	3,872	18.2%	7.0%
HFC Units**	1,170		
Total	21,318	100.0%	4.1%

* Reflects the most updated numbers available.

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

REGION 5

Region 5 encompasses a 15-county area in east Texas including the urban areas of Beaumont and Port Arthur. HISTA data projects that in 2009 the total population in Region 3 is 914,434, which represents 3.6 percent of the state’s total population.



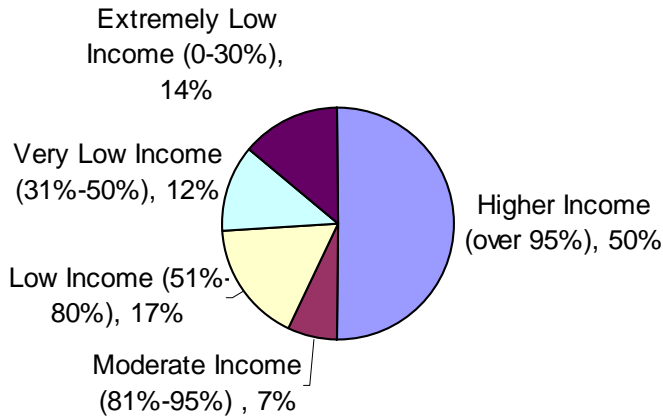
Region 5 Population Figures

	Region Total 2000	Percent in Region	Region Percent of State	Population Estimated Jan 1, 2009
Total Population	795,160		3.6%	914,434
Persons with Disabilities	150,529	18.9%		173,108
Elderly Persons (without disabilities)	53,148	6.7%		61,120
Individuals in Poverty	120,585	15.2%		138,673

Source: 2000 Census and CHAS Database with projections based on HISTA data.

Over 70 percent of the population lives in rural areas. In the map of Region 5 (above), the shaded counties are Metropolitan Statistical Areas as defined by the U.S. Census.

Region 5 Household Incomes



The pie chart to the left depicts the income breakdown of the 274,543 households in the region. Approximately 43 percent of households are low income. There are 138,673 individuals living in poverty in the region, which makes up 15.2 percent of the regional population. According to the Multiple Listing Service records for September 2009, the median home prices for Beaumont and Port Arthur are \$ 131,400 and \$ 128,600, respectively.²¹

SPECIAL NEEDS POPULATIONS

According to 2009 population projections, there are approximately 173,108 persons with disabilities residing in the region, which is 18.9 percent of the regional population. In addition, there are approximately 61,120 elderly individuals without disabilities in the region, which is 6.7 percent of the regional population.

Data on the number of homeless individuals in the region is difficult to collect for a variety of reasons, including the fact that members of this population cannot be canvassed with regular location-based techniques. According to the 2009 population projections, there are approximately 773 people in noninstitutional group homes, which include shelters, in the region. In its tabulation on emergency and

²¹ Real Estate Center at Texas A&M University, "Texas Residential MLS Activity," <http://recenter.tamu.edu/data/hs/trends4.html> (accessed November 9, 2009).

transitional shelters, the Census did not count homeless persons in metropolitan areas. Region 5 also experienced significant damage from Hurricane Rita, which hit the southeast Texas area in September 2005. According to FEMA, approximately \$190,251,194 worth of damage was reported. Households affected by the hurricane have unexpected needs.

HOUSING SUPPLY

According to the most recent US Census, 84.7 percent of the housing units in the region are occupied. Of the total housing stock, 69.3 percent are one unit, 11 percent are over two units, and 18.6 percent are mobile homes. Boats and RVs make up the rest of the housing stock. Approximately 73.4 percent are occupied by their owners and 26.6 percent are occupied by renters.

HOUSING NEED

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database updated with HISTA population projections. There were approximately 83,490 owners and renters with housing problems in 2009.

Region 5 Households with Housing Problems

	Region Total	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
Households					
Extreme Cost Burden	62,016	25,949	16,662	11,413	7,993
Lacking Kitchen and/or Plumbing	3,836	1,270	633	733	1,202
Overcrowding	17,638	3,350	2,548	3,968	7,772
Total	83,490	30,569	19,843	16,114	16,967

Source: CHAS Database with projections based on HISTA data

REGIONAL INPUT ON HOUSING NEEDS

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

When considering housing assistance as a category by itself, 49 percent indicated that home repair assistance was the greatest need, followed by homebuyer assistance at 27 percent. Regarding rental development by itself, 54 percent indicated that the need for construction and rehabilitation was the same, followed by 30 percent of respondents who indicated that construction of new units, separate from rehabilitation, was the greatest need. When taking into account energy assistance by itself, 44 percent indicated that utility assistance was the greatest need, followed by weatherization and minor home repairs at 40 percent.

ASSISTED HOUSING INVENTORY

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

Region 5 Assisted Multifamily Units

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	5,713	26.9%	2.9%
HUD Units*	4,134	19.4%	4.0%
PHA Units*	2,368	11.1%	4.3%
Section 8 Vouchers	7,598	35.7%	3.0%
USDA Units	1,443	6.8%	2.6%
HFC Units**	1,278		
Total	21,256	100.0%	4.0%

* Reflects the most updated numbers available.

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

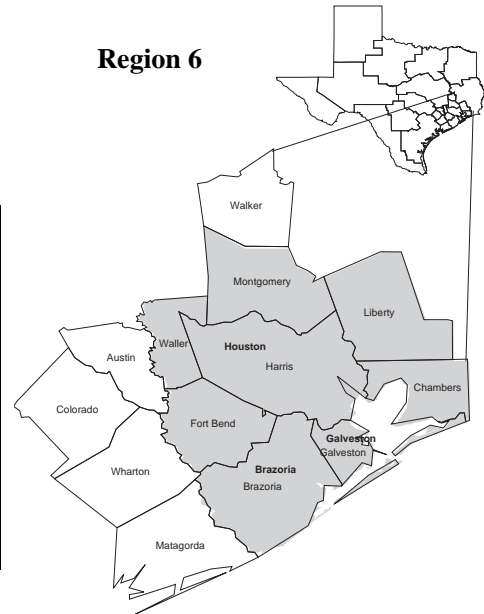
REGION 6

Region 6 includes the urban areas of Houston, Brazoria and Galveston. HISTA data projects that in 2009 the total population in Region 6 is 5,537,857, which represents 23.3 percent of the state’s total population.

Region 6 Population Figures

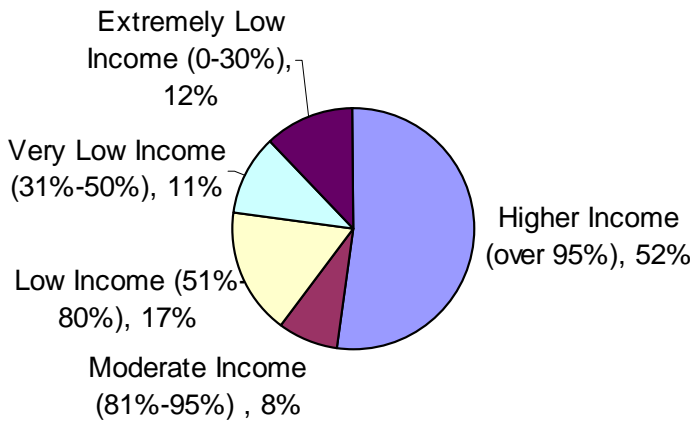
	Region Total 2000	Percent in Region	Region Percent of State	Population Estimated Jan 1, 2009
Total Population	4,815,528		23.3%	5,537,857
Persons with Disabilities	801,436	16.6%		921,651
Elderly Persons (without disabilities)	206,438	4.3%		237,404
Individuals in Poverty	656,239	13.6%		754,675

Source: 2000 Census and CHAS Database with projections based on HISTA data



Approximately 66 percent of the populations lives in the urban areas of Region 6. In the map of Region 6 (right), the shaded counties are Metropolitan Statistical Areas as defined by the U.S. Census.

Region 6 Household Income



The pie chart to the left depicts the income breakdown of the 1,691,811 households in the region. Approximately 40 percent of households are low income. There are 754,675 individuals living in poverty in the region, which makes up 13.6 percent of the regional population. According to the Multiple Listing Service records for September 2009, the median home prices for Houston and Galveston are \$155,600 and \$150,000 respectively.²²

SPECIAL NEEDS POPULATIONS

According to 2009 population projections, there are approximately 921,651 persons with disabilities residing in the region, which makes up 16.6 percent of the regional population. In addition, there are approximately 237,404 elderly individuals without disabilities in the region, which is 4.3 percent of the regional population.

Data on the number of homeless individuals in the region is difficult to collect for a variety of reasons, including the fact that members of this population cannot be canvassed with regular location-based techniques. According to 2009 population projections, there are approximately 8,961 people in

²² Real Estate Center at Texas A&M University, "Texas Residential MLS Activity," <http://recenter.tamu.edu/data/hs/trends4.html> (accessed November 9, 2009).

noninstitutional group homes, which include shelters, in the region. In its special tabulation on emergency and transitional shelters, the Census counted approximately 2,019 homeless persons in the Houston area. Region 6 also experienced damage from Hurricane Rita, which hit the southeast Texas area in September 2005. According to FEMA, approximately \$28,325,647 worth of damage was reported. Households affected by the hurricane have unexpected needs.

HOUSING SUPPLY

According to the most recent US Census, 91.9 percent are of the housing units in the region are occupied. Of the total housing stock, 71 percent are one unit; 18 percent are over two units; and the rest are mobile homes, RVs, and boats. Approximately 60.9 percent are occupied by their owners and 39.1 percent are occupied by renters.

HOUSING NEED

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database updated with HISTA population projections. There were approximately 621,947 owners and renters with housing problems in 2009.

Region 6 Households with Housing Problems

	Region Total	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
Households					
Extreme Cost Burden	392,181	133,623	104,552	83,584	70,421
Lacking Kitchen and/or Plumbing	18,712	5,594	3,306	3,787	6,025
Overcrowding	211,054	42,404	43,848	55,539	69,262
Total	621,947	181,621	151,706	142,910	145,708

Source: CHAS Database with projections based on HISTA data

REGIONAL INPUT ON HOUSING NEEDS

According to the 2006 CNS data for Region 6, the two greatest general needs as ranked by survey respondents were housing assistance with 73 percent of total respondents and development of apartments with 14 percent of total respondents. Of the remainder of the respondents, approximately 7 percent indicated that energy assistance was the priority need and 6 percent indicated that capacity building assistance was the priority need. No respondents indicated that homeless assistance was their community’s priority need.

When considering housing assistance as a category by itself, 46 percent indicated that home repair assistance was the greatest need, followed by homebuyer assistance at 33 percent. Regarding rental development by itself, 31 percent indicated that the need for construction and rehabilitation was the same, followed by a tie between a need for the construction of new units alone and a minimal need for rental assistance with 21 percent of respondents each. When taking into account energy assistance by itself, 39 percent indicated that utility assistance was the greatest need, followed by weatherization and minor home repairs with 37 percent.

ASSISTED HOUSING INVENTORY

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

Region 6 Assisted Multifamily Units

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	55,627	49.0%	27.9%
HUD Units*	27,284	24.1%	26.7%
PHA Units*	5,138	4.5%	9.3%
Section 8 Vouchers	21,884	19.3%	8.7%
USDA Units	3,484	3.1%	6.3%
HFC Units**	39,365		
Total	113,417	100.0%	21.6%

* Reflects the most updated numbers available.

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

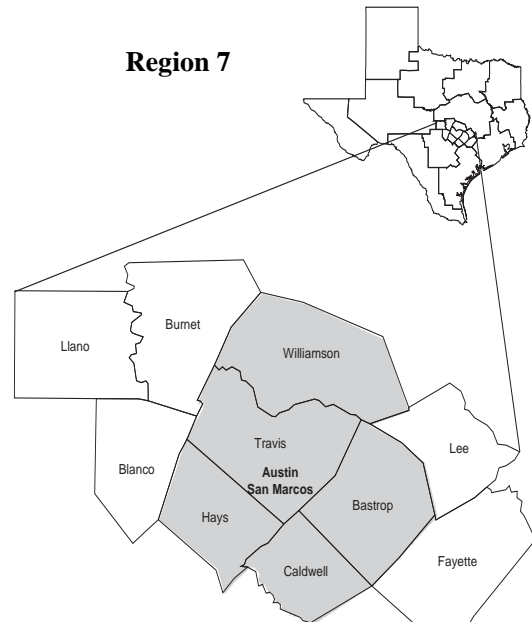
REGION 7

The urban area of Austin-San Marcos is at the center of Region 7. HISTA data projects that in 2009 the total population in Region 7 is 1,532,970, which represents 6.5 percent of the state’s total population.

Region 7 Population Figures

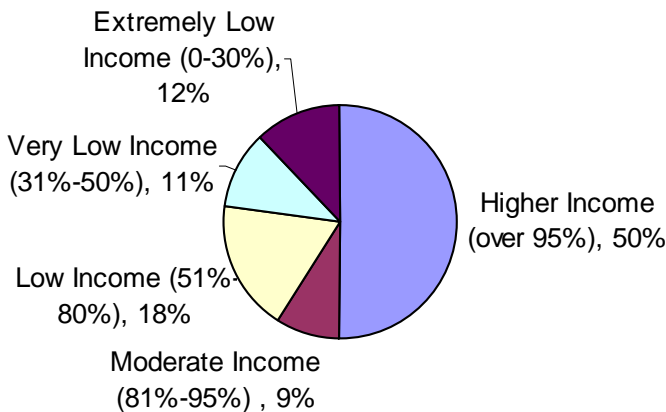
	Region Total 2000	Percent in Region	Region Percent of State	Population Estimated Jan 1, 2009
Total Population	1,333,017		6.5%	1,532,970
Persons with Disabilities	190,226	14.3%		218,760
Elderly Persons (without disabilities)	61,229	4.6%		70,413
Individuals in Poverty	145,060	10.9%		166,819

Source: 2000 Census and CHAS Database with projections based on HISTA data



Approximately 68 percent of the population lives in urban areas. In the map of Region 7 (right), the shaded counties are Metropolitan Statistical Areas as defined by the U.S. Census.

Region 7 Household Income



The pie chart to the left depicts the income breakdown of the 509,798 households in the region. Approximately 41 percent of households are low income. There are 166,819 individuals living in poverty in the region, which makes up 10.9 percent of the regional population. According to the Multiple Listing Service records for September 2009, the median home price for Austin is \$182,700.²³

SPECIAL NEEDS POPULATIONS

According to 2009 population projections, there are approximately 218,760 persons with disabilities residing in the region, which is 14.3 percent of the regional population. In addition, there are approximately 70,413 elderly individuals without disabilities in the region, which is 4.6 percent of the regional population.

Data on the number of homeless individuals in the region is difficult to collect for a variety of reasons, including the fact that members of this population cannot be canvassed with regular location-based techniques. According to 2009 population projections, there are approximately 2,707 people in noninstitutional group homes, which include shelters, in the region. In its special tabulation on emergency and transitional shelters, the Census counted 553 homeless persons in Austin.

²³ Real Estate Center at Texas A&M University, "Texas Residential MLS Activity," <http://recenter.tamu.edu/data/hs/trends4.html> (accessed November 9, 2009).

HOUSING SUPPLY

According to the most recent US Census, 93.5 percent of the housing units in the region are occupied. Of the total housing stock, 62 percent are one unit, 30 percent are over two units, and the rest are mobile homes, boats. Approximately 59.8 percent are occupied by owners and 40.2 percent are occupied by renters.

HOUSING NEED

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database updated with HISTA population projections. There were approximately 189,088 owners and renters with housing problems in 2009.

Region 7 Households with Housing Problems

	Region Total	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
Households					
Extreme Cost Burden	143,360	44,925	36,217	36,747	25,471
Lacking Kitchen and/or Plumbing	5,598	1,938	981	1,125	1,555
Overcrowding	40,130	7,442	8,194	10,520	13,975
Total	189,088	54,305	45,392	48,392	41,001

Source: CHAS Database with projections based on HISTA data

REGIONAL INPUT ON HOUSING NEEDS

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

When considering housing assistance as a category by itself, 34 percent indicated that home repair assistance was the greatest need, followed by homebuyer assistance at 28 percent. Regarding rental development by itself, 45 percent indicated that their community's greatest need was the construction of new rental units, followed by 38 percent of respondents who indicated that the need for construction and rehabilitation was the same. When taking into account energy assistance by itself, 38 percent indicated that utility assistance was the greatest need, followed by weatherization and minor home repairs with 34 percent.

ASSISTED HOUSING INVENTORY

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

Region 7 Assisted Multifamily Units

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	17,910	49.8%	9.0%
HUD Units*	5,032	14.0%	4.9%
PHA Units*	3,506	9.7%	6.4%
Section 8 Vouchers	8,053	22.4%	3.2%
USDA Units	1,477	4.1%	2.7%
HFC Units**	8,281		
Total	35,978	100.0%	6.8%

* Reflects the most updated numbers available.

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

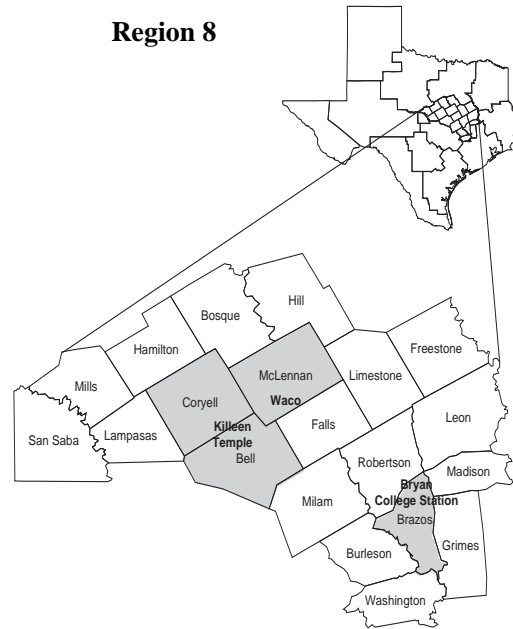
REGION 8

Region 8, located in the center of the state, surrounds the urban areas of Waco, Bryan, College Station, Killeen and Temple. HISTA data projects that in 2009 the total population in Region 8 is 1,089,838 and represents 4.6 percent of the state’s total population.

Region 8 Population Figures

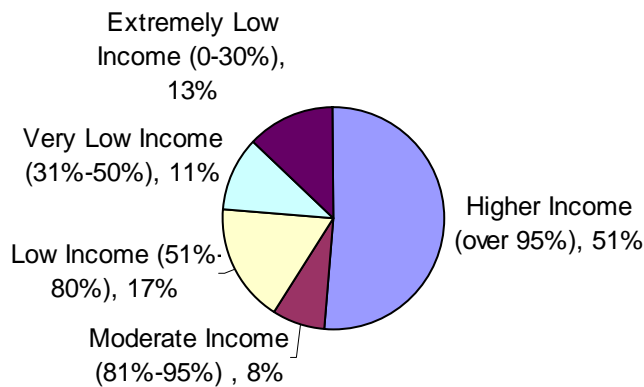
	Region Total 2000	Percent in Region	Region Percent of State	Population Estimated Jan 1, 2009
Total Population	947,685		4.6%	1,089,838
Persons with Disabilities	160,743	17.0%		184,854
Elderly Persons (without disabilities)	55,854	5.9%		64,232
Individuals in Poverty	149,480	15.8%		171,902

Source: 2000 Census and CHAS Database with projections based on HISTA data



Approximately 55 percent of the population lives in the urban areas of Region 8. In the map of Region 8 (right), the shaded counties are Metropolitan Statistical Areas as defined by the U.S. Census.

Region 8 Household Income



The pie chart to the left depicts the income breakdown of the 343,856 households in the region. Approximately 41 percent of households are low income. There are 171,902 individuals living in poverty in the region, which makes up 15.8 percent of the regional population. According to the Multiple Listing Service records for September 2009, the median home price for Bryan-College Station is \$152,500.²⁴

SPECIAL NEEDS POPULATIONS

According to 2009 population projections, there are approximately 184,854 persons with disabilities residing in the region, which is 17.0 percent of the regional population. In addition, there are approximately 64,232 elderly individuals without disabilities in the region, which is 5.9 percent of the regional population.

Data on the number of homeless individuals in the region is difficult to collect for a variety of reasons, including the fact that members of this population cannot be canvassed with regular location-based techniques. According to 2009 population projections, there are approximately 1,153 people in noninstitutional group homes, which include shelters, in the region. In its special tabulation on emergency and transitional shelters, the Census counted approximately 148 homeless persons in the Killeen area.

²⁴ Real Estate Center at Texas A&M University, "Texas Residential MLS Activity," <http://recenter.tamu.edu/data/hs/trends4.html> (accessed November 9, 2009).

HOUSING SUPPLY

According to the most recent US Census 88.9 percent of the total housing units in the region are occupied. Of the total housing stock, 67 percent are one unit, 20 percent are over two units, 12 percent are mobile homes, and the rest are boats and RVs. Approximately 61.2 percent are occupied by their owners and 38.8 percent are occupied by renters.

HOUSING NEED

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database updated with HISTA population projections. There were approximately 119,258 owners and renters with housing problems in 2009.

Region 8 Households with Housing Problems

	Region Total	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
Households					
Extreme Cost Burden	90,612	34,211	23,462	19,895	13,043
Lacking Kitchen and/or Plumbing	4,173	1,240	805	789	1,340
Overcrowding	24,473	4,191	3,775	6,648	9,859
Total	119,258	39,642	28,042	27,332	24,242

Source: CHAS Database with projections based on HISTA data

REGIONAL INPUT ON HOUSING NEEDS

According to the 2006 CNS data for Region 8, the two greatest general needs as ranked by survey respondents were housing assistance with 28 percent of total respondents and energy assistance with 21 percent of total respondents. Of the remaining respondents, approximately 18 indicated that capacity building was the priority need, 18 percent indicated that the development of apartments was the priority need and 10 percent indicated that homeless assistance was the priority need.

When considering housing assistance as a category by itself, 48 percent of respondents indicated that home repair assistance was the greatest need, followed by homebuyer assistance at 23 percent. Regarding rental development by itself, 40 percent of respondents indicated that their community's greatest need was the construction of new rental units, followed by 20 percent respondents who indicated that there was a minimal need for rental development. When taking into account energy assistance by itself, 60 percent of respondents indicated that utility assistance was the greatest need, followed by weatherization and minor home repairs with 34 percent.

ASSISTED HOUSING INVENTORY

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

Region 8 Assisted Multifamily Units

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	6,383	26.8%	3.2%
HUD Units*	4,178	17.6%	4.1%
PHA Units*	2,780	11.7%	5.0%
Section 8 Vouchers	7,621	32.0%	3.0%
USDA Units	2,820	11.9%	5.1%
HFC Units**	305		
Total	23,782	100.0%	4.5%

* Reflects the most updated numbers available.

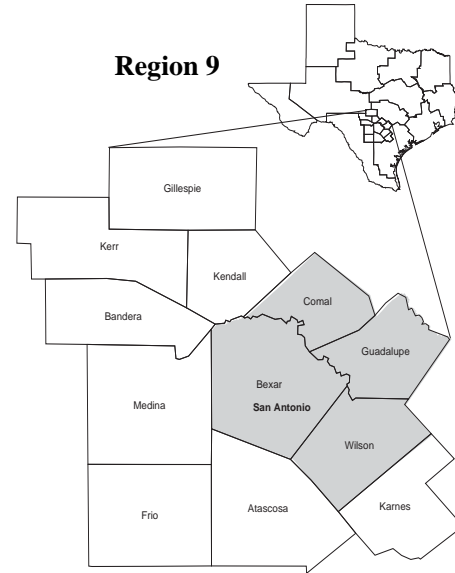
**HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

REGION 9

San Antonio is the main metropolitan area in Region 9. HISTA data projects that in 2009 the total population in Region 9 is 2,052,228, which represents 8.7 percent of the state's total population.

Region 9 Population Figures

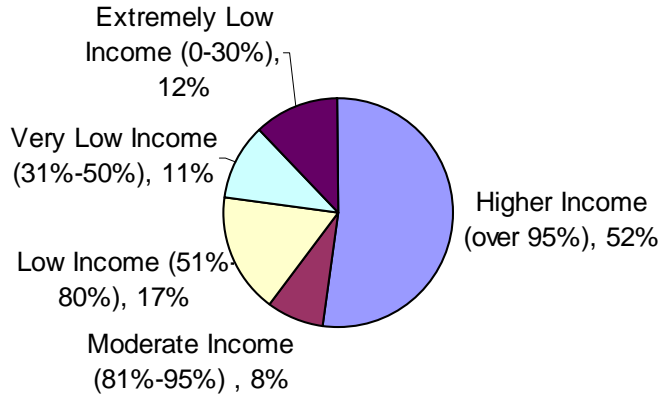
	Region Total 2000	Percent in Region	Region Percent of State	Population Estimated Jan 1, 2009
Total Population	1,784,546		8.7%	2,052,228
Persons with Disabilities	337,541	18.9%		388,172
Elderly Persons (without disabilities)	107,974	6.1%		124,170
Individuals in Poverty	267,118	15.0%		307,186



Source: 2000 Census and CHAS Database with projections based on HISTA data

Approximately 73 percent of the population lives in urban areas. In the map of Region 9 (right), the shaded counties are Metropolitan Statistical Areas as defined by the U.S. Census.

Region 9 Household Income



The pie chart to the left depicts the income breakdown of the 635,280 households in the region. Approximately 40 percent of households are low income. There are 307,186 individuals living in poverty in the region, which makes up 15.0 percent of the regional population. According to the Multiple Listing Service records for September 2009, the median home price for San Antonio is \$146,700.²⁵

SPECIAL NEEDS POPULATIONS

According to 2009 population projections, there are approximately 388,172 persons with disabilities residing in the region, which is 18.9 percent of the regional population. In addition, there are approximately 124,170 elderly individuals without disabilities in the region, which is 6.1 percent of the regional population.

Data on the number of homeless individuals in the region is difficult to collect for a variety of reasons, including the fact that members of this population cannot be canvassed with regular location-based techniques. According to 2009 population projections, there are approximately 3,357 people in noninstitutional group homes, which include shelters, in the region. In its special tabulation on emergency and transitional shelters, the Census counted approximately 978 homeless persons in San Antonio.

²⁵ Real Estate Center at Texas A&M University, "Texas Residential MLS Activity," <http://recenter.tamu.edu/data/hs/trends4.html> (accessed November 9, 2009).

HOUSING SUPPLY

According to the most recent US Census, 92.3 percent of the housing units in the region are occupied. Of the total housing stock, 69 percent are one unit, 22 percent are over two units, 8 percent are mobile homes, and the rest are boats and RVs. Approximately 65.0 percent are occupied by their owners and 35.0 percent are occupied by renters.

HOUSING NEED

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database updated with HISTA population projections. There were approximately 223,448 owners and renters with housing problems in 2009.

Region 9 Households with Housing Problems

	Region Total	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
Households					
Extreme Cost Burden	153,507	47,556	38,733	36,371	30,846
Lacking Kitchen and/or Plumbing	7,521	2,128	1,319	1,581	2,493
Overcrowding	62,420	11,431	11,807	15,974	23,208
Total	223,448	61,115	51,859	53,926	56,547

Source: CHAS Database with projections based on HISTA data

REGIONAL INPUT ON HOUSING NEEDS

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

When considering housing assistance as a category by itself, 53 percent indicated that home repair assistance was the greatest need, followed by homebuyer assistance at 29 percent. Regarding rental development activities by itself, 34 percent indicated that the need for construction and rehabilitation was the same, followed by a three way tie between construction of new units alone, minimal need for rental development and no opinion about rental units with 18 percent each. When taking into account energy assistance alone, 41 percent indicated that weatherization and minor home repairs was the greatest need, followed by utility assistance with 29 percent.

ASSISTED HOUSING INVENTORY

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

Region 9 Assisted Multifamily Units

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	16,065	31.1%	8.1%
HUD Units*	12,080	23.4%	11.8%
PHA Units*	7,458	14.4%	13.5%
Section 8 Vouchers	15,046	29.1%	6.0%
USDA Units	1,007	1.9%	1.8%
HFC Units**	22,392		
Total	51,656	100.0%	9.8%

* Reflects the most updated numbers available.

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

REGION 10

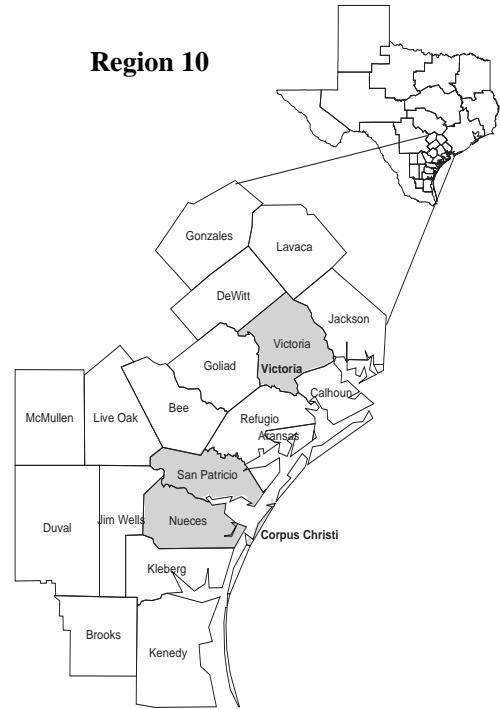
Region 10, including the urban areas of Corpus Christi and Victoria, is located in the south eastern part of the state on the Gulf of Mexico. HISTA data projects that in 2009 the total population in Region 10 is 709,697, which represents 3.5 percent of the state’s total population.

Region 10 Population Figures

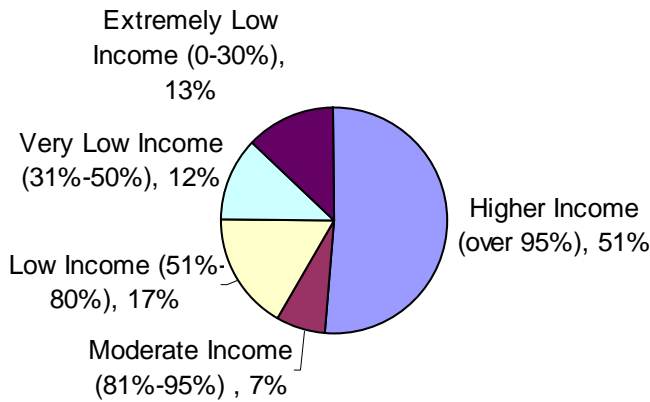
	Region Total 2000	Percent in Region	Region Percent of State	Population Estimated Jan 1, 2009
Total Population	617,128		3.5%	709,697
Persons with Disabilities	141,592	22.9%		162,831
Elderly Persons (without disabilities)	46,900	7.6%		53,935
Individuals in Poverty	132,214	21.4%		152,046

Source: 2000 Census and CHAS Database with projections based on HISTA data

In Region 10, 50 percent live in urban areas. In the map of Region 10 (right), the shaded counties are Metropolitan Statistical Areas as defined by the U.S. Census.



Region 10 Household Income



The pie chart to the left depicts the income breakdown of the 255,493 households in the region. Approximately 42 percent of households are low income. There are 152,046 individuals living in poverty in the region, which makes up 21.4 percent of the regional population. According to the Multiple Listing Service records for September 2009, the median home price for Corpus Christi is \$144,100.²⁶

SPECIAL NEEDS POPULATIONS

According to 2009 population projections, there are approximately 162,831 persons with disabilities residing in the region, which is 22.9 percent of the regional population. In addition, there are approximately 53,935 elderly individuals without disabilities in the region, which is 7.6 percent of the regional population.

According to 2009 population projections, there are approximately 162,831 persons with disabilities residing in the region, which is 22.9 percent of the regional population. In addition, there are approximately 53,935 elderly individuals without disabilities in the region, which is 7.6 percent of the regional population.

Data on the number of homeless individuals in the region is difficult to collect for a variety of reasons, including the fact that members of this population cannot be canvassed with regular location-based techniques. According to 2009 population projections, there are approximately 1,674 people in noninstitutional group homes, which include shelters, in the region. In its special tabulation on emergency and transitional shelters, the Census counted approximately 313 homeless persons in Corpus Christi.

²⁶ Real Estate Center at Texas A&M University, "Texas Residential MLS Activity," <http://recenter.tamu.edu/data/hs/trends4.html> (accessed November 9, 2009).

HOUSING SUPPLY

According to the most recent US Census, 86 percent of the housing units in the region are occupied. Of the total housing stock, 71 percent are one unit, 18 percent are over two units, 10 percent are mobile homes, and the rest are boats and RVs. Approximately 66.8 percent are occupied by their owners and 33.2 percent are occupied by renters.

HOUSING NEED

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database updated with HISTA population projections. There were approximately 87,463 owners and renters with housing problems in 2009.

Region 10 Households with Housing Problems

	Region Total	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
Households					
Extreme Cost Burden	59,191	20,620	15,872	12,697	10,002
Lacking Kitchen and/or Plumbing	3,763	1,266	737	771	989
Overcrowding	24,509	4,937	4,226	5,396	9,950
Total	87,463	26,823	20,835	18,864	20,941

Source: CHAS Database with projections based on HISTA data

REGIONAL INPUT ON HOUSING NEEDS

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

When considering housing assistance by itself, 81 percent of respondents indicated that home repair assistance was the greatest need, followed by homebuyer assistance at 9 percent. Regarding rental development by itself, 41 percent of respondents indicated that their community's greatest need was the construction of new rental units, followed by 32 percent of respondents who indicated that the need for construction and rehabilitation was the same. When taking into account energy assistance by itself, 54 percent indicated that weatherization and minor home repairs was the greatest need followed by utility assistance with 36 percent.

ASSISTED HOUSING INVENTORY

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

Region 10 Assisted Multifamily Units

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	5,141	26.5%	2.6%
HUD Units*	4,236	21.8%	4.1%
PHA Units*	4,459	22.9%	8.1%
Section 8 Vouchers	3,977	20.5%	1.6%
USDA Units	1,619	8.3%	2.9%
HFC Units**	971		
Total	19,432	100.0%	3.7%

* Reflects the most updated numbers available.

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

REGION 11

Region 11 is a 16-county area along the border of Mexico. The main urban areas in the region are Brownsville-Harlingen, McAllen-Edinburg, Del Rio and Laredo. HISTA data projects that in 2009 the total population in Region 11 is 1,573,971, which represents 6.4 percent of the state's total population.



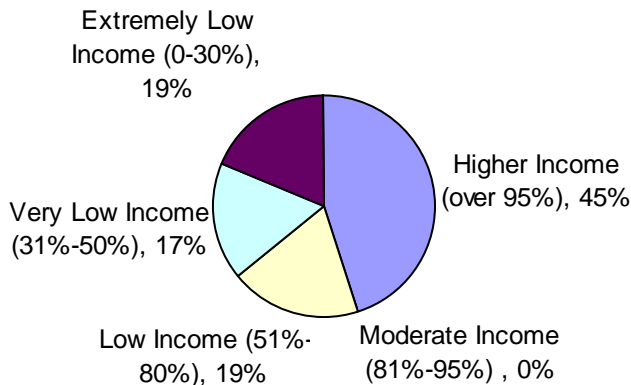
Region 11 Population Figures

	Region Total 2000	Percent in Region	Region Percent of State	Population Estimated Jan 1, 2009
Total Population	1,368,670		6.4%	1,573,971
Persons with Disabilities	257,838	18.8%	7.2%	296,514
Elderly Persons (without disabilities)	67,505	4.9%	6.2%	77,631
Individuals in Poverty	455,366	33.3%	14.6%	523,671

Source: 2000 Census and CHAS Database with projections based on HISTA data

About 59 percent of the population lives in urban areas. In the map of Region 11 (right), the shaded counties are Metropolitan Statistical Areas as defined by the U.S. Census.

Region 11 Household Income



The pie chart to the left depicts the income breakdown of the 377,276 households in the region. Approximately 55 percent of households are low income.²⁷ There are 523,671 individuals living in poverty in the region, which makes up 33.3 percent of the regional population. According to the Multiple Listing Service records for September 2009, the median home price for Brownsville is \$94,400 and McAllen is \$104,100.²⁸

SPECIAL NEEDS POPULATIONS

According to 2009 population projections, there are approximately 296,514 persons with disabilities residing in the region, which is 18.8 percent of the regional population. In addition, there are approximately 77,631 elderly individuals without disabilities in the region, which is 4.9 percent of the regional population.

²⁷ The CHAS figures for moderate and higher income households in Region 11 indicate that there are only 199 persons with incomes between 80-95 percent of the AMFI. TDHCA has been unable to get more accurate information for this segment of the population. However, the planning impact for the SLIHP is relatively low because, except for the first time homebuyer program which is done through a network of participating lenders, TDHCA programs serve persons below 80 percent AMFI.

²⁸ Real Estate Center at Texas A&M University, "Texas Residential MLS Activity," <http://recenter.tamu.edu/data/hs/trends4.html> (accessed November 9, 2009).

Data on the number of homeless individuals in the region is difficult to collect for a variety of reasons, including the fact that members of this population cannot be canvassed with regular location-based techniques. According to 2009 population projections, there are approximately 1,393 people in noninstitutional group homes, which include shelters, in the region. In its special tabulation on emergency and transitional shelters, the Census counted approximately 222 homeless persons in Laredo.

HOUSING SUPPLY

According to the most recent US Census, 82.7 percent of the housing units in the region are occupied. Of the total housing stock, 66 percent are one unit, 14 percent are over two units, 18 percent are mobile homes, and the rest are boats and RVs. Approximately 70.8 percent are occupied by their owners and 29.2 percent are occupied by renters.

HOUSING NEED

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database updated with HISTA population projections. There were approximately 184,917 owners and renters with housing problems in 2009.

Region 11 Households with Housing Problems

	Region Total	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
Households					
Extreme Cost Burden	78,562	33,079	20,702	14,090	10,691
Lacking Kitchen and/or Plumbing	14,614	6,312	3,577	2,527	2,199
Overcrowding	91,741	22,709	19,440	21,140	28,453
Total	184,917	62,100	43,719	37,757	41,343

Source: CHAS Database with projections based on HISTA data

REGIONAL INPUT ON HOUSING NEEDS

According to the 2006 CNS data for Region 11, the two greatest general needs as ranked by survey respondents were housing assistance with 62 percent of total respondents and development of apartments with 31 percent of total respondents. Of the remaining respondents, approximately 18 percent indicated that capacity building was the priority need, 13 percent indicated that the energy assistance was the priority need and 11 percent indicated that homeless assistance was the priority need.

When considering housing assistance as a category by itself, 46 percent of respondents indicated that home repair assistance was the greatest need, followed by rental payment assistance at 29 percent. Regarding rental development by itself, 50 percent of respondents indicated that the need for construction and rehabilitation was the same, followed by 33 percent of respondents who indicated that construction of new units alone was the greatest need. When taking into account energy assistance by itself, 59 percent indicated that utility assistance was the greatest need followed by weatherization and minor home repairs with 29 percent.

ASSISTED HOUSING INVENTORY

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

Region 11 Assisted Multifamily Units

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	9,472	26.2%	4.8%
HUD Units*	4,208	11.6%	4.1%
PHA Units*	6,949	19.2%	12.6%
Section 8 Vouchers	13,553	37.5%	5.4%
USDA Units	2,003	5.5%	3.6%
HFC Units**	322		
Total	36,185	100.0%	6.9%

* Reflects the most updated numbers available.

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

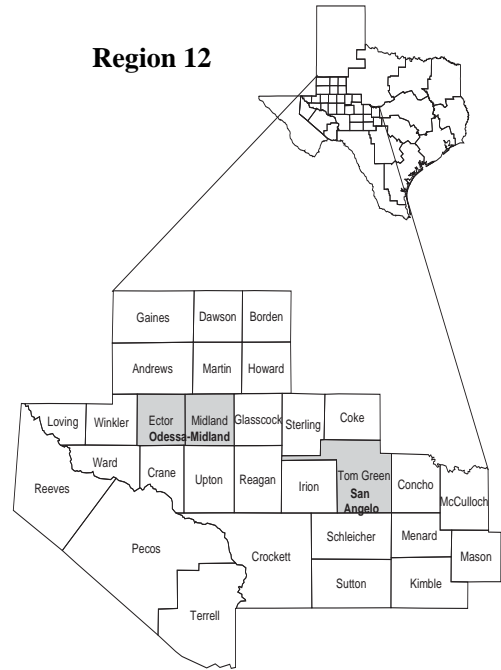
REGION 12

Region 12 in west Texas surrounds the urban areas of Odessa-Midland and San Angelo. HISTA data projects that in 2009 the total population in Region 12 is 594,754, which represents 2.5 percent of the state’s total population.

Region 12 Population Figures

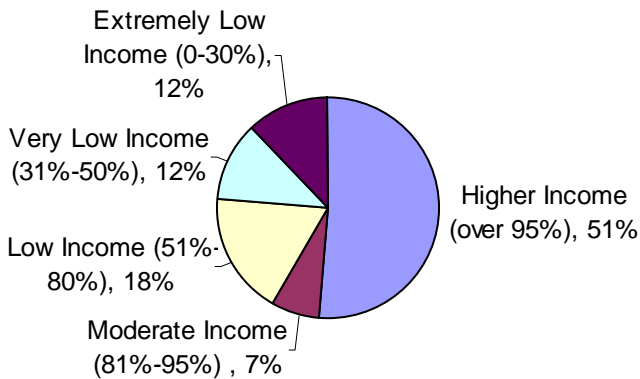
	Region Total 2000	Percent in Region	Region Percent of State	Population Estimated Jan 1, 2009
Total Population	517,177		2.5%	594,754
Persons with Disabilities	91,822	17.8%		105,595
Elderly Persons (without disabilities)	35,764	6.9%		41,129
Individuals in Poverty	85,063	16.4%		97,823

Source: 2000 Census and CHAS Database with projections based on HISTA data



Approximately 56 percent of the population lives in urban areas. In the map of Region 12 (right), the shaded counties are Metropolitan Statistical Areas as defined by the U.S. Census.

Region 12 Household Income



The pie chart to the left depicts the income breakdown of the 188,921 households in the region. Approximately 42 percent of households are low income. There are 97,823 individuals living in poverty in the region, which makes up 16.4 percent of the regional population. According to the Multiple Listing Service records for September 2009, the median home prices for Odessa and Midland are \$131,800 and \$164,800 respectively.²⁹

SPECIAL NEEDS POPULATIONS

According to 2009 population projections, there are approximately 105,595 persons with disabilities residing in the region, which is 17.8 percent of the regional population. In addition, there are approximately 41,129 elderly individuals without disabilities in the region, which is 6.9 percent of the regional population.

Data on the number of homeless individuals in the region is difficult to collect for a variety of reasons, including the fact that members of this population cannot be canvassed with regular location-based techniques. According to 2009 population projections, there are approximately 476 people in noninstitutional group homes, which include shelters, in the region. In its special tabulation on emergency and transitional shelters, the Census did not count any homeless people in metropolitan areas.

²⁹ Real Estate Center at Texas A&M University, "Texas Residential MLS Activity," <http://recenter.tamu.edu/data/hs/trends4.html> (accessed November 9, 2009).

HOUSING SUPPLY

According to the most recent US Census, 85.4 percent of the housing units in the region are occupied. Of the total housing stock, 72 percent are one unit, 16 percent are over two units, 12 percent are mobile homes, and the rest are boats and RVs. Approximately 70.1 percent are occupied by their owners and 29.9 percent are occupied by renters.

HOUSING NEED

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database updated with HISTA population projections. There were approximately 57,186 owners and renters with housing problems in 2009.

Region 12 Households with Housing Problems

	Region Total	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
Households					
Extreme Cost Burden	40,053	14,994	11,375	7,894	5,791
Lacking Kitchen and/or Plumbing	2,577	713	547	538	778
Overcrowding	14,556	2,466	2,483	4,119	5,488
Total	57,186	18,173	14,405	12,551	12,057

Source: CHAS Database with projections based on HISTA data

REGIONAL INPUT ON HOUSING NEEDS

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

When considering housing assistance as a category by itself, 50 percent of respondents indicated that home repair assistance was the greatest need, followed by rental payment assistance at 25 percent. Regarding rental development by itself, 42 percent of respondents indicated that their community's greatest need was the construction of new rental units, followed by 33 percent of respondents who indicated that the need for construction and rehabilitation was the same. When taking into account energy assistance by itself, 46 percent of respondents indicated that utility assistance was the greatest need, followed by weatherization and minor home repairs with 42 percent.

ASSISTED HOUSING INVENTORY

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

Region 12 Assisted Multifamily Units

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	3,401	33.7%	1.7%
HUD Units*	1,763	17.5%	1.7%
PHA Units*	1,145	11.3%	2.1%
Section 8 Vouchers	3,058	30.3%	1.2%
USDA Units	735	7.3%	1.3%
HFC Units**	24		
Total	10,102	100.0%	1.9%

* Reflects the most updated numbers available.

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

REGION 13

El Paso is the main urban area in Region 13. The region spreads along the Texas-Mexico border in the southwestern tip of the state. HISTA data projects that in 2009 the total population in Region 13 is 802,488, which represents 2.5 percent of the state's total population.

Region 13 Population Figures

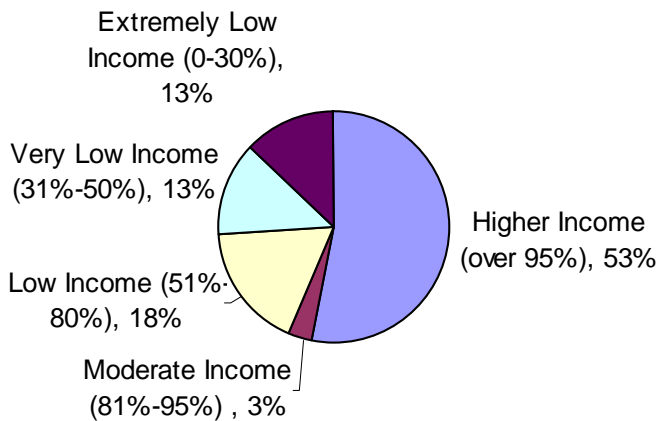
	Region Total 2000	Percent in Region	Region Percent of State	Population Estimated Jan 1, 2009
Total Population	697,816		3.4%	802,488
Persons with Disabilities	128,000	18.3%		147,200
Elderly Persons (without disabilities)	35,421	5.1%		40,734
Individuals in Poverty	165,122	23.7%		189,890

Source: 2000 Census and CHAS Database with projections based on HISTA data

Approximately 89 percent of the region population lives in the urban area of El Paso. In the map of Region 13 (right), the shaded counties are Metropolitan Statistical Areas as defined by the U.S. Census.



Region 13 Household Income



The pie chart to the left depicts the income breakdown of the 216,861 households in the region. Approximately 44 percent of households are low income. There are 189,890 individuals living in poverty in the region, which makes up 23.7 percent of the regional population. According to the Multiple Listing Service records for September 2009, the median home price for El Paso is \$130,000.³⁰

SPECIAL NEEDS POPULATIONS

According to 2009 population projections, there are approximately 147,200 persons with disabilities residing in the region, which is 18.3 percent of the regional population. In addition, there are approximately 40,734 elderly individuals without disabilities in the region, which is 5.1 percent of the regional population.

Data on the number of homeless individuals in the region is difficult to collect for a variety of reasons, including the fact that members of this population cannot be canvassed with regular location-based techniques. According to 2009 population projections, there are approximately 1,175 people in noninstitutional group homes, which include shelters, in the region. In its special tabulation on emergency and transitional shelters, the Census counted approximately 409 homeless people in El Paso.

³⁰ Real Estate Center at Texas A&M University, "Texas Residential MLS Activity," <http://recenter.tamu.edu/data/hs/trends4.html> (accessed November 9, 2009).

HOUSING SUPPLY

According to the most recent US Census, 92.7 percent of the housing units in the region are occupied. Of the total housing stock, 68 percent are one unit, 23 percent are over two units, 8 percent are mobile homes, and the rest are boats and RVs. Approximately 63.8 percent are occupied by their owners and 36.2 percent are occupied by renters.

HOUSING NEED

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database updated with HISTA population projections. There were approximately 93,248 owners and renters with housing problems in 2009.

Region 13 Households with Housing Problems

	Region Total	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
Households					
Extreme Cost Burden	55,856	17,463	14,981	13,699	9,713
Lacking Kitchen and/or Plumbing	4,076	950	1,093	938	1,095
Overcrowding	33,316	6,337	6,630	7,773	12,577
Total	93,248	24,750	22,704	22,410	23,385

Source: CHAS Database with projections based on HISTA data

REGIONAL INPUT ON HOUSING NEEDS

According to the 2006 CNS data for Region 13, the two greatest general needs as ranked by survey respondents were housing assistance with 58 percent of total respondents and development of apartments with 43 percent of total respondents. Of the remaining respondents, approximately 27 percent indicated that homeless assistance as the priority need and 17 percent indicated that capacity building assistance was the priority need. No respondents indicated that energy assistance was their community’s priority need.

When considering housing assistance as a category by itself, 41 percent of respondents indicated that home repair assistance was the greatest need, followed by homebuyer assistance at 35 percent. Regarding rental development by itself, 46 percent of respondents indicated that their community's greatest need was the construction of new rental units, followed by 24 percent of respondents who indicated that the need for construction and rehabilitation was the same. When taking into account energy assistance by itself, 52 percent indicated that weatherization and minor home repairs was the greatest need followed by utility assistance with 24 percent.

ASSISTED HOUSING INVENTORY

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

Region 13 Assisted Multifamily Units

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	4,736	24.0%	2.4%
HUD Units*	2,395	12.1%	2.3%
PHA Units*	6,228	31.5%	11.3%
Section 8 Vouchers	6,117	30.9%	2.4%
USDA Units	298	1.5%	0.5%
HFC Units**	690		
Total	19,774	100%	3.8%

*Reflects the most updated information available.

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

REGIONAL PLANS SUMMARY

This section summarizes the information from the regional plans in the previous section.

POPULATION CHARACTERISTICS

The most populous regions of the state according to the 2009 population projections are Regions 3 and 6, together representing almost 50 percent of the state.

Population and Poverty, 2009

Service Region	Population 2000 Census	Percent of State's Population	Population Estimate Jan 1, 2009	Persons in Poverty 2009	Percent of State Poverty Total	Population for whom Poverty Status is Determined	Percent of Regional Population in Poverty
1	768,196	3.7%	883,425	141,440	3.9%	860,461	16.0%
2	537,611	2.6%	618,253	89,294	2.5%	591,559	14.4%
3	5,435,416	26.3%	6,250,728	676,991	18.9%	6,197,856	18.9%
4	995,930	4.9%	1,145,320	174,841	4.9%	1,116,905	15.3%
5	795,160	3.6%	914,434	138,673	3.9%	811,640	15.2%
6	4,815,528	23.3%	5,537,857	754,675	21.0%	5,477,620	13.6%
7	1,333,017	6.5%	1,532,970	166,819	4.7%	1,506,753	10.9%
8	947,685	4.6%	1,089,838	171,902	4.8%	1,031,733	15.8%
9	1,784,546	8.7%	2,052,228	307,186	8.6%	2,023,600	15.0%
10	617,128	3.5%	709,697	152,046	4.2%	814,942	21.4%
11	1,368,670	6.4%	1,573,971	523,671	14.6%	1,523,581	33.3%
12	517,177	2.5%	594,754	97,822	2.7%	579,385	16.4%
13	697,816	3.4%	802,488	189,890	5.3%	794,348	23.7%
State	20,613,880	100%	23,705,962	3,585,250	100.0%	23,330,383	15.4%

Source: CHAS Database with projections based on HISTA data and Texas State Data Center

The table below provides information on the income breakdowns of households in each region.

Households and Income, 2000

Service Region	Total Households	Extremely Low Income (0% to 30% AMFI)	Very Low Income (31% to 50% AMFI)	Low Income (51% to 80% AMFI)	Moderate Income (81% to 95% AMFI)	Higher Income (over 95% AMFI)
1	288,273	36,433	34,684	53,087	20,604	143,475
2	206,459	23,690	26,096	37,041	15,491	104,169
3	1,988,135	216,675	207,946	361,581	165,946	1,043,156
4	380,765	47,359	45,345	64,823	28,943	194,299
5	274,543	38,575	32,704	45,851	19,222	138,364
6	1,691,811	209,127	186,994	284,820	131,907	881,944
7	509,798	60,766	54,465	92,250	44,650	257,667
8	343,856	46,423	39,537	59,780	26,911	171,721
9	635,280	73,161	69,347	109,133	49,283	334,532
10	255,493	33,862	30,725	42,309	16,854	131,811
11	377,276	73,326	62,736	71,481	199	169,566
12	188,921	22,798	23,084	33,409	13,680	95,995
13	216,861	29,207	28,546	38,430	7,373	114,009
State	7,357,471	911,402	842,209	1,293,995	541,063	3,780,708

Source: CHAS Database

HOUSING SUPPLY

Of the state's housing stock, regions 1 and 2 have the highest percentage of one-unit housing; Regions 3, 6 and 7 have the highest levels of multifamily housing.

Housing Stock by Region, 2000

Service Region	Housing Units	One Unit	2 to 19 Units	Over 20 Units	Mobile Homes	Boats, RVs
1	322,045	240,418 74.7%	30,163 9.4%	20,997 6.5%	29,683 9.2%	784 0.2%
2	243,506	186,932 76.8%	21,599 8.9%	7,974 3.3%	25,365 10.4%	1,636 0.7%
3	2,140,641	1,373,780 64.2%	385,269 18.0%	259,402 12.1%	118,078 5.5%	4,112 0.2%
4	434,792	307,802 70.8%	32,153 7.4%	13,754 3.2%	78,312 18.0%	2,771 0.6%
5	325,047	225,213 69.3%	23,868 7.3%	12,709 3.9%	60,328 18.6%	2,929 0.9%
6	1,853,854	1,175,460 63.4%	265,188 14.3%	293,889 15.9%	115,535 6.2%	3,782 0.2%
7	545,761	339,272 62.2%	96,402 17.7%	66,390 12.2%	41,991 7.7%	1,706 0.3%
8	387,627	259,909 67.1%	58,646 15.1%	19,960 5.1%	47,492 12.3%	1,620 0.4%
9	689,862	476,751 69.1%	101,504 14.7%	52,139 7.6%	57,339 8.3%	2,129 0.3%
10	298,494	212,067 71.0%	36,198 12.1%	17,165 5.8%	30,936 10.4%	2,128 0.7%
11	457,406	303,046 66.3%	45,937 10.0%	18,112 4.0%	80,947 17.7%	9,364 2.0%
12	221,968	159,092 71.7%	21,931 9.9%	13,796 6.2%	26,240 11.8%	909 0.4%
13	236,572	161,168 68.1%	32,741 13.8%	22,814 9.6%	19,406 8.2%	443 0.2%
State	8,157,575	5,420,910 66.5%	1,151,599 14.1%	819,101 10.0%	731,652 9.0%	34,313 0.4%

Source: 2000 U.S. Census

The homeownership rate for the State is 63.8 percent. The region with the lowest percentage of homeowners is Region 7 with 59.8 percent. The region with the highest percentage of homeowners is Region 4 with 73.8 percent.

Housing Units by Occupancy, 2000

Service Region	Total Tenure	Owner Occupied		Renter Occupied	
		Number	Percent	Number	Percent
1	288,175	191,161	66.3%	97,014	33.7%
2	206,388	142,603	69.1%	63,785	30.9%
3	2,004,826	1,220,939	60.9%	783,887	39.1%
4	380,468	280,896	73.8%	99,572	26.2%
5	275,233	201,971	73.4%	73,262	26.6%
6	1,702,792	1,037,371	60.9%	665,421	39.1%
7	510,555	305,294	59.8%	205,261	40.2%
8	344,575	210,882	61.2%	133,693	38.8%
9	636,796	414,009	65.0%	222,787	35.0%
10	256,428	171,319	66.8%	85,109	33.2%
11	378,275	267,716	70.8%	110,559	29.2%
12	189,582	132,956	70.1%	56,626	29.9%
13	219,261	139,842	63.8%	79,419	36.2%
State	7,393,354	4,716,959	63.8%	2,676,395	36.2%

Source: 2000 U.S. Census

NEED INDICATORS

The chart below shows the number of households with cost burden greater than 30 percent by income group. Regions 3 and 6, in that order, have the highest number of households experiencing extreme cost burden for all the income groups. In addition, Regions 7 and 9 have the third and fourth highest numbers of households experiencing extreme cost burden for all income groups. These regions represent the four largest Major Metropolitan Areas in Texas: Dallas-Fort Worth-Arlington, Houston-Sugar Land-Baytown, San Antonio, and Austin-Round Rock.

Number of Households with Extreme Cost Burden by Income Group – Texas, 2009

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

Source: CHAS Database with projections based on HISTA data

Regions 3, 6, and 11 have the highest number of units lacking facilities for households earning 0 to 80 percent AMFI. Regions 3 and 6 also have the highest number of units lacking facilities for households earning 80 to over 95 percent AMFI. These are also the two regions with the highest numbers of households in poverty in the state. In contrast, Regions 2, 12 and 1, in that order, have the lowest number of units lacking facilities for households earning 0 to 80 percent AMFI.

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

Service Region	All Incomes	0% to 30%	31% to 50%	51% to 80%	80% and Above
1	3,211	898	558	604	199
2	2,161	670	367	459	151
3	18,571	4,988	3,378	3,940	1,336
4	5,578	1,724	994	1,002	370
5	3,836	1,270	633	733	191
6	18,712	5,594	3,306	3,787	1,037
7	5,598	1,938	981	1,125	339
8	4,173	1,240	805	789	235
9	7,521	2,128	1,319	1,581	607
10	3,763	1,266	737	771	147
11	14,614	6,312	3,577	2,527	0
12	2,577	713	547	538	101
13	4,076	950	1,093	938	124
State	94,391	29,690	18,293	18,792	4,838

Source: CHAS Database with projections based on HISTA data

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

Number of Overcrowded Owner Households by Income Group – Texas, 2000

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

Source: CHAS Database with projections based on HISTA data

The total number of households in poverty, elderly and non-elderly, is one of the need indicators for some of the Department's community service activities. Regions 3, 6 and 11 have the highest numbers of poverty households.

Number of Households in Poverty, 2000

Service Region	Number of Elderly Poverty Households	Percent of State's Elderly Poverty Households	Number of Non-Elderly Poverty Households	% of State's Non-Elderly Poverty Households	Total Number of Poverty Households	Percent of State's Poverty Households
1	8,897	4.6%	37,710	4.5%	46,607	4.5%
2	8,100	4.2%	23,414	2.8%	31,514	3.0%
3	32,129	16.6%	165,495	19.7%	197,624	19.1%
4	15,592	8.1%	43,499	5.2%	59,091	5.7%
5	11,148	5.8%	36,076	4.3%	47,224	4.6%
6	32,192	16.7%	179,586	21.4%	211,778	20.5%
7	6,601	3.4%	46,549	5.5%	53,150	5.1%
8	10,531	5.4%	47,640	5.7%	58,171	5.6%
9	17,887	9.3%	70,207	8.4%	88,094	8.5%
10	10,783	5.6%	34,422	4.1%	45,205	4.4%
11	23,614	12.2%	93,382	11.1%	116,996	11.3%
12	6,744	3.5%	24,217	2.9%	30,961	3.0%
13	9,083	4.7%	38,561	4.6%	47,644	4.6%
State	193,301	100.0%	840,758	100.0%	1,034,059	100.0%

Source: 2000 Census

ASSISTED HOUSING INVENTORY

The following table shows the number of multifamily units in the state financed through state and federal sources according to region. Please see the “Assisted Housing Inventory” under “State of Texas” for data explanations.

Assisted Multifamily Units

Region	TDHCA Units	HUD Units*	PHA Units*	Section 8 Vouchers	USDA Units	HFC units**	Total Assisted Units
1	5,165	3,451	1,304	6,941	4,926	1,607	17,224
2	3,308	1,979	3,026	5,194	6,182	280	13,097
3	60,575	28,032	8,485	68,464	4,226	20,907	144,504
4	5,629	3,577	2,252	8,174	9,763	1,170	21,389
5	5,713	4,134	2,368	14,229	2,329	1,278	21,412
6	55,627	27,284	5,138	41,408	5,081	39,365	111,999
7	17,910	5,032	3,506	14,901	3,493	8,281	35,335
8	6,383	4,178	2,780	10,232	4,638	305	23,740
9	16,065	12,080	7,458	30,472	3,721	22,392	51,879
10	5,141	4,236	4,459	7,988	4,801	971	19,153
11	9,472	4,208	6,949	27,407	2,957	322	36,306
12	3,401	1,763	1,145	5,013	1,757	24	10,146
13	4,736	2,395	6,228	12,092	1,178	690	19,896
State	199,125	102,349	55,098	252,515	55,052	97,592	526,080

*Reflects the most updated numbers available.

**Because HFC developments report total units and do not specify assisted units and that the majority of HFC-financed developments also receive housing tax credits from TDHCA, these units are not included in the final total.

SECTION 3: ANNUAL LOW-INCOME HOUSING REPORT

The Annual Report required by §2306.072 of the Texas Government Code includes the following sections:

- TDHCA's Operating and Financial Statements
- *Statement of Activities*: Describes TDHCA activities during the preceding year that worked to address housing and community service needs
- *Statement of Activities by Region*: Describes TDHCA activities by region
- *Housing Sponsor Report*: Describes fair housing opportunities offered by TDHCA's multifamily development inventory
- *Analysis of the Distribution of Tax Credits*: Provides an analysis of the sources, uses and geographic distribution of housing tax credits
- *Average Rents Reported by County*: Provides a summary of the average rents reported by the TDHCA multifamily inventory

OPERATING AND FINANCIAL STATEMENTS

TDHCA's Operating Budgets and Basic Financial Statements are prepared and maintained by the Financial Administration Division. For copies of these reports, visit <http://www.tdhca.state.tx.us/finan.htm>.

STATEMENT OF ACTIVITIES

The Department has many programs that provide an array of services. This section of the Plan highlights TDHCA's activities and achievements during the preceding fiscal year through a detailed analysis of the following:

- TDHCA's performance in addressing the housing needs of low-, very low- and extremely low-income households
- TDHCA's progress in meeting its housing and community services goals

This analysis is provided at the State level and within each of the 13 service regions TDHCA uses for planning purposes (see Figure 2.1). For general information about each region, including housing needs and housing supply, please see the Housing Analysis section of this document.

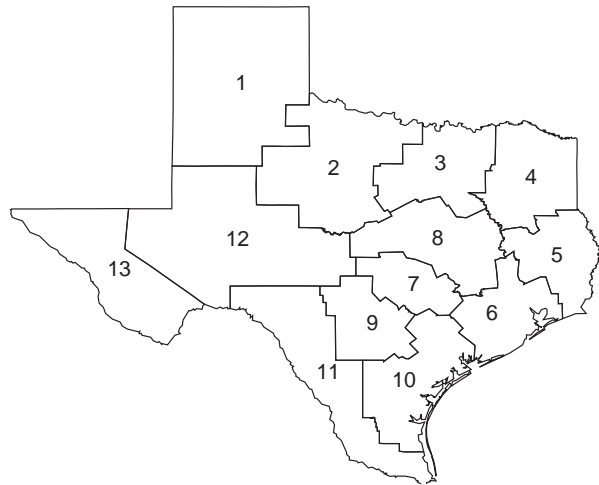


Figure 2.1 State Service Regions

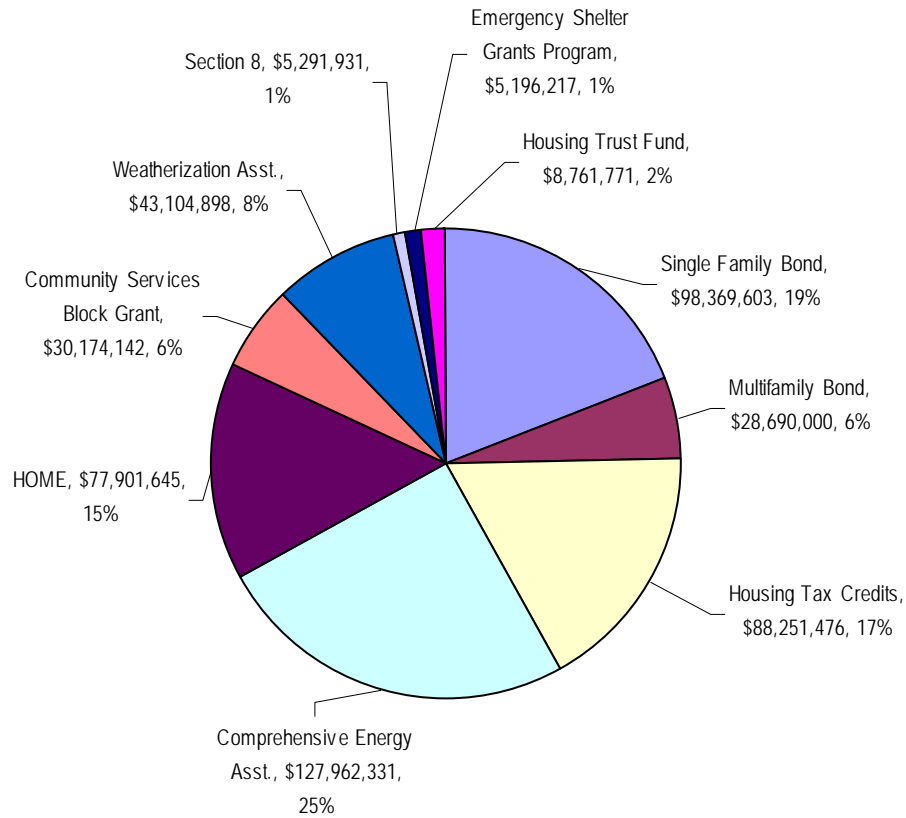
FUNDING COMMITMENTS AND HOUSEHOLDS SERVED BY ACTIVITY AND PROGRAM

For the state and each region, a description of funding allocations, amounts committed, target numbers and actual number of persons or households served for each program is provided. Along with the summary performance information, data on the following activity subcategories is provided.

- Renter
 - New Construction activities support multifamily development, such as the funding of developments and predevelopment funding.
 - Rehabilitation Construction activities support the acquisition, rehabilitation and preservation of multifamily units.
 - Tenant-Based Assistance supports low-income Texans through direct rental payment assistance.
- Owner
 - Single-family development includes funding for housing developers, nonprofits, or other housing organizations to support the development of single-family housing.
 - Single-family financing and homebuyer assistance helps households purchase a home through such activities as mortgage financing and down payment assistance.
 - Single-family owner-occupied assistance helps existing homeowners who need home rehabilitation and reconstruction assistance.
 - Community services includes supportive services, energy assistance and homeless assistance activities.

In FY 2009, TDHCA committed \$515,863,120 in total funds. Almost all of this funding, approximately 99 percent of the total came from federal sources. TDHCA committed funding for activities that predominantly benefited extremely low-, very low- and low-income individuals. The chart below displays the distribution of this funding by program activity.

Total Funding By Program, FY 2009
 Total Funds Committed: \$515,863,120



Funding and Households/Persons Served by Activity, FY 2009, All Activities

Household Type	Activity	Committed Funds	Number of Households/Individuals Served	% of Total Committed Funds	% of Total Households/Individuals Served
Renter	Rental Assistance	\$8,229,951	2,814	1.6%	0.4%
	New Construction	\$132,084,399	7,327	25.7%	1.1%
	Rehab Construction	\$30,637,002	2,213	6.0%	0.3%
Owner	Financing & Down Payment	\$106,989,379	1,596	20.8%	0.2%
	Rehabilitation Assistance	\$29,325,695	452	5.7%	0.1%
	Homeless Services	\$5,196,217	120,767	1.0%	18.2%
	Energy Related	\$171,067,229	137,854	33.3%	20.7%
	Supportive Services	\$30,174,142	391,617	5.9%	58.9%
Total		\$513,704,014	664,640	100%	100.0%

Funding and Households/Persons Served by Housing Program, FY 2009

	SF Bond		HOME		HTF		HTC		MF Bond		Section 8	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
Rental Assistance	\$0	-	\$2,938,020	240	\$0	-	\$0	-	\$0	-	\$5,291,931	2,574
Rental New Construction	\$0	-	\$25,738,037	319	\$2,794,000	160	\$74,862,362	6,344	\$28,690,000	504	\$0	-
Rental Rehabilitation	\$0	-	\$17,247,888	388	\$0	-	\$13,389,114	1,825	\$0	-	\$0	-
Owner Financing & Down Pmt.	\$98,369,603	861	\$3,952,000	180	\$4,667,776	555	\$0	-	\$0	-	\$0	-
Owner Rehab. Asst	\$0	-	\$28,025,700	392	\$1,299,995	60	\$0	-	\$0	-	\$0	-
Total	\$98,369,603	861	\$77,901,645	1,519	\$8,761,771	775	\$88,251,476	8,169	\$28,690,000	504	\$5,291,931	2,574

Funding and Households/Persons Served by Community Affairs Programs, FY 2009

	ESGP^		CSBG^*		CEAP		WAP*	
	Funds	Ind	Funds	Ind	Funds	HH	Funds	HH
Homeless Services	\$5,196,217	120,767	\$0	0	\$0	0	\$0	0
Energy Related	\$0	0	\$0	0	\$127,962,331	133,132	\$43,104,898	4,722
Supportive Services	\$0	0	\$30,174,142	391,617	\$0	0	\$0	0
Total	\$5,196,217	120,767	\$30,174,142	391,617	\$127,962,331	133,132	\$43,104,898	4,722

*For these programs, funds and households served reflect different 12 month periods.

^ ESGP and CSBG programs represent individuals served, not households

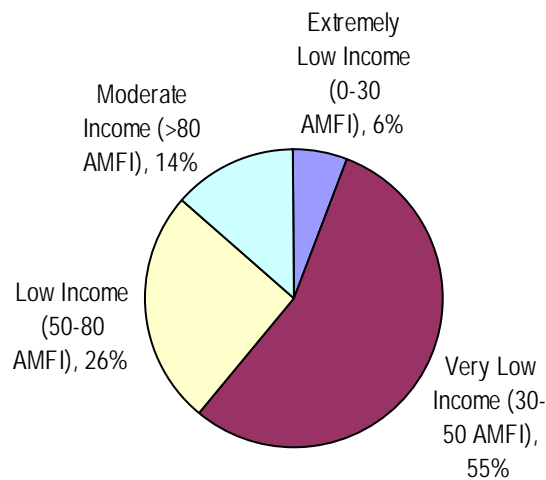
FUNDING COMMITMENTS AND HOUSEHOLDS SERVED BY INCOME GROUP

The SLIHP uses the following subcategories to refer to the needs of households or persons within specific income groups.

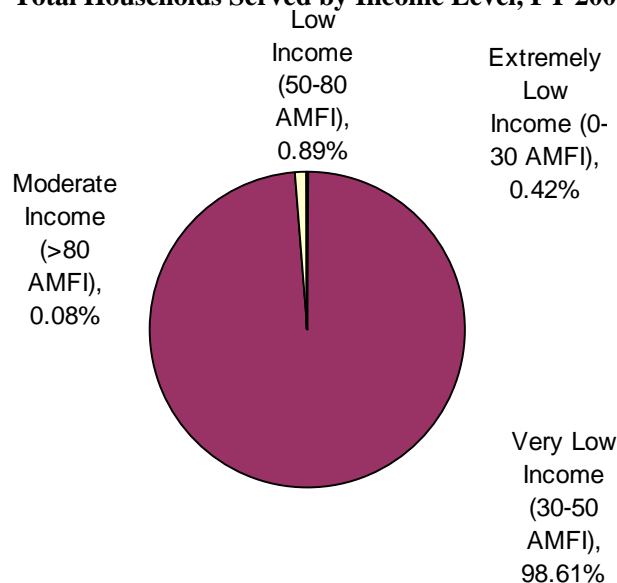
- Extremely Low Income (ELI): 0% to 30% Area Median Family Income (AMFI)
- Very Low Income (VLI): 31% to 50% (AMFI)
- Low Income (LI): 51% to 80% (AMFI)
- Moderate Income and Up (MI): >80% (AMFI)

The vast majority of households and individuals served through CEAP, WAP and ESGP earn less than 30 percent of the AMFI. However, federal tracking of assistance from these programs is based on poverty guidelines, which do not translate easily to an AMFI equivalent. For conservative reporting purposes, assistance in these programs is reported in the VLI category.

Total Funding by Income Level, FY 2009



Total Households Served by Income Level, FY 2009



Funding and Households/Persons Served by Income Category, FY 2009**All Activities**

Activity	Committed Funds	Number of Households/ Individuals Served	% of Total Committed Funds	% of Total Households/ Individuals Served
Extremely Low Income (0-30 AMFI)	\$30,400,029	2,773	6%	0.42%
Very Low Income (30-50 AMFI)	\$282,428,761	655,464	55%	98.62%
Low Income (50-80 AMFI)	\$130,174,650	5,842	25%	0.88%
Moderate Income (>80 AMFI)	\$70,200,575	561	14%	0.08%
Total	\$513,204,015	664,640	100%	100.00%

Housing Activities

	SF Bond		HOME		HTF		HTC		MF Bond		Section 8	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
Extremely Low Income (0-30 AMFI)	\$42,700	1	\$20,209,359	417	\$294,965	48	5,776,670	535	\$0	-	\$4,076,335	1,772
Very Low Income (30-50 AMFI)	\$2,224,346	33	\$28,934,555	504	\$6,901,471	593	36,836,166	3,413	\$0	-	\$1,094,635	683
Low Income (50-80 AMFI)	\$25,901,982	266	\$28,757,732	598	\$1,065,335	134	45,638,640	4,221	\$28,690,000	504	\$120,961	119
Moderate Income (>80 AMFI)	\$70,200,575	561	\$0	-	\$0	-	-	0	\$0	-	\$0	-
Total	\$98,369,603	861	\$77,901,646	1,519	\$8,261,771	775	88,251,476	8,169	\$28,690,000	504	\$5,291,931	2,574

Community Affairs Activities

	ESGP*		CSBG*		CEAP		WAP	
	Funds	Indvd	Funds	Indvd	Funds	HH	Funds	HH
Extremely Low Income (0-30 AMFI)	\$0	-	\$0	-	\$0	-	\$0	-
Very Low Income (30-50 AMFI)	\$5,196,217	120,767	\$30,174,142	391,617	\$127,962,331	133,132	\$43,104,898	4,722
Low Income (50-80 AMFI)	\$0	-	\$0	-	\$0	-	\$0	-
Moderate Income (>80 AMFI)	\$0	-	\$0	-	\$0	-	\$0	-
Total	\$5,196,217	120,767	\$30,174,142	391,617	\$127,962,331	133,132	\$43,104,898	4,722

*These programs report by individuals served rather than households served.

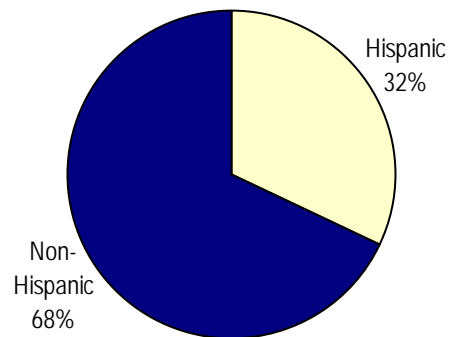
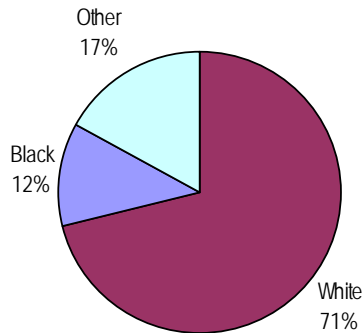
RACIAL AND ETHNIC COMPOSITION OF HOUSEHOLDS RECEIVING ASSISTANCE

As required by legislation, TDHCA reports on the racial and ethnic composition of individuals and families receiving assistance. These demographic categories are delineated according to the standards set by the U.S. Census. Accordingly, “race” is broken down into three sub-classifications: White, Black and Other. “Other” includes races other than White and Black, as well as individuals with two or more races. As ethnic origin is considered to be a separate concept from racial identity, the Hispanic population is represented in a separate chart. Persons of Hispanic origin may fall under any of the racial classifications. Households assisted through each TDHCA program or activity have been delineated according to these categories. Regional analyses of this racial data are included in the Statement of Activities by Uniform State Service Region section that follows. Note that the state population racial composition charts examine individuals, while the many program racial composition charts examine households.

Racial Composition of the State of Texas

Ethnic Composition of the State of Texas

23,705,962 Individuals in Texas in 2009³¹



HOUSING PROGRAMS

Racial and ethnic data on housing programs is presented below using two general categories: Renter Programs and Homeowner Programs.

RENTER PROGRAMS

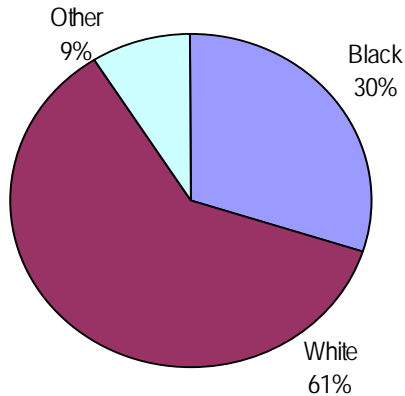
The following charts depict the racial and ethnic composition of households receiving assistance from all TDHCA renter programs. Included in this category are households participating in TDHCA’s Tenant-Based Rental Assistance (TBRA) Program and Section 8 Housing Choice Voucher Program, as well as households residing in TDHCA-funded multifamily properties.

Multifamily properties receive funding through one or more of the following TDHCA programs: the Housing Tax Credit Program, Housing Trust Fund, HOME Investment Partnership Program and Multifamily Bond Program. Data for these programs is collected from the Fair Housing Sponsor Report, which is gathered each year from TDHCA-funded housing developments. The report includes information about each property, including the racial composition of the tenant population as of December 31 of the given year. Accordingly, the 2009 report is a snapshot of property characteristics on December 31, 2008.

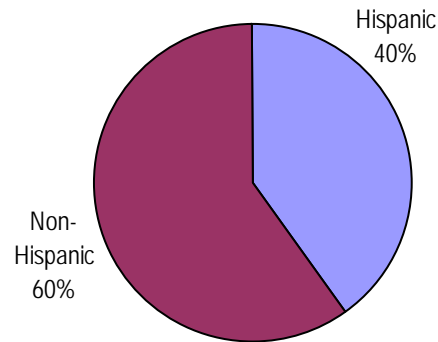
³¹ 2000 Census updated with HISTA projections.

It should be noted that the Housing Sponsor Report does not report on or represent all units financed by TDHCA. Some submitted reports describe properties under construction, which do not yet have occupied units. Some properties did not submit a report and still others did not fill out the report accurately. Therefore, TDHCA is left with usable data for only a portion of existing multifamily units. As a result, the following charts present a picture of race and ethnicity based on samples and may not represent actual percentages.

Racial Composition of TDHCA-Assisted Renter Households



Ethnic Composition of TDHCA-Assisted Renter Households



HOMEOWNER PROGRAMS

The following charts depict the racial and ethnic composition of households receiving assistance from all TDHCA homeowner programs. TDHCA homeowner assistance comes in the form of three programs: the Single Family Bond Program, HOME Homeowner Rehabilitation Program and HOME Homebuyer Assistance Program. Office of Colonia Initiatives programs are reported in the Homeowner Programs category under the following funding sources: HOME Program for Contract for Deed loans, Single Family Bond for some Contract for Deed loans and some Texas Bootstrap Program loans and the Housing Trust Fund for some Texas Bootstrap loans. Due to the data reporting techniques of the Single Family Bond Program, race and ethnicity are combined into one category.

Racial Composition of HOME Program Owner Households	Ethnic Composition of HOME Program Owner Households	Ethnic Composition of SF Bond Program Owner Households																								
<table border="1"> <thead> <tr> <th>Race</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>White</td> <td>77%</td> </tr> <tr> <td>Black</td> <td>18%</td> </tr> <tr> <td>Other</td> <td>5%</td> </tr> </tbody> </table>	Race	Percentage	White	77%	Black	18%	Other	5%	<table border="1"> <thead> <tr> <th>Ethnicity</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Non-Hispanic</td> <td>44%</td> </tr> <tr> <td>Hispanic</td> <td>56%</td> </tr> </tbody> </table>	Ethnicity	Percentage	Non-Hispanic	44%	Hispanic	56%	<table border="1"> <thead> <tr> <th>Ethnicity</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>White</td> <td>45%</td> </tr> <tr> <td>Other</td> <td>36%</td> </tr> <tr> <td>Hispanic</td> <td>14%</td> </tr> <tr> <td>Black</td> <td>5%</td> </tr> </tbody> </table>	Ethnicity	Percentage	White	45%	Other	36%	Hispanic	14%	Black	5%
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Ethnicity	Percentage																									
White	45%																									
Other	36%																									
Hispanic	14%																									
Black	5%																									

The available data demonstrates that TDCHA serves higher percentages of minority populations compared to the general racial and ethnic composition of the State of Texas. This is accurate even though the State of Texas population racial composition charts report by individuals and TDHCA's programs report by household. TDHCA programs that serve renters and HOME homeowner programs, for instance, serve higher percentages of Black and Hispanic households than the percentage of those populations in the State of Texas.

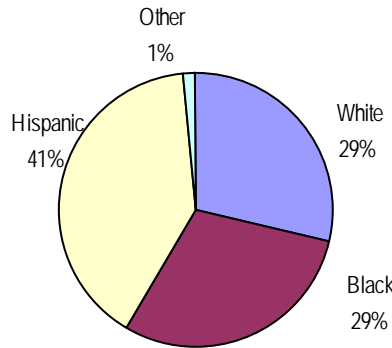
COMMUNITY AFFAIRS PROGRAMS

The Community Affairs programs allocate funding to subrecipient entities with service areas that span across two or more uniform state service regions, so racial data for these programs is reported by entity rather than region. Due to the data reporting techniques of the Weatherization Assistance Program (WAP), Comprehensive Energy Assistance Program (CEAP) and Community Services Block Grant (CSBG) Program race and ethnicity are combined into one category. The Emergency Shelter Grant Program (ESGP) reports race and ethnicity as two separate categories

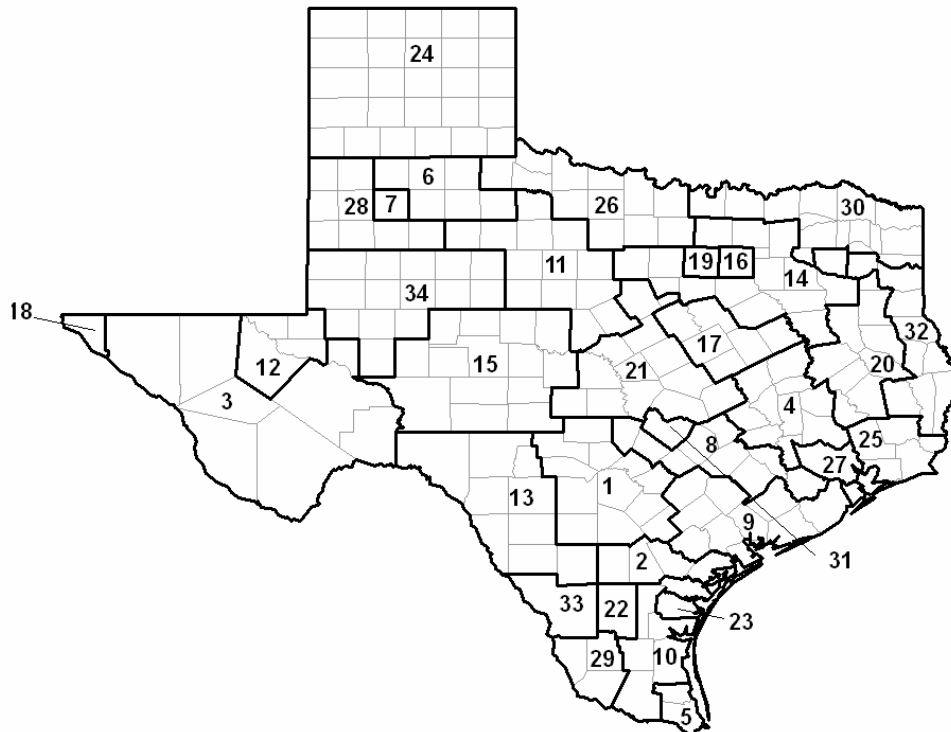
WEATHERIZATION ASSISTANCE PROGRAM

The Weatherization Assistance Program (WAP) funds a network of subrecipient organizations, some of which have a service area that spans across two or more regions. Because of this, WAP racial composition data for FY 2009 is listed according to subcontractor. A map is provided in order to locate subrecipient service areas. Racial and ethnic composition for the state is available, but because this data does not fit into regional boundaries, regional data is not available.

Racial and Ethnic Composition of WAP Assisted Households, Statewide, 2009



WAP Subrecipient Service Areas, 2009



**Racial and Ethnic Composition of Households Receiving WAP Assistance
by Subrecipient, Statewide, PY 2009**

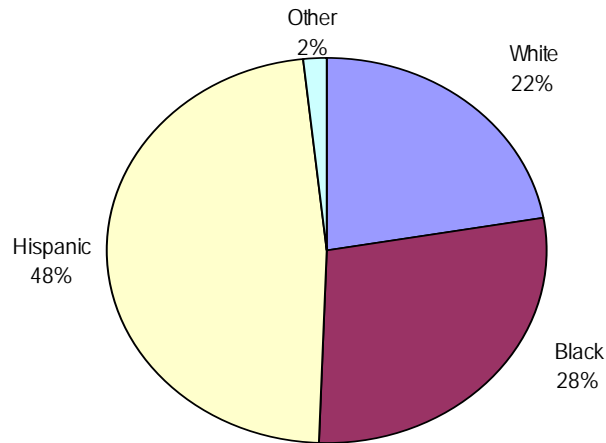
#	Subrecipient	WAP Counties Served	PY 2009 Allocations	HH Served	White	Black	Hispanic	Other
1	Alamo Area Council of Governments	Atascosa, Bandera, Bexar, Comal, Frio, Gillespie, Guadalupe, Karnes, Kendall, Kerr, Medina, Wilson	\$3,402,460	276	96	20	160	0
2	Bee Community Action Agency	Bee, Live Oak, McMullen, Refugio	\$265,976	14	2	0	12	0
3	Big Bend Community Action Committee, Inc.	Brewster, Crane, Culberson, Hudspeeth, Jeff Davis, Pecos, Presidio, Terrell	\$556,067	43	2	0	41	0
4	Brazos Valley Community Action Agency	Brazos, Burleson, Grimes, Leon, Madison, Montgomery, Robertson, Walker, Waller, Washington	\$1,406,676	127	75	37	15	0
5	Cameron and Willacy Counties Community Projects, Inc.	Cameron, Willacy	\$1,229,162	127	0	0	127	0
6	Caprock Community Action Association, Inc.	Crosby, Dickens, Floyd, Hale, King, Motley	\$449,068	53	11	11	31	0
8	Combined Community Action, Inc.	Austin, Bastrop, Blanco, Caldwell, Colorado, Fayette, Fort Bend, Hays, Lee	\$809,949	53	27	15	11	0
9	Community Action Committee of Victoria Texas	Aransas, Brazoria, Calhoun, De Witt, Goliad, Gonzales, Jackson, Lavaca, Matagorda, Victoria, Wharton	\$1,115,283	97	40	25	32	0
10	Community Action Corporation of South Texas	Brooks, Hidalgo, Jim Wells, Kenedy, Kleberg, San Patricio	\$2,553,648	505	23	3	479	0
15	Concho Valley Community Action Agency	Coke, Coleman, Concho, Crockett, Irion, Kimble, McCulloch, Menard, Reagan, Runnels, Schleicher, Sterling, Sutton, Tom Green	\$846,999	48	25	10	13	0
11	Community Action Program, Inc.	Brown, Callahan, Comanche, Eastland, Haskell, Jones, Kent, Knox, Shackelford, Stephens, Stonewall, Taylor, Throckmorton	\$962,265	106	56	9	41	0
12	Community Council of Reeves County	Loving, Reeves, Ward, Winkler	\$177,167	26	4	2	20	0
13	Community Services Agency of South Texas	Dimmit, Edwards, Kinney, La Salle, Maverick, Real, Uvalde, Val Verde, Zavala	\$862,251	128	4	2	122	0
14	Community Services, Inc.	Anderson, Collin, Denton, Ellis, Henderson, Hood, Hunt, Johnson, Kaufman, Navarro, Palo Pinto, Parker, Rockwall, Smith, Van Zandt	\$2,288,041	215	148	53	6	8
16	Dallas County Department of Health and Human Services	Dallas	\$3,158,240	386	62	212	67	45
17	Economic Opportunities Advancement Corporation of Planning Region XI	Bosque, Falls, Freestone, Hill, Limestone, McLennan	\$889,258	123	55	58	10	0
18	El Paso Community Action Program, Project BRAVO, Inc.	El Paso	\$1,701,518	240	9	3	228	0
19	Fort Worth, City of, Department of Housing	Tarrant	\$1,789,086	137	39	79	16	3
20	Greater East Texas Community Action Program (GETCAP)	Angelina, Cherokee, Gregg, Houston, Nacogdoches, Polk, Rusk, San Jacinto, Trinity, Wood	\$1,368,421	193	60	124	9	0

#	Subrecipient	WAP Counties Served	PY 2009 Allocations	HH Served	White	Black	Hispanic	Other
21	Hill Country Community Action Association, Inc.	Bell, Burnet, Coryell, Erath, Hamilton, Lampasas, Llano, Mason, Milam, Mills, San Saba, Somervell, Williamson	\$1,037,308	222	150	50	22	0
22	Institute for Rural Development	Duval	\$95,515	0	0	0	0	0
7	Lubbock, City of, Community Development Department	Lubbock	\$595,305	44	6	19	19	0
23	Nueces County Community Action Agency	Nueces	\$741,446	56	4	5	47	0
24	Panhandle Community Services	Armstrong, Briscoe, Carson, Castro, Childress, Collingsworth, Dallam, Deaf Smith, Donley, Gray, Hall, Hansford, Hartley, Hemphill, Hutchinson, Lipscomb, Moore, Ochiltree, Oldham, Parmer, Potter, Randall, Roberts, Sherman, Swisher, Wheeler	\$1,447,428	143	56	20	66	1
25	Programs for Human Services, Inc.	Chambers, Galveston, Hardin, Jefferson, Liberty, Orange	\$1,501,927	78	16	60	2	0
26	Rolling Plains Management Corporation	Archer, Baylor, Clay, Cottle, Foard, Hardeman, Jack, Montague, Wichita, Wilbarger, Wise, Young	\$776,942	98	74	7	17	0
27	Sheltering Arms, Inc.	Harris	\$5,235,123	364	39	295	24	6
28	South Plains Community Action Association, Inc.	Bailey, Cochran, Garza, Hockley, Lamb, Lynn, Terry, Yoakum	\$384,344	62	14	10	38	0
29	South Texas Development Council	Jim Hogg, Starr, Zapata	\$427,603	4	0	0	4	0
30	Texoma Council of Governments	Bowie, Camp, Cass, Cooke, Delta, Fannin, Franklin, Grayson, Hopkins, Lamar, Marion, Morris, Rains, Red River, Titus	\$1,395,285	199	111	76	10	2
31	Travis County Health and Human Services and Veterans Services	Travis	\$1,081,567	110	26	17	67	0
32	Tri-County Community Action, Inc.	Harrison, Jasper, Newton, Panola, Sabine, San Augustine, Shelby, Tyler, Upshur	\$816,386	177	66	109	2	0
33	Webb County Community Action Agency	Webb	\$567,553	56	0	0	56	0
34	West Texas Opportunities, Inc.	Andrews, Borden, Dawson, Ector, Fisher, Gaines, Glasscock, Howard, Martin, Midland, Mitchell, Nolan, Scurry, Upton	\$1,169,634	212	66	51	95	0
			43,104,898	4,722	1,366	1,382	1,909	65

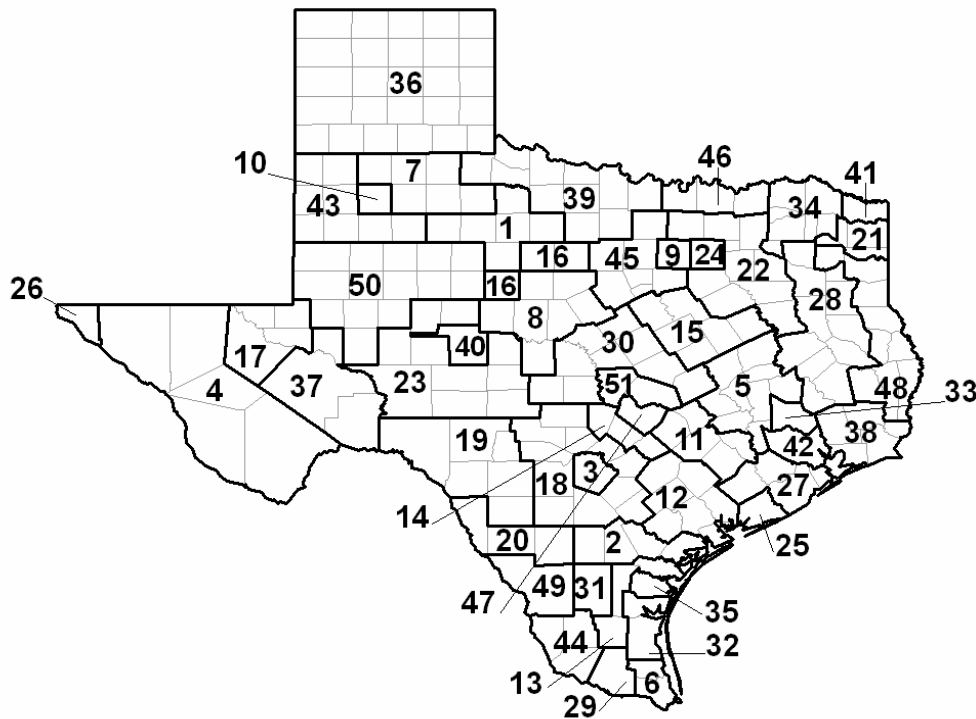
COMPREHENSIVE ENERGY ASSISTANCE PROGRAM

The Comprehensive Energy Assistance Program (CEAP) funds a network of subrecipient organizations, some of which have a service area that spans across two or more regions. Because of this, CEAP racial composition data for FY 2008 is listed according to subcontractor. A map is provided in order to locate subcontractor service areas. Racial composition for the state is available, but because this data does not fit into regional boundaries, regional data is not available.

Racial and Ethnic Composition of CEAP Assisted Households, Statewide, PY 2009



CEAP Subrecipient Service Areas, FY 2009



**Racial and Ethnic Composition of Households Receiving CEAP Assistance
by Subrecipient, Statewide, FY 2009**

#	Subrecipient	Counties Served	PY 2009 Allocation	HH Served	White	Black	Hisp.	Other
1	Aspermont Small Business Development Council	Haskell, Jones, Kent, Knox, Stonewall, Throckmorton	\$963,060	738	328	119	285	6
2	Bee Community Action Agency	Bee, Live Oak, McMullen, Refugio	\$721,519	629	99	42	486	2
3	Bexar County Community and Development Services	Bexar	\$7,701,053	8,884	724	1,115	6,941	104
4	Big Bend Community Action Agency	Brewster, Culberson, Hudspeth, Jeff Davis, Presidio	\$1,054,546	1,051	122	2	924	3
5	Brazos Valley Community Action Agency	Brazos, Burleson, Grimes, Leon, Madison, Robertson, Walker, Waller, Washington	\$3,108,173	2,386	574	1,637	163	12
6	Cameron-Willacy Counties Community Projects Inc.	Cameron, Willacy	\$3,646,237	5,385	64	4	5,317	0
7	Caprock Community Action Association	Crosby, Dickens, Floyd, Hale, King, Motley	\$1,277,030	1,370	272	145	945	8
8	Central Texas Opportunities	Brown, Callahan, Coleman, Comanche, Eastland, McCulloch, Runnels	\$1,453,196	1,383	986	79	309	9
11	Combined Community Action	Austin, Bastrop, Colorado, Fayette, Lee	\$1,020,753	1,128	344	648	136	0
12	Community Action Committee of Victoria, Texas	Aransas, Calhoun, DeWitt, Goliad, Gonzales, Jackson, Lavaca, Victoria	\$1,778,873	2,525	672	628	1,212	13
13	Community Action Corporation of South Texas	Brooks, Jim Wells, San Patricio	\$1,093,156	1,357	73	14	1,265	5
14	Community Action Inc. of Hays, Caldwell	Blanco, Caldwell, Hays	\$703,013	710	273	131	300	6
16	Community Action Program, Inc.	Shackelford, Stephens, Taylor	\$961,881	1,697	645	314	557	7
17	Community Council of Reeves	Loving, Reeves, Ward, Winkler	\$481,521	643	84	46	513	0
18	Community Council of South Central TX	Atascosa, Bandera, Comal, Frio, Gillespie, Guadalupe, Karnes, Kendall, Kerr, Medina, Wilson	\$2,531,551	4,861	1,332	232	3,268	29
19	Community Council Southwest TX	Edwards, Kinney, Real, Uvalde, Val Verde, Zavala	\$1,475,669	1,596	60	8	1,510	18
20	Community Services Agency of South Texas	Dimmit, LaSalle, Maverick	\$1,056,927	969	6	3	960	0
22	Community Services Inc	Anderson, Collin, Denton, Ellis, Henderson, Hunt, Kaufman, Navarro, Rockwall, Van Zandt	\$4,551,101	2,645	1,323	915	348	59
21	Community Services Northeast Texas	Camp, Cass, Marion, Morris	\$842,353	1,095	408	643	25	19
23	Concho Valley Community Action Agency	Coke, Concho, Crockett, Irion, Kimble, Menard, Reagan, Schleicher, Sterling, Sutton	\$1,239,051	784	285	5	493	1
24	Dallas County Department of Health and Human Services	Dallas	\$9,490,046	4,440	519	3,372	492	57
25	Economic Action Committee of the Gulf Coast	Matagorda	\$324,302	282	61	127	92	2
15	Economic Opportunities Advancement Corp. of Region XI	Bosque, Falls, Freestone, Hill, Limestone, McLennan	\$2,613,981	3,172	1,107	1,610	447	8
26	El Paso Community Action Program	El Paso	\$5,080,860	10,196	282	190	9,604	120

Annual Report

Statement of Activities

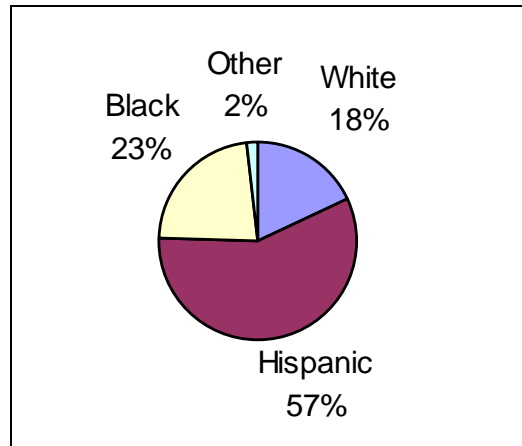
#	Subrecipient	Counties Served	PY 2009 Allocation	HH Served	White	Black	Hisp.	Other
9	Fort Worth Parks & Community Services	Tarrant	\$5,331,676	3,233	836	1,729	626	42
27	Galveston County Community Action Council	Brazoria, Fort Bend, Galveston, Wharton	\$3,150,010	3,943	648	2,239	1,017	39
28	Greater East Texas Community Action Program	Angelina, Cherokee, Gregg, Houston, Nacogdoches, Polk, Rusk, San Jacinto, Smith, Trinity, Wood	\$5,121,110	4,810	1,634	2,858	306	12
29	Hidalgo County Community Services Agency	Hidalgo	\$5,521,948	7,419	68	5	7,343	3
30	Hill Country Community Action Association	Bell, Coryell, Hamilton, Lampasas, Llano, Mason, Milam, Mills, San Saba	\$2,209,707	2,634	1,524	646	435	29
31	Institute of Rural Development, Inc.	Duval	\$233,776	203	6	0	197	0
32	Kleberg County Human Services	Kenedy, Kleberg	\$1,055,121	1,062	101	81	878	2
10	Lubbock, City of, Community Development	Lubbock	\$1,721,006	1,459	336	432	685	6
33	Montgomery County Emergency Assistance	Montgomery	\$1,077,961	2,246	1,336	716	118	76
34	Northeast TX Opportunities	Delta, Franklin, Hopkins, Lamar, Rains, Red River, Titus	\$1,447,275	1,505	730	652	119	4
35	Nueces County Community Action Agency	Nueces	\$2,165,003	1,661	94	284	1,276	7
36	Panhandle Community Services	Armstrong, Briscoe, Carson, Castro, Childress, Collingsworth, Dallam, Deaf Smith, Donley, Gray, Hall, Hansford, Hartley, Hemphill, Hutchinson, Lipscomb, Moore, Ochiltree, Oldham, Parmer, Potter, Randall, Roberts, Sherman, Swisher, Wheeler	\$4,309,233	6,162	2,581	761	2,817	3
37	Pecos County Community Action Agency	Crane, Pecos, Terrell	\$548,117	752	69	4	664	15
38	Programs for Human Services	Chambers, Hardin, Jefferson, Liberty, Orange	\$3,158,289	2,244	493	1,620	34	97
39	Rolling Plains Management Corporation	Archer, Baylor, Clay, Cottle, Foard, Hardeman, Jack, Montague, Wichita, Wilbarger, Young	\$2,069,856	1,822	1,101	425	246	50
40	San Angelo-Tom Green County Health Department	Tom Green	\$706,198	586	208	55	315	8
41	Senior Citizens of Texarkana	Bowie	\$680,043	801	195	596	6	4
42	Sheltering Arms Senior Services	Harris	\$15,797,946	11,593	914	8,084	1,512	1,083
43	South Plains Community Action Association Inc.	Bailey, Cochran, Garza, Hockley, Lamb, Lynn, Terry, Yoakum	\$1,080,332	1,640	233	184	1,201	22
44	South Texas Development Council	Jim Hogg, Starr, Zapata	\$1,210,980	1,253	8	0	1,245	0
45	Texas Neighborhood Services	Erath, Hood, Johnson, Palo Pinto, Parker, Somervell, Wise	\$1,756,976	2,051	1,734	87	204	26
46	Texoma Council Of Governments	Cooke, Fannin, Grayson	\$1,183,331	1,120	772	323	17	8
47	Travis County Health and Human Services	Travis	\$3,198,032	3,434	624	1,510	1,251	49
48	Tri-County Community Action Inc.	Harrison, Jasper, Newton, Panola, Sabine, San Augustine, Shelby, Tyler, Upshur	\$2,392,987	2,607	1,036	1,537	32	2
49	Webb County Community Action Agency	Webb	\$1,636,826	1,804	1	2	1,768	33

#	Subrecipient	Counties Served	PY 2009 Allocation	HH Served	White	Black	Hisp.	Other
50	West Texas Opportunities	Andrews, Borden, Dawson, Ector, Fisher, Gaines, Glasscock, Howard, Martin, Midland, Mitchell, Nolan, Scurry, Upton	\$3,466,184	4,167	1,103	611	2,600	27
51	Williamson-Burnet County Opportunities, Inc.	Burnet, Williamson	\$562,556	995	526	201	261	7
Totals			\$127,962,331	133,132	29,554	37,671	63,765	2,142

COMMUNITY SERVICES BLOCK GRANT PROGRAM

The Community Services Block Grant Program (CSBG) funds a network of subcontractor organizations, some of which have a service area that spans across two or more regions. In addition, some CSBG subcontractors have been awarded funding for special projects that overlap existing service areas. Because of this, CSBG racial composition data for FY 2009 is listed according to subcontractor. Racial composition for the state is available, but because this data does not fit into regional boundaries, regional data is not available.

Racial and Ethnic Composition of Individuals Receiving CSBG Assistance, Statewide, FY 2009



**Racial Composition of Individuals Receiving CSBG Assistance
by Subcontractor, Statewide, FY 2009**

Contractor	Counties Served	2009 Allocation	Individuals Served	White	Hispanic	Black	Other
Alabama Coushata Indian Reservation	Polk, Tyler	\$63,056	193	3	0	0	190
Aspermont Small Business Development Center, Inc.	Haskell, Jones, Kent, Knox, Stonewall, Throckmorton	\$153,274	1,722	673	720	240	89
Asociacion Pro Servicios Sociales	Jim Hogg, Starr, Webb, Zapata	\$109,393	336	336	0	0	0
Austin, City of, Health and Human Services Department	Travis	\$862,567	8,974	722	5,638	2,501	113
Bee Community Action Agency	Aransas, Bee, Kenedy, Kleberg, Live Oak, McMullen, Refugio	\$314,966	5,120	1,189	3,580	285	66
Big Bend Community Action Committee, Inc.	Brewster, Culberson, Hudspeth, Jeff Davis, Presidio	\$154,627	2,818	240	2,561	9	8
Brazos Valley Community Action Agency	Brazos, Burleson, Chambers, Grimes, Leon, Liberty, Madison, Montgomery, Robertson, Walker, Waller, Washington	\$925,542	11,542	2,403	3,393	5,454	292
*Cameron and Willacy Counties Community Projects, Inc.	Cameron, Willacy	\$1,024,745	10,339	105	10,220	13	1

Caprock Community Action Association, Inc.	Crosby, Dickens, Floyd, Hale, King, Motley	\$176,871	3,217	491	2,428	270	28
Central Texas Opportunities, Inc.	Brown, Callahan, Coleman, Comanche, Eastland, McCulloch, Runnels	\$216,473	3,194	2,042	909	146	97
Combined Community Action, Inc.	Austin, Bastrop, Colorado, Fayette, Lee	\$197,502	2,222	779	475	957	11
Community Action Corporation of South Texas	Brooks, Jim Wells, San Patricio	\$245,928	3,803	190	3,579	26	8
Community Action Council of Victoria	Calhoun, De Witt, Goliad, Gonzales, Jackson, Lavaca, Victoria	\$288,301	7,223	1,699	4,030	1,427	67
Community Action Inc. of Hays, Caldwell and Blanco Counties	Blanco, Caldwell, Hays	\$197,440	2,619	729	1,493	319	78
Community Action Program, Inc.	Mitchell, Shackelford, Stephens, Taylor	\$235,546	2,995	1,048	1,284	631	32
*Community Action Social Services & Education	Maverick	\$241,228	1,187	0	1,187	0	0
Community Council of Reeves County	Loving, Reeves, Ward, Winkler	\$210,041	1,736	263	1,372	101	0
*Community Council of South Central Texas, Inc.	Atascosa, Bandera, Comal, Frio, Gillespie, Guadalupe, Karnes, Kendall, Kerr, Medina, Wilson	\$603,434	15,637	3,770	11,132	561	174
*Community Council of Southwest Texas, Inc.	Edwards, Kinney, Real, Uvalde, Val Verde, Zavala	\$340,870	2,112	63	2,040	1	8
*Community Services Agency of South Texas	Dimmit, La Salle	\$167,463	1,522	14	1,506	2	0
Community Services of Northeast Texas	Bowie, Cass, Marion, Morris, Camp	\$271,458	2,684	1,168	225	1,233	58
Community Services, Inc.	Anderson, Collin, Denton, Ellis, Henderson, Hunt, Kaufman, Navarro, Rockwall, Van Zandt	\$1,012,749	8,842	3,853	1,621	3,076	292
Concho Valley Community Action Agency	Coke, Concho, Crockett, Irion, Kimble, Menard, Reagan, Schleicher, Sterling, Sutton, Tom Green	\$270,538	1,555	411	1,101	28	15
Dallas Inter-tribal Center	Collin, Dallas, Denton, Ellis, Hood, Johnson, Kaufman, Parker, Rockwall	\$113,561	234	5	15	1	213
Dallas Urban League	Dallas	\$2,542,699	21,228	1,418	3,769	14,791	1,250
Economic Action Committee of The Gulf Coast	Matagorda	\$152,544	1,132	218	489	418	7
Economic Opportunities Advancement Corporation of Planning Region XI	Bosque, Falls, Freestone, Hill, Limestone, McLennan	\$493,491	9,540	2,545	1,658	5,173	164
El Paso Community Action Program, Project BRAVO, Inc.	El Paso	\$1,368,491	29,546	600	28,067	553	326
Fort Worth, City of, Parks & Community Services Department	Tarrant	\$1,324,144	22,904	2,368	13,704	6,424	408

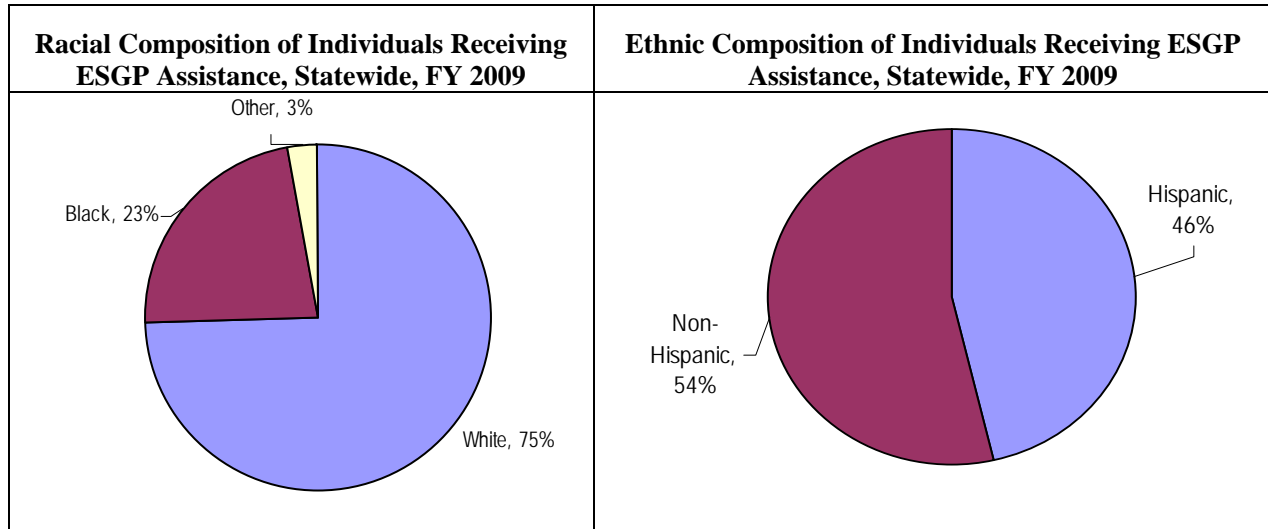
Galveston County Community Action Council, Inc.	Brazoria, Fort Bend, Galveston, Wharton	\$796,632	11,715	1,488	3,771	6,206	250
Greater East Texas Community Action Program (GETCAP)	Angelina, Cherokee, Gregg, Houston, Nacogdoches, Polk, Rusk, San Jacinto, Smith, Trinity, Wood	\$908,425	16,257	5,241	2,134	8,698	184
Guadalupe Economic Services Corporation	Bailey, Briscoe, Castro, Cochran, Crosby, Deaf Smith, Dickens, Floyd, Garza, Hale, Hall, Hockley, Lamb, Lubbock, Lynn, Motley, Parmer, Swisher, Terry, Yoakum	\$186,994	884	69	690	98	27
Gulf Coast Community Services Association	Harris	\$4,263,224	15,949	755	6,314	8,600	280
*Hidalgo County Community Services Agency	Hidalgo	\$1,733,065	22,158	141	21,968	15	34
Hill Country Community Action Association, Inc.	Bell, Coryell, Hamilton, Lampasas, Llano, Mason, Milam, Mills, San Saba	\$457,641	4,866	2,416	979	1,262	209
Institute of Rural Development, Inc	Duval	\$50,000	468	6	462	0	0
Lubbock, City of, Department of Community Initiatives	Lubbock	\$389,260	304	76	150	56	22
Northeast Texas Opportunities, Inc.	Delta, Franklin, Hopkins, Lamar, Rains, Red River, Titus	\$253,239	4,752	2,352	354	1,900	146
Nueces County Community Action Agency	Nueces	\$511,154	3,535	166	2,802	472	95
Panhandle Community Services	Armstrong, Briscoe, Carson, Castro, Childress, Collingsworth, Dallam, Deaf Smith, Donley, Gray, Hall, Hansford, Hartley, Hemphill, Hutchinson, Lipscomb, Moore, Ochiltrie, Oldham, Parmer, Potter, Randall, Roberts, Sherman, Swisher, Wheeler	\$592,841	18,524	7,375	8,851	2,113	185
Pecos County Community Action Agency	Crane, Pecos, Terrell	\$152,731	1,558	119	1,382	18	39
Rolling Plains Management Corporation	Archer, Baylor, Clay, Cottle, Foard, Hardeman, Jack, Montague, Wichita, Wilbarger, Young	\$314,752	4,178	2,221	757	865	335
San Antonio, City of, Community Action Division	Bexar	\$1,859,217	44,868	2,910	36,283	5,113	562
Sin Fronteras Organizing Project	El Paso	\$111,939	910	0	910	0	0
South Plains Community Action Association, Inc.	Bailey, Cochran, Garza, Hockley, Lamb, Lynn, Terry, Yoakum	\$193,554	4,490	529	3,403	427	131
South Texas Development Council	Jim Hogg, Starr, Zapata	\$294,650	3,644	28	3,615	0	1
Southeast Texas Regional Planning Commission	Hardin, Jefferson, Orange	\$523,426	2,760	869	248	1,459	184

Texas Neighborhood Services	Erath, Hood, Johnson, Palo Pinto, Parker, Somervell, Wise	\$367,493	6,759	5,232	1,036	301	190
Texoma Council of Governments	Cooke, Fannin, Grayson	\$229,093	2,863	1,904	103	819	37
Tri-County Community Action, Inc.	Harrison, Jasper, Newton, Panola, Sabine, San Augustine, Shelby, Tyler, Upshur	\$379,754	7,061	2,931	190	3,838	102
Webb County Community Action Agency	Webb	\$532,499	9,535	21	9,503	2	9
West Texas Opportunities, Inc.	Andrews, Borden, Dawson, Ector, Fisher, Gaines, Glasscock, Howard, Martin, Midland, Nolan, Scurry, Upton	\$607,177	13,180	2,729	8,439	1,838	174
Williamson-Burnet County Opportunities, Inc.	Burnet, Williamson	\$186,443	4,223	1,765	1,380	851	227
Total		\$30,174,142	391,617	70,688	223,920	89,591	7,418

*These contractors receive some additional funding to fund specialized activities for a few counties that fall outside their service area.

EMERGENCY SHELTER GRANTS PROGRAM

The Emergency Shelter Grants Program (ESGP) funds a network of subrecipient organizations, some of which have a service area that spans across two or more regions or multiple subrecipients serve the same area. Because of this, ESGP racial composition data for FY 2009 is listed according to subrecipient. Racial composition for the state is available, but is unavailable at the regional level.



Racial and Ethnic Composition of Individuals Receiving ESGP Assistance by Subrecipient, Statewide, FY 2008

Subrecipient	County	Award	Total Individuals	White	Black	Other	Hispanic	Non-Hispanic
ADVOCACY OUTREACH	Bastrop, Travis	\$80,000	1292	1010	273	9	627	665
ADVOCACY RESOURCE CENTER FOR HOUSING	Hidalgo	\$57,854	2687	2681	6	0	2687	0
AMARILLO, CITY OF	Potter	\$122,732	272	266	1	5	248	24
AMISTAD FAMILY VIOLENCE AND RAPE CRISIS CENTER	Val Verde, Kinney, Edwards	\$38,925	989	534	438	17	126	863
ARLINGTON LIFE SHELTER	Tarrant	\$73,138	1536	1511	24	1	1429	107
BETHANY HOUSE OF LAREDO, INC.	Webb	\$83,454	272	201	57	14	121	151
BRIDGE OVER TROUBLED WATERS, INC., THE	Harris	\$62,648	416	231	152	33	25	391
BROWNSVILLE, CITY OF	Cameron	\$253,054	3083	2100	732	251	530	2553
CHILDREN'S CENTER, INC., THE	Galveston	\$114,648	10377	10350	20	7	9721	656
COMAL COUNTY FAMILY VIOLENCE SHELTER, INC.	Comal	\$43,393	1557	1120	275	162	263	1294
CONNECTIONS INDIVIDUAL & FAMILY SERVICES	Comal, San Patricio, Arkansas, Atascosa, Bastrop, Bee, Caldwell, Frio, Goliad, Gonzales, Guadalupe, Karnes, Lee, Live Oak	\$80,000	1270	1163	28	79	578	692
CORPUS CHRISTI HOPE HOUSE, INC.	Nueces	\$68,083	454	410	44	0	240	214
COVENANT HOUSE TEXAS	Harris	\$82,648	1668	1537	131	0	903	765

Subrecipient	County	Award	Total Individuals	White	Black	Other	Hispanic	Non-Hispanic
DALLAS JEWISH COALITION/VOGEL ALCOVE	Dallas, Collin	\$39,645	1376	460	893	23	185	1191
DENTON, CITY OF	Denton	\$179,380	254	80	165	9	36	218
DRISKILL HALFWAY HOUSE, INC.	Carson, Armstrong, Swisher, Briscoe, Hall	\$30,000	129	99	27	3	34	95
EAST TEXAS CRISIS CENTER, INC.	Smith, Henderson, Van Zandt, Wood, Rains	\$37,647	607	438	130	39	130	477
EL PASO VILLA MARIA	El Paso	\$30,000	82	76	4	2	59	23
FAITH MISSION AND HELP CENTER, INC.	Washington	\$79,369	509	168	336	5	65	444
FAMILIES IN CRISIS, INC.	Bell, Coryell, Hamilton	\$55,252	794	358	325	111	182	612
FAMILY CRISIS CENTER, INC.	Cameron, Willacy	\$163,454	3995	3891	65	39	3422	573
FAMILY GATEWAY, INC.	Dallas	\$56,245	308	69	223	16	16	292
FAMILY PLACE, THE	Dallas	\$60,045	685	369	260	56	256	429
FAMILY SERVICES OF SOUTHEAST TEXAS, INC.	Jefferson, Hardin, Orange, Tyler, Newton, Jasper	\$66,747	860	442	415	3	92	768
FAMILY VIOLENCE PREVENTION SERVICES, INC.	Atascosa, Bandera, Bexar, Blanco, Caldwell, Comal, Dimmitt, Frio, Gillespie, Guadalupe, Hays, Kerr, Medina, Uvalde	\$80,000	2,199	1,818	250	131	1,450	749
FORT BEND COUNTY WOMEN'S CENTER	Fort Bend, Harris	\$53,295	401	206	162	33	136	265
GRAYSON COUNTY JUVENILE ALTERNATIVES INC	Grayson, Fannin, Cooke	\$52,198	59	49	8	2	7	52
HARMONY HOUSE, INC.	Harris	\$69,090	92	33	58	1	3	89
HIGHLAND LAKES FAMILY CRISIS CENTER, INC.	Burnet, Blanco, Llano, Lampasas	\$36,000	858	797	27	34	408	450
HOUSTON AREA WOMEN'S CENTER	Harris	\$79,979	4,886	3,676	1,021	189	3,033	1,853
INSTITUTE OF COGNITIVE DEVELOPMENT	Tom Green	\$30,000	619	519	26	74	281	338
JOHNSON COUNTY FAMILY CRISIS CENTER	Johnson	\$59,979	285	255	22	8	27	258
LA POSADA HOME, INC.	El Paso	\$54,660	901	883	8	10	864	37
LOVE I.N.C. OF NACOGDOCHES	Nacogdoches	\$50,270	207	71	131	5	11	196
MEMORIAL ASSISTANCE MINISTRIES	Harris	\$80,000	474	370	104	-	320	154
MID-COAST FAMILY SERVICES, INC.	Calhoun, DeWitt, Goliad, Gonzalez, Jackson, Lavaca, Victoria	\$41,529	385	302	66	17	205	180
MIDLAND FAIR HAVENS, INC.	Midland	\$65,600	1,554	1,166	388	-	636	918
MISSION GRANBURY, INC.	Hood	\$48,687	411	387	7	17	48	363
MONTGOMERY COUNTY WOMEN'S CENTER	Montgomery, Harris	\$40,497	680	492	128	60	209	471
NORTHWEST ASSISTANCE MINISTRIES	Harris	\$80,000	152	23	126	3	15	137
OPPORTUNITY CENTER FOR THE HOMELESS	El Paso	\$80,000	2,159	1,825	260	74	1,243	916
PANHANDLE CRISIS CENTER, INC.	Ochitree, Hansford, Lipscomb	\$53,385	580	571	-	9	360	220
PECAN VALLEY REGIONAL DOMESTIC VIOLENCE SHELTER	Brown, Coleman, Comanche	\$32,077	355	317	18	20	119	236
PORT CITIES RESCUE MISSION MINISTRIES	Jefferson	\$42,613	330	122	188	20	-	330
PROJECT VIDA	El Paso	\$48,778	293	292	1	-	292	1

Subrecipient	County	Award	Total Individuals	White	Black	Other	Hispanic	Non-Hispanic
PROVIDENCE MINISTRY CORPORATION	Cameron, Willacy	\$38,866	79	55	24	-	59	20
RANDY SAMS' OUTREACH SHELTER, INC.	Bowie	\$73,353	641	388	228	25	14	627
SABINE VALLEY REGIONAL MHMR CENTER	Bowie, Cass, Gregg, Harrison, Marion, Panola, Red River, Rusk, Upshur	\$44,827	24	15	9	-	-	24
SAFE HAVEN OF TARRANT COUNTY	Tarrant	\$83,245	6,448	4,127	1,692	629	2,514	3,934
SALVATION ARMY FOR CARR P. COLLINS SERVICE CENTER	Dallas	\$80,000	198	22	100	76	-	198
SALVATION ARMY FOR CASA SHELTER	Dallas	\$60,114	172	85	84	3	34	138
SALVATION ARMY FOR FAMILY LIFE CENTER	Dallas	\$80,000	154	83	53	18	39	115
SALVATION ARMY FOR THE FIRST CHOICE PROGRAM	Tarrant	\$83,245	81	45	35	1	19	62
SALVATION ARMY OF ABILENE	Taylor, Jones, Callahan, Runnels	\$105,992	1,375	1,106	243	26	343	1,032
SALVATION ARMY OF AUSTIN	Travis	\$34,692	311	181	111	19	103	208
SALVATION ARMY OF CORPUS CHRISTI	Nueces	\$30,069	1,290	1,119	163	8	466	824
SALVATION ARMY OF GALVESTON	Galveston	\$79,104	18,582	13,657	4,873	52	5,746	12,836
SALVATION ARMY OF KERRVILLE	Kerr	\$60,146	361	355	6	-	74	287
SALVATION ARMY OF MCALLEN	Hidalgo	\$83,454	1,404	1,327	75	2	1,095	309
SALVATION ARMY OF ODESSA	Ector	\$39,584	456	404	52	-	147	309
SALVATION ARMY OF SHERMAN	Grayson	\$40,000	701	494	52	155	9	692
SALVATION ARMY OF TYLER	Smith	\$80,000	4,945	2,971	1,955	19	1,248	3,697
SALVATION ARMY OF WACO	McLennan	\$30,000	17,958	11,113	6,836	9	7,108	10,850
SEARCH	Harris	\$162,582	3,508	1,565	1,881	62	321	3,187
SETON HOME	Bexar	\$77,791	150	127	23	-	111	39
SHELTER AGENCIES FAMILIES IN EAST TEXAS	Titus, Camp, Franklin, Hopkins, Morris	\$38,000	786	640	103	43	251	535
SIN FRONTERAS ORGANIZING PROJECT	El Paso	\$55,672	815	815	-	-	815	-
ST. PETER - ST. JOSEPH CHILDREN'S HOME	Bexar	\$80,000	284	212	68	4	169	115
TRAVIS COUNTY DOMESTIC VIOLENCE AND SEXUAL ASSAULT DBA SAFEPLACE	Travis	\$31,788	83	64	19	-	5	78
TWIN CITY MISSION	Brazos, Burleson, Grimes, Leon, Madison, Milam, Robertson, Washington	\$80,254	962	640	180	142	483	479
WESTSIDE HOMELESS PARTNERSHIP	Harris	\$52,000	728	404	243	81	140	588
WINTERGARDEN WOMEN'S SHELTER, INC.	Dimmit, Maverick, Zavala	\$52,515	153	85	60	8	81	72
WOMEN'S HOME, THE	Harris	\$52,182	944	875	1	68	824	120
WOMEN'S SHELTER OF EAST TEXAS, INC.	Nacogdoches, Angelina, Houston, San Augustine, Shelby, Sabine, San Jacinto, Polk, Trinity	\$36,716	432	244	162	26	66	366

Subrecipient	County	Award	Total Individuals	White	Black	Other	Hispanic	Non- Hispanic
WOMEN'S SHELTER OF SOUTH TEXAS	Arkansas, Bee, Brooks, Duval, Jim Wells, Kenedy, Kleberg, Live Oak, McMullen, Nueces, Refugio, San Patricio	\$79,594	2,804	2,593	89	122	2,116	688
YOUTH AND FAMILY ALLIANCE DBA LIFEWORKS	Travis	\$53,440	574	451	77	46	41	533
YWCA GREATER HOUSTON	Harris	\$79,995	12	2	6	4	4	8
TOTALS		5,196,217	120,767	90,002	27,526	3,239	56,087	64,680

PROGRESS IN MEETING TDHCA HOUSING AND COMMUNITY SERVICES GOALS

The goals, strategies and objectives established in the Legislative Appropriations Act, the TDHCA *Strategic Plan* and the *State of Texas Consolidated Plan*, guide TDHCA's annual activities through the establishment of objective performance measures. TDHCA's resulting goals are as follows:

- 1) Increase and preserve the availability of safe, decent and affordable housing for very low-, low- and moderate-income persons and families
- 2) Promote improved housing conditions for extremely low-, very low- and low-income households by providing information and technical assistance.
- 3) Improve living conditions for the poor and homeless and reduce the cost of home energy for very low-income Texans.
- 4) Ensure compliance with the TDHCA's federal and state program mandates.
- 5) Protect the public by regulating the manufactured housing industry in accordance with state and federal laws.
- 6) Target its housing finance programs resources for assistance to extremely low-income households.
- 7) Target its housing finance resources for assistance to very low-income households.
- 8) Provide contract for deed conversions for families who reside in a colonia and earn 60 percent or less of the applicable Area Median Family Income
- 9) Work to address the housing needs and increase the availability of affordable and accessible housing for persons with special needs through funding, research and policy development efforts.

Progress made towards meeting those goals, the upcoming year's goals and information on TDHCA's actual performance in satisfying in FY 2009 goals and strategies is provided in *Section 4: Action Plan*.

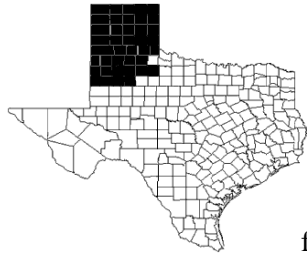
STATEMENT OF ACTIVITIES BY UNIFORM STATE SERVICE REGION

This section describes TDHCA's FY 2009 activities by Uniform State Service Region. The regional tables do not include information for WAP, CEAP, ESGP, CSBG and CFNP because figures are not available for these programs at the regional level. Additionally, for purposes of reporting, Office of Colonia Initiatives figures do not appear as an independent category, but rather the figures are grouped under their respective funding sources. For example, most Contracts for Deed Conversion are reported under HOME's Homeownership Assistance Program.

As required by law, TDHCA reports on the racial composition of individuals and families receiving assistance. Regional information has been organized into two generalized categories of housing activity type: Renter Programs and Homeowner Programs.

For more information on the housing activity types and racial reporting categories, please see "Racial Composition of Households Receiving Assistance" under the Statement of Activities section on page 12.

REGION 1



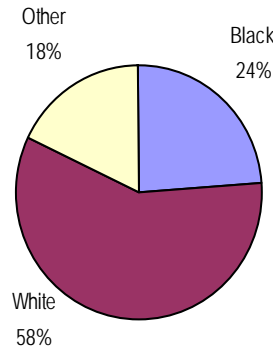
TDHCA allocated \$3,502,753 in Region 1 during FY 2009.

Homeowner programs accounted for the largest segment of this total and the low-income households group (50-80% AMFI) was the most served income group.

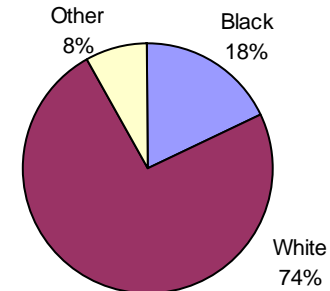
Note: Because loan servicers do not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combined chart.

RENTER PROGRAMS

PERCENT OF COMMITTED FUNDS BY RACE

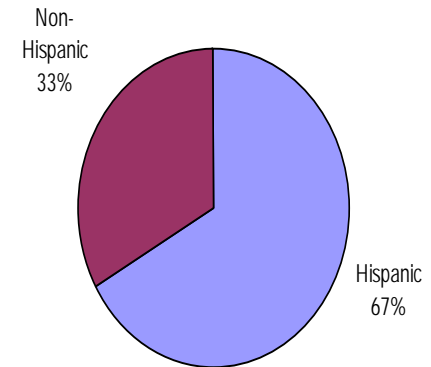
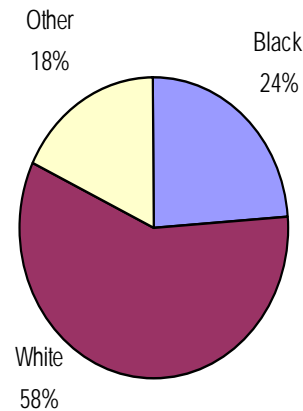


PERCENT OF COMMITTED FUNDS BY ETHNICITY



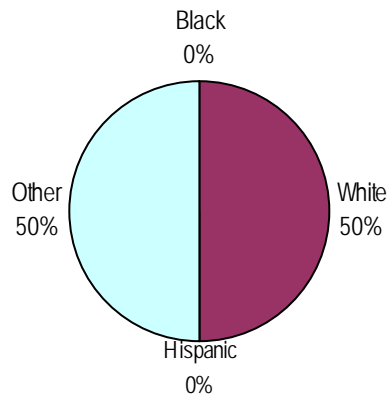
HOME PROGRAM OWNER PROGRAMS

PERCENT OF COMMITTED FUNDS BY ETHNICITY



SINGLE FAMILY BOND PROGRAM

PERCENT OF COMMITTED FUNDS BY RACE AND ETHNICITY



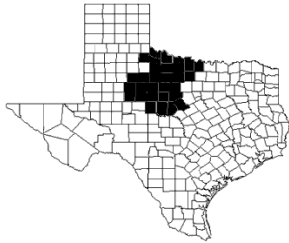
FUNDING AND HOUSEHOLDS SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 1

Activity	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
Homeowner Programs	\$183,900	4	\$2,730,000	35	\$0	0	\$0	0	\$0	0	\$0	0	\$2,913,900	39
Renter Programs	\$0	0	\$0	0	\$0	0	\$3,699,617	331	\$0	0	\$0	0	\$3,699,617	331
Total	\$183,900	4	\$2,730,000	35	\$0	0	\$3,699,617	331	\$0	0	\$0	0	\$6,613,517	370

FUNDING AND HOUSEHOLDS SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 1

Income	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
0-30% AMFI	\$0	0	\$1,092,000	14	\$0	0	\$245,896	22	\$0	0	\$0	0	\$1,337,896	36
30-50% AMFI	\$55,100	1	\$468,000	6	\$0	0	\$1,128,886	101	\$0	0	\$0	0	\$1,651,986	108
50-80% AMFI	\$128,800	3	\$1,170,000	15	\$0	0	\$2,324,835	208	\$0	0	\$0	0	\$3,623,635	226
>80% AMFI	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Total	\$183,900	4	\$2,730,000	35	\$0	0	\$3,699,617	331	\$0	0	\$0	0	\$6,613,517	370

REGION 2

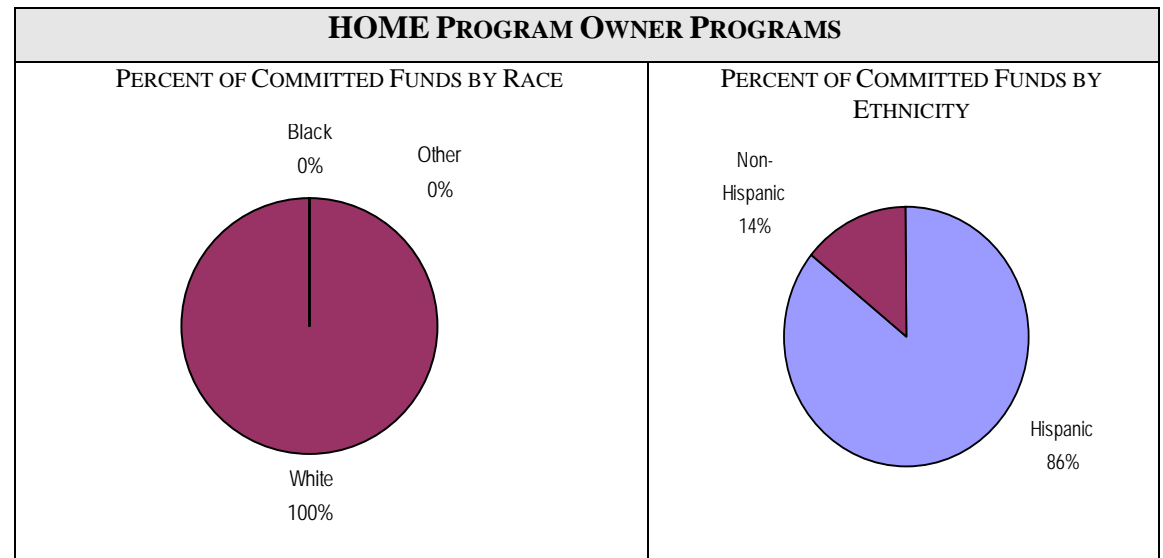
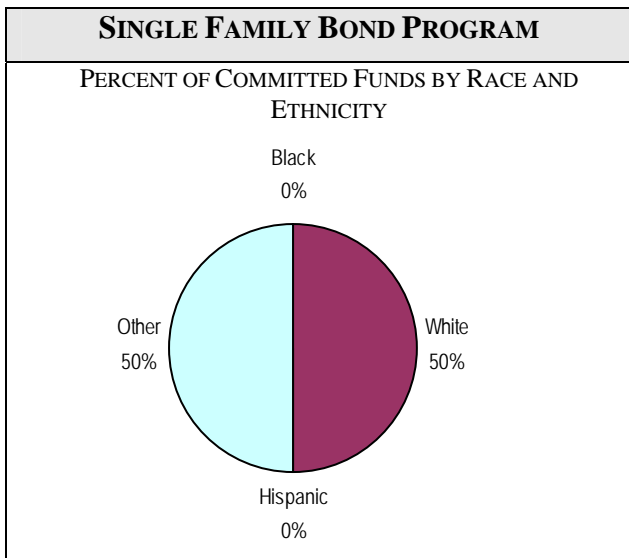
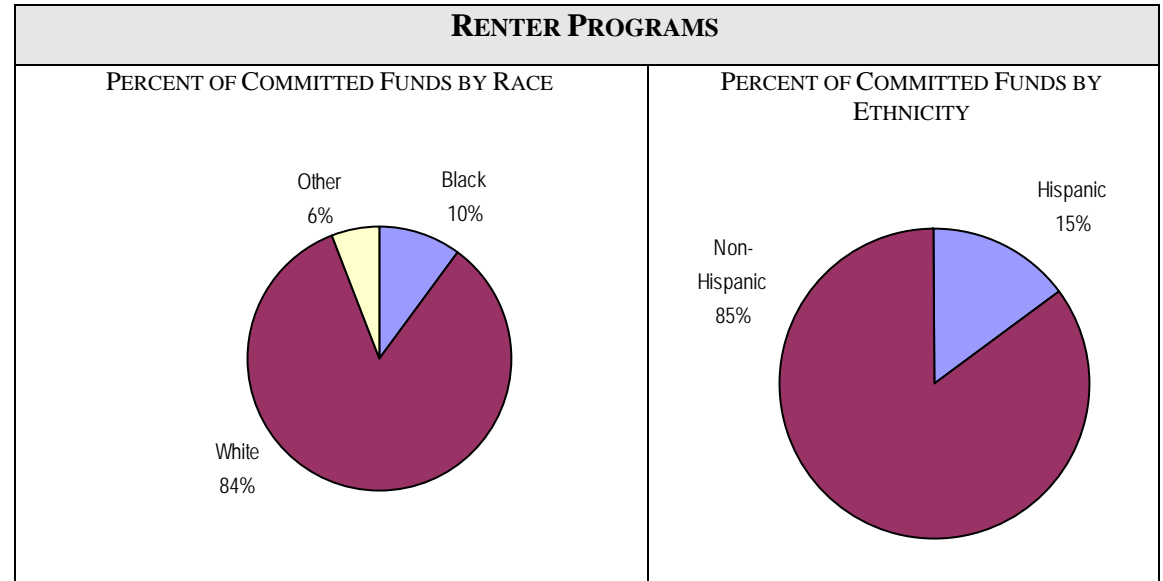


TDHCA allocated \$4,140,264 in Region 2 during FY 2009.

Renter programs accounted for the largest segment of this total and the low-income households group (50-80% AMFI) was the most served income group.

AMFI) was the most served income group.

Note: Because loan servicers do not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combined chart.



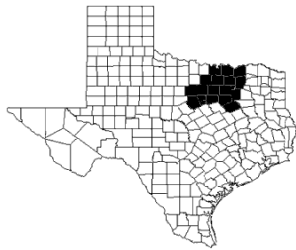
FUNDING AND HOUSEHOLDS SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 2

Activity	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
Homeowner Programs	\$694,917	10	\$390,000	5	\$30,000	3	\$0	0	\$0	0	\$0	0	\$1,114,917	18
Renter Programs	\$0	0	\$0	0	\$0	0	\$2,944,310	269	\$0	0	\$81,037	50	\$3,025,347	319
Total	\$694,917	10	\$390,000	5	\$30,000	3	\$2,944,310	269	\$0	0	\$81,037	50	\$4,140,264	337

FUNDING AND HOUSEHOLDS SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 2

Income	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
0-30% AMFI	\$0	0	\$0	0	\$0	0	\$131,345	12	\$0	0	\$66,963	35	\$198,308	47
30-50% AMFI	\$0	0	\$0	0	\$30,000	3	\$1,608,972	147	\$0	0	\$10,998	9	\$1,649,970	159
50-80% AMFI	\$292,487	5	\$390,000	5	\$0	0	\$1,203,993	110	\$0	0	\$3,076	6	\$1,889,556	126
>80% AMFI	\$402,430	5	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$402,430	5
Total	\$694,917	10	\$390,000	5	\$30,000	3	\$2,944,310	269	\$0	0	\$81,037	50	\$4,140,264	337

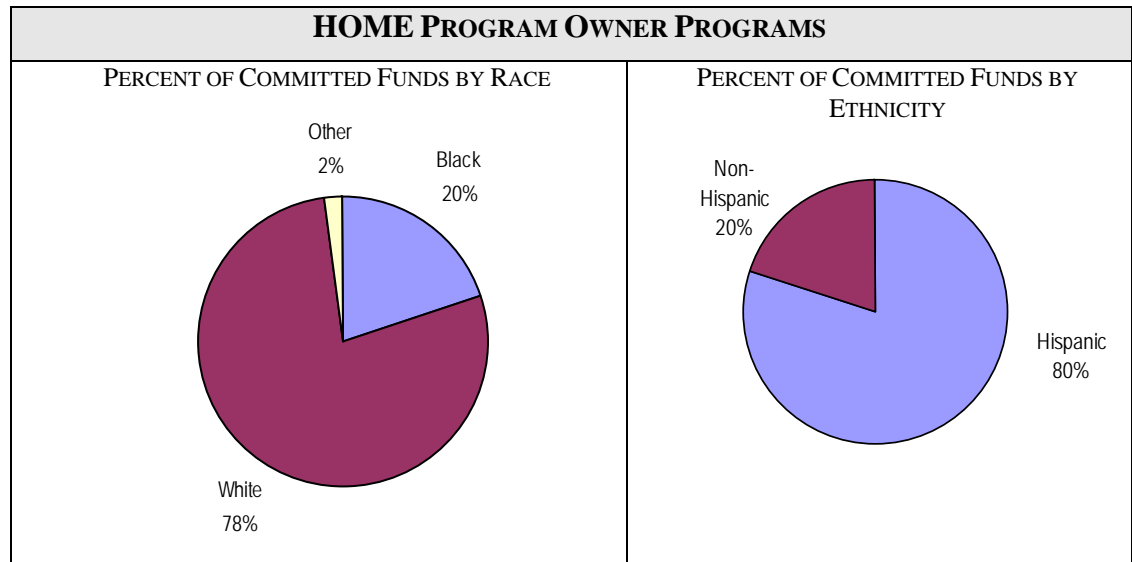
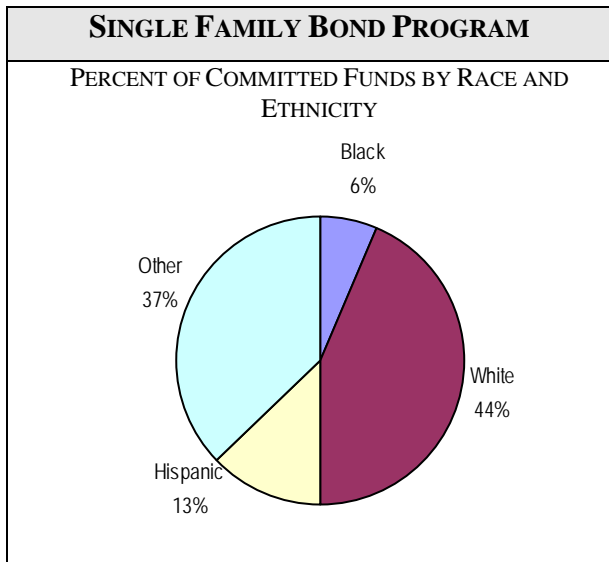
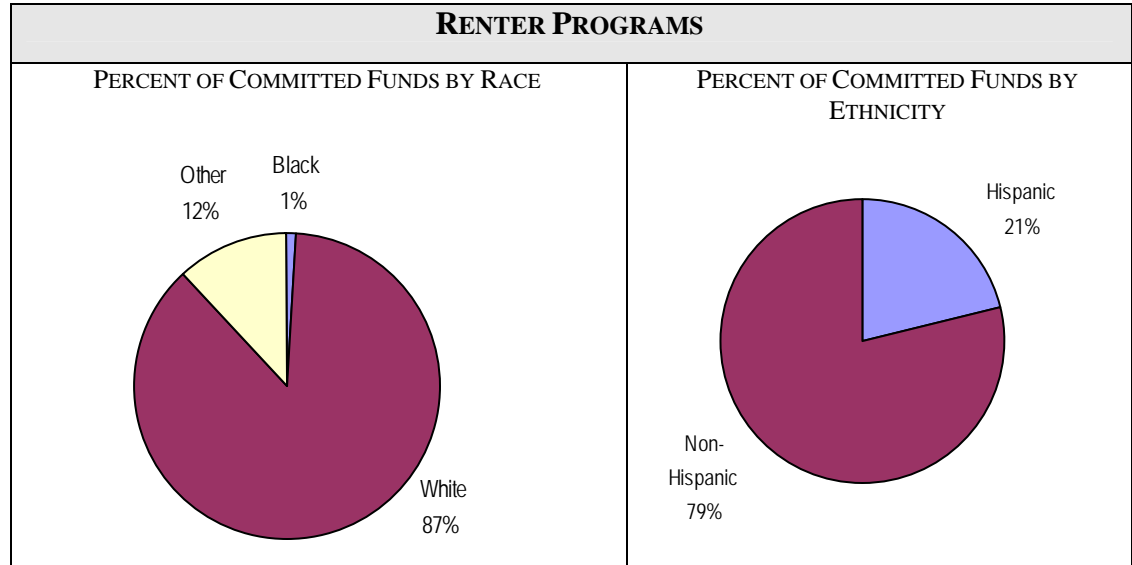
REGION 3



TDHCA allocated \$56,891,430 in Region 3 during FY 2009.

Renter programs accounted for the largest segment of this total and the low-income households group (50-80% AMFI) was the most served income group.

Note: Because loan servicers do not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combined chart.



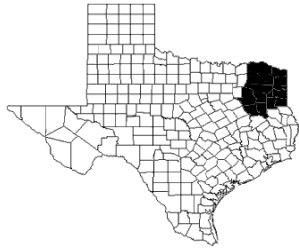
FUNDING AND HOUSEHOLDS SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 3

Activity	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
Homeowner Programs	\$14,280,831	142	\$1,778,400	25	\$974,750	85	\$0	0	\$0	0	\$0	0	\$17,033,981	252
Renter Programs	\$0	0	\$9,258,648	198	\$960,000	50	\$14,670,949	1,267	\$15,000,000	252	\$1,894,427	813	\$41,784,024	2580
Total	\$14,280,831	142	\$11,037,048	223	\$1,934,750	135	\$14,670,949	1267	\$15,000,000	252	\$1,894,427	813	\$58,818,005	2832

FUNDING AND HOUSEHOLDS SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 3

Income	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
0-30% AMFI	\$0	0	\$1,150,614	22	\$54,800	8	\$1,250,478	105	\$0	0	\$1,431,091	538	\$3,886,983	673
30-50% AMFI	\$694,793	10	\$6,245,557	132	\$1,625,550	106	\$5,174,920	456	\$0	0	\$426,372	232	\$14,167,192	936
50-80% AMFI	\$4,109,978	54	\$3,640,876	69	\$254,400	21	\$8,245,551	706	\$15,000,000	252	\$36,964	43	\$31,287,769	1145
>80% AMFI	\$9,476,060	78	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$9,476,060	78
Total	\$14,280,831	142	\$11,037,047	223	\$1,934,750	135	\$14,670,949	1,267	\$15,000,000	252	\$1,894,427	813	\$58,818,004	2832

REGION 4

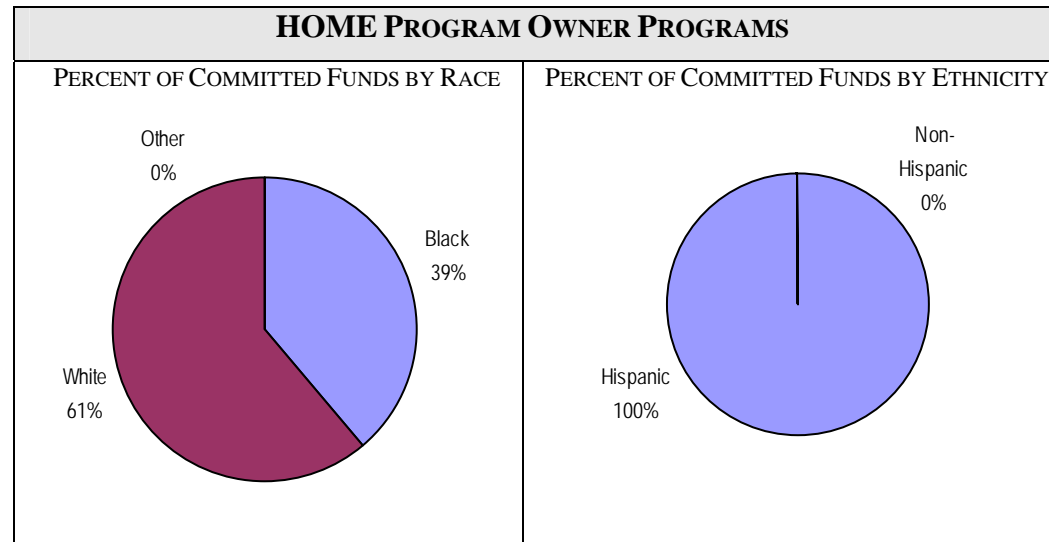
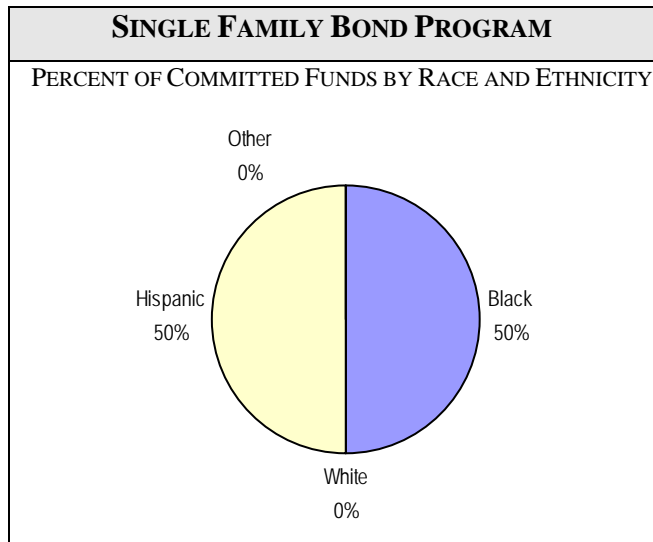
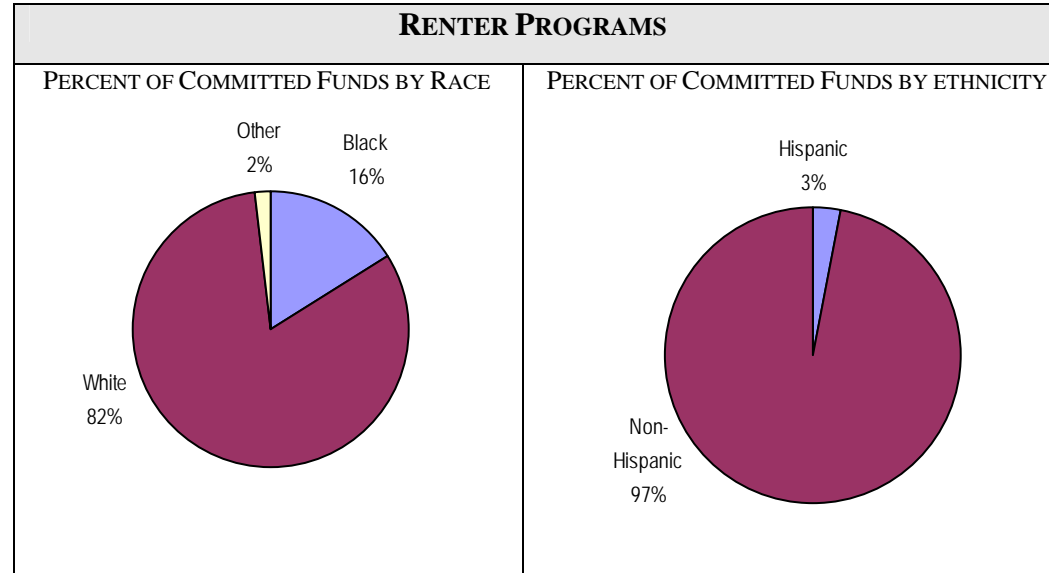


TDHCA allocated \$13,075,262 in Region 4 during FY 2009.

Homeowner programs accounted for the largest segment of this total and the low-income

households group (50-80% AMFI) was the most served income group.

Note: Because loan servicers do not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combined chart.



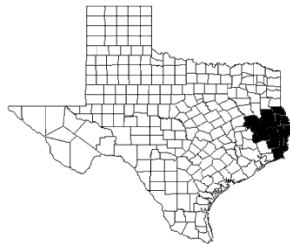
FUNDING AND HOUSEHOLDS SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 4

Activity	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
Homeowner Programs	\$47,000	2	\$8,678,800	140	\$96,000	10	\$0	\$0	\$0	0	\$0	0	\$8,821,800	152
Renter Programs	\$0	0	\$2,123,828	82	\$0	0	\$2,129,634	\$190	\$0	0	\$0	0	\$4,253,462	272
Total	\$47,000	2	\$10,802,628	222	\$96,000	10	\$2,129,634	190	\$0	0	\$0	0	\$13,075,262	424

FUNDING AND HOUSEHOLDS SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 4

Income	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
0-30% AMFI	\$0	0	\$1,636,900	30	\$25,000	5	\$112,086	10	\$0	0	\$0	0	\$1,773,986	45
30-50% AMFI	\$47,000	2	\$2,769,152	83	\$71,000	5	\$829,436	74	\$0	0	\$0	0	\$3,716,588	164
50-80% AMFI	\$0	0	\$6,396,576	109	\$0	0	\$1,188,112	106	\$0	0	\$0	0	\$7,584,688	215
>80% AMFI	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Total	\$47,000	2	\$10,802,628	222	\$96,000	10	\$2,129,634	190	\$0	0	\$0	0	\$13,075,262	424

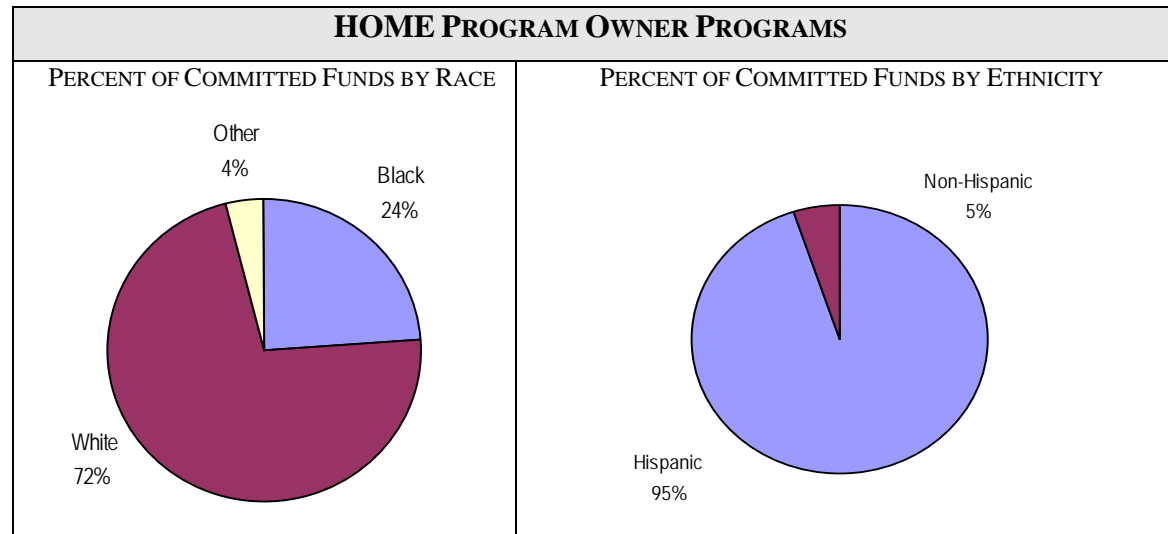
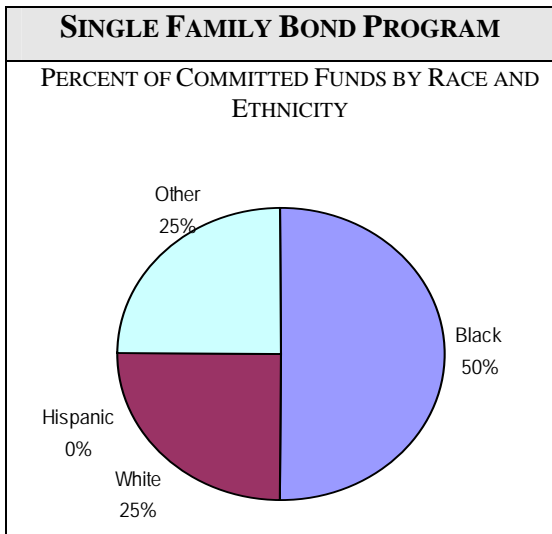
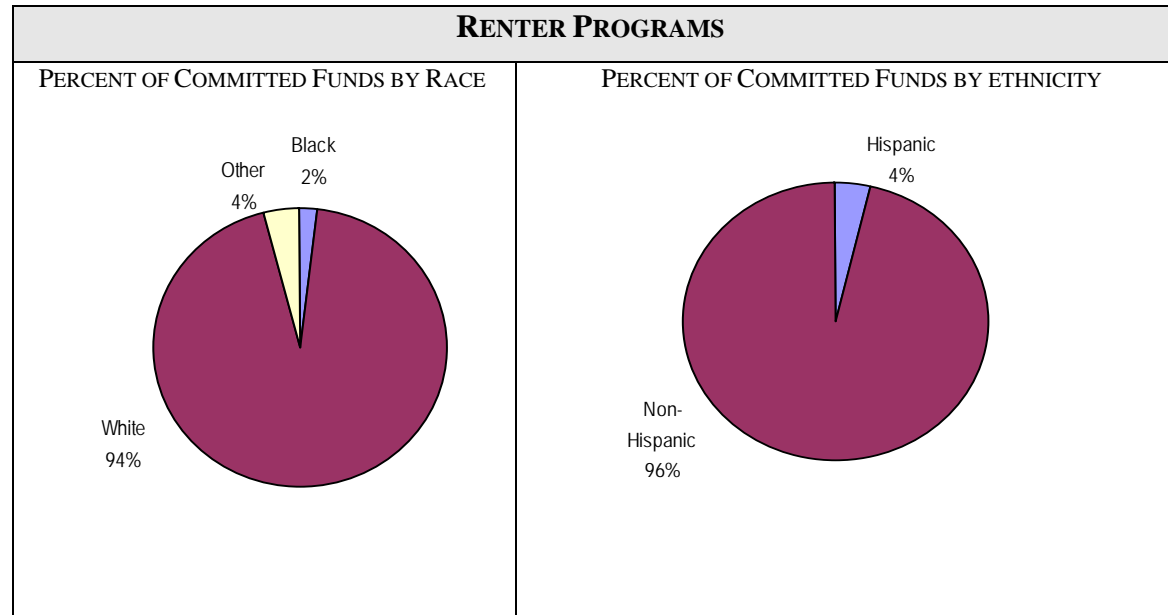
REGION 5



TDHCA allocated \$8,876,808 in Region 5 during FY 2009.

Renter programs accounted for the largest segment of this total and the low-income households group (50-80% AMFI) was the most served income group.

Note: Because loan servicers do not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combined chart.



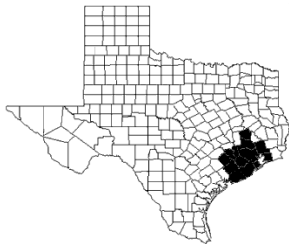
FUNDING AND HOUSEHOLDS SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 5

Activity	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
Homeowner Programs	\$261,722	4	\$1,170,000	18	\$207,000	20	\$0	0	\$0	0	\$0	0	\$1,638,722	42
Renter Programs	\$0	0	\$2,660,693	72	\$0	0	\$3,667,045	304	\$0	0	\$0	0	\$6,327,738	376
Total	\$261,722	4	\$3,830,693	90	\$207,000	20	\$3,667,045	304	\$0	0	\$0	0	\$7,966,460	418

FUNDING AND HOUSEHOLDS SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 5

Income	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
0-30% AMFI	\$0	0	\$2,565,955	59	\$30,000	5	\$240,570	20	\$0	0	\$0	0	\$2,836,525	84
30-50% AMFI	\$60,000	2	\$202,177	7	\$147,000	13	\$1,366,467	113	\$0	0	\$0	0	\$1,775,644	135
50-80% AMFI	\$0	0	\$1,062,561	24	\$30,000	2	\$2,060,008	171	\$0	0	\$0	0	\$3,152,569	197
>80% AMFI	\$201,722	2	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$201,722	2
Total	\$261,722	4	\$3,830,693	90	\$207,000	20	\$3,667,045	304	\$0	0	\$0	0	\$7,966,460	418

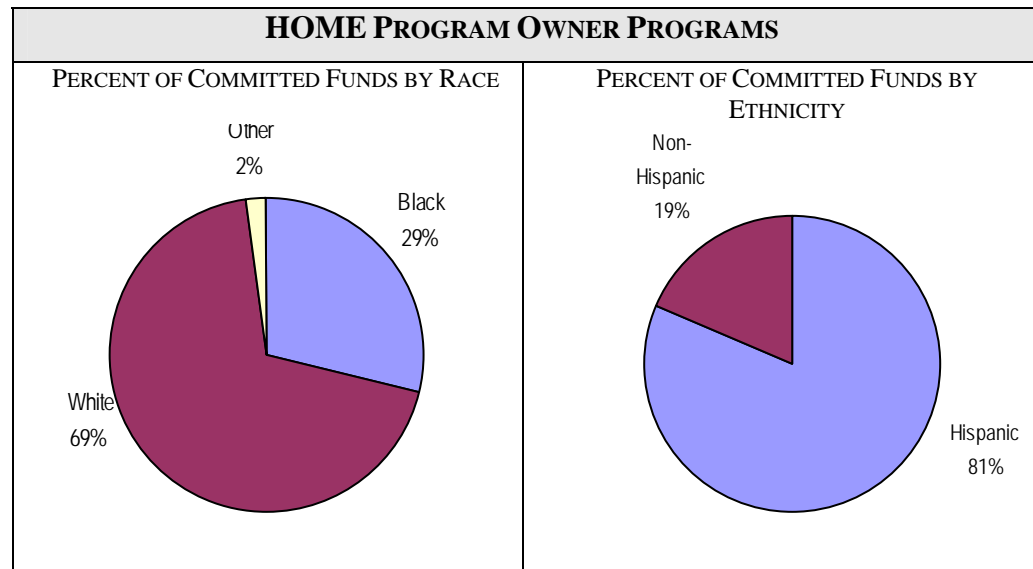
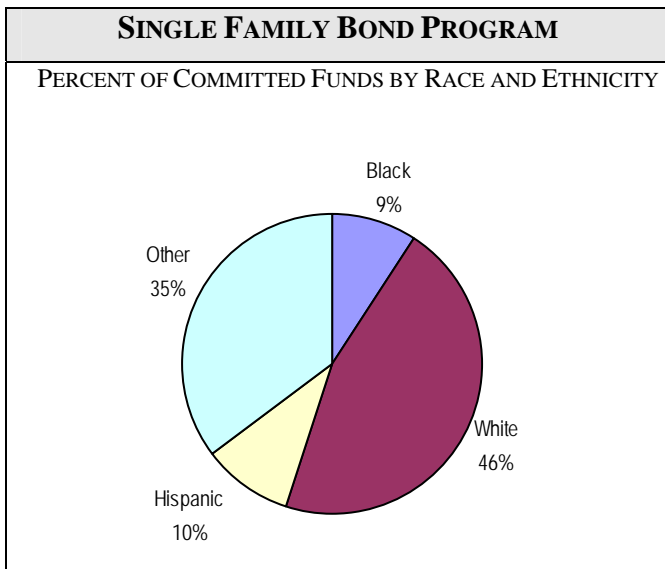
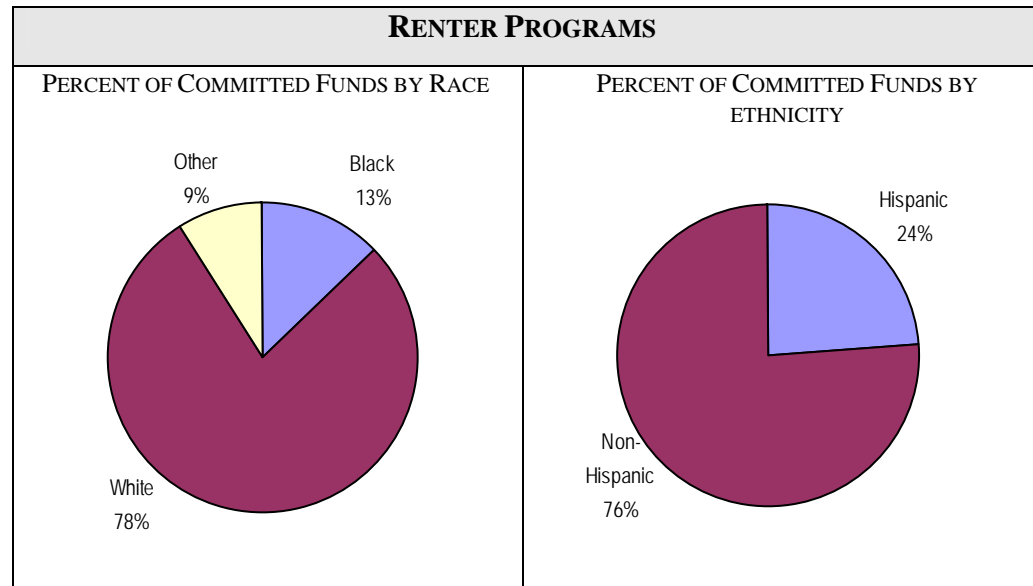
REGION 6



TDHCA allocated \$98,197,440 in Region 6 during FY 2009.

Renter programs accounted for the largest segment of this total and the low-income households group (50-80% AMFI) was the most served income group.

Note: Because loan servicers do not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combined chart



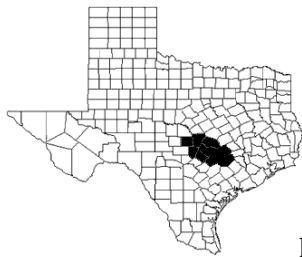
FUNDING AND HOUSEHOLDS SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 6

Activity	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
Homeowner Programs	\$28,936,416	240	\$780,000	11	\$53,000	5	\$0	\$0	\$0	0	\$0	0	\$29,769,416	256
Renter Programs	\$0	0	\$13,976,179	214	\$0	0	\$34,239,947	2,854	\$13,690,000	252	\$2,425,768	1,147	\$64,331,894	4467
Total	\$28,936,416	240	\$14,756,179	225	\$53,000	5	\$34,239,947	2854	\$13,690,000	252	\$2,425,768	1147	\$94,101,310	4723

FUNDING AND HOUSEHOLDS SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 6

Income	SF Bond		HOME		HTF		HTC*		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
0-30% AMFI	\$42,700	1	\$3,616,385	62	\$0	0	\$1,750,085	146	\$0	0	\$1,887,349	800	\$7,296,519	1009
30-50% AMFI	\$317,258	3	\$8,514,457	125	\$53,000	5	\$15,641,498	1,305	\$0	0	\$479,415	308	\$25,005,628	1746
50-80% AMFI	\$4,920,073	52	\$2,625,337	38	\$0	0	\$16,848,364	1,403	\$13,690,000	252	\$59,004	39	\$38,142,778	1784
>80% AMFI	\$23,656,385	184	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$23,656,385	184
Total	\$28,936,416	240	\$14,756,179	225	\$53,000	5	\$34,239,947	2,854	\$13,690,000	252	\$2,425,768	1147	\$94,101,310	4723

REGION 7

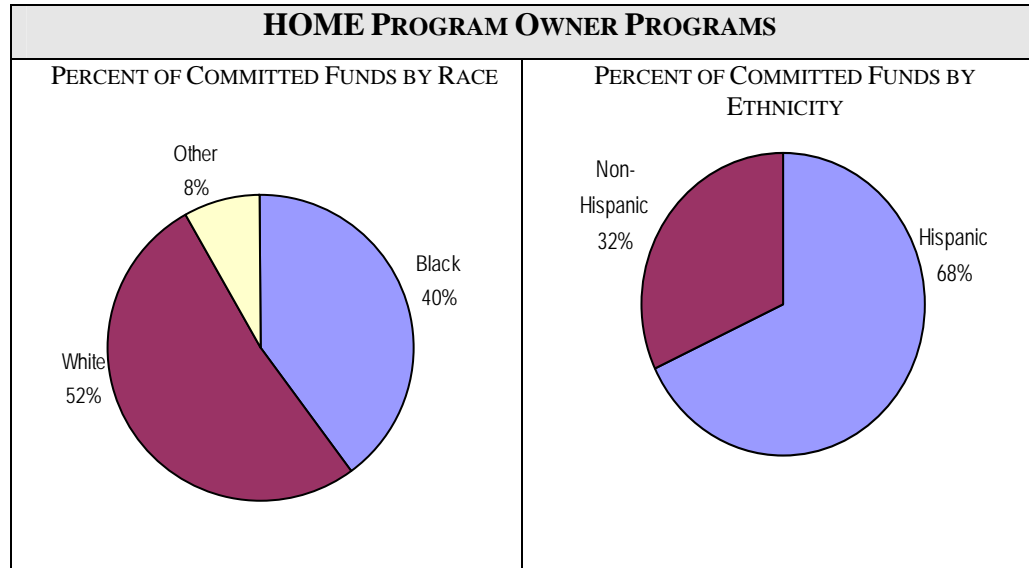
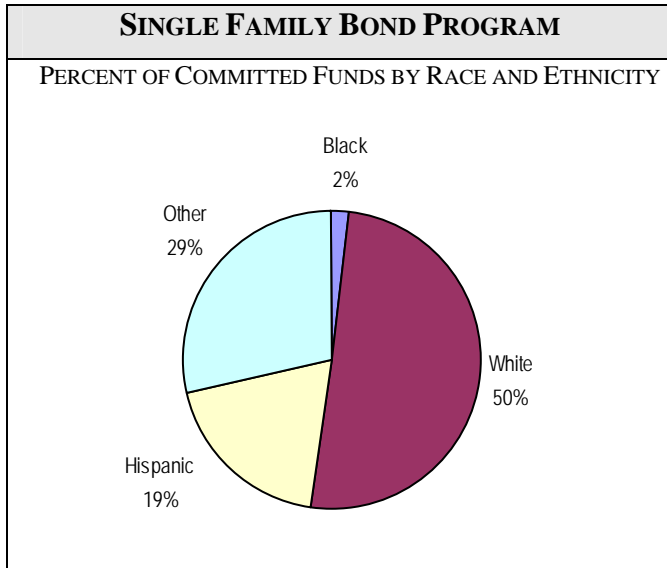
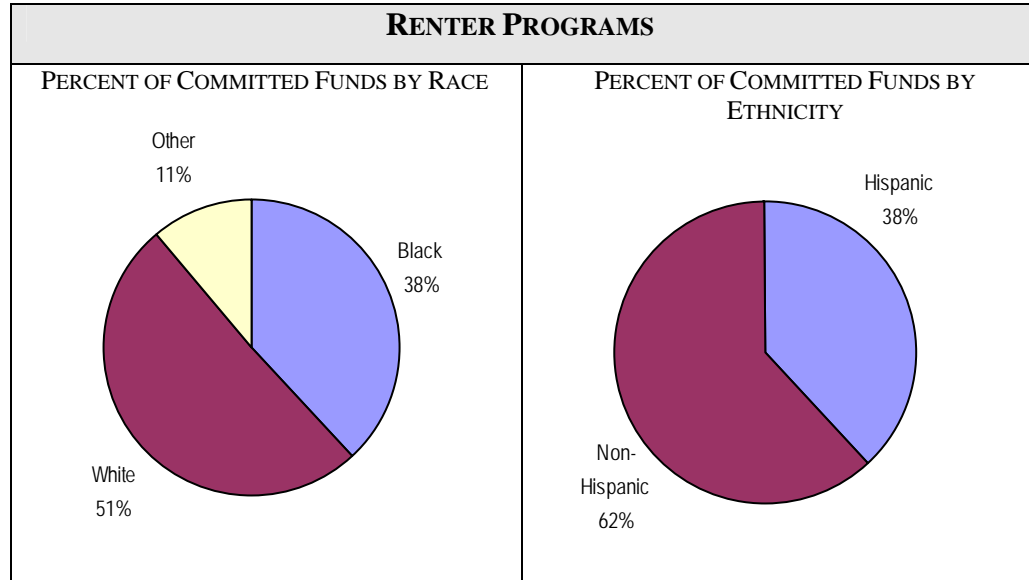


TDHCA allocated \$54,633,960 in Region 7 during FY 2009.

Homeowner programs accounted for the largest segment of this total and the moderate-income households group (>80% AMFI) was the most served

income group.

Note: Because loan servicers do not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combined chart



FUNDING AND HOUSEHOLDS SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 7

Activity	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
Homeowner Programs	\$36,166,798	268	\$1,690,000	21	\$585,000	41	\$0	0	\$0	0	\$0	0	\$38,441,798	330
Renter Programs	\$0	0	\$8,804,528	165	\$1,000,000	68	\$7,992,769	1157	\$0	0	\$394,865	211	\$18,192,162	1601
Total	\$36,166,798	268	\$10,494,528	186	\$1,585,000	109	\$7,992,769	1157	\$0	0	\$394,865	211	\$56,633,960	1931

FUNDING AND HOUSEHOLDS SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 7

Income	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
0-30% AMFI	\$0	0	\$2,743,800	51	\$0	0	\$522,229	70	\$0	0	\$327,336	155	\$3,593,365	276
30-50% AMFI	\$620,523	7	\$1,700,072	32	\$1,585,000	109	\$3,930,622	468	\$0	0	\$65,462	54	\$7,901,679	670
50-80% AMFI	\$12,767,353	101	\$6,050,656	103	\$0	0	\$3,539,918	619	\$0	0	\$2,067	2	\$22,359,994	825
>80% AMFI	\$22,778,922	160	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$22,778,922	160
Total	\$36,166,798	268	\$10,494,528	186	\$1,585,000	109	\$7,992,769	1157	\$0	0	\$394,865	211	\$56,633,960	1931

REGION 8

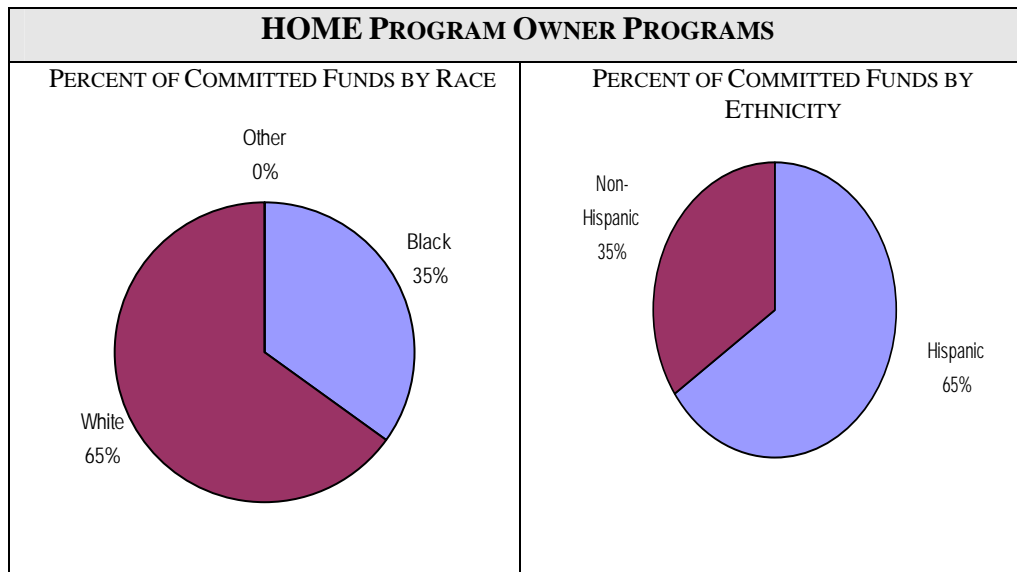
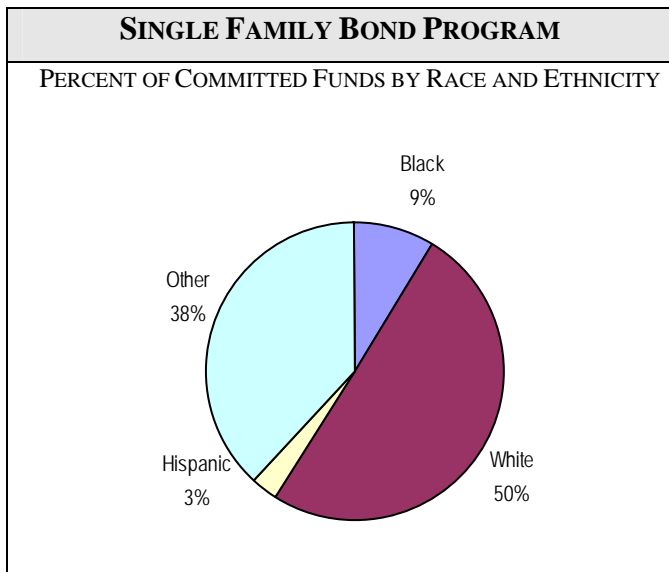
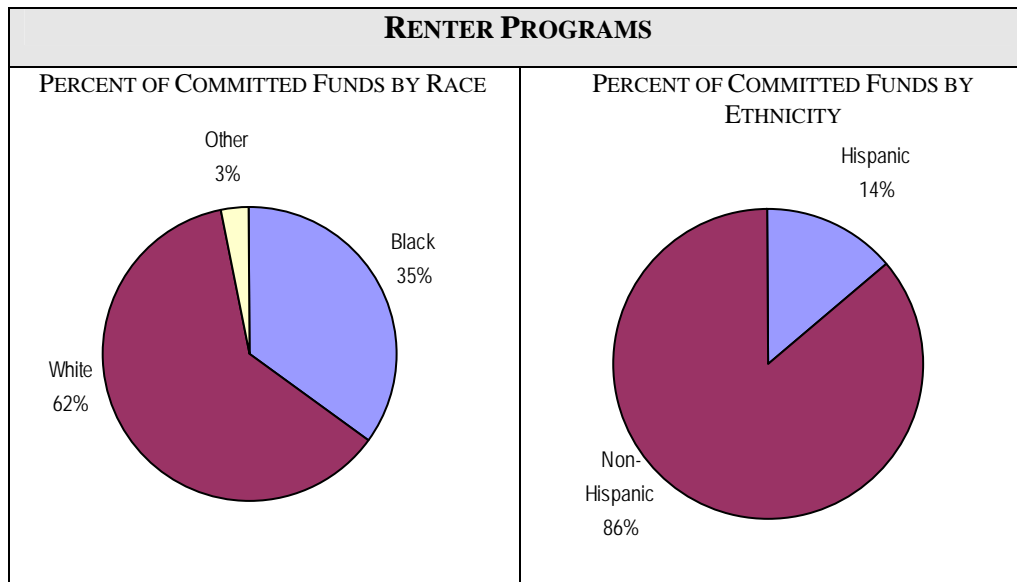


TDHCA allocated \$14,467,175 in Region 8 during FY 2009.

Renter programs accounted for the largest segment of this total and the very low-income households group (30-50% AMFI) was the

most served income group.

Note: Because loan servicers do not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combined chart.



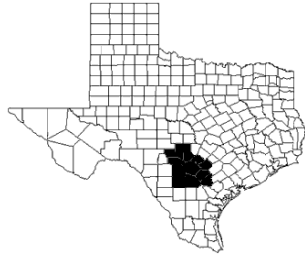
FUNDING AND HOUSEHOLDS SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 8

Activity	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
Homeowner Programs	\$3,531,834	34	\$2,332,500	33	\$273,500	31	\$0	0	\$0	\$0	\$0	0	\$6,137,834	98
Renter Programs	\$0	0	\$4,173,460	55	\$0	0	\$3,863,811	432	\$0	\$0	\$292,070	207	\$8,329,341	694
Total	\$3,531,834	34	\$6,505,960	88	\$273,500	31	\$3,863,811	432	\$0	0	\$292,070	207	\$14,467,175	792

FUNDING AND HOUSEHOLDS SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 8

Income	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
0-30% AMFI	\$0	0	\$882,692	12	\$30,000	4	\$187,824	21	\$0	\$0	\$201,748	135	\$1,302,264	172
30-50% AMFI	\$0	0	\$3,510,000	39	\$167,000	15	\$2,003,458	224	\$0	\$0	\$79,106	55	\$5,759,564	333
50-80% AMFI	\$878,798	10	\$2,113,268	37	\$76,500	12	\$1,672,529	187	\$0	\$0	\$11,216	17	\$4,752,311	263
>80% AMFI	\$2,653,036	24	\$0	0	\$0	0	\$0	0	\$0	\$0	\$0	0	\$2,653,036	24
Total	\$3,531,834	34	\$6,505,960	88	\$273,500	31	\$3,863,811	432	\$0	0	\$292,070	207	\$14,467,175	792

REGION 9

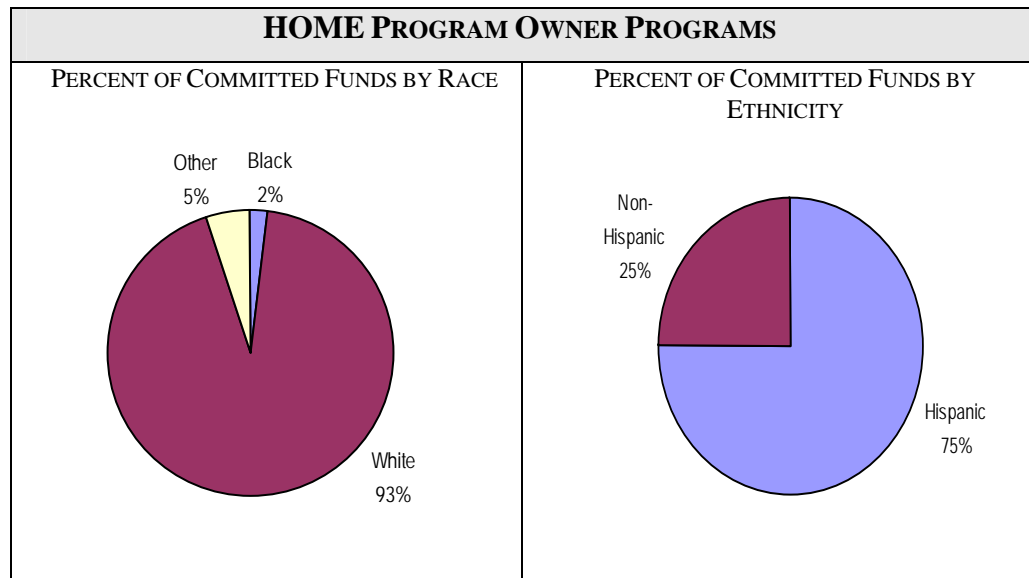
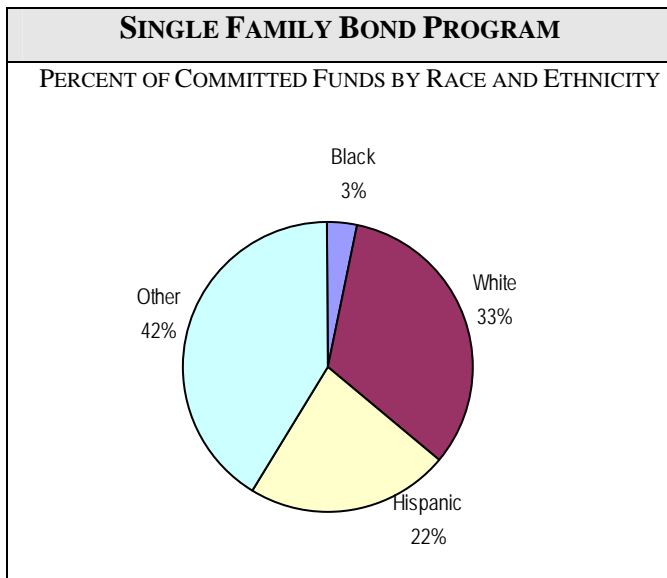
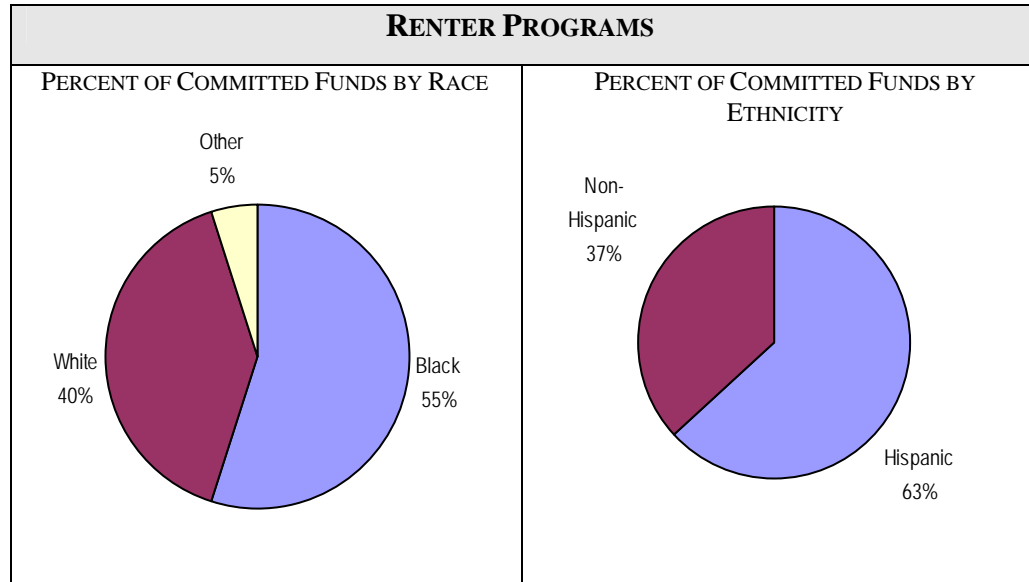


TDHCA allocated \$15,474,007 in Region 9 during FY 2009.

Homeowner programs accounted for the largest segment of this total and the moderate-income households group

(>80% AMFI) was the most served income group.

Note: Because loan servicers do not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combined chart



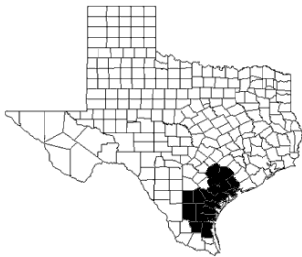
FUNDING AND HOUSEHOLDS SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 9

Activity	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
Homeowner Programs	\$6,116,772	58	\$1,170,000	16	\$1,134,048	137	\$0	0	\$0	0	\$0	0	\$8,420,820	211
Renter Programs	\$0	0	\$1,439,480	96	\$384,000	18	\$4,442,856	406	\$0	0	\$184,396	118	\$6,450,732	638
Total	\$6,116,772	58	\$2,609,480	112	\$1,518,048	155	\$4,442,856	406	\$0	0	\$184,396	118	\$14,871,552	849

FUNDING AND HOUSEHOLDS SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 9

Income	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
0-30% AMFI	\$0	0	\$1,977,479	92	\$79,665	13	\$590,811	57	\$0	0	\$144,762	85	\$2,792,717	247
30-50% AMFI	\$276,774	4	\$525,462	15	\$1,278,439	123	\$1,657,865	149	\$0	0	\$31,000	24	\$3,769,540	315
50-80% AMFI	\$1,274,297	18	\$106,539	5	\$159,944	19	\$2,194,179	200	\$0	0	\$8,634	9	\$3,743,593	251
>80% AMFI	\$4,565,701	36	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$4,565,701	36
Total	\$6,116,772	58	\$2,609,480	112	\$1,518,048	155	\$4,442,855	406	\$0	0	\$184,396	118	\$14,871,551	849

REGION 10

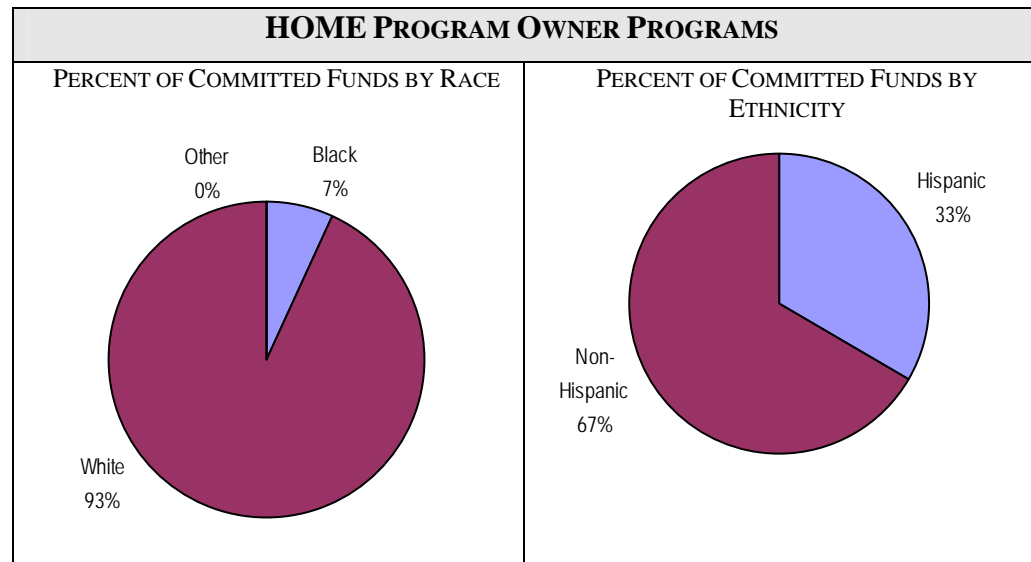
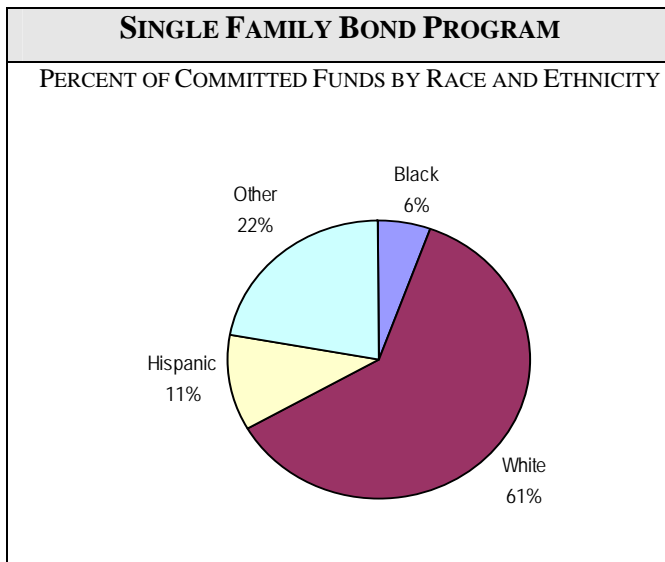
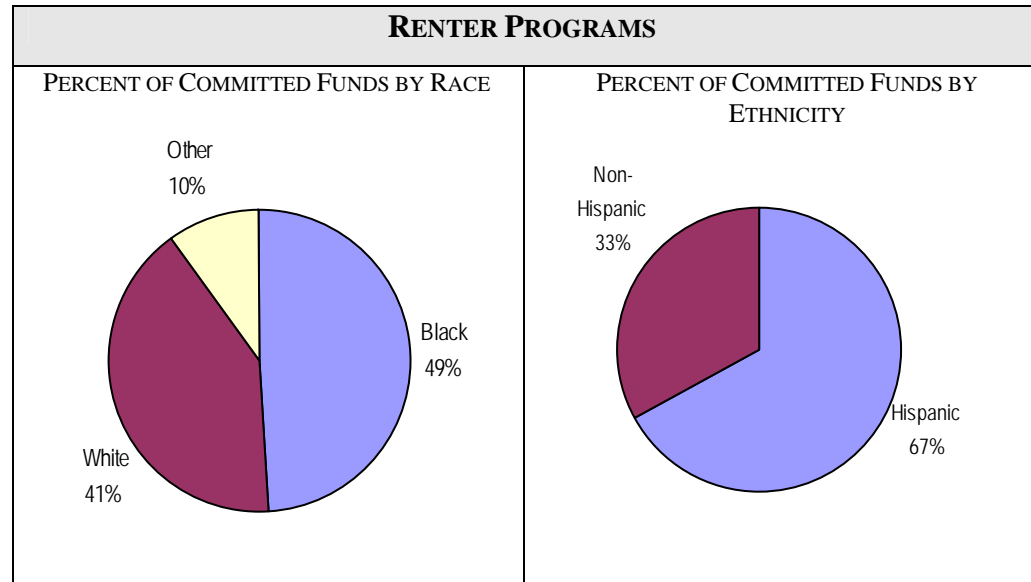


TDHCA allocated \$10,657,582 in Region 10 during FY 2009.

Renter programs accounted for the largest segment of this total and the very low-income

households group (30-50% AMFI) was the most served income group.

Note: Because loan servicers do not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combined chart.



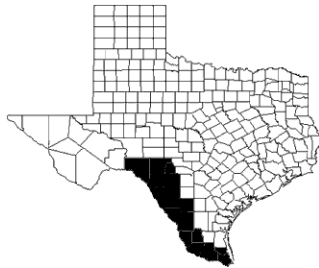
FUNDING AND HOUSEHOLDS SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 10

Activity	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
Homeowner Programs	\$1,507,133	18	\$1,950,000	26	\$153,500	22	\$0	0	\$0	0	\$0	0	\$3,610,633	66
Renter Programs	\$0	0	\$3,318,000	59	\$450,000	24	\$3,278,636	343	\$0	0	\$313	1	\$7,046,949	427
Total	\$1,507,133	18	\$5,268,000	85	\$603,500	46	\$3,278,636	343	\$0	0	\$313	1	\$10,657,582	493

FUNDING AND HOUSEHOLDS SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 10

Income	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
0-30% AMFI	\$0	0	\$1,507,293	31	\$25,000	4	\$162,498	17	\$0	0	\$313	1	\$1,695,104	53
30-50% AMFI	\$77,018	2	\$2,788,707	30	\$578,500	42	\$1,787,478	187	\$0	0	\$0	0	\$5,231,703	261
50-80% AMFI	\$262,672	4	\$972,000	24	\$0	0	\$1,328,660	139	\$0	0	\$0	0	\$2,563,332	167
>80% AMFI	\$1,167,443	12	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$1,167,443	12
Total	\$1,507,133	18	\$5,268,000	85	\$603,500	46	\$3,278,636	343	\$0	0	\$313	1	\$10,657,582	493

REGION 11

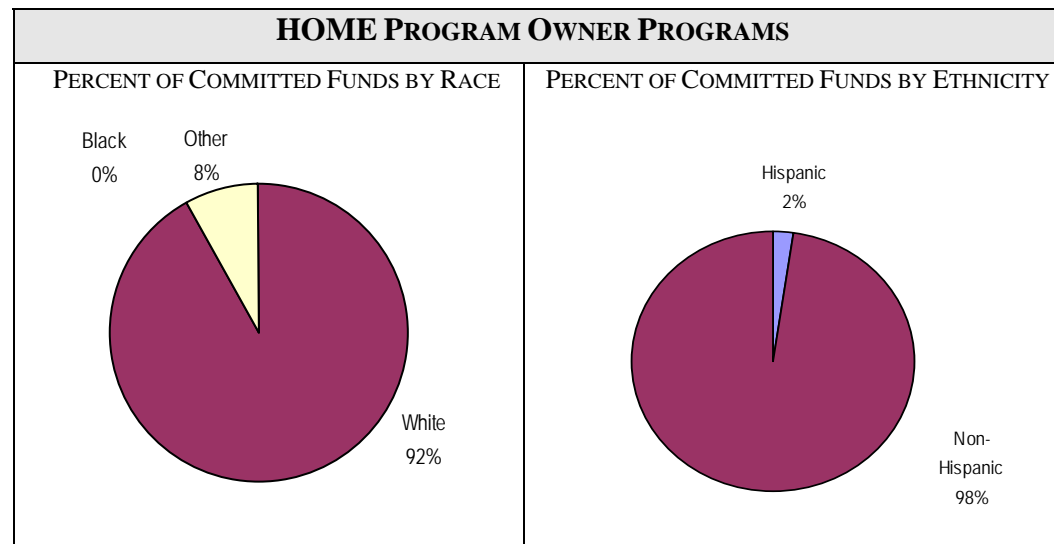
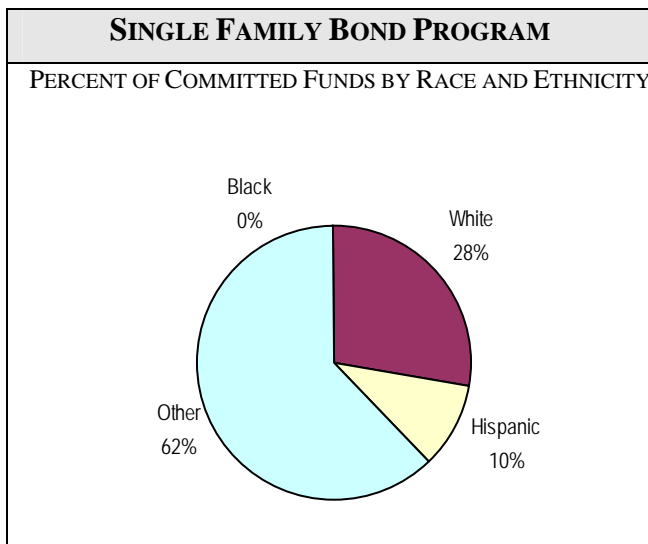
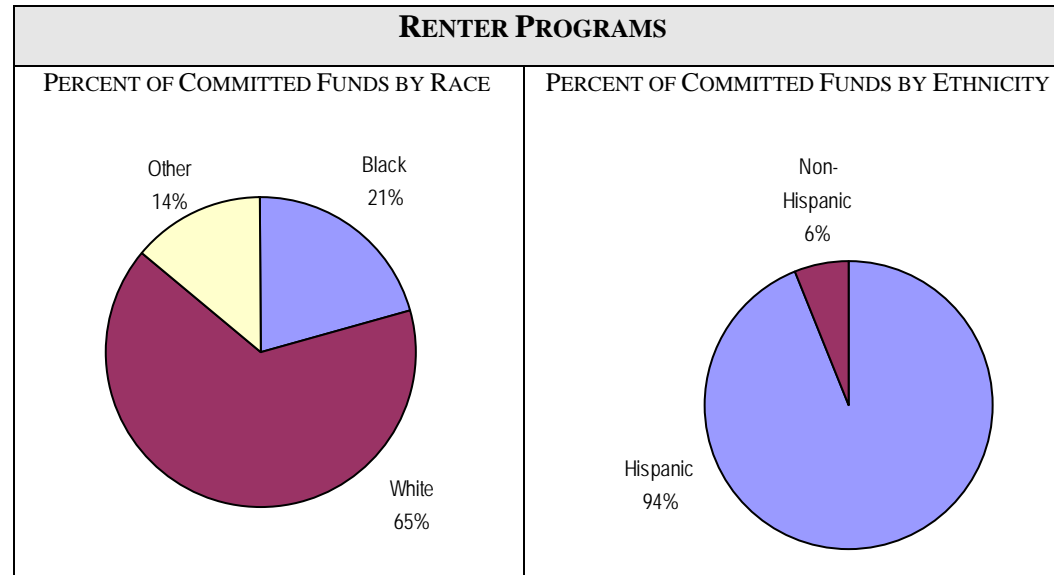


TDHCA allocated \$15,328,013 in Region 11 during FY 2009.

Homeowner programs accounted for the largest segment of this total and the low-income households group (50-80%) was the most served

income group.

Note: Because loan servicers do not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combined chart



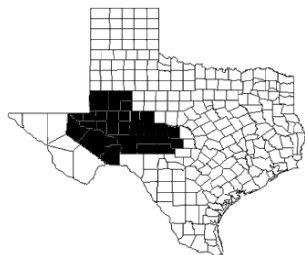
FUNDING AND HOUSEHOLDS SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 11

Activity	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
Homeowner Programs	\$4,671,801	61	\$5,423,600	174	\$1,959,973	185	\$0	0	\$0	0	\$0	0	\$12,055,374	420
Renter Programs	\$0	0	\$0	0	\$0	0	\$3,272,012	270	\$0	0	\$627	16	\$3,272,639	286
Total	\$4,671,801	61	\$5,423,600	174	\$1,959,973	185	\$3,272,012	270	\$0	0	\$627	16	\$15,328,013	706

FUNDING AND HOUSEHOLDS SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 11

Income	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
0-30% AMFI	\$0	0	\$872,763	28	\$30,000	5	\$302,964	25	\$0	0	\$627	16	\$1,206,354	74
30-50% AMFI	\$75,880	2	\$1,059,784	34	\$1,569,982	130	\$593,810	49	\$0	0	\$0	0	\$3,299,456	215
50-80% AMFI	\$918,196	15	\$3,491,053	112	\$359,991	50	\$2,375,238	196	\$0	0	\$0	0	\$7,144,478	373
>80% AMFI	\$3,677,725	44	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$3,677,725	44
Total	\$4,671,801	61	\$5,423,600	174	\$1,959,973	185	\$3,272,012	270	\$0	0	\$627	16	\$15,328,013	706

REGION 12



TDHCA allocated \$3,284,999 in Region 12 during FY 2009.

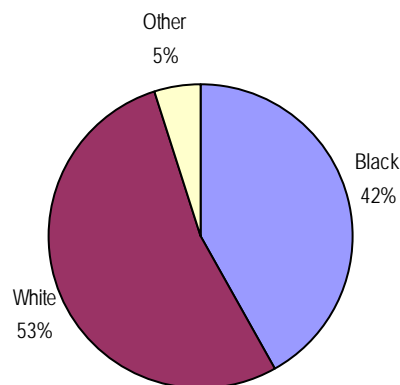
Renter programs accounted for the largest segment of this total and the

low-income households group (50-80% AMFI) was the most served income group.

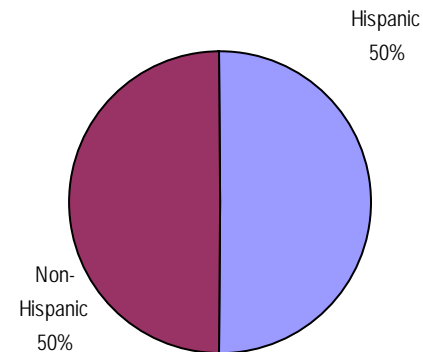
Note: Because loan servicers do not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combined chart.

RENTER PROGRAMS

PERCENT OF COMMITTED FUNDS BY RACE

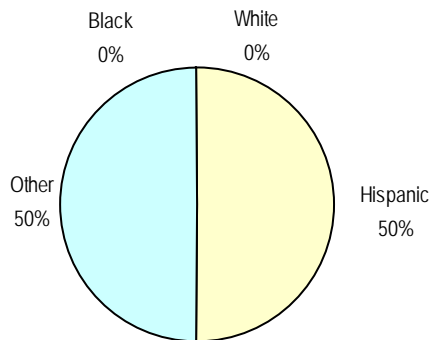


PERCENT OF COMMITTED FUNDS BY ETHNICITY



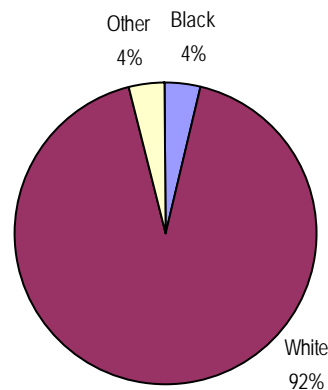
SINGLE FAMILY BOND PROGRAM

PERCENT OF COMMITTED FUNDS BY RACE AND ETHNICITY

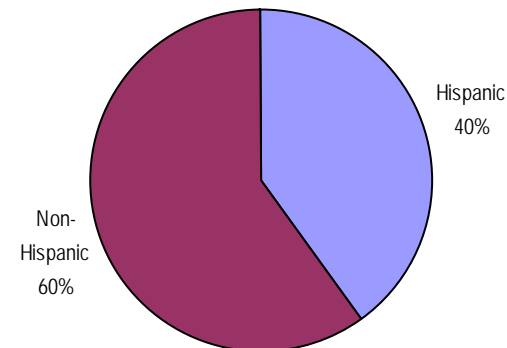


HOME PROGRAM OWNER PROGRAMS

PERCENT OF COMMITTED FUNDS BY RACE



PERCENT OF COMMITTED FUNDS BY ETHNICITY



FUNDING AND HOUSEHOLDS SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 12

Activity	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
Homeowner Programs	\$184,747	2	\$1,154,400	35	\$29,500	4	\$0	0	\$0	0	\$0	0	\$1,368,647	41
Renter Programs	\$0	0	\$169,129	6	\$0	0	\$1,252,049	112	\$0	0	\$18,428	11	\$1,439,606	129
Total	\$184,747	2	\$1,323,529	41	\$29,500	4	\$1,252,049	112	\$0	0	\$18,428	11	\$2,808,253	170

FUNDING AND HOUSEHOLDS SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 12

Income	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
0-30% AMFI	\$0	0	\$225,968	7	\$0	0	\$201,169	17	\$0	0	\$16,146	7	\$443,283	31
30-50% AMFI	\$0	0	\$0	0	\$29,500	4	\$614,241	51	\$0	0	\$2,282	1	\$646,023	56
50-80% AMFI	\$0	0	\$1,097,561	34	\$0	0	\$436,640	44	\$0	0	\$0	3	\$1,534,201	81
>80% AMFI	\$184,747	2	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$184,747	2
Total	\$184,747	2	\$1,323,529	41	\$29,500	4	\$1,252,050	112	\$0	0	\$18,428	11	\$2,808,254	170

REGION 13



TDHCA allocated \$7,785,072 in Region 13 during FY 2009.

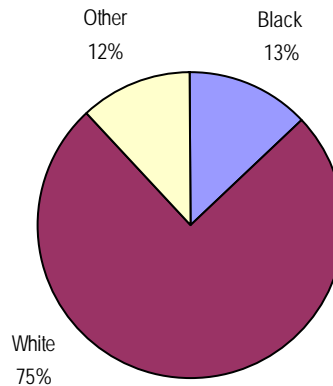
Homeowner programs accounted for the largest segment

of this total and the low-income households group (50-80% AMFI) was the most served income group.

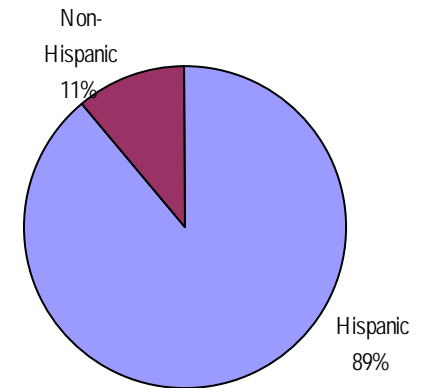
Note: Because loan servicers do not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combined chart.

RENTER PROGRAMS

PERCENT OF COMMITTED FUNDS BY RACE

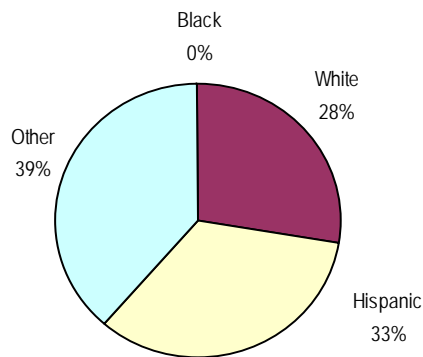


PERCENT OF COMMITTED FUNDS BY ETHNICITY



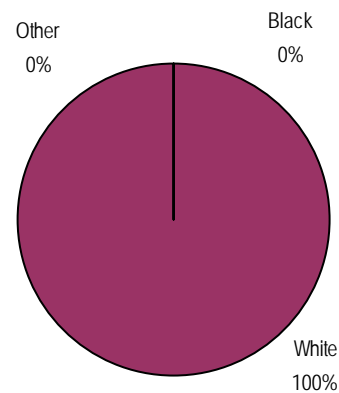
SINGLE FAMILY BOND PROGRAM

PERCENT OF COMMITTED FUNDS BY RACE AND ETHNICITY

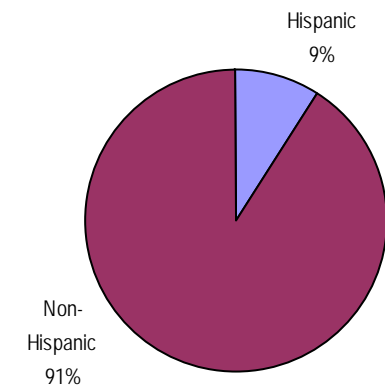


HOME PROGRAM OWNER PROGRAMS

PERCENT OF COMMITTED FUNDS BY RACE



PERCENT OF COMMITTED FUNDS BY ETHNICITY



FUNDING AND HOUSEHOLDS SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 13

Activity	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
Homeowner Programs	\$1,785,732	18	\$2,730,000	33	\$471,500	72	\$0	0	\$0	0	\$0	0	\$4,987,232	123
Renter Programs	\$0	0	\$0	0	\$0	0	\$2,797,841	234	\$0	0	\$0	0	\$2,797,841	234
Total	\$1,785,732	18	\$2,730,000	33	\$471,500	72	\$2,797,841	234	\$0	0	\$0	0	\$7,785,073	357

FUNDING AND HOUSEHOLDS SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 13

Income	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
0-30% AMFI	\$0	0	\$744,545	9	\$20,500	4	\$155,436	13	\$0	0	\$0	0	\$920,481	26
30-50% AMFI	\$0	0	\$82,727	1	\$266,500	38	\$1,064,136	89	\$0	0	\$0	0	\$1,413,363	128
50-80% AMFI	\$349,328	4	\$1,902,727	23	\$184,500	30	\$1,578,269	132	\$0	0	\$0	0	\$4,014,824	189
>80% AMFI	\$1,436,404	14	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$1,436,404	14
Total	\$1,785,732	18	\$2,729,999	33	\$471,500	72	\$2,797,841	234	\$0	0	\$0	0	\$7,785,072	357

FAIR HOUSING SPONSOR REPORT ANALYSIS

TDHCA requires that housing developments of 20 units or more which receive financial assistance from TDHCA submit an annual housing sponsor report. This report includes the contact information for each property, the total number of units, the number of accessible units, the rents for units by type, the racial composition information for the property, the number of units occupied by individuals receiving supported housing assistance, the number of units occupied delineated by income group and a statement as to whether there have been fair housing violations at the property. This information depicts the property information as of a specific date, December 31, of each year.

Because of the extensive nature of the information, TDHCA has elected to provide this report under a separate publication: the TDHCA *Housing Sponsor Report* (HSR). The HSR includes an analysis of the collected information, as well as the information submitted by each property. In addition, in fulfillment of §2306.072(c)(8), the HSR contains a list of average rents sorted by Texas county based on housing sponsor report responses from TDHCA-funded properties.

For more information and a copy of this report, please contact the TDHCA Housing Resource Center at (512) 475-3976 or visit <http://www.tdhca.state.tx.us/ppa/housing-center/pubs.htm>.

GEOGRAPHIC DISTRIBUTION OF HOUSING TAX CREDITS

Section 2306.111(d) of the Government Code requires that TDHCA use a Regional Allocation Formula (RAF) to allocate its 9% Housing Tax Credits (HTCs) to the Uniform State Service Regions it uses for planning purposes. Because of the level of funding and the impact of this program in financing the multifamily development of affordable housing, this section of the Plan discusses the geographical distribution of HTCs.

The Department allocated \$92,283,012 in HTCs through the Competitive Housing Tax Credit application process from the 2009 ceiling. Information on these awards, as well as the entire HTC inventory, can be found on the HTC Program's web page at <http://www.tdhca.state.tx.us/multifamily/htc/>. The map on the following page displays the geographic distribution of the FY 2009 9% and 4% awards.

REGIONAL ALLOCATION FORMULA

The table below shows the funding distribution of FY 2009 awards by region and includes the variations between the actual distribution and the 9% HTC RAF targets. The Department plans the credit distributions to match the HTC RAF targets as closely as possible; the RAF targets apply to the 9% HTC program. To that end, as many whole awards as possible are made in each Uniform State Service Region's urban and rural sub-regions based on the RAF target for each. The total remainder in each region is then collapsed into 13 regional pools. The sub-region with the highest original target percentage is determined within each region and, if possible, additional awards are made in these sub-regions out of the region's pool. If a region does not have enough qualified applications to meet its regional credit distribution target, then those credits will be apportioned to the other regions from a statewide pool of remaining credits.

Region	All HTCs	% of All HTCs	4% HTCs	% of All 4% HTCs	9%HTCs	% of All 9% HTCs	Targeted 9% Dist. Under RAF	Difference between Actual and Targeted
1	\$1,548,752	2.94%	\$1,100,819	22.30%	\$447,933	0.94%	4.4%	-3.44%
2	\$1,118,143	2.12%	0	0.00%	\$1,118,143	2.34%	2.3%	0.03%
3	\$10,083,326	19.13%	\$0	0.00%	\$10,083,326	21.11%	21.8%	-0.67%
4	\$2,636,648	5.00%	0	0.00%	\$2,636,648	5.52%	5.2%	0.29%
5	\$3,608,044	6.85%	814993	16.51%	\$2,793,051	5.85%	2.4%	3.43%
6	\$14,180,038	26.91%	\$1,929,924	39.10%	\$12,250,114	25.65%	21.5%	4.16%
7	\$2,922,708	5.55%	\$488,042	9.89%	\$2,434,666	5.10%	5.5%	-0.38%
8	\$2,254,763	4.28%	\$0	0.00%	\$2,254,763	4.72%	6.3%	-1.57%
9	\$4,167,704	7.91%	\$601,737	12.19%	\$3,565,967	7.47%	7.4%	0.11%
10	\$1,139,813	2.16%	\$0	0.00%	\$1,139,813	2.39%	4.3%	-1.87%
11	\$4,123,162	7.82%	0	0.00%	\$4,123,162	8.63%	12.5%	-3.83%
12	\$1,965,605	3.73%	0	0.00%	\$1,965,605	4.11%	2.6%	1.48%
13	\$2,953,877	5.60%	\$0	0.00%	\$2,953,877	6.18%	3.9%	2.26%
Total	\$52,702,583	100.00%	\$4,935,515	100.00%	\$47,767,068	100.00%	100.00%	0.00%

SECTION 4: ACTION PLAN

In response to the needs identified in the previous section, this plan outlines TDHCA's course of action designed to meet those underserved needs. This section discusses the following:

- **TDHCA Programs**
 - Description of each TDHCA program, including funding source, administrator, purpose, targeted population, budget and contact information
- **Housing Support Continuum**
 - Activities undertaken by each TDHCA program that address the different phases in a low-income household's life
- **Policy Priorities**
 - Overarching Department-wide policies and policy-driven actions
- **Regional Allocation Plans**
 - Distribution of TDHCA's resources across the 13 State Service Regions
- **Goals and Objectives**
 - Program performance based upon measures developed with the State's Legislative Budget Board and the Governor's Office of Budget and Planning

TDHCA PROGRAMS

TDHCA's programs govern the use of available housing resources in meeting the housing needs of low-income Texans. Program descriptions include information on the funding source, recipients, targeted beneficiaries, set-asides and special initiatives. Details of each program's activities are located in the Housing Support Continuum in the following segment.

Additional funding for some programs was provided by the American Recovery and Reinvestment Act of 2009 (Recovery Act). When a program was funded or created as a result of the Recovery Act, the words "Recovery Act" will appear in the title. Additional detail on Recovery Act programs will be provided in *Section 5: Recovery Act*.

A list of TDHCA programs, organized by their Division, follows:

- **Community Affairs Division**
 - Community Services Block Grant Program
 - Community Services Block Grant Program (Recovery Act)
 - Comprehensive Energy Assistance Program
 - Emergency Shelter Grants Program
 - Homelessness Prevention and Rapid Re-housing Program (Recovery Act)
 - Homeless Housing and Services Program
 - Section 8 Housing Choice Voucher Program
 - Weatherization Assistance Program
 - Weatherization Assistance Program (Recovery Act)
- **Disaster Recovery Division**
 - Community Development Block Grant – Disaster Recovery Round One and Round Two
 - Community Development Block Grant – Disaster Recovery Hurricanes Dolly and Ike
- **HOME Investment Partnerships Program Division**
 - Community Housing Development Organization Set-Aside
 - Homeownership Assistance
 - Homeowner Rehabilitation Assistance
 - Rental Housing Development
 - Tax Credit Assistance Program (Recovery Act)
 - Tenant-Based Rental Assistance

- **Housing Trust Fund Program Division**
 - Affordable Housing Match Program
 - Disaster Recovery Homeowner Repair Gap Financing Program
 - Home Free Barrier Removal and Rehabilitation Program
 - Homeownership Assistance Program
 - Rental Housing Development Fund for Unique Housing Needs
 - Rural Housing Expansion Program
 - Texas Veterans Housing Assistance
- **Manufactured Housing Division**
- **Multifamily Finance Division**
 - Housing Tax Credit Program
 - Housing Tax Credit Exchange (Recovery Act)
 - Multifamily Bond Program
- **Office of Colonia Initiatives**
 - Colonia Self-Help Center Program
 - Texas Bootstrap Loan Program
- **Neighborhood Stabilization Program Division**
 - Neighborhood Stabilization Program 1
 - Neighborhood Stabilization Program 2 (Recovery Act)
- **Texas Homeownership Division**
 - 90-Day Down Payment Program and Mortgage Advantage Programs (Recovery Act)
 - First Time Homebuyer Program
 - Mortgage Credit Certificate Program
 - National Foreclosure Mitigation Counseling Program
 - Texas Statewide Homebuyer Education Program

Information for each Division and its programs can be found below.

COMMUNITY AFFAIRS DIVISION

The Community Affairs Division offers the Community Services Block Grant Program, Community Services Block Grant Program (Recovery Act), Comprehensive Energy Assistance Program, Emergency Shelter Grants Program, Homelessness Prevention and Rapid Re-housing (Recovery Act), Homeless Housing and Services Program, Section 8 Housing Choice Voucher Program, Weatherization Assistance Program and Weatherization Assistance Program (Recovery Act).

COMMUNITY SERVICES BLOCK GRANT PROGRAM

The Community Services Block Grant Program (CSBG), received from the U.S. Department of Health and Human Services (USHHS), funds CSBG-eligible entities and activities that support the intent of the CSBG Act. TDHCA provides administrative support funds to Community Action Agencies (CAAs) and other human service delivery organizations that offer emergency and poverty-related programs to lower-income persons.

Ninety-percent of the funds are targeted to low-income individuals and funds are also utilized to provide assistance to Native Americans and migrant and seasonal farmworkers. Persons with incomes at or below 200 percent of the current federal income poverty guidelines issued by



Above: A weatherization specialist with Houston's Sheltering Arms, funded through TDHCA's Weatherization Assistance Program, applies weather stripping to a low-income Texans' home.

USHHS have income eligibility for the program.

CSBG provides administrative support to 48 CSBG-eligible entities. Five percent of the State's CSBG allocation is used to fund innovative projects that address the causes of poverty, promote client self-sufficiency or promote community revitalization; provide emergency disaster relief assistance to persons impacted by a natural or man-made disaster; provide funding to organizations serving Native Americans and migrant or seasonal farm workers; and provide funding for other eligible discretionary activities as authorized by the Department's Board. Five percent of the CSBG allocation is used for administrative funds for awarded entities.

Allocations to the CSBG-eligible entities are based on two factors: (1) the number of persons living in poverty within the designated service delivery area for each organization and (2) a calculation of population density. Poverty population is given 98 percent weight and the ratio of inverse population density is given 2 percent weight.

Community Services Block Grant funding for FY 2010: \$33,507,182. Funding for 2010 is expected to be level funded.

Additional documentation, including the CSBG Plan, may be accessed at the TDHCA website at <http://www.tdhca.state.tx.us/pubs.htm#cs>. For more information, contact the Community Services Section at (512) 475-3905.

COMMUNITY SERVICES BLOCK GRANT PROGRAM (RECOVERY ACT)

TDHCA received an additional \$48,148,071 for the Community Services Block Grant Program through the Recovery Act.

See the *Recovery Act* chapter in this document for more details on the Community Services Block Grant Program funded through the Recovery Act.

COMPREHENSIVE ENERGY ASSISTANCE PROGRAM

The Comprehensive Energy Assistance Program (CEAP) is funded by the USHHS' Low Income Home Energy Assistance Program (LIHEAP). The purpose of CEAP is to provide energy assistance to eligible households. TDHCA administers the program through a network of 50 CEAP Subrecipients. The Subrecipients consist of CAAs, nonprofit entities and units of local government. The targeted beneficiaries of CEAP in Texas are households with an income at or below 125 percent of federal poverty guidelines, with priority given to the elderly; persons with disabilities; families with young children; households with the highest energy costs or needs in relation to income (highest home energy burden); and households with high energy consumption.

The allocation formula for CEAP uses the following five factors and corresponding weights to distribute its funds by county: non-elderly poverty household factor (40 percent); elderly poverty household factor (40 percent); inverse poverty household density factor (5 percent); median income variance factor (5 percent); and weather factor (10 percent).

Comprehensive Energy Assistance Program funding for FY 2010: \$123,928,638.

The Energy Assistance Plans and Rules may be accessed online at <http://www.tdhca.state.tx.us/ea> on the TDHCA website. For more information contact the Energy Assistance Section at (512) 475-3951. To apply for CEAP, call 1-877-399-8939, toll free, using a land line phone number.

EMERGENCY SHELTER GRANTS PROGRAM

The Emergency Shelter Grants Program (ESGP) receives funding from U.S. Department of Housing and Urban Development (HUD) and awards grants to units of local government and private nonprofit entities

that provide shelter and related services to homeless persons and/or intervention services to persons at risk of homelessness.

ESGP funds are reserved according to the percentage of poverty population identified in each of the 13 uniform State Service Regions and funds are dispersed according to a Regional Allocation Formula. The top scoring applications in each region are recommended for funding, based on the amount of funds available for that region. Demonstrating the need for homeless shelter and services, for the 2008 ESGP application cycle, the Department received 120 applications and was able to fund only 78 applications.

Projected Emergency Shelter Grants Program funding for the State of Texas for FY 2010: \$5,288,867.

See the *State of Texas Consolidated Plan: One Year Action Plan* at <http://www.tdhca.state.tx.us/ppa/housing-center/pubs.htm#consolidated> for further details on ESGP. For more information, contact the Community Services Section at (512) 475-3905.

HOMELESSNESS PREVENTION AND RAPID RE-HOUSING PROGRAM (RECOVERY ACT)

Through the American Recovery and Reinvestment Act of 2009 (Recovery Act), TDHCA is administering over \$41,472,7722 in Homelessness Prevention and Rapid Re-housing Program (HPRP) funds made available through HUD. These funds are awarded to local units of government and qualifying nonprofit organizations to provide homelessness prevention assistance and assistance to rapidly re-house persons who are homeless. HPRP is not intended to provide long-term support for program participants, nor will it be able to address all of the households' financial and supportive service needs that affect housing stability. HPRP funds awarded under this plan are distributed on a regional basis according to the Regional Allocation Formula (RAF).

See the *Recovery Act* chapter in this document for more details on HPRP.

HOMELESS HOUSING AND SERVICES PROGRAM

During the 81st Legislative Session, the Legislature appropriated \$20 million in general revenue funds over the biennium for the Homeless Housing and Services Program (HHSP) for the purposes of assisting regional urban areas in providing services to homeless individuals and families.

Homeless Housing and Services Program funding for FY 2010: \$10,000,000.

More Homeless Housing and Services Program information may be accessed online at www.tdhca.state.tx.us. For more information, contact the Community Services Section at (512) 475-3905.

SECTION 8 HOUSING CHOICE VOUCHER PROGRAM

TDHCA receives funding for the Section 8 Housing Choice Voucher (Section 8) Program from HUD for counties included in TDHCA's Public Housing Authority's allocation. The Section 8 Program provides rental assistance payments on behalf of low-income individuals and families, including the elderly and persons with disabilities. The Section 8 Program currently contracts with units of local governments, community action agencies and public housing authorities to assist with the administration of approximately 1,000 housing choice vouchers. The Department administers vouchers in 29 counties.

Eligible households have a gross income that does not exceed 50% of HUD's median income guidelines. HUD requires 75% of all new households admitted to the program be at or below 30% of the area median income. Eligibility is based on several factors, including the household's income, size and composition, citizenship status, assets and medical and childcare expenses.

Projected Section 8 Housing Choice Voucher Program funding for FY 2010: \$5,833,128. Projected funding may vary depending on action taken by HUD.

Additional documentation, including the Section 8 Plan, may be accessed at the TDHCA website at <http://www.tdhca.state.tx.us/pubs.htm#sec8>. For more information, contact the Section 8 Program at (512) 475-3892.

WEATHERIZATION ASSISTANCE PROGRAM

The Weatherization Assistance Program (WAP) is funded by the U.S. Department of Energy (DOE) and U.S. Health and Human Services (USHHS) Low Income Home Energy Assistance Program (LIHEAP). The Weatherization Assistance Program allocates funding regionally to help households in each region control energy costs through the installation on weatherization measures and energy conservation education. The Department administers WAP through a network of 34 WAP Subrecipients. The Subrecipients consist of CAAs, nonprofit entities and units of local government. The targeted beneficiaries of WAP in Texas are households with an income at or below 200 percent of federal poverty with priority given to the elderly; persons with disabilities; families with young children; households with the highest energy costs or needs in relation to income (highest home energy burden); and households with high energy consumption.

Partnerships between the Department and El Paso Electric provide additional weatherization measures to low-income utility customers in some regulated electric market areas. This partnership increases the total number of low-income households that receive weatherization services and allow the Department to leverage the federal weatherization funds with the energy company funds.

The allocation formula for WAP uses the following five factors and corresponding weights to distribute its funds by county: non-elderly poverty household factor (40 percent); elderly poverty household factor (40 percent); inverse poverty household density factor (5 percent); median income variance factor (5 percent); and weather factor (10 percent).

Projected Weatherization Assistance Program funding for FY 2010: \$6,000,000 in DOE funding and \$23,900,000 from LIHEAP funding under Public Law 110-329. Projected funding will increase based on the Recovery Act.

The Energy Assistance Plans and Rules may be accessed from the TDHCA website at <http://www.tdhca.state.tx.us/ea/index.htm>. For more information, contact the Energy Assistance Section at (512) 475-3951. To apply for weatherization, call 1-888-606-8889, toll free, using a land line phone number.

WEATHERIZATION ASSISTANCE PROGRAM (RECOVERY ACT)

Through the Recovery Act, TDHCA received over \$326,975,732 in additional funding for WAP.

See the *Recovery Act* chapter in this document for more details on Weatherization Assistance Program funded through the Recovery Act.

DISASTER RECOVERY DIVISION

The Disaster Recovery Division administers Community Development Block Grant Disaster Recovery Programs.

CDBG DISASTER RECOVERY PROGRAMS ROUND ONE AND ROUND TWO

In August 2005, Hurricane Katrina made landfall in Louisiana and then in September 2005, Hurricane Rita made landfall near Sabine Pass on the southeast Texas Gulf Coast. Texas experienced an influx of evacuees from Louisiana escaping Hurricane Katrina plus over 75,000 homes in southeast Texas were severely damaged or destroyed as a result of Hurricane Rita. According to the Federal Emergency Management Agency (FEMA), 640,968 Katrina and Rita applicants for assistance were residing in Texas as of February 1, 2006.



CDBG Disaster Recovery Program's Round 2 rehabilitated, reconstructed and elevated Sabine Pass homes, like the one pictured above, to help low-income Texans weather future storms.

TDHCA is the administrator of two CDBG allocations for disaster recovery funding in Texas under the Department of Defense Appropriations Act, 2006, Public Laws 109-148 and 109-234. The targeted populations for these funds are households affected by Hurricanes Rita and Katrina who have incomes not exceeding 80 percent AMFI.

For Round One of the funding, under Public Law 109-148 a total of \$74.5 million was awarded to Texas to rebuild the southeast Texas region devastated by Hurricane Rita. Of all funds awarded, 56.8 percent is dedicated to housing activities including home rehabilitation, reconstruction and other eligible activities to help the residents of southeast Texas recover from this disaster.

In July 2006, the TDHCA Board approved awards to three Councils of Governments (COGs) in the region to rebuild damaged homes. In August 2006, funds were awarded to four COGs that applied for the CDBG funds on behalf of cities, counties and Indian tribes for infrastructure repairs.

Round Two of the funding occurred through Public Law 109-234 when HUD announced in August 2006 that Texas would receive an additional \$428 million in CDBG disaster funding to promote long-term recovery in the areas affected by the disaster.

The action plan for the second round of CDBG funding for disaster recovery was approved by HUD on April 13, 2007. CDBG Disaster Recovery Programs Round Two funds are being used to provide assistance to homeowners of low to moderate income whose houses were damaged by Hurricane Rita; to restore and protect owner occupied housing stock in the community of Sabine Pass which was severely damaged by the storm; to repair, rehabilitate and reconstruct affordable rental housing stock in the impacted areas; to restore critical infrastructure damaged by the hurricane; and to provide assistance to the City of Houston and Harris County for increased demands in public services, law enforcement, judicial services and community development in areas that have experienced a dramatic population increase due to an influx of Hurricane Katrina evacuees. The Texas Department of Rural Affairs (TDRA) will administer a portion of the disaster recovery funds through a contract with TDHCA and approved by TDHCA's Governing Board.

Additional information about Round One CDBG Disaster Recovery Programs can be found online at <http://www.tdhca.state.tx.us/cdbg/first-supplemental/>. For more information, contact Jennifer Molinari at (512) 475-2224 or jennifer.molinari@tdhca.state.tx.us. Additional information about Round Two CDBG

Disaster Recovery Programs can be found online at <http://www.tdhca.state.tx.us/cdbg/second-supplemental/>.

CDBG DISASTER RECOVERY PROGRAMS – HURRICANES DOLLY AND IKE

In 2008, Hurricanes Ike, Gustav and Dolly impacted eastern Texas. Of these, Hurricane Ike was the largest at a Category 4 storm and caused great damage to Galveston and other Texas coastal areas. Hurricane Dolly, a Category 2 storm, overwhelmed the south Texas coast including the Rio Grande Valley.

To assist the recovery efforts of the areas declared major disasters as of December 1, 2008, HUD provided \$1,314,990,193 to Texas in CDBG funds for public infrastructure, economic development and housing under Public Law 110-329. The Office of the Governor, Texas House Select Committee on Hurricane Ike and the Commission for Disaster Recovery and Renewal are coordinating the disaster recovery for Texas which will be overseen by TDRA. TDHCA is partnered with TDRA for disaster recovery and will administer the portion of the disaster recovery funding associated with housing.

Of the disaster recovery CDBG funding granted on November 28, 2008, 50 percent of the funds must be used to support activities benefiting low and moderate-income persons, and up to 50 percent of the funds may be allocated to activities of urgent need or the elimination of slums and blight. According to the federal register notice regarding the allocation of these funds, at least 10.6 percent, or \$139,743,911, of the funding amount must be used for affordable rental housing. Of this amount, 4.47 percent, or \$58,834,914, has been set aside for TDHCA affordable rental housing stock restoration; the remaining required 6.13 percent, or \$80,908,997 will be met or exceeded through rental activities administered by the subrecipients of these funds. The *State of Texas Plan for Disaster Recovery* prepared by TDRA was approved by HUD in March 2009.

Awardees of CDBG Hurricanes Dolly and Ike Recovery funding include city and county governments, nonprofit and for-profit organizations, and Councils of Government.

Additional information about CDBG Disaster Recovery for Hurricanes Dolly and Ike can be found online at www.TDRA.state.tx.us or www.TDHCA.state.tx.us for housing activities. For more information, contact TDRA at (512) 936-9701.

HOME INVESTMENT PARTNERSHIPS DIVISION

The HOME Investment Partnership Program Division offers Community Housing Development Organization Set-Aside funds, Homeowner Rehabilitation, Homeownership Assistance (with or without rehabilitation), Rental Housing Development, Tenant-Based Rental Assistance, Tax Credit Assistance Program (Recovery Act) and other specialty programs within these activities.

The HOME Investment Partnerships (HOME) Program is authorized under the Cranston-Gonzalez National Affordable Housing Act (42 USC Section 12701 et. seq.) and receives funding from HUD.



Rural Texans, such as the owners of the newly-constructed home above, have benefited greatly from TDHCA's Homeowner Rehabilitation Program.

The purpose of the HOME Program is to expand the supply of decent, safe and affordable housing for extremely low-, very low- and low-income households and to alleviate the problems of excessive rent burdens, homelessness and deteriorating housing stock. HOME strives to meet both the short-term goal of increasing the supply and the availability of affordable housing and the long-term goal of building partnerships between state and local governments and private and nonprofit organizations in order to strengthen their capacity to meet the housing needs of lower income Texans. To achieve this purpose, the HOME Program provides loans and grants to units of general local government, Public Housing Authorities (PHAs), Community Housing Development Organizations (CHDOs), nonprofit organizations and for-profit entities. HOME funds awarded under this plan are distributed on a regional basis according to the Regional Allocation Formula (RAF). The HOME RAF can be found in the TDHCA Allocation Plan section in this *Action Plan*. TDHCA provides technical assistance to all recipients of the HOME Program to ensure that all participants meet and follow state implementation guidelines and federal regulations.

According to §2306.111, Texas Government Code, in administering federal housing funds provided to the state under the Cranston-Gonzalez National Affordable Housing Act (Act), the Department shall expend 95 percent of these funds for the benefit of non-participating jurisdictions that do not qualify to receive funds under the Act directly from HUD. This directs HOME funds into rural Texas. As established in Section 2306.111(c) of the Texas Government Code and subject to the submission of qualified applications, 5 percent of the annual HOME Program allocation shall be allocated for applications serving persons with disabilities living in any part of the state.

COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS SET-ASIDE

Federal regulations require a minimum of 15 percent of the annual HOME allocation is reserved for Community Housing Development Organizations (CHDOs). CHDO set-aside projects are owned, developed, or sponsored by the CHDO, and result in the development of rental units or single-family homeownership.

HOMEOWNER REHABILITATION

HOME's Homeowner Rehabilitation offers rehabilitation or reconstruction cost assistance to homeowners for the repair or reconstruction of their existing home, which must be the principal residence of the homeowner. These funds are awarded as specified in the published Notices of Funding Availability.

HOMEOWNERSHIP ASSISTANCE WITH OR WITHOUT REHABILITATION

Homeownership Assistance includes down payment and closing cost assistance and is provided to homebuyers for the acquisition of affordable single-family housing, including manufactured housing. These funds are awarded as specified in the published Notices of Funding Availability.

Contract for Deed Conversions, a legislatively mandated program, is a homeownership assistance activity. The purpose of the program is to convert an eligible contract for deed to a warranty deed. These funds are awarded as specified in the published Notices of Funding Availability.

RENTAL HOUSING DEVELOPMENT

HOME Rental Housing Development funds are awarded to eligible applicants for the development of affordable rental housing. Owners are required to make the units available to extremely low-, very low- and low-income families and must meet long-term rent restrictions as defined by HUD. These funds are awarded as specified in the published Notices of Funding Availability.

TAX CREDIT ASSISTANCE PROGRAM (RECOVERY ACT)

The Tax Credit Assistance Program provides funding to compensate for the current devaluation of Housing Tax Credits (HTCs). The Tax Credit Assistance Program seeks to address the loss in value of HTCs by allowing TDHCA to award federal HOME funds to developments affected by HTC devaluation.

Approximately \$148 million is available for this program. See the *Recovery Act* chapter in this document for more details on the Tax Credit Assistance Program.

TENANT-BASED RENTAL ASSISTANCE

Tenant-Based Rental Assistance provides rental subsidy, security and utility deposit assistance. TBRA allows the assisted tenant to move and to live in any dwelling unit with a right to continued assistance, in accordance with written tenant selection policies, for a period not to exceed 24 months. The tenant must also participate in a self-sufficiency program while receiving TBRA assistance. These funds are awarded as specified in the published Notices of Funding Availability.

SUMMARY OF HOME PROGRAM FUNDING FOR FISCAL YEAR 2010

HOME Program funding for FY 2010: \$192,288,299. This includes \$43,933,530 in HOME annual allocation and an additional \$148,354,769 through the Recovery Act to be used as gap financing assistance for Housing Tax Credit developments awarded in years 2007, 2008 and 2009.

See the *State of Texas Consolidated Plan: One Year Action Plan* at <http://www.tdhca.state.tx.us/ppa/housing-center/pubs.htm#consolidated> for further details on the HOME Program. The HOME Program Rule may be accessed from the TDHCA website at <http://www.tdhca.state.tx.us/home-division/>. For more information regarding the HOME Program, contact the HOME Division directly at (512) 463-8921.

HOUSING TRUST FUND DIVISION

For the 2010-2011 biennium, the Housing Trust Fund offers the Affordable Housing Match Program, The Disaster Recovery Homeowner Repair Gap Financing Program, the Home Free Barrier Removal and Rehabilitation Program, the Homeownership Assistance Program, the Rental Housing Development Fund for Unique Housing Needs, the Rural Housing Expansion Program and the Texas Veterans Housing Assistance Program.

The Housing Trust Fund Program receives several sources of funding from the State of Texas including general appropriations, multifamily bond issuance fees, loan repayments and other funds that are received and appropriated by the Department or Legislature. The Housing Trust Fund is the only State-authorized program for affordable housing development. Funding is awarded as loans and grants to nonprofits, units of local government, public housing agencies and for-profit entities. The targeted beneficiaries of the program are low-, very low- and extremely low-income households. Housing Trust Fund monies awarded under this plan are distributed on a regional basis according to the Regional Allocation Formula (RAF). The Housing Trust Fund RAF can be found in the TDHCA Allocation Plan section in this *Action Plan*.

AFFORDABLE HOUSING MATCH PROGRAM

The Affordable Housing Match Program provides funding to Nonprofit Organizations for the purpose of leveraging these funds as match for the production and/or provision of affordable housing and promotes greater access to federal and private funds for housing.

DISASTER RECOVERY HOMEOWNER REPAIR GAP FINANCING PROGRAM

The Disaster Recovery Homeowner Repair Gap Financing Program provides gap financing for homeowners affected by disasters who have been awarded disaster recovery funds from other programs in the Department. The previous awards may have been Community Development Block Grant (CDBG) funds through the Disaster Recovery Division or Homeownership Rehabilitation funds through the HOME Investment Partnership Program Division. In order to be eligible for gap financing, the previous awards must have been limited by federal restrictions so that full housing recovery was not possible. This program is administered through Disaster Recovery or HOME Sub-recipients.

HOME FREE BARRIER REMOVAL AND REHABILITATION PROGRAM

The Home Free Barrier Removal and Rehabilitation Program provides funds to eligible entities for accessibility improvements to homes of low-income Persons with Disabilities. These funds will be targeted to allow for reasonable accommodation or modification for rental tenants, homeowners or a member of their household with disabilities needing assistance to fully access their home.

HOMEOWNERSHIP ASSISTANCE PROGRAM

The Homeownership Assistance Program provides funding for zero percent interest gap financing or down payment assistance for first time homebuyers, zero percent interest rehabilitation loans for homeowners including barrier removal, and other innovative homeownership initiatives as released in the NOFA. Funds are limited to loans to ensure repayment to the program and may only serve households at or below 80% of AMFI.

RENTAL HOUSING DEVELOPMENT FUND FOR UNIQUE HOUSING NEEDS

The Rental Housing Development Fund for Unique Housing Needs targets funds toward rental housing developments that serve unique housing needs. These funds will be programmed based on input generated from the rental development, disability and supportive housing communities. It is preliminarily anticipated that the funds will be in the form of forgivable loans or grants so long as they are leveraged such that each dollar of program funds generates significant additional resources.

RURAL HOUSING EXPANSION PROGRAM

The Rural Housing Expansion Program provides funding to develop affordable housing in rural Texas as well as build capacity. The funds would have two components for each recipient: (1) a capacity and technical assistance component designed as a grant that includes intensive technical assistance provision and (2) a direct housing delivery component provided as a no-interest loan. This model, generated from significant public input and discussion, provides rural communities the capacity they need, while also ensuring money to create affordable housing in their communities.

TEXAS VETERANS HOUSING ASSISTANCE PROGRAM

The Texas Veterans Housing Assistance Program provides funds to eligible entities to provide low-income veterans with rental subsidies or down payment assistance, closing costs and accessible modifications such as ramps, accessible bathrooms and accessible kitchens.

SUMMARY OF HOUSING TRUST FUND PROGRAM FUNDING FOR FISCAL YEAR 2010

Projected Housing Trust Fund Program Funding for FY 2010: \$10,963,875. NOFAs will be released identifying the activities for which funds can be applied in accordance with the Biennial Plan as prescribed in Rider 10(d) of the Department's General Appropriations Act. The Housing Trust Fund Rule and Funding Plan may be accessed from the TDHCA website at <http://www.tdhca.state.tx.us/htf>. For more information on the Housing Trust Fund Program, contact the Housing Trust Fund Division at HTF@tdhca.state.tx.us.

MANUFACTURED HOUSING DIVISION

The Manufactured Housing Division regulates the manufactured housing industry in Texas by ensuring that manufactured homes are well constructed, safe and correctly installed; by providing consumers with fair and effective remedies; and by providing economic stability to manufacturers, retailers, installers and brokers. The Manufactured Housing Division licenses manufactured housing professionals and maintains records of the ownership, location, real or personal property status and lien status (on personal property homes) on manufactured homes. It also records tax liens on manufactured homes. Because of its regulatory nature, the Manufactured Housing Division has its own governing board and executive director.



Above: TDHCA's Manufactured Housing Division is responsible for regulating the manufactured housing industry.

Relying on a team of trained inspectors operating from eight locations around the state, the Division inspects manufactured homes throughout Texas. Additionally, the Manufactured Housing Division works collectively with TDHCA by inspecting properties for the Portfolio Management and Compliance Division and by inspecting and licensing Migrant Labor Facilities. The Manufactured Housing Division also handles approximately 800 consumer complaints a year, many of those requiring investigation and enforcement action.

For more information, contact the Manufactured Housing Division at 1-800-500-7074.

MULTIFAMILY FINANCE DIVISION

The Multifamily Finance Division offers the Housing Tax Credit Program, the Housing Tax Credit Exchange Program (Recovery Act) and the Multifamily Bond Program.

HOUSING TAX CREDIT PROGRAM

The Housing Tax Credit (HTC) Program receives authority from the U.S. Treasury Department to provide tax credits to nonprofits organizations or for-profit developers. The program supports the development of rental housing that includes reduced rents for low-income Texans. The targeted beneficiaries of the program are very low-income and extremely low-income families at or below 60 percent Area Median Family Income.



Above: Canal Place Apartments, funded through the Housing Tax Credit Program and Multifamily Bond Program, is an affordable alternative for downtown living in Houston.

The HTC Program was created by the Tax Reform Act of 1986 and is governed by the Internal Revenue Code of 1986 (Code), as amended, 26 USC Section 42. The Code authorizes tax credits in the amount of \$2.10 per capita of the state population, excluding additional temporary HTC authority received under the Housing and Economic Recovery Act of 2008 (HERA) and funds allocated under Public Law 110-343 for disaster recovery. Tax credits are also awarded to developments with tax-exempt bond financing and are made independent of the state annual tax credit allocation. TDHCA is the only entity in the state with the authority to allocate HTCs under this program. The State's distribution of the credits is administered by TDHCA's *2010 Housing Tax Credit Program Qualified Allocation Plan and Rules (QAP)*, as required by the Code. Pursuant to Section 2306.6724(c), the Governor shall approve, reject, or modify and approve the Board-approved QAP not later than December 1 of each year. HTC funds awarded under this plan are distributed on a regional basis according to the Regional Allocation Formula (RAF). The HTC RAF can be found in the TDHCA Allocation Plan section in this *Action Plan*.

To qualify for tax credits, the proposed development must involve new construction or undergo substantial rehabilitation of residential units, which is generally defined as at least \$15,000 per rental unit of construction hard costs. The credit amount for which a development may be eligible depends on the total amount of depreciable capital improvements, the percentage of units set aside for qualified tenants and the funding sources available to finance the total development cost. Typically, 60 to 100 percent of a development's units will be set aside for qualified tenants in order to maximize the amount of tax credits the development may claim.

Credits from the state annual tax credit allocation are awarded regionally through a competitive application process. Each application must satisfy a set of threshold criteria and is scored based on selection criteria. The selection criteria referenced in the QAP is approved by the TDHCA Board each year. The Board considers the recommendations of TDHCA staff and determines a final award list. Tax credits to developments with tax-exempt bond financing are awarded through a similar application review process, but because these credits are not awarded from a limited credit pool, the process is noncompetitive and the selection criteria are not part of the application.

Projected Housing Tax Credit Program Funding for FY 2010: \$70,800,000. This includes approximately \$51,000,000 in HTC 2010 ceiling; an additional estimated \$4,800,000 made available under HERA; approximately \$14,900,000 made available under Public Law 110-343 for Hurricane Ike recovery for 2010.

The *2010 Housing Tax Credit Program QAP* may be accessed from the TDHCA website at <http://www.tdhca.state.tx.us/multifamily/htc/index.htm>. For more information, contact the Multifamily Finance Division at (512) 475-3340.

HOUSING TAX CREDIT EXCHANGE (RECOVERY ACT)

The Texas Tax Credit Exchange Program, a new program created by the Recovery Act, allows developments who have been allocated Housing Tax Credits in 2007, 2008 and 2009 to return their credits and potentially receive a cash grant in exchange for the credits.

In November 2009, TDHCA will apply for Tax Credit Exchange Program funding up to \$586 million from the U.S. Department of the Treasury, Internal Revenue Service. The Department must return any unused funds by January 1, 2011. Housing Tax Credit funds awarded under this plan are distributed on a regional basis according to the Regional Allocation Formula (RAF).

See the *Recovery Act* chapter in this document for more details on the Housing Tax Credit Exchange.

MULTIFAMILY BOND PROGRAM

The Multifamily Bond Program issues tax-exempt and taxable housing Mortgage Revenue Bonds (MRBs) under the Private Activity Bond Program (PAB) to fund loans to nonprofit and for-profit developers who assist very low- to moderate-income Texans. Owners elect to set aside units in each development according to §1372, Texas Government Code. Rental developments must comply with Section 504 unit standards.

TDHCA issues tax-exempt, multifamily MRBs through two different authorities defined by the Internal Revenue Code. Under one authority, tax-exempt bonds used to create housing developments are subject to the State's private activity volume cap. Under MRBs issued for private activities, funding priorities are as follows:

- Priority 1:
 - (a) Set aside 50% of units rent capped at 30% of 50% of AMFI and the remaining 50% of units rents capped at 30% of 60% of AMFI; or
 - (b) Set aside 15% of units rent capped at 30% of 30% of AMFI and the remaining 85% of units rent capped at 30% of 60% of AMFI; or
 - (c) Set aside 100% of units rent capped at 30% of 60% of AMFI for developments located in a census tract with median income that is higher than the median income of the county, MSA or PMSA in which the census tract is located.
- Priority 2:
 - Set aside 100% of units rent capped at 30% of 60% of AMFI
 - Up to 20% of the units can be market rate
- Priority 3:
 - (a) Any qualified residential rental development

The State will set aside 22 percent of the annual private activity volume cap for multifamily developments. Approximately \$481 million in issuance authority will be made available to various issuers to finance multifamily developments, of which 20 percent, or approximately \$96 million, will be made available exclusively to TDHCA. On August 15th of each year, any allocations in the subcategories of the bond program that have not been reserved pool into one allocation fund. This is an opportunity for

TDHCA to apply for additional allocation and which allows TDHCA to issue more bonds than the set-aside of \$96 million.

PAB Issuance authority per individual development is allocated and administered by the Texas Bond Review Board (BRB). Initially, applications submitted to the BRB are allocated by a lottery. TDHCA, local issuers, local housing authorities and other eligible bond issuers submit applications for specific developments on behalf of development owners. Applications submitted to TDHCA for the private activity bond program will be scored and ranked by priority and highest score. TDHCA will be accepting applications throughout the 2010 program year. Developments that receive 50 percent or more of their funding from the proceeds of tax-exempt bonds under the private activity volume cap are also eligible to apply for HTCs.

Under the second authority, TDHCA may issue tax-exempt MRBs to finance properties that are owned entirely by nonprofit organizations. Bonds issued under this authority are exempt from the private activity volume cap. This is a noncompetitive application process and applications may be received at any time throughout the year. In addition to the set-asides above, 75 percent of development units financed under the 501(c)(3) authority must be occupied by households earning 80 percent or less of the AMFI.

Anticipated available Multifamily Bond Program Funding for FY 2010, including additional disaster recovery and economic stimulus authority: \$120,000,000.

The Multifamily Housing Revenue Bond Rules may be accessed from the TDHCA website at <http://www.tdhca.state.tx.us/multifamily/bond/index.htm>. For more information, contact the Multifamily Finance Production Division at (512) 475-3340.

NEIGHBORHOOD STABILIZATION PROGRAM DIVISION

The Neighborhood Stabilization Program Division administers the Neighborhood Stabilization Program 1 and, if awarded, may administer Neighborhood Stabilization Program 2 (Recovery Act).

Neighborhood Stabilization Program 1

The Neighborhood Stabilization Program 1 (NSP) is a HUD-funded program authorized by HERA as a supplemental allocation to the CDBG Program through an amendment to the existing *2008 State of Texas Consolidated Plan One-Year Action Plan*. The purpose of the program is to redevelop into affordable housing or acquire and hold abandoned and foreclosed properties in areas that are documented to have the greatest need for declining property values as a result of excessive foreclosures. Units of local governments and other entities with the consent of the local governments are eligible to apply for these funds.



With the Neighborhood Stabilization Program, TDHCA helps Texas neighborhoods recover from excessive foreclosures.

According to the NSP 1 Action Plan Substantial Amendment, each subrecipient will be required to target as a goal at least 35% of their non-administrative allocation to benefit households with incomes less than or equal to 50% of AMFI. Acquisition of real property allows a grantee to purchase the abandoned or foreclosed properties to rehabilitate and sell to households earning 120% AMFI or below.

TDHCA and TDRA will work together to administer the \$102 million in funds received from HUD. TDHCA is taking the lead role in this partnership. Initially the Department proposes to distribute the funds as follows:

- Direct Awards \$ 51 million (more urban areas)
- Select Pool \$ 31 million (more rural/smaller communities)
- Land Bank \$ 10 million
- Administration \$ 10 million

Projected NSP 1 Funding for FY 2009: \$102,000,000

The NSP 1 Substantial Amendment and the Notice of Funding Availability (NOFA) may be accessed from the TDHCA website at <http://www.tdhca.state.tx.us/nsp/index.htm>. For more information, contact Robb Stevenson, NSP Manager, at (512) 463-2179.

Neighborhood Stabilization Program 2 (Recovery Act)

The Recovery Act extended the Neighborhood Stabilization Program, creating another round of funding for the program known as NSP 2. TDHCA and the Texas Department of Rural Affairs jointly submitted an application for NSP 2 to HUD in July 2009 which is expected to be announced in December 2009.

See the *Recovery Act* chapter in this document for more details on the Neighborhood Stabilization Program 2 funded through the Recovery Act.

OFFICE OF COLONIA INITIATIVES

The Office of Colonia Initiatives Division offers two programs: the Colonia Self-Help Center Program and the Texas Bootstrap Loan Program.

COLONIA SELF-HELP CENTER PROGRAM

In 1995, the 74th Legislature passed Senate Bill 1509, a legislative directive to establish colonia Self-Help Centers (SHCs) in Cameron/Willacy, Hidalgo, Starr, Webb and El Paso counties. Funded through the Community Development Block Grant Program, this program also allows the Department to establish a colonia SHC in any other county if the county is designated as an economically distressed area. Operation of the Colonia SHCs is managed by local nonprofit organizations, CAAs or local housing authorities that have demonstrated the capacity to operate a Colonia SHC.

These 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.

Colonia Self-Help Center Program funding for FY 2010: \$1,800,000

More detail can be found in *Section 6: Colonia Action Plan*.

Additional information may be accessed at the TDHCA website at <http://www.tdhca.state.tx.us/oci/centers>. For more information, contact Will Gudeman at (512) 475-4828 or will.gudeman@tdhca.state.tx.us.



Above: A Texas Bootstrap Loan recipient places a roof shingle into place.

TEXAS BOOTSTRAP LOAN PROGRAM (OWNER-BUILDER)

The Texas Bootstrap Loan Program provides loans through certified nonprofit organizations for self-help housing initiatives. Identified as the Owner-Builder Loan Program in Texas Government Code 2306.751, the Texas Bootstrap Loan Program promotes and enhances homeownership for very low-income Texans by providing funds to purchase or refinance real property on which to build new residential housing, construct new residential housing or improve existing residential housing throughout Texas. This program is funded through the Housing Trust Fund.

Projected Texas Bootstrap Loan Program funding for FY 2010/2011: \$11,600,000

More detail can be found in *Section 6: Colonia Action Plan*. Additional information may be accessed at the TDHCA website at <http://www.tdhca.state.tx.us/oci/bootstrap.jsp>. For more information, contact Raul Gonzales at (512) 475-1473 or raul.gonzales@tdhca.state.tx.us.

TEXAS HOMEOWNERSHIP DIVISION

The Homeownership Division offers the 90-Day Down Payment Program and Mortgage Advantage Programs (Recovery Act), First Time Homebuyer Program, Mortgage Credit Certificate Program, the National Foreclosure Mitigation Counseling Program and the Texas Statewide Homebuyer Education Program.

FIRST TIME HOMEBUYER PROGRAM

The program is offered through a network of participating lenders. The program provides homeownership opportunities through below-market interest rate loans and/or down payment assistance for qualified individuals and families whose gross annual household income does not exceed 115 percent of AMFI limitations, based on IRS adjusted income limits, or 140 percent of AMFI limitations if in a targeted area. The purchase price of the home must not exceed stipulated maximum purchase price limits. A minimum of 30 percent of program funds will be set aside to assist Texans earning 80 percent or less of program income limits.

Income limits for the program are set by the IRS Tax Code (1986) based on income figures determined by HUD. The first-time homebuyer restriction is established by federal Internal Revenue Service regulations, which also require that program recipients may be subject to a recapture tax on any capital gains realized from a sale of the home during the first nine years of ownership. Certain exceptions to the first-time homebuyer restriction, income ceiling and maximum purchase price limitation apply in targeted areas. Such targeted areas are qualified census tracts in which 70 percent or more of the families have an income of 80 percent or less of the statewide median income and/or are areas of chronic economic distress as designated by the state and approved by the Secretaries of Treasury and HUD, respectively.

Projected Texas First Time Homebuyer Program funding for FY 2010: \$300,000,000

The Texas First Time Homebuyer Program Rules may be accessed from the TDHCA website at <http://www.tdhca.state.tx.us/homeownership/index.htm>. For more information, contact Eric Pike, Texas Homeownership Division, at (512) 475-3356 or eric.pike@tdhca.state.tx.us. To request a First Time Homebuyer information packet, please call 1-800-792-1119.

HOMEBUYER TAX CREDIT PROGRAMS - 90-DAY DOWN PAYMENT PROGRAM AND MORTGAGE ADVANTAGE PROGRAMS (RECOVERY ACT)

The Recovery Act allows for eligible first-time homebuyers to receive a tax refund equal to 10% of the purchase price of their home or \$8,000, whichever is less. Residences must be purchased on or after January 1, 2009 and before December 1, 2009. In June 2009, TDHCA launched the 90-Day Down Payment Assistance and Mortgage Advantage Programs to allow potential homebuyers to take advantage of the federal first-time homebuyer tax credit.

See the *Recovery Act* chapter in this document for more details on the 90-Day Down Payment Program and Mortgage Advantage Programs.



TDHCA Homebuyer programs helped approximately 2,000 families and individuals, like Marisa Callan above, become homeowners in 2008.

MORTGAGE CREDIT CERTIFICATE PROGRAM

TDHCA has the ability to issue Mortgage Credit Certificates (MCCs) through its bond authority. The program is offered through a network of approved lenders. An MCC provides a tax credit up to \$2,000 annually that reduces the borrower's federal income tax liability. The credit cannot be greater than the annual federal income tax liability, after all other credits and deductions have been taken into account. MCC tax credits in excess of a borrower's current year tax liability may, however, be carried forward for use during the subsequent three years.

The MCC Program provides homeownership opportunities for qualified individuals and families whose gross annual household income does not exceed 115 percent of AMFI limitations, based on IRS adjusted income limits. In order to participate in the MCC Program, homebuyers must meet certain eligibility requirements and obtain a mortgage loan through a participating lender. The mortgage loan must be financed from sources other than tax-exempt revenue bonds. The mortgage may be a conventional, FHA, VA, or RHS loan at prevailing market rates.

Projected Mortgage Credit Certificate funding for FY 2010: \$120,000,000

The Texas First Time Homebuyer Program Rules may be accessed from the TDHCA website at <http://www.tdhca.state.tx.us/homeownership/index.htm>. For more information, contact Eric Pike, Texas Homeownership Division, at (512) 475-3356 or eric.pike@tdhca.state.tx.us.

NATIONAL FORECLOSURE MITIGATION COUNSELING PROGRAM

The Omnibus Appropriations Act of 2009 (Public Law 111-8) continued the National Foreclosure Mitigation Counseling (NFMC) Program originally authorized by Public Law 111-8. NFMC funds are federal funds available for foreclosure intervention counseling, training and administration expenses. The purpose of the program is to expand and supplement foreclosure counseling.

In October 2008, TDHCA partnered with six HUD-approved foreclosure mitigation counseling organizations that met the NeighborWorks' experience threshold in order to create an application for funding for NFMC Round 2. In August 2009, TDHCA partnered with nine HUD-approved foreclosure mitigation counseling organizations to submit an application for NFMC Round 3.

TDHCA jointly administers the program with the Texas State Affordable Housing Corporation (TSAHC). Funding was awarded to the partner nonprofit organizations and local units of government included in the application submitted to NeighborWorks America. NFMC Round 2 reimburses for counseling performed between January 1, 2009 and December 31, 2009. NFMC Round 3 reimburses for counseling performed between July 1, 2009 and June 30, 2010.

The partner organizations have written plans for providing in-person counseling with homeowners in danger of foreclosure. Eligible recipients of foreclosure intervention counseling must be owner-occupants of single-family (one-to-four unit) properties with mortgages in default or danger of default. Many of the partner organizations also work with toll-free foreclosure prevention hotlines.

All funds will be targeted to "areas of greatest need" which are defined as areas experiencing a high rate of subprime lending, delinquent loans and foreclosure starts. For NFMC Round 2, 30 percent of the funds will be targeted to low-income or minority homeowners and low-income and minority neighborhoods. For NFMC Round 3, 50 percent of the funds will be targeted to low-income or minority homeowners and 15 percent of the funds will be targeted to low-income and minority neighborhoods.

National Foreclosure Mitigation Program Round 3 Funding for FY 2010: \$ 449,960.

For more information, contact Elizabeth Yevich, Housing Resource Center, at (512) 463-7961 or elizabeth.yevich@tdhca.state.tx.us.

TEXAS STATEWIDE HOMEBUYER EDUCATION PROGRAM

TDHCA funds the Texas Statewide Homebuyer Education Program (TSHEP) and contracts with training professionals to offer provider-certification training to nonprofit organizations including Texas Agriculture Extension Agents, units of local government, faith-based organizations, CHDOs, community development corporations, community-based organizations and other organizations with a proven interest in community building. The classes are conducted by NeighborWorks America. In addition, a referral service for individuals interested in taking a homebuyer education class is available through TDHCA.

Projected Texas Statewide Homebuyer Education Program funding for FY 2010: \$90,000

For more information, contact Dina Gonzalez, Texas Homeownership Division at (512) 475-3993 or dina.gonzalez@tdhca.state.tx.us.

HOUSING SUPPORT CONTINUUM

The Housing Support Continuum consists of a series of phases that low-income households may experience at different times of their lives and the assistance provided through the network of TDHCA-funded service providers in regard to each phase. The Housing Support Continuum has six phases: (1) Poverty and Homelessness Prevention, (2) Rental Assistance and Multifamily Development, (3) Homebuyer Assistance and Single-Family Development, (4) Rehabilitation and Weatherization, (5) Foreclosure Relief and (6) Disaster Recovery and Relief.

(1) POVERTY AND HOMELESSNESS PREVENTION

For Texans who struggle with poverty or are currently homeless, TDHCA offers several programs that provide essential services to assist with basic necessities.

A. POVERTY PREVENTION

COMMUNITY SERVICES BLOCK GRANT PROGRAM AND COMMUNITY SERVICES GRANT PROGRAM (RECOVERY ACT)

Community Service Block Grant (CSBG) activities can be instrumental in preventing homelessness in the lowest-income populations. Activities for CSBG program including access to child care; health and human services; nutrition; transportation; job training and employment services; education services; activities designed to make better use of available income; housing services; emergency assistance; activities to achieve greater participation in the affairs of the community; youth development programs; information and referral services; activities to promote self-sufficiency; and other related services. Recovery Act CSBG Activities should create sustainable economic resources in communities, including innovative employment related services and activities toward the reform goals of the Recovery Act. The Recovery Act allows for States to reserve one percent of the funds for benefits enrollment coordination activities relating to the identification and enrollment of eligible individuals and families in Federal, State, and local benefit programs.

COMPREHENSIVE ENERGY ASSISTANCE PROGRAM

For those low-income Texans who have housing, subsidizing or reducing the energy costs may help keep that housing affordable and prevent homelessness. An applicant seeking energy assistance applies to the local Comprehensive Energy Assistance Program (CEAP) Subrecipient for assistance. The Subrecipient determines income eligibility, prioritizes status (this includes a review of billing history to determine energy burden and consumption) and determines which CEAP component is most appropriate for the eligible applicant. If the CEAP applicant is eligible and meets program priorities, the CEAP Subrecipient makes an energy payment to an energy company through a vendor agreement with energy providers. Additionally, some households qualify for repair, replacement or retrofit of inefficient heating and cooling appliances.

There are four CEAP components:

- The Elderly and/or Disabled Component is designed to assist households with at least one member who is elderly and/or disabled. Households can receive up to four energy payments in a program year. Assistance is based on energy consumption in the previous 12 months, energy burden (percentage of income used for energy) and the income category for which the household qualifies.
- The Co-Payment Component is designed to assist households by providing client education, budget counseling and assisting households with energy payments for six to twelve months.

- The Heating and Cooling Component is designed to address inefficient heating and cooling appliances through repair, replacement, or retrofit for households that have high energy consumption
- The Energy Crisis Component is designed to provide one-time energy assistance to households during a period of extreme temperatures or an energy supply shortage. In some instances, Energy Crisis funds can be used to address natural disasters.

B. HOMELESSNESS PREVENTION

EMERGENCY SHELTER GRANT PROGRAM

Emergency Shelter Grant Program (ESGP) is the primary program used specifically to provide shelter to homeless Texans or those faced with homelessness. Activities eligible for ESGP funding include the rehabilitation or conversion of buildings for use as emergency shelters for the homeless; the provision of essential services to the homeless; costs related to the development and implementation of homeless prevention activities; medical and psychological counseling; assistance with obtaining permanent housing; and costs related to maintenance, operation administration, rent, repairs, security, fuel, equipment, insurance, utilities, food and furnishings.

HOMELESS HOUSING AND SERVICES PROGRAM

Homeless Housing and Services Program (HHSP) will be used for the purposes of assisting regional urban areas in providing services to homeless individuals and families, including the construction of facilities, direct services, case management, homeless prevention, housing retention and rental assistance.

HOMELESSNESS PREVENTION AND RAPID RE-HOUSING (RECOVERY ACT)

Homelessness Prevention and Rapid Re-housing (HPRP) can provide the following types of assistance: (1) financial assistance including short-term (up to 3 months) and medium-term (up to 18 months) rental assistance, security deposits, utility deposits and payments, moving cost assistance, and motel and hotel vouchers; (2) housing relocation and stabilization services including case management (e.g. arrangement, coordination, monitoring and delivery of services related to meeting housing needs), outreach and engagement, housing search and placement, legal services (e.g. legal advice and representation in administrative or court proceedings related to tenant/landlord matters or housing issues, excluding mortgage legal services), and credit repair.

(2) RENTAL ASSISTANCE AND MULTIFAMILY DEVELOPMENT

For low-income Texans who have difficulty affording rent, TDHCA offers two main types of support: rental subsidies for low-income Texans and rental development subsidies for developers who, in turn, produce housing with reduced rents for low-income Texans.

A. RENTAL ASSISTANCE

SECTION 8 HOUSING CHOICE VOUCHER PROGRAM

The Section 8 Housing Choice Voucher Program provides rental subsidies for decent, safe and sanitary housing to eligible households. TDHCA pays approved rent amounts directly to property owners. Qualified households may select the best available housing through direct negotiations with landlords to ensure accommodations that meet their needs.

TENANT-BASED RENTAL ASSISTANCE

The HOME Program's Tenant-Based Rental Assistance (TBRA) provides rental subsidy, security and utility deposit assistance. TBRA allows the assisted tenant to move and to live in any dwelling unit with a right to continued assistance, in accordance with written tenant selection policies, for a period not to exceed 24 months. The tenant must also participate in a self-sufficiency program while receiving TBRA assistance.

TEXAS VETERANS HOUSING ASSISTANCE PROGRAM – VETERANS' RENTAL ASSISTANCE

The Housing Trust Funds' Texas Veterans Housing Assistance Program provides rental subsidies for a maximum of two years, allowing assisted households to live in any rental unit in the service area to low-income veterans.

B. MULTIFAMILY DEVELOPMENT*AFFORDABLE HOUSING MATCH PROGRAM*

The Housing Trust Funds' Affordable Housing Match Program provides funding to Nonprofit Organizations to attract or meet requirements for affordable housing grants or government programs. An example of an eligible use includes direct match for state, federal or private grants or loans for rental development.

COMMUNITY HOUSING DEVELOPMENT ORGANIZATION SET-ASIDE

Through the HOME Program, these organizations can apply for multifamily rental housing acquisition, rehabilitation, or new construction, as well as for the acquisition, rehabilitation, or new construction of single-family housing.

HOUSING TAX CREDIT EXCHANGE (RECOVERY ACT)

Through the Recovery Act, the Texas Tax Credit Exchange (HTC EX) Program allows developments who have been allocated tax credits in 2007, 2008 and 2009 to return their credits and potentially receive a cash grant in exchange for the credits. This program will allow developers to build additional housing for low-income Texans.

HOUSING TAX CREDIT PROGRAM

The purpose of the Housing Tax Credit (HTC) Program is to encourage the development and preservation of affordable rental housing for low-income families, provide for the participation of for-profit and nonprofit organizations in the program, maximize the number of units added to the state's housing supply and prevent losses in the state's supply of affordable housing.

MULTIFAMILY BOND PROGRAM

The proceeds of the bonds issued by TDHCA are used to finance the construction, acquisition, or rehabilitation of multifamily properties with the targeted beneficiaries being very low, low and moderate-income households. Property owners are also required to offer a variety of services to benefit the residents of the development. Specific tenant programs must be designed to meet the needs of the current tenant profile and must be approved annually by TDHCA.

RENTAL HOUSING DEVELOPMENT

HOME Rental Housing Development (RHD) funds are awarded to eligible applicants for the development of affordable rental housing. Owners are required to make the units available to extremely low-, very low- and low-income families and must meet long-term rent restrictions as defined by HUD.

RENTAL HOUSING DEVELOPMENT FUND FOR UNIQUE HOUSING NEEDS

The Housing Trust Funds' Rental Housing Development Fund for Unique Housing Needs will be awarded to eligible applicants for the development of affordable rental housing serving a unique need.

RURAL HOUSING EXPANSION PROGRAM

The Housing Trust Funds' Rural Housing Expansion Program will be awarded to eligible applicants for the development of affordable rental housing and capacity building to the eligible applicant, increasing the capability of rural organizations.

TAX CREDIT ASSISTANCE PROGRAM (RECOVERY ACT)

The Recovery Act seeks to address the loss in value of Housing Tax Credits (HTCs) by allowing TDHCA to award federal HOME funds through the Tax Credit Assistance Program (TCAP) to HTC developments affected by devaluation in the tax credit market. This program provides gap financing to affordable rental developments awarded HTCs in years 2007 and 2008, as well as current program applicants, to build multifamily housing for low-income Texans.

(3) HOMEBUYER EDUCATION, ASSISTANCE AND SINGLE-FAMILY DEVELOPMENT

After a low-income household has become self-sufficient, the household may be ready for homeownership. Homeownership may help a low-income household to build equity, raise the household out of the low-income financial category and promote self-sufficiency. An asset-development approach to addressing poverty emphasizes the use of public assistance to facilitate long-term investments rather than incremental increases in income. TDHCA works to ensure that potential homeowners understand the responsibilities of homeownership by offering homeownership education courses as well as providing financial tools to make homeownership more attainable.

A. HOMEBUYER EDUCATION

COLONIA SELF-HELP CENTER PROGRAM

The colonia Self-Help Center (SHC) Program provides outreach, education and technical assistance to colonia residents. Colonia SHCs provide technical assistance in credit and debt counseling, housing finance, contract for deed conversions, capital access for mortgages, as well as in grant writing, housing rehabilitation, new construction, surveying and platting, construction skills training, solid waste removal, tool library access for self-help construction and infrastructure construction and access.

TEXAS STATEWIDE HOMEBUYER EDUCATION PROGRAM

To ensure uniform quality of the homebuyer education provided throughout the state, TDHCA contracts with training professionals to teach local nonprofit organizations the principles and applications of comprehensive pre- and post-purchase homebuyer education. The training professionals and TDHCA also certify the participants as homebuyer education providers.

B. HOMEBUYER ASSISTANCE

AFFORDABLE HOUSING MATCH PROGRAM

The Housing Trust Funds' Affordable Housing Match Program provides funding to Nonprofit Organizations to attract or meet requirements for affordable housing grants or government programs. An example of an eligible use includes creation of a loan loss reserve account to encourage banks to lend to low-income families.

FIRST TIME HOMEBUYER PROGRAM – NON-TARGETED FUNDS

The Texas Homeownership Division's First Time Homebuyer Program non-targeted funds may offer eligible homebuyers below-market interest rate loans and/or down payment assistance through a network of participating lenders. The program is available on a first-come, first-served basis to individuals or families up to 115% of the AMFI who meet income and home purchase requirements, and have not owned a home as their primary residence in the past three (3) years.

FIRST TIME HOMEBUYER PROGRAM – TARGETED FUNDS

The Texas Homeownership Division's First Time Homebuyer Program targeted funds may offer eligible homebuyers below-market interest rate loans and/or down payment assistance through a network of participating lenders in areas of chronic economic distress. The program is available on a first-come, first-served basis to individuals or families up to 140% of the AMFI who meet income and home purchase requirements. The first time homebuyer requirement is waived for borrower's purchasing properties located in targeted areas.

HOMEBUYER TAX CREDIT PROGRAMS - 90-DAY DOWN PAYMENT PROGRAM AND MORTGAGE ADVANTAGE PROGRAM (RECOVERY ACT)

For homebuyers using the Recovery Act's first-time homebuyer tax credit, the Texas Homeownership Division's 90-Day Down Payment Assistance Program provides 5 percent of the first lien mortgage amount up to a maximum of \$7,000 for down payment and/or closing costs at 0 percent interest for 90 days. For homebuyers using the Recovery Act first-time homebuyer tax credit and the Texas First Time Homebuyer Program and/or the MCC Program, the Mortgage Advantage Program provides 5 percent of the first lien mortgage amount up to a maximum of \$6,000 for down payment and/or closing costs. The Mortgage Advantage Program offers 0 percent interest on the second lien for 120 days.

HOMEOWNERSHIP ASSISTANCE

HOME's Homeownership Assistance includes down payment and closing cost assistance and is provided to homebuyers for the acquisition of affordable single-family housing, including manufactured housing. Homeownership Assistance with Rehabilitation offers down payment and closing cost assistance and also includes construction costs associated with architectural barrier removal for homebuyers with disabilities.

HOMEOWNERSHIP ASSISTANCE - CONTRACT FOR DEED

HOME's Homeownership Assistance's Contract for Deed (CFD) activity converts an eligible contract for deed into a traditional mortgage. This is achieved by offering assistance to eligible homebuyers for the acquisition or the acquisition and rehabilitation, new construction or reconstruction of properties. All CFD conversions must be used for families that reside in a colonia and earn sixty percent (60%) or less of the Area Median Family Income.

HOMEOWNERSHIP ASSISTANCE PROGRAM – HOMEBUYER ASSISTANCE

The Housing Trust Funds' Homeownership Assistance Program provides funding for zero percent interest gap financing or down payment assistance for first-time homebuyers.

MORTGAGE CREDIT CERTIFICATE PROGRAM

The Texas Homeownership Division's MCC provides a tax credit that effectively reduces the borrower's federal income tax liability. The amount of the annual tax credit may equal 30 percent of the annual interest paid on a mortgage loan; however, the maximum amount of the credit cannot exceed \$2,000 per year. This tax savings may also provide a family with more available income to qualify for a loan and meet mortgage payment requirements.

TEXAS VETERANS HOUSING ASSISTANCE PROGRAM – VETERANS' HOMEBUYER ASSISTANCE

Housing Trust Funds' Homeownership Assistance program will be available to low-income veterans as a one-time deferred forgivable loan of up to \$35,000 for down payment assistance, closing costs and accessible modifications such as ramps, accessible bathrooms and accessible kitchens.

C. SINGLE-FAMILY DEVELOPMENT

COMMUNITY HOUSING DEVELOPMENT ORGANIZATION SET-ASIDE

Through the HOME Program, these organizations can apply for multifamily rental housing acquisition, rehabilitation, or new construction, as well as for the acquisition, rehabilitation, or new construction of single-family housing.

RURAL HOUSING EXPANSION PROGRAM

The Housing Trust Funds' Rural Housing Expansion Program will be awarded to eligible applicants for the development of affordable rental housing. This program will also provide capacity building to the eligible applicant, increasing the capability of rural organizations.

TEXAS BOOTSTRAP LOAN PROGRAM

The Office of Colonia Initiative's Texas Bootstrap Loan Program provides funds to purchase or refinance real property on which to build new residential housing, construct new residential housing or improve existing residential housing. For more detailed information, see *Section 6: Colonia Action Plan*.

(4) REHABILITATION AND WEATHERIZATION

In the course of homeownership, there may come a time when substantial rehabilitation or reconstruction needs to take place. In addition, by providing minor repairs and weatherization to owned or rented housing, the energy costs associated with housing will be reduced. TDHCA offers both these services.

A. REHABILITATION

HOMEOWNER REHABILITATION

HOME's Homeowner Rehabilitation program provides rehabilitation or reconstruction cost assistance to homeowners for the repair or reconstruction of their existing home, which must be their principal residence. At the completion of the assistance, all properties must meet, as applicable, the Texas Minimum Construction Standards, the International Residential Code (IRC) and local building codes. If a

home is reconstructed, the applicant must also ensure compliance with the universal design features in new construction, established by §2306.514, Texas Government Code.

HOMEOWNERSHIP ASSISTANCE PROGRAM – HOMEOWNER REHABILITATION

The Housing Trust Funds' Homeownership Assistance Program provides zero percent interest rehabilitation loans for homeowners including barrier removal, and other innovative homeownership initiatives.

HOME FREE BARRIER REMOVAL AND REHABILITATION PROGRAM

The Housing Trust Fund's Home Free Barrier Removal and Rehabilitation Program is designed to provide a one-time grant up to \$15,000 for home modifications specifically needed for accessibility, and up to an additional \$5,000 in other rehabilitation costs correlated with the barrier removal project. Home modifications may include installing handrails; ramps; buzzing or flashing devices; accessible door and faucet handles; shower grab bars and shower wands; and accessible showers, toilets and sinks. Home modifications may also include door widening and counter adjustments.

B. WEATHERIZATION

WEATHERIZATION ASSISTANCE PROGRAM AND WEATHERIZATION ASSISTANCE PROGRAM (RECOVERY ACT)

The purpose of Community Affairs' Weatherization Assistance Program (WAP) is to provide cost-effective weatherization measures to improve the energy efficiency of eligible client households. In order to provide weatherization measures for a dwelling, the household must meet income-eligibility criteria and the measures must meet specific energy-savings goals. Typical weatherization measures include attic and wall insulation, weather-stripping and air sealing measures, heating and cooling unit repair and/or replacement, energy efficient appliances such as refrigerator replacement, caulking and replacement of inefficient heating and cooling units and minor roof repair. WAP also provides energy conservation education. Community Affairs' Weatherization Assistance Program (WAP) offered through the Recovery Act provides similar assistance as WAP not offered through the Recovery Act. The main differences are in eligibility requirements for households and an increase in the amount of funding allowed for weatherization on each housing unit.

(5) FORECLOSURE RELIEF

In a proactive response to a national foreclosure crisis, TDHCA has undertaken several programs to mitigate foreclosure.

A. FORECLOSURE PREVENTION

NATIONAL FORECLOSURE MITIGATION COUNSELING

The purpose of the Texas Homeownership Division's National Foreclosure Mitigation Counseling (NFMC) Program is to reimburse HUD-Approved foreclosure counseling agencies for foreclosure mitigation counseling. Foreclosure mitigation counseling includes, but is not limited to, financial analysis of the client's situation, research to determine the current value of the home and a review of options available to the client, such as financial restructuring. While the most desirable outcome is to help homeowners obtain a mortgage they can afford, the purpose of the program is to prevent foreclosure and, in some instances, the only way to successfully cure a default may be to sell the home.

B. POST-FORECLOSURE MITIGATION

NEIGHBORHOOD STABILIZATION PROGRAM 1

The Neighborhood Stabilization Program (NSP) 1 will provide funds to local units of government and other entities with the consent of the local governments to provide clearance, financing mechanisms, acquisition of real property, rehabilitation, creation of land banks and redevelopment of foreclosed properties.

According to the NSP 1 Action Plan and subject to approval by HUD, clearance will allow a grantee to remove dangerous structures that pose a threat to human health, safety, and public welfare and allow for the future private redevelopment of the property. Financing mechanisms will allow homebuyers who earn 50% or less of Area Median Family Income (AMFI) to qualify for 100% financing through the Department at 0% interest for 30 years and will also allow homebuyers who earn 120% or less of AMFI to qualify for up to \$30,000 in homebuyer assistance. The acquisition of real property will allow subrecipients to acquire foreclosed and/or abandoned homes if the acquisition reflects a minimum discount from the approved appraisal fair market value at the time of closing. The home will be considered to be abandoned if foreclosure proceedings have begun; if the seller has not made tax or mortgage payments for 90 days; and the home has been vacant for 90 days. Acquisition of real property allows a grantee to purchase the abandoned or foreclosed properties to rehabilitate and sell to households earning 120% AMFI or below. Rehabilitation will allow rehabilitation and/or improvement of existing structures to a condition that brings the structure into compliance with Texas Minimum Construction Standards. Land banking activities will allow foreclosed properties to be temporarily removed from the real estate market in order to allow neighborhoods experiencing declining property values to recover. Redevelopment of demolished or vacant properties will address areas of greatest need throughout the state wherever there are large amounts of demolished or vacant properties that are contributing to declining land values.

NEIGHBORHOOD STABILIZATION PROGRAM 2 (RECOVERY ACT)

If awarded Neighborhood Stabilization Program (NSP) 2 funds through the Recovery Act, TDHCA and TDRA will allow the same activities under NSP 2 as are allowed under NSP 1 with the exception of land banking, which will not be allowed under NSP 2.

(6) DISASTER RECOVERY AND RELIEF

When natural and man-made disasters strike, low-income households are often the most dramatically affected. In an effort to reduce the recovery time, almost every department in TDHCA offers some sort of disaster assistance. TDHCA is committed to quickly, efficiently and responsibly locating funds and developing programs and initiatives to assist affected households and communities. Below are descriptions of the disaster recovery initiatives the Department has developed.

AFFORDABLE HOUSING MATCH PROGRAM

The Housing Trust Funds' Affordable Housing Match Program provides funding to Nonprofit Organizations to attract or meet requirements for affordable housing grants or government programs. An example of an eligible use includes direct match for state, federal or private grants or loans for disaster recovery.

CDBG DISASTER RECOVERY PROGRAMS - ROUND ONE

CDBG Disaster Recovery Program Round One funds will be used for housing activities and non-housing activities for the recovery from Hurricanes Rita and Katrina. CDBG Disaster Recovery Program Round

One's housing activities include, but are not limited to, single-family and multifamily acquisition, demolition, repair, rehabilitation, reconstruction and new construction as appropriate for the specific local needs to address damage as a result of Hurricane Rita. Flood buyouts of homes damaged by Hurricane Rita in which the owner will repurchase a home are considered housing activities.

CDBG Disaster Recovery Program Round One's non-housing activities include, but not be limited to, FEMA Infrastructure Grant Program match, FEMA Hazard Mitigation Grant Program match (including drainage projects, flood buyouts in which the property is converted into open, undeveloped land, and safe-room and community storm shelters), Natural Resource and Conservation Service (NRCS-USDA) flood and drainage projects, roads and bridges, water control facilities, water and waste water facilities, buildings and equipment, hospitals and other medical facilities, utilities, parks and recreational facilities, debris removal, public/community shelters, and loan funds for businesses. The Texas Department of Rural Affairs (TDRA) will administer the non-housing activities through a contract with TDHCA and approved by TDHCA's Governing Board.

CDBG DISASTER RECOVERY PROGRAMS - ROUND TWO

CDBG Disaster Recovery Program funds for Round Two are divided among the Homeowners Assistance Program, the Sabine Pass Restoration Program, the Multifamily Rental Housing Stock Preservation Program, the Restoration of Critical Infrastructure Program and the City of Houston and Harris County Public Service and Community Development Program.

The Homeowner Assistance Program is available for homeowners with incomes up to 80 percent of AMFI whose homes were damaged by Hurricane Rita. All grant amounts or deferred forgivable loans are based on damage to the dwelling and will be used for rehabilitation and new construction.

The Sabine Pass Restoration Program provides three types of assistance. (1) Home rehabilitation and reconstruction assistance made available for homeowners with incomes up to 150 percent of AMFI. (2) Homeowners may also apply for assistance to defray the costs of elevating rehabilitated or reconstructed homes and increase a home's ability to survive another storm event. (3) If uncommitted funding remains available after 180 days, eligible homeowners with damage to more than 50 percent of the home's market value may apply for a grant to purchase a new home in the Rita Go Zone.

TDHCA Multifamily Rental Housing Stock Preservation Program is made available in the form of a grant or loan to the owners of affordable rental properties that were damaged by Hurricane Rita to rehabilitate the properties or build units to replace those damaged by the storm.

The Restoration of Critical Infrastructure Program can be used for flood and drainage projects, including flood buyouts in which the property is converted into open, undeveloped land; repair of roads and bridges, utilities, water control facilities, water supply facilities, waste water facilities, buildings and equipment, hospitals and other medical facilities; and debris removal. TDRA will administer activities awarded under this program through a contract with TDHCA and approved by TDHCA's Governing Board.

The City of Houston and Harris County Public Service and Community Development Program provides funding for public service, community development and housing activities in areas comprised predominantly of low- to moderate-income households and where it can be clearly demonstrated that the population within the area has seen a dramatic population increase due to an influx of Katrina evacuees.

CDBG DISASTER RECOVERY PROGRAMS – HURRICANES DOLLY AND IKE RECOVERY

According to the *State of Texas Plan* for Disaster Recovery prepared by TDRA and submitted to HUD, the CDBG Program for Hurricanes Dolly and Ike will be used for housing and non-housing activities. The housing activities include, but are not limited to, single-family and multifamily repair, rehabilitation and/or new construction; repair and replacement of manufactured housing units; hazard mitigation; and elevation. The non-housing activities may include restoration of infrastructure; real property activities,

such as buy-out of properties in the flood zone; economic development; public services, such as employment services and crime prevention; and public facilities, such as community facility repair.

COMMUNITY SERVICES BLOCK GRANT – EMERGENCY DISASTER RELIEF

As a first line of action, the Department reserves a portion of the State's CSBG funds to provide emergency disaster relief to assist low-income persons who live in communities impacted by a natural or man-made disaster. The CSBG emergency disaster relief funds are distributed to CSBG-eligible entities and are to be utilized to provide persons with emergency shelter, food, clothing, pharmaceutical supplies, bedding, cleaning supplies, personal hygiene items and replacement of essential appliances including stoves, refrigerators and water heaters.

DISASTER RECOVERY HOMEOWNER REPAIR GAP FINANCING PROGRAM

Although federal assistance is often available after a natural disaster, some homeowners will still need gap financing. Housing Trust Fund monies have been committed through Disaster Recovery Homeowner Repair Gap Financing Program to assist qualified households, who are lacking only a small portion of funds, fulfill their full cost of construction.

HOMEOWNER REHABILITATION ASSISTANCE – DISASTER RELIEF

In accordance with Texas Administrative Code, Title 10, Part 1 Chapter 1, subchapter A §1.19 and TAC Section 2306.111, the Department may use HOME deobligated funds for disaster relief through its Homeowner Rehabilitation activity. HOME disaster funds are designed specifically to assist eligible homeowners in the repair, rehabilitation and reconstruction of their existing home affected by the natural disaster, with emphasis on assisting those who have no other means of assistance, or as gap financing after any federal assistance. Assisted homeowners must have an income that is below 80% of AMFI, as defined by HUD, must occupy the property as their principal residence and must have been directly affected by the disaster.

There are two types of disaster declarations, a federally-declared disaster and a state-declared disaster. Communities in federally-declared disaster areas must first apply to the federal government in order to allow counties to access any available federal funds to provide assistance to eligible victims of the disaster. After 90 days, the Department's HOME deobligated funds may be made available to these areas. For state-declared disasters, the Department receives a state-disaster declaration from the Governor's Office. The Department will notify county officials in the affected areas of the availability of disaster relief funds for which they may apply.

HOUSING TAX CREDIT PROGRAM – DISASTER RELIEF

In December 2005, Texas received an additional \$3.5 million Housing Tax Credits (HTCs) to assist with the rebuilding of low-income apartments in the Hurricane disaster areas along the gulf coast from the 2005 hurricanes. This amount was set-aside for the specific counties of the Gulf Coast Opportunity Zone (GO Zone).

In October 2008, Texas received \$44.7 million HTCs specifically for counties affected by Hurricane Ike as a result of Public Law 110-343, Tax Extenders and Alternative Minimum Tax Relief Act of 2008. The total amount will be allocated throughout 2008, 2009 and 2010 at \$14.9 million per year.

TEXAS FIRST TIME HOMEBUYER PROGRAM AND MORTGAGE CREDIT CERTIFICATE PROGRAM – TARGETED FUNDS

Texas First Time Homebuyer Program and Mortgage Credit Certificate Program offer Targeted Funds for areas of severe economic distress. In August 2009, TDHCA released approximately \$16.2 million through the Texas First Time Homebuyer Program for home loans made available to qualified homebuyers wishing to purchase a home in a targeted area, including the 22 East Texas counties designated under the

Gulf Opportunity Zone Act of 2005. In February 2009, TDHCA released approximately \$6 million through the 2009 Mortgage Credit Certificate Program for use within targeted areas including the 22-county area known as the Rita Go Zone. The program income and purchase price limits may be higher for eligible homebuyers purchasing in a targeted area or a disaster declared area. The first time homebuyer requirement is waived for borrower's purchasing properties located in targeted areas.

POLICY PRIORITIES

The Policy Priorities segment describes policies TDHCA uses to address specific types of housing concerns and standards. Furthermore, TDHCA establishes policies to specifically target special needs populations.

A list of housing concerns and standards follows:

- **Fair Housing**
 - Providing assistance without regard to race, color, religion, sex, disability, familial status or national origin
- **Rural Needs**
 - Meeting the housing needs of the less-populous areas of the state
- **Extremely Low-Income Households and Households Living in Poverty**
 - Addressing the underserved needs of extremely low-income households
- **Energy Efficiency**
 - Encouraging energy efficiency in housing and appliances
- **Lead-Based Paint**
 - Ensuring notification and safe handling of lead-based paint

HUD identified five special needs populations and TDHCA works to support these HUD-designated populations. To tailor its programs to meet Texas' particular needs, TDHCA has also included colonia residents and migrant farmworkers as special needs populations.

A list of special needs populations follows:

- **Homeless Populations**
- **Persons with Disabilities**
- **Elderly Populations**
- **Persons with Alcohol and Substance Abuse Issues**
- **Public Housing Residents**
- **Colonia Residents**
- **Migrant Farmworkers**

A short description of each housing concern and standard and special needs population is included below. Following the descriptions are policy-driven actions undertaken by TDHCA.

FAIR HOUSING

Through program requirements and compliance monitoring, TDHCA works to ensure that housing programs benefit individuals without regard to race, color, religion, sex, disability, familial status or national origin. Complaints involving all forms of housing discrimination are also referred to the Texas Workforce Commission Human Rights Division, which oversees the Texas Fair Housing Act.

The Texas Fair Housing Act of 1989 enables the State to remedy discriminatory public policies affecting housing affordability and access. The Act prohibits discrimination against individuals in their pursuit of homeownership or rental housing opportunities based on race, color, national origin, sex, religion, familial status and physical or mental handicaps.

Policy-Driven Action: The Department is in the process of updating its *2003 Analysis of Impediments to Fair Housing*. Internal preparations have begun and will be finalized once HUD releases its new regulations for this process, expected in early 2010.

Recent state activities or current objectives relating to fair housing are discussed below:

- Comply with the Texas Fair Housing Act in TDHCA-administered programs.
- Coordinate fair housing efforts with the Human Rights Division of the Texas Workforce Commission which was created under the Texas Fair Housing Act to directly address public grievances related to fair housing.

Additionally, consistent with federal law and guidance from HUD and the Department of Justice, it is the policy of TDHCA to not require its nonprofit recipients of funds to verify, as a condition of receiving federal funds, the citizenship or immigration status of applicants for funds, with the exception of the Section 8 voucher programs administered by the state. The overall policy of legal residency verification is subject to revision and will be made to conform to the HUD rule currently under review when it is adopted in a final form.

The Section 8 Admittance Policy has been adopted by the TDHCA Board and is as follows:

- Managers and owners of Housing Tax Credit (HTC) properties are prohibited from having policies, practices, procedures and/or screening criteria that have the effect of excluding applicants because they have a Section 8 voucher or certificate.
- The verification of such an exclusionary practice on the part of the owner or the manager by TDHCA will be considered a violation and will result in the issuance of a Notice of Violation and, if appropriate, issuance of a Form 8823 to the Internal Revenue Service.
- Any violation of program requirements relative to this policy will also impact the Owner's ability to participate in future TDHCA programs.

RURAL NEEDS

As the migration of populations and industries continues to urban and suburban areas, the less-populous areas of the state are left with a dilapidated housing stock and households with lower incomes than their urban or suburban counterparts. According to HUD, for 2009, the median income for Texas metropolitan statistical areas is \$59,800 compared to \$45,600 for non-metro area households.³²

Policy-Driven Action: Combined with a strategy of interagency collaboration, TDHCA's HOME, Housing Trust Fund, Housing Tax Credits and Section 8 Housing Choice Voucher programs all have specific measures to address rural populations.

The Department works closely with several rural-based affordable housing organizations, private lenders, nonprofits and units of local government in order to give funding priority to rural areas. Affordable housing development in rural areas requires more effort because there are significantly fewer organizations available to assist with these activities. With this in mind, the Department has developed specific strategies to address the needs of the rural populations of the state, which include rural allocations for housing program funds, prioritization of activities that are most needed in rural areas and increasing awareness of TDHCA programs in rural areas.

Section 2306.111(d) of the Texas Government Code requires that the TDHCA Regional Allocation Formula (RAF) consider rural and urban areas in its distribution of program funding. Because of this, allocations for the HOME, Housing Trust Fund and HTC programs are allocated by rural and urban areas within each region.

Additionally for Housing Tax Credits, the Housing Tax Credit RAF provides for a minimum of \$500,000 rural allocation in each uniform state service region and a minimum of 20 percent of the state's tax credit

³² HUD. (2009, March 19) Estimated median family incomes for FY 2008. Retrieved from <http://www.huduser.org/datasets/il/il09/Medians2009.pdf>.

amount is reserved for rural areas. Furthermore, TDHCA and the Texas Department of Rural Affairs (TDRA) administer the Housing Tax Credit Program's rural regional allocation. TDRA assists in developing all thresholds, scoring and underwriting criteria for rural regional allocation and must approve the criteria. TDRA also participates in the evaluation and site inspection of rural developments proposed under the rural allocation.

As established in Section 2306.111(c) of the Texas Government Code, ninety-five percent of the Department's HOME funds are required to serve households in non-participating jurisdictions, which are primarily rural areas of the state. Participating jurisdictions are those large metropolitan counties and places that receive their HOME funds directly from HUD. The remaining five percent of the annual HOME Program allocation is set aside for applicants serving persons with disabilities regardless of their location in the state.

The TDHCA Section 8 Housing Choice Voucher Program specifically serves households in small cities and rural communities that are not served by similar local or regional housing voucher programs.

The Housing Trust Fund Program has programmed \$2,000,000 in funds to develop a Rural Housing Expansion Program, which will commit to building capacity in tandem with actual production of affordable housing in rural Texas.

EXTREMELY LOW-INCOME HOUSEHOLDS AND HOUSEHOLDS LIVING IN POVERTY

The U.S. Department of Health and Human Services defines the 2009 poverty guideline as \$22,050 in income for a family of four,³³ and many poor families make substantially less than this. Poverty can be self-perpetuating, creating barriers to education, health care and the financial stability provided by homeownership.

The data presented in the Housing Analysis section of this report shows that households with lower incomes have higher incidences of housing problems. There is a minimal difference between the incidences of housing problems between the two lowest income groups (0-30 percent and 31-50 percent of median income). While incidences of housing problems for these two groups are significantly higher than those of the other low-income group, households with incomes at 51-80 percent of median income have significant needs as well.

Policy-Driven Action: The Department has an important role in addressing poverty in Texas; the Department seeks to reduce the number of Texans living in poverty, thereby providing a better future for all Texans. This means (1) trying to provide long-term solutions to the problems facing people in poverty and (2) targeting resources to those with the greatest need.

Households at or under 80 percent AMFI have been given higher priority than households above 80 percent AMFI. This prioritization allows TDHCA to target resources to those households most in need, regardless of household type.

In the Neighborhood Stabilization Plan 1, a minimum of \$25,499,212 will be dedicated to serve 50% AMFI or below households through the acquisition and redevelopment of foreclosed or abandoned residential property that will result in permanent housing.

While one of the Department's charges is to serve the State's populations from extremely low income to moderate income, funding priority is given to those populations that are most in need of services: low-, very low- and extremely low-income individuals and households. Additionally, the Texas Legislature, through Rider 5 in the 2010-2011 Appropriations Act, specifically calls upon TDHCA to prioritize funding toward individuals and families that earn less than 60 percent AMFI. This rider directs TDHCA

³³ U.S. Department of Health and Human Services, (2009, January 23). Annual Update of the HHS Poverty Guidelines. <http://aspe.hhs.gov/POVERTY/09fedreg.shtml> .

to apply \$30,000,000 annually towards assisting extremely low-income households and no less than 20 percent of the Department's total housing funds towards assisting very low-income households. TDHCA works to meet these goals by providing incentives for applicants to set aside units for very low- and extremely low-income households.

The Department provides low-income persons with energy, emergency and housing assistance to meet the basic necessities, as described in the Housing Support Continuum above. All programs and divisions, with the exception of the Manufactured Housing Division, have income guidelines that target low- to moderate-income Texans and households in need.

ENERGY EFFICIENCY

Energy and water costs are often the largest single housing expense after food and shelter for lower income families. According to 2006 estimates, utility costs make up approximately 12.2 percent of the annual income of Weatherization Assistance Program eligible households.³⁴ Proper use of existing technologies and management practices can reduce these utility costs significantly at a relatively low initial cost, thereby greatly increasing housing affordability for low- and moderate-income families.

Policy-Driven Action: TDHCA offers training, workshops and conferences to encourage energy efficiency as well as requiring specific measures in its Comprehensive Energy Assistance Program, Weatherization Assistance Program, HOME Programs, Housing Tax Credit Program, Multifamily Bond Program, and Neighborhood Stabilization Program that address energy efficiency.

The Department encourages energy efficiency in the construction of affordable housing by offering training, workshops, conferences and other opportunities to learn about energy efficiency construction and by encouraging applicants for Department programs to consider energy efficiency in their developments.

Comprehensive Energy Assistance Program and the Weatherization Assistance Program allocate funding to help households control energy costs through utility payment assistance, the installation of weatherization measures and energy conservation education. Weatherization services include the installation of storm windows, repair and/or replacement of heating and cooling appliances, attic and wall insulation and weather-stripping and sealing.

The HOME, Housing Tax Credit, Multifamily Bond, and Neighborhood Stabilization programs require applicants for multifamily developments to adhere to the statewide energy code and provide Energy Star Rated appliances. The Housing Tax Credit Program also gives additional application points for the use of energy-efficient alternative construction materials including R-15 wall and R-30 ceiling insulation, structurally insulated panels, 14 SEER (seasonal energy efficiency ratio) cooling units and numerous green building initiatives.

LEAD-BASED PAINT

The Consumer Product Safety Commission banned the use of lead-based paint in housing in 1978. According to the 2000 Census, there are 3,344,406 housing units in Texas that were built before 1979, many of which potentially contain lead-based paint. Of these homes, 2,764,745 are occupied by low-income households and 579,661 are occupied by moderate-income households. According to the National Safety Council, approximately 38 million U.S. homes contain lead paint.³⁵

³⁴ Texas Department of Housing and Community Affairs. (2006). Weatherization Assistance Program. Retrieved from <http://www.tdhca.state.tx.us/ea/wap.htm>.

³⁵ National Safety Council. (2004, December) Lead poisoning. Retrieved from <http://www.nsc.org/library/facts/lead.htm>.

Policy-Driven Action: The Emergency Shelter Grant, Homelessness Prevention and Rapid Re-housing, Housing Tax Credit, Multifamily Bond, HOME, Housing Trust Fund, Neighborhood Stabilization and Section 8 programs all require lead-based paint screening for certain activities.

The Emergency Shelter Grant, Housing Tax Credit, and Multifamily Bond programs require an environmental assessment, which includes an evaluation of lead-based paint hazards, for rehabilitation or demolition required for new construction. Any lead-based paint must be addressed before the development can move forward.

The Homelessness Prevention and Rapid Re-housing Program requires an initial visual assessment and periodic inspections for as long as Financial Assistance funds are being used to assist the family in the unit. These requirements apply if the unit was constructed before 1978 and a child under the age of 6 or a pregnant woman will reside there, unless it meets one of the following circumstances: the unit is a zero-bedroom or Single Residence Occupancy unit; it is housing for the elderly; a lead-based paint inspection has been conducted in accordance with HUD regulations and found not to have lead-based paint; the property has all lead-based paint identified and removed in accordance with HUD regulations; the unit meets any of the other exemptions described in 24 CFR part 35.115(a). In addition, the unit must be inspected again if a new family assisted with Homelessness Prevention and Rapid Re-Housing funds moves in or if the periodic inspection is due. Finally, the owner must provide a notice to occupants if an evaluation and hazard reduction activities have taken place, in accordance with 24 CFR Part 35.125.

The HOME, Housing Trust Fund, and Neighborhood Stabilization programs require lead screening in housing units built before 1978. Requirements for acquisition, rehabilitation and tenant-based rental assistance activities are: the distribution of the EPA-approved information pamphlet “Protect Your Family from Lead in Your Home” prior to receipt of assistance (HOME uses pamphlet “Renovate Right” and not the previous pamphlet); notification to property owners if an assessment observes lead hazards; and stabilization and clearance of lead-based paint hazards, if detected. For the HOME Program, lead-based paint requirements for rehabilitation activities fall into three categories based on the amount of federal assistance.

The Section 8 Program requires staff to conduct a visual assessment and inspect the unit based on housing quality standards.

HOMELESS POPULATIONS (SPECIAL NEEDS)

On May 20, 2009 President Obama signed into law a bill to reauthorize HUD’s McKinney-Vento Homeless Assistance programs. The bill was included as part of the Helping Families Save Their Homes Act. The new Act, called the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act). The Act updated the McKinney Vento definition of homelessness to:

- (1) an individual or family who lacks a fixed, regular, and adequate nighttime residence;*
- (2) an individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;*
- (3) an individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including hotels and motels paid for by Federal, State, or local government programs for low-income individuals or by charitable organizations, congregate shelters, and transitional housing);*
- (4) an individual who resided in a shelter or place not meant for human habitation and who is exiting an institution where he or she temporarily resided;*
- (5) an individual or family who--*

(A) will imminently lose their housing, including housing they own, rent, or live in without paying rent, are sharing with others, and rooms in hotels or motels not paid for by Federal, State, or local government programs for low-income individuals or by charitable organizations...

(B) has no subsequent residence identified; and

(C) lacks the resources or support networks needed to obtain other permanent housing; and

(6) unaccompanied youth and homeless families with children and youth defined as homeless under other Federal statutes who--

(A) have experienced a long term period without living independently in permanent housing,

(B) have experienced persistent instability as measured by frequent moves over such period, and

(C) can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse, the presence of a child or youth with a disability, or multiple barriers to employment.

Estimates of homeless populations vary widely. The migratory nature of the homeless population, the stigma associated with homelessness and the fact that many homeless individuals lack basic documentation all contribute to the difficulty of making an accurate count. Most homeless surveys are “point in time” estimates, which do not capture the revolving-door phenomenon of persons moving in and out of shelters over time. Furthermore, the homeless population can be classified into three categories: (1) literally homeless, which describes people who have no permanent residence and stay in shelters or public places; (2) marginally homeless, which describes people who live temporarily with other people and have no prospects for housing; and (3) people-at-risk-of-homelessness, which describes people who have incomes below the poverty level, rely on utility and rental assistance and may be unable to absorb unexpected events such as the loss of a job or serious illness.

Policy-Driven Action: The first phase of the Housing Support Continuum above is “(1) Poverty and Homelessness Prevention” and includes the Community Service Block Grant, Comprehensive Energy Assistance, Emergency Shelter Grant, Homelessness Prevention and Rapid Re-Housing, and Homeless Housing and Services programs. In addition, other programs not specifically created for homelessness prevention nevertheless include several activities to address this population’s special needs. For instance, the Housing Tax Credit and the Housing Trust Fund programs both can be used for homeless populations. In addition, TDHCA works in conjunction with the Texas Interagency Council for the Homeless.

While the Housing Tax Credit Program is well-known and primarily used for the construction, acquisition and/or rehabilitation of new, existing, at-risk and rural housing, the HTC Program can also be used to develop transitional housing and permanent supportive housing for homeless populations. Furthermore, according to the *2010 Housing Tax Credit Program QAP*, HTC offers additional points during the award process for developments that propose to set aside 10 percent of the units for persons with special needs, such as people who are homeless.

The Housing Trust Fund Program has programmed \$2,000,000 in funds to develop a Rental Housing Development Fund for Unique Housing Needs, which may be used to develop or rehabilitate transitional housing and permanent supportive housing for persons with unique housing needs, such as homeless populations.

TEXAS INTERAGENCY COUNCIL FOR THE HOMELESS

The Texas Interagency Council for the Homeless (TICH) was created in 1989 to coordinate the State's homeless resources and services. TICH consists of representatives from all state agencies that serve the homeless. The council receives no funding and has no full-time staff, but receives clerical and advisory support from TDHCA. The council holds public hearings in various parts of the state to gather information useful to its members in administering programs. The Council's major mandates include:

- evaluating and helping coordinate the delivery of services for the homeless in Texas;
- increasing the flow of information among service providers and appropriate authorities;
- providing technical assistance to TDHCA in assessing the need for housing for people with special needs;
- developing, in coordination with TDHCA and the Health and Human Services Commission, a strategic plan to address the needs of the homeless; and
- maintaining a central resource and information center for the homeless.

TICH is in process developing a Strategic Plan to End Homelessness which will address collaboration among federal, state, and local organizations to better address the needs of homeless persons and to prevent homelessness.

PERSONS WITH DISABILITIES (SPECIAL NEEDS)

According to the 2005 to 2007 American Community Survey, approximately 6.6 percent, or 1,383,728, Texans over the age of 5 had one disability, and 7.8 percent, or 1,635,315, Texans over the age of five had two or more disabilities for that time period. Of the people with disabilities aged 16 to 64, approximately 3.1 percent had a sensory disability (severe vision or hearing impairment), 7.1% had a physical disability (condition that substantially limits a physical activity such as walking or carrying), 4.4% had a mental disability (learning or remembering impairment), 2.1 percent had a self-care disability (dressing, bathing, or getting around inside the home), 3.1 percent had a go-outside-home disability, and 6.2 percent had an employment disability from 2005 to 2007.³⁶

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

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

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

Housing opportunities for people with disabilities may be complicated by low incomes. The 2005 to 2007 American Community Survey estimates that 38.6 percent of persons with any disability were employed during that time period. In addition, 23.4 percent were below the poverty level.³⁷ Many people with disabilities may be unable to work, and receive supplemental security income (SSI) or social security disability insurance (SSDI) benefits as their principal source of income. In nationwide study *Priced Out In 2008: The Housing Crisis for People with Disabilities*, a person receiving SSI as their sole source of income would need to pay 112.1 percent of their income to rent a one-bedroom unit or 99.3 percent of their income to rent a studio/efficiency.³⁸

³⁶ U.S. Census Bureau, 2005-2007 American Community Survey. (n.d.). Subject tables. Retrieved from <http://factfinder.census.gov/>.

³⁷ Ibid.

³⁸ Cooper, E., Korman, H., O'Hara, A., & Zovistoski, A. (2009, April). *Priced out in 2008: The housing crisis for people with disabilities*. Retrieved from <http://www.endlongtermhomelessness.org/downloads/news/Priced%20Out%202008.pdf>.

The Olmstead Supreme Court decision maintained that unnecessary segregation and institutionalization of people with disabilities is unlawful discrimination under the Americans with Disabilities Act (ADA). Furthermore, the Fair Housing Act, Section 504 of the Rehabilitation Act, ADA and Section 2306.514 of the Texas Government Code all provide mandates for accessible residential housing for persons with disabilities. Housing developers may choose to provide “adaptive design” or “universal access” housing, which promotes basic, uniform standards in the design, construction and alteration of structures that include accessibility or simple modification for disabled individuals. While an “adaptable” unit may not be fully accessible at time of occupancy, it can easily and inexpensively be modified to meet the needs of any resident. Another option is to equip homes with special features designed for persons with disabilities, including ramps, extra-wide doors and hallways, hand rails and grab bars, raised toilets and special door levers.

Advocates for the elderly and persons with disabilities continue to stress that the primary goal of these populations is to live independently and remain in their own homes. Advocates considered access to rehabilitation funds for single-family housing a priority. The rehabilitation funds would perform minor physical modifications such as extra handrails, grab bars, wheelchair-accessible bathrooms and ramps, thus making existing units livable and providing a cost-effective and consumer-driven alternative to institutionalization. Likewise, the availability of rental vouchers that provide options beyond institutional settings was found to be a high priority.

Policy-Driven Action: The Comprehensive Energy Assistance, Weatherization Assistance, HOME, Housing Trust Fund, Housing Tax Credit, Multifamily Bond, Section 8, Neighborhood Stabilization, and Community Development Block Grant Disaster Recovery programs all have specific measures to address the needs of people with disabilities. Furthermore, the Integrated Housing Rule, as implemented by TDHCA, works to meet the needs of people with disabilities. In addition, TDHCA plays an active role in the Housing and Health Services Coordination Council, Promoting Independence Advisory Committee, and the Disability Advisory Workgroup which both collaborate with groups representing people with disabilities.

Priority for energy assistance through Comprehensive Energy Assistance and Weatherization Assistance programs is given to the persons with disabilities as well as other special needs and prioritized groups. Local providers must implement special outreach efforts for these special needs populations.

As established in Section 2306.111(c) of the Texas Government Code and subject to the submission of qualified applications, five percent of the annual HOME Program allocation shall be allocated for applications serving persons with disabilities living in any part of the state. Furthermore, the HOME Homeownership with Rehabilitation activity provides down payment and closing cost assistance as well as construction costs associated with architectural barrier removal to assist homebuyers with disabilities.

HOME, Housing Trust Fund, Housing Tax Credit, Multifamily Bond and Neighborhood Stabilization programs’ developments that are new construction must conform to Section 504 standards, which require that at least five percent of the development’s units be accessible for persons with physical disabilities and at least two percent of the units be accessible for persons with hearing and visual impairments.

The Housing Trust Fund Program has programmed \$2,000,000 in funds to develop a Rental Housing Development Fund for Unique Housing Needs, which may be used to develop or rehabilitate housing for persons with unique housing needs, such as people with disabilities.

According to the *2010 Housing Tax Credit Program QAP*, the Housing Tax Credit Program offers additional application points during the award process for developments that propose to set aside 10 percent of the units for persons with special needs, such as people with disabilities.

TDHCA’s Section 8 Housing Choice Vouchers Program administers the Project Access program to assist low-income non-elderly persons with disabilities in transitioning from institutions into the community by

providing access to affordable housing. Eligible households are those that meet the Section 8 criteria, have a permanent disability, are less than 62 years of age and are either an At-Risk Applicant and a previous resident or a current resident of a nursing facility, intermediate care facility, or board and care facility at the time of voucher issuance.

The Community Development Block Grant Disaster Recovery Program Round Two's Sabine Pass Restoration Program allows homeowners with a disability or elderly households the opportunity to apply for an additional \$15,000 in assistance for accessibility-related costs associated with elevating the dwelling.

INTEGRATED HOUSING RULE

An issue of particular concern for advocates for persons with disabilities involved the Department's policies related to integrated housing. Integrated housing, as defined by SB 367 and passed by the 77th Texas Legislature, is "housing in which a person with a disability resides or may reside that is found in the community but that is not exclusively occupied by persons with disabilities and their care providers." The Department, with the assistance of the TDHCA Disability Advisory Workgroup, developed an integrated housing rule to address this concern. The Integrated Housing Rule, for use by all Department housing programs, is found at 10 TAC 1.15 and is summarized as follows

- A housing development may not restrict occupancy solely to people with disabilities or people with disabilities in combination with other special needs populations.
- Large housing developments (50 units or more) shall provide no more than 18 percent of the units of the development set aside exclusively for people with disabilities. The units must be dispersed throughout the development.
- Small housing developments (less than 50 units) shall provide no more than 36 percent of the units of the development set aside exclusively for people with disabilities. These units must be dispersed throughout the development.
- Set-aside percentages outlined above refer only to the units that are to be solely restricted for persons with disabilities. This section does not prohibit a property from having a higher percentage of occupants that are disabled.
- Property owners may not market a housing development entirely, nor limit occupancy to, persons with disabilities.

Exceptions to the above rule include (1) scattered site development and tenant-based rental assistance; (2) transitional housing that is time limited with a clear and convincing plan for permanent integrated housing upon exit from the transitional situation; (3) housing developments designed exclusively for the elderly; (4) housing developments designed for other special needs populations; and (5) TDHCA Board waivers of this rule to further the purposes or policies of Chapter 2306, Texas Government Code, or for other good cause.

HOUSING AND HEALTH SERVICES COORDINATION COUNCIL

The 81st Legislature created the Housing and Health Services Coordination Council (Council) through SB 1878. The Council's purpose is to increase the amount of service-enriched housing for seniors and people with disabilities; improve interagency understanding of housing and services and increase the number of staff in state housing and state health services agencies that are conversant in both housing and health care policies; offer a continuum of home and community-based services that is affordable to the state and the target population. The Council includes 16 members including the Executive Director of TDHCA, 8 members appointed by the Governor, and 7 members appointed by State Agencies. Starting November 2009, the Council will meet quarterly. TDHCA provides clerical and advisory support.

PROMOTING INDEPENDENCE ADVISORY COMMITTEE

With the advent of the Olmstead decision, the Health and Human Services Commission (HHSC) initiated the Promoting Independence Initiative and appointed the Promoting Independence Advisory Board, as directed by then-Governor George Bush's Executive Order GWB 99-2. Governor Rick Perry's Executive Order RP 13 complements GWB 99-2. Now known as the Promoting Independence Advisory Committee, the PIAC assists the Health and Human Services Commission in creating the State's response to the Olmstead decision through the biannual Promoting Independence Plan. This plan highlights the State's efforts to assist those individuals desirous of community placement, appropriate for community placement as determined by the state's treatment professionals and who do not constitute a fundamental alteration in the state's services, to live in the community. TDHCA participates in PIAC meetings and is a member of the Housing subcommittee.

DISABILITY ADVISORY WORKGROUP

TDHCA has found that directly involving program beneficiary representatives, community advocates and potential applicants for funding in the process of crafting its policies and rules is extremely helpful. This process is often done through a working group format. The working groups provide an opportunity for staff to interact with various program stakeholders in a more informal environment than that provided by the formal public comment process. TDHCA has actively maintained a Disability Advisory Workgroup which provides ongoing guidance to the Executive Director on how TDHCA's programs can most effectively serve persons with disabilities.

ELDERLY POPULATIONS (SPECIAL NEEDS)

According to the 2006 to 2008 American Community Survey, there were approximately 2,396,684 Texans aged 65 and over during that time period. This made up approximately 10 percent of the Texas population.³⁹ The State of Texas Senior Housing Assessment found that 91 percent of survey respondents expressed a desire to stay in their own homes as long as possible and two-thirds believed that they would always live in their homes.⁴⁰ Of all elderly households nationwide, 73 percent owned their own homes free and clear. However, elderly homeowners generally live in older homes than the majority of the population; the median year of construction for homes owned by elderly households was 1965 and 5.3 percent had physical problems.⁴¹ Due to their age, homes owned by the elderly are often in need of weatherization and repair.

Policy-Driven Action: The Community Service Block Grant, CDBG Disaster Recovery, Comprehensive Energy Assistance, Weatherization Assistance, HOME, Housing Trust Fund, Housing Tax Credit and Multifamily Bond programs have specific activities that service elderly Texans. In addition, TDHCA plays an active role in the Housing and Health Services Coordination Council, which works to increase the amount of service-enriched housing for seniors and people with disabilities. A description of this Council is included under the Persons with Disabilities special needs category above.

Community Service Block Grant eligible entities operate programs targeting the elderly. Such programs include Meals-on-Wheels, congregate meal programs, senior activity centers, and home care services.

The CDBG Disaster Recovery Program Round Two's Sabine Pass Restoration Program allows homeowners with a disability or elderly households the opportunity to apply for an additional \$15,000 in assistance for accessibility-related costs associated with elevating the dwelling.

³⁹ U.S. Census Bureau, 2006-2008 American Community Survey. (n.d.). Subject tables. Retrieved from <http://factfinder.census.gov>.

⁴⁰ Texas Department of Aging and Disability Services (2005). The State of Our State on Aging. 27. Retrieved from http://www.dads.state.tx.us/news_info/publications/studies/2005_sos_exec_summary.pdf.

⁴¹ U.S. Department of Health and Human Services. (2005). *A Profile on Older Americans: 2005*. 11.

The Department's energy assistance and weatherization programs, Comprehensive Energy Assistance and Weatherization Assistance programs respectively, give preference to the elderly as well as other special needs and priority populations. Subrecipients must conduct outreach activities for these special needs populations.

The Homeowner Rehabilitation activity, offered through the HOME Program, provides funds for the repair and rehabilitation of homes owned by very low-income households and many of the assisted households are elderly.

The Housing Trust Fund has programmed \$2,000,000 in funds to develop a Rental Housing Development Fund for Unique Housing Needs, which may be used to develop or rehabilitate housing for persons with unique housing needs, such as elderly populations.

A Qualified Elderly Development is a development type that is eligible for funding through the Housing Tax Credit and Multifamily Bond programs. A Qualified Elderly Development is a development in which elderly residents occupy 80 to 100 percent of the units.

PERSONS WITH ALCOHOL AND SUBSTANCE ABUSE ISSUES (SPECIAL NEEDS)

The National Surveys on Drug Use and Health found that from 2006 to 2007 approximately 6.4 percent of Texans aged 12 or older had used an illicit drug in the past month. The Texas rate is lower than the national average of 8 percent. Also, 2.7 percent of Texans aged 12 or older were dependent on or abused an illicit drug in the past year, compared to 2.8 percent nationwide.⁴² In 2006, the Texas Department of State Health Services (DSHS) admitted 14,488 adult clients with alcohol problems and 40,667 adult clients with other drug addictions to state-funded treatment programs. The average age of adult clients was 34 and approximately 21 percent of adult clients were employed. That same year DSHS admitted 566 youth clients with alcohol problems and 7,013 youth clients with other drug problems to state-funded treatment programs.⁴³ The population of persons with alcohol or other drug addiction is diverse and often overlaps with the mentally disabled or homeless populations.

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

Policy-Driven Action: The Housing Tax Credit and Housing Trust Fund programs address the needs of people with alcohol and substance abuse issues.

According to the *2010 Housing Tax Credit Program QAP*, the Housing Tax Credit Program offers additional points during the award process for developments that propose to set aside 10 percent of the units for persons with special needs, such as people with alcohol and drug addiction.

The Housing Trust Fund has programmed \$2,000,000 in funds to develop a Rental Housing Development Fund for Unique Housing Needs, which may be used to develop or rehabilitate housing for persons with unique housing needs, such as people with alcohol and substance abuse issues.

PERSONS WITH HIV/AIDS (SPECIAL NEEDS)

Human Immunodeficiency Virus (HIV) is the virus that causes Acquired Immunodeficiency Syndrome (AIDS). HIV infects cells and attacks the immune system, which weakens the body and makes it especially susceptible to other infections and diseases. According to the Texas Department of State Health

⁴² Maxwell, J. C. (2009, June). Substance abuse trends in Texas: June 2009. Retrieved from http://www.utexas.edu/research/cswr/gcattc/documents/Texas2009_002.pdf

⁴³ Texas Department of State Health Services. (2007, December 12). Substance abuse statistics: Texas statewide totals. Retrieved from <http://www.dshs.state.tx.us/sa/research/statewide-totals/>

Services (DSHS), as of December 2007, there were 62,714 reported persons living with HIV/AIDS in Texas.⁴⁴ Because of increased medical costs or the loss of the ability to work, people with HIV/AIDS may be at risk of losing their housing arrangements.

DSHS addresses the housing needs of AIDS patients through the Housing Opportunities for Persons with AIDS Program (HOPWA), which is a federal program funded by HUD. In Texas, HOPWA funds provide emergency housing assistance, which funds short-term rent, mortgage and utility payments to prevent homelessness; and tenant-based rental assistance, which enables low-income individuals to pay rent and utilities until there is no longer a need or until they are able to secure other housing. In addition to the DSHS statewide program, the cities of Austin, Dallas, Fort Worth, Houston, San Antonio and El Paso receive HOPWA funds directly from HUD.

Policy-Driven Action: The Housing Tax Credit and Housing Trust Fund programs address the needs of people with HIV/AIDS.

According to the *2010 Housing Tax Credit Program QAP*, HTC offers additional points during the award process for developments that propose to set aside 10 percent of the units for persons with special needs, such as people with AIDS/HIV.

The Housing Trust Fund Program has programmed \$2,000,000 in funds to develop a Rental Housing Development Fund for Unique Housing Needs, which may be used to develop or rehabilitate housing for persons with unique housing needs, such as people with AIDS/HIV.

PUBLIC HOUSING RESIDENTS (SPECIAL NEEDS)

According to HUD data, there are 55,098 units of public housing and 252,515 Section 8 Housing Choice Vouchers in Texas.⁴⁵ TDHCA believes that the future success of Public Housing Authorities (PHAs) will center on ingenuity in program design, emphasis on resident participation towards economic self-sufficiency and partnerships with other organizations to address the needs of this population. While TDHCA does not have any direct or indirect jurisdiction over the management or operations of public housing authorities, it is important to maintain a relationship with these service providers.

Policy-Driven Action: TDHCA has developed a strong relationship with the Texas Housing Association and the Texas chapter of the National Association of Housing and Redevelopment Officials, which represent the public housing authorities of Texas. TDHCA has worked to promote programs that will repair substandard housing and develop additional affordable housing units.

COLONIA RESIDENTS (SPECIAL NEEDS)

According to Section 2306.581 of the Texas Government Code:

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

- has a majority population composed of individuals and families of low income and very low income, based on the federal Office of Management and Budget poverty index and meets the qualifications of an economically distressed area under Section 17.921, Water Code; or
- has the physical and economic characteristics of a colonia, as determined by the department.

⁴⁴Texas Department of Health, HIV/STD Epidemiology Division, Surveillance Branch. Texas HIV/STD surveillance report: 2007 Annual Report. Austin, TX: 1. Retrieved from Texas HIV/STD Annual Report 2007; <http://www.dshs.state.tx.us/hivstd/info/annual/2007.pdf>

⁴⁵ HUD (n.d.). Public housing agency profiles. Retrieved from <http://www.hud.gov/offices/pih/systems/pic/haprofiles/index.cfm>.

Major issues affecting colonias include high rates of unemployment, extremely low incomes, lack of sufficient infrastructure for water and sewer service, higher rates of certain diseases, lack of educational resources, substandard housing and use of contract for deed. The latter two issues are directly related to housing. Housing in colonias is often constructed by residents using only available materials; professional builders are not often used.⁴⁶ According to 2000 Census data, colonias have a 75 percent homeownership rate. Despite this rate, colonia homes are inadequate: 4.9 percent of colonia dwellings lack kitchen facilities and 5.3 percent lack plumbing facilities. It is estimated that 50 percent of colonia residents lack basic water and sewage systems: 51 percent use septic tanks, 36 percent use cesspools, 7 percent use outhouses, and 6 percent use other wastewater systems.⁴⁷

Policy-Driven Action: The Office of Colonia Initiatives (OCI), HOME and Housing Tax Credit programs all address the special needs of colonia residents.

In 1996, in an effort to place more emphasis on addressing the needs of colonias, the Office of Colonia Initiatives (OCI) at TDHCA was created and charged with the responsibility of coordinating all Department and legislative initiatives involving border and colonia issues and managing a portion of the Department'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, OCI offers OCI Border Field Offices. The three OCI border field offices provide technical assistance to the counties and colonia self-help centers.

The HOME Program also administers the Homeownership Assistance Program's Contract for Deed Conversion to assist households in the colonias. Contract for Deed Conversions facilitate homeownership by converting contracts for deed into traditional mortgages.

According to the *2010 Housing Tax Credit Program QAP*, HTC offers additional points during the award process for developments that propose to set aside 10 percent of the units for persons with special needs, such as colonia residents.

MIGRANT FARMWORKERS (SPECIAL NEEDS)

According to the US Department of Health and Human Services Migrant and Seasonal Farmworker Enumeration Profiles Study in 2000, a seasonal farmworker describes an individual whose principal employment (at least 51 percent of time) is in agriculture on a seasonal basis and who has been so employed within the preceding twenty-four months; a migrant farmworker meets the same definition, but establishes temporary housing for purposes of employment. As of 2000, the US Department of Health and Human Services estimated that there are 362,724 migrant and seasonal farm workers and families residing in Texas. Of this population, 26 percent reside in Cameron, Hidalgo, and Starr Counties.⁴⁸

Farmworkers have a particularly difficult time finding available, affordable housing because of extremely low and sporadic incomes and mobility. Many of the small, rural communities where migrant workers may seek employment do not have the rental units available for the seasonal influx. Overcrowding and substandard housing are significant housing problems for farmworkers.⁴⁹ In addition, migrant workers may not be able to afford security deposits, pass credit checks, or commit to long-term leases.

⁴⁶ Federal Reserve Bank of Dallas. (n.d.). Texas colonias. Retrieved from <http://www.dallasfed.org/ca/pubs/colonias.html>.

⁴⁷ Moncada, N. (2001). A Colonias Primer. A briefing presented to the US Department of Housing and Urban Development. Retrieved from <http://www.nationalmortgagenews.com/nmn/plus93.htm>.

⁴⁸ Larson, A. (2000, September). Migrant and seasonal farmworker enumeration profiles study: Texas. *US Department of Health and Human Services, Health Resources and Services Administration, Bureau of Primary Health Care*. Retrieved from <http://www.ncfh.org/enumeration/PDF10 Texas.pdf>

⁴⁹ Holden, C. (2001, October). Monograph no. 8: housing. Buda, TX: national center for farmworker health inc. *Migrant Health Issues*: 40. Retrieved from <http://www.ncfh.org/docs/08%20-%20housing.pdf>

Policy-Driven Action: TDHCA addresses farmworker issues by licensing and inspecting migrant farmworker housing and conducting periodic studies on farmworker needs. In addition, the Community Service Block Grant and Housing Tax Credit programs serve seasonal farmworkers.

In HB 1099, the 79th Texas Legislative Session transferred the license and inspection of migrant farmworker housing facilities from the Texas Health and Human Services Commission to TDHCA.

Additionally, the bill directed TDHCA to complete a study on quantity, availability, need and quality of migrant farm labor housing facilities in Texas. See <http://www.tdhca.state.tx.us/ppa/housing-center/pubs.htm#reports> for a copy of the report.

TDHCA utilized \$214,594 of Community Service Block Grant discretionary funds to fund two organizations serving migrant seasonal farmworkers; Funds were awarded during the 2009 Community Service Block Grant State Discretionary Funds Notice of Fund Availability cycle. The Community Service Block Grant also includes Native Americans with migrant farmworker special populations category in the Community Service Block Grant State Plan approved by Health and Human Services. During the 2009 Community Service Block Grant State Discretionary Funds Notice of Fund Availability cycle, TDHCA awarded \$225,000 to two Native American tribes.

According to the *2009 Housing Tax Credit Program QAP*, the Housing Tax Credit Program offers additional points during the award process for developments that propose to set aside 10 percent of the units for persons with special needs, such as migrant farmworkers.

The Housing Trust Fund has programmed \$2,000,000 in funds to develop a Rental Housing Development Fund for Unique Housing Needs, which may be used to develop or rehabilitate housing for persons with unique housing needs, such as migrant farmworkers.

TDHCA ALLOCATION PLANS

The Department has developed allocation formulas for many TDHCA programs in order to target available housing resources to the neediest households in each uniform state service region. These formulas are based on objective measures of need in order to ensure an equitable distribution of funding.

2010 REGIONAL ALLOCATION FORMULA

Sections 2306.111(d) and 2306.1115 of the Government Code require that TDHCA use a Regional Allocation Formula (RAF) to allocate its HOME, HTC and Housing Trust Fund funding. This RAF objectively measures the affordable housing need and available resources in 13 State Service Regions used for planning purposes. Within each region, the RAF further targets funding to rural and urban areas.

As a dynamic measure of need, the RAF is revised annually to reflect updated demographic and resource data; respond to public comment; and better assess regional housing needs and available resources. The RAF is submitted annually for public comment.

Slightly modified versions of the RAF are used for HOME, HTC and Housing Trust Fund because the programs have different eligible activities, households and geographical service areas. For example, because 95 percent of HOME funding must be set aside for non-Participating jurisdictions, the HOME RAF only uses need and available resource data for non-Participating jurisdictions.

The RAF uses the following 2000 U.S. Census data to calculate this regional need distribution:

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

There are a number of other funding sources that can be used to address affordable housing needs. To mitigate any inherent inequities in the regional allocation of these funds, the RAF compares each region's level of need to its level of resources. Resources from the following sources were used in the RAF: HTC, Housing Trust Fund, HUD (HOME, HOPWA, PHA capital funding and Section 8 funding), Bond Financing and United States Department of Agriculture (USDA) housing programs.

HOME PROGRAM REGIONAL ALLOCATION FORMULA

According to §2306.111, Texas Government Code, in administering federal housing funds provided to the state under the Cranston-Gonzalez National Affordable Housing Act (Act), the Department shall expend 95 percent of these funds for the benefit of non-participating areas that do not qualify to receive funds under the Act directly from HUD. The remaining 5 percent of HOME funds may be expended in any area of the state, but only if the funding serves persons with disabilities. Additionally, HOME funds awarded under this plan are subject to Texas Government Code §2306.111 and as such will be distributed according to the established Regional Allocation Formula (RAF). The 2010 RAF distributes funding for all HOME-funded activities with some exceptions for federal and state mandated set-asides including Community Housing Development Organizations (CHDO) Operating Expenses, Housing Programs for Persons with Disabilities, and the Contract for Deed Conversion Program. The following table demonstrates the combined regional funding distribution for all of the HOME activities distributed under the RAF.

HOME Program RAF

Region	Large MSA within Region for Geographical Reference	Regional Funding Amount	Regional Funding %	Rural Funding Amount	Rural Funding %	Urban Funding Amount	Urban Funding %
1	Lubbock	\$1,536,603	4.6%	\$1,536,216	100.0%	\$388	0.0%
2	Abilene	\$966,338	2.9%	\$941,598	97.4%	\$24,740	2.6%
3	Dallas/Fort Worth	\$6,731,297	20.0%	\$2,233,525	33.2%	\$4,497,772	66.8%
4	Tyler	\$3,317,510	9.8%	\$2,580,608	77.8%	\$736,902	22.2%
5	Beaumont	\$1,783,798	5.3%	\$1,586,561	88.9%	\$197,238	11.1%
6	Houston	\$3,061,190	9.1%	\$1,038,028	33.9%	\$2,023,162	66.1%
7	Austin/Round Rock	\$2,217,325	6.6%	\$997,017	45.0%	\$1,220,307	55.0%
8	Waco	\$1,293,881	3.8%	\$631,318	48.8%	\$662,563	51.2%
9	San Antonio	\$1,723,442	5.1%	\$1,106,072	64.2%	\$617,370	35.8%
10	Corpus Christi	\$2,042,012	6.1%	\$1,341,182	65.7%	\$700,830	34.3%
11	Brownsville/Harlingen	\$6,655,318	19.7%	\$3,074,093	46.2%	\$3,581,225	53.8%
12	San Angelo	\$1,475,030	4.4%	\$707,147	47.9%	\$767,883	52.1%
13	El Paso	\$896,256	2.7%	\$672,221	75.0%	\$224,034	25.0%
	Total	\$33,700,000	100.0%	\$18,445,585	54.7%	\$15,254,415	45.3%

For more information on the RAF and further description of the formula, please contact the Housing Resource Center at (512) 475-3976.

HOUSING TRUST FUND PROGRAM REGIONAL ALLOCATION FORMULA

Pursuant to §2306.111(d-1) of the Texas Government Code, Housing Trust Fund programs will be regionally allocated unless the funding allocation for that program is mandated by state statute and the program's allocation represents less than 10 percent of the annual allocation for Housing Trust Fund; or serves people with disabilities; or do not exceed \$3 million.

Housing Trust Fund Program RAF

Region	Large MSA within Region for Geographical Reference	Regional Funding Amount*	Regional Funding %	Rural Funding Amount	Rural Funding %	Urban Funding Amount	Urban Funding %
1	Lubbock	\$71,030	3.6%	\$29,326	41.3%	\$41,704	58.7%
2	Abilene	\$35,931	1.8%	\$15,885	44.2%	\$20,046	55.8%
3	Dallas/Fort Worth	\$461,861	23.1%	\$37,520	8.1%	\$424,342	91.9%
4	Tyler	\$89,108	4.5%	\$46,785	52.5%	\$42,323	47.5%
5	Beaumont	\$56,294	2.8%	\$33,468	59.5%	\$22,826	40.5%
6	Houston	\$396,973	19.8%	\$28,994	7.3%	\$367,979	92.7%
7	Austin/Round Rock	\$116,569	5.8%	\$11,911	10.2%	\$104,657	89.8%
8	Waco	\$89,670	4.5%	\$17,955	20.0%	\$71,714	80.0%
9	San Antonio	\$172,680	8.6%	\$19,400	11.2%	\$153,280	88.8%
10	Corpus Christi	\$70,755	3.5%	\$26,031	36.8%	\$44,724	63.2%
11	Brownsville/Harlingen	\$298,047	14.9%	\$106,836	35.8%	\$191,211	64.2%
12	San Angelo	\$47,507	2.4%	\$19,195	40.4%	\$28,312	59.6%
13	El Paso	\$93,577	4.7%	\$14,600	15.6%	\$78,976	84.4%
	Total	\$2,000,000	100.0%	\$407,905	20.4%	\$1,592,095	79.6%

**This table is a depiction of the amounts available in each region if the required RAF amount was \$2,000,000; it is not an accurate depiction of the allocation for the total Housing Trust Fund funding available in each region. Every Housing Trust Fund program listed in a separate Notice of Funding Availability (NOFA) will be subject to its own RAF. In FY 2010, each NOFA for the Housing Trust Fund programs will make available approximately \$2,000,000, which will be run through its own RAF.*

HOUSING TAX CREDIT REGIONAL ALLOCATION FORMULA

In accordance with Senate Bill 264, TDHCA allocates HTC Program funds to each region using a need-based formula developed by the Department. Using the Regional Allocation Formula, each region will receive the following amount of funding for use with activities subject to the formula. Funding figures will be included in the final document.

HTC Program RAF

Region	Large MSA within Region for Geographical Reference	Regional Funding Amount	Regional Funding %	Rural Funding Amount	Rural Funding %	Urban Funding Amount	Urban Funding %
1	Lubbock	\$1,558,000	3.8%	\$603,804	38.8%	\$954,196	61.2%
2	Abilene	\$737,042	1.8%	\$519,826	70.5%	\$217,216	29.5%
3	Dallas/Fort Worth	\$9,434,562	23.2%	\$974,403	10.3%	\$8,460,159	89.7%
4	Tyler	\$1,499,416	3.7%	\$839,696	56.0%	\$659,720	44.0%
5	Beaumont	\$1,113,019	2.7%	\$611,466	54.9%	\$501,552	45.1%
6	Houston	\$8,846,755	21.8%	\$822,918	9.3%	\$8,023,837	90.7%
7	Austin/Round Rock	\$2,753,132	6.8%	\$574,058	20.9%	\$2,179,074	79.1%
8	Waco	\$2,103,405	5.2%	\$556,581	26.5%	\$1,546,825	73.5%
9	San Antonio	\$3,307,200	8.1%	\$588,962	17.8%	\$2,718,237	82.2%
10	Corpus Christi	\$1,388,922	3.4%	\$548,423	39.5%	\$840,499	60.5%
11	Brownsville/Harlingen	\$5,058,743	12.4%	\$1,845,292	36.5%	\$3,213,451	63.5%
12	San Angelo	\$876,067	2.2%	\$523,566	59.8%	\$352,502	40.2%
13	El Paso	\$1,961,182	4.8%	\$552,755	28.2%	\$1,408,427	71.8%
	Total	\$40,637,446	100.0%	\$9,561,752	23.5%	\$31,075,694	76.5%

As required by state statute, 15% of that ceiling is deducted for the At-Risk Set-Aside, which is not awarded regionally. The balance of the estimated ceiling is regionally allocated using this formula.

HOMELESSNESS PREVENTION AND RAPID RE-HOUSING REGIONAL ALLOCATION FORMULA

Please see the Homeless Prevention and Rapid Re-housing RAF under the *Recovery Act* chapter below.

TAX CREDIT ASSISTANCE PROGRAM REGIONAL ALLOCATION PROGRAM

Please see the Tax Credit Assistance RAF under the *Recovery Act* chapter below.

HOUSING TAX CREDIT EXCHANGE PROGRAM REGIONAL ALLOCATION FORMULA

Please see the Housing Tax Credit Exchange RAF under the *Recovery Act* chapter below.

TDHCA GOALS AND OBJECTIVES

The Strategic Plan goals reflect program performance based upon measures developed with the State’s Legislative Budget Board and Governor’s Office of Budget and Planning. The goals are also based upon Riders attached to the Department’s Appropriations. The Department believes that the goals and objectives for the various TDHCA programs should be consistent with its mandated performance requirements.

The State’s Strategic Planning and Performance Budgeting System (SPPB) is a goal-driven, results-oriented system. The system has three major components including strategic planning, performance budgeting and performance monitoring. As an essential part of the system, performance measures are part of TDHCA’s strategic plan, are used by decision makers in allocating resources, are intended to focus the Department’s efforts on achieving goals and objectives and are used as monitoring tools providing information on accountability. Performance measures are reported quarterly to the Legislative Budget Board.

The State’s Strategic Planning and Performance Budgeting System is based on a two-year cycle; goals and targets are revisited each biennium. The targets reflected in this document are based on the Department’s requests for 2009–2010.

Because all applicants for funding are encouraged to apply for and leverage funds from multiple agency programs, HUD funds are frequently leveraged along with funds from other federal and State sources. TDHCA HOME Program funds may be used in conjunction with other TDHCA programs, however, each program area reports its performance separately.

AFFORDABLE HOUSING GOALS AND OBJECTIVES

The following goals address performance measures established by the 81st Legislature. Refer to program-specific statements outlined in the Action Plan portion of this document for strategies that will be used to accomplish the goals and objectives listed below. Included for each strategy are the target numbers for the 2009 goal, the 2009 actual performance and the goal for 2010.

Goals one through five are established through interactions between TDHCA, the Legislative Budget Board and the Legislature. They are referenced in the General Appropriations Act enacted during the most recent legislative session.

GOAL 1: TDHCA will increase and preserve the availability of safe, decent and affordable housing for very low-, low- and moderate-income persons and families.

Strategy 1.1

Provide mortgage financing and homebuyer assistance through the Single-Family Mortgage Revenue Bond Program

Strategy Measure	2009 Target	2009 Actual	% of Goal	2010 Target
Number of single-family households assisted through the First Time Homebuyer Program	1,716	835	48%	1,911

Explanation of Variance: Due to volatility in the housing market in 2009, the resulting mortgage crisis and the disruption in the investor markets, the Department has been unable to structure and make available a mortgage revenue bond program. Therefore, our performance figures are much lower than originally projected.

Strategy 1.2 Provide funding through the HOME Program for affordable single family housing				
Strategy Measure	2009 Target	2009 Actual	% of Goal	2010 Target
Number of single-family households assisted with HOME funds	1,255	783	62%	952

Explanation of Variance: Due to programmatic changes and based on public input, there was an increase in the investment per unit, which resulted in a reduction of the total number of households assisted by Rehabilitation Activities. Additionally, due to current economic and housing market challenges, there was significantly less demand for Homebuyer Assistance. There was an increase in the number of households assisted through Tenant-Based Rental Assistance; the increase in the investment per household is reflected in households serving special needs families.

Strategy 1.3 Provide funding through the HTF program for affordable single family housing				
Strategy Measure	2009 Target	2009 Actual	% of Goal	2010 Target
Number of single-family households assisted through the Housing Trust Fund	209	275	132%	344

Explanation of Variance: The Department received approximately \$5.8 million in appropriations for the Housing Trust Fund for the 2008-2009 biennium. In accordance with the funding plan, \$1,000,000 was awarded for the Texas Veterans Housing Assistance Program. During the third quarter, this program provided assistance to 30 Veteran Households. The Department also released a Homeownership SuperNOFA, making available \$1,000,000 from the annual appropriation. This program provided assistance to 83 Texas families. Additionally, the Department was able to award \$50,000 as gap financing for the Disaster Recovery effort in Southeast Texas, supporting the rehabilitation of 8 units. The Department was able to exceed the target due to the lower amount of assistance provided per household for the gap financing for Disaster Recovery and Veteran's Housing Assistance programs.

Strategy 1.5 Provide federal tax credits to develop rental housing				
Strategy Measure	2009 Target	2009 Actual	% of Goal	2010 Target
Number of multifamily households assisted with Housing Tax Credits	11,779	8,998	82%	10,928

Explanation of Variance: The Housing Tax Credit program activity for this measure is a combination of 4% (multifamily bond related) and 9% (competitive application cycle) rental development funding awards. The 4% credits are tied to the bond market which is experiencing a dramatic slowdown nationally due to the recession in the economy.

Strategy 1.6 Provide funding through the HOME Program for affordable multifamily housing				
Strategy Measure	2009 Target	2009 Actual	% of Goal	2010 Target
Number of multifamily households assisted with HOME funds	526	620	118%	262

Explanation of Variance: The Department maintained a continuous open-cycle Notice of Funding Availability (NOFA) for rental development throughout FY 2009. Additional HOME funds that were deobligated from non-performing contracts were made available for this strategy. This allowed the Department to maintain a continuous award process and facilitate the timely commitment and expenditure of HOME funds in accordance with federal requirements.

Strategy 1.7 Provide funding through the Housing Trust Fund for affordable multifamily housing				
Strategy Measure	2009 Target	2009 Actual	% of Goal	2010 Target
Number of multifamily households assisted through the Housing Trust Fund	800	160	20%	38

Explanation of Variance: The Department utilized all funds set-aside for the HTF Multifamily Housing Activity during the 3rd Quarter. Due to programming, the investment of HTF funds was fixed to subsidized units--those units required to assist very low or extremely low income during the affordability period. As a result, there has been a significant increase of investment per unit and a decrease in the estimated number of units assisted.

Strategy 1.8 Provide funding through the Mortgage Revenue Bond Program for affordable multifamily housing				
Strategy Measure	2009 Target	2009 Actual	% of Goal	2010 Target
Number of households assisted through the Mortgage Revenue Bond Program	2,217	504	31%	1,627

Explanation of Variance: This measure is tied to the bond market which is experiencing a dramatic slowdown. Economic conditions in the equity markets have made it very difficult for developers to present financially feasible applications to the Department. This Strategy correlates to Strategy 1.1.

GOAL 2: TDHCA will promote improved housing conditions for extremely low-, very low- and low-income households by providing information and technical assistance.

Strategy 2.1				
Provide information and technical assistance to the public through the Public Affairs Division and the Housing Resource Center				
Strategy Measure	2009 Target	2009 Actual	% of Goal	2010 Target
Number of information and technical assistance requests completed	4,900	5,281	108%	5,000

Explanation of Variance: None needed.

Strategy 2.2				
To provide technical assistance to colonias through field offices				
Strategy Measure (A)	2009 Target	2009 Actual	% of Goal	2010 Target
Number of on-site technical assistance visits conducted annually from the field offices	800	948	119%	800

Explanation of Variance: As the Department continues to improve the Texas Bootstrap Loan Program and the colonia SHC Program, OCI Field Staff continues to provide technical assistance to units of local governments and nonprofit organizations. The Texas Bootstrap Loan Program Reservation System has necessitated increased technical activities. In addition, technical assistance visits have increased for the colonia SHC Program due to environmental assessments, labor laws, changes to rules and processes and other related federal regulations.

Strategy Measure (B)	2009 Target	2009 Actual	% of Goal	2010 Target
Number of colonia residents receiving assistance	8,000	11,707	146%	12,000

Explanation of Variance: The Department focuses on empowering the units of local government and nonprofit organizations to work with the colonia residents on a one-on-one basis through the colonia SHCs. Due to increased outreach efforts more colonia residents are utilizing the programs and activities of the colonia SHCs. In addition, targeted performance for 2009 has increased due to Val Verde County conducting two solid waste removal activities during the 3rd Quarter and one during the 4th Quarter and Webb County conducting one during the 3rd Quarter. This activity is reported as area wide and benefiting all colonia residents in the targeted area.

Strategy Measure (C)	2009 Target	2009 Actual	% of Goal	2010 Target
Number of entities and/or individuals receiving informational resources	1,000	636	63%	1,000

Explanation of Variance: The Office of Colonia Initiatives (OCI) staff provides technical assistance to county governments and local nonprofits. Local nonprofits are the primary conduits of information since the Department (OCI) does not provide direct services to individuals. As a consequence, a majority of informational resources is provided through our nonprofits and county governments rather than through OCI staff. It is also important to note that in FY2008 the OCI released a biennial NOFA under the Texas Bootstrap Loan Program.

GOAL 3: TDHCA will improve living conditions for the poor and homeless and reduce the cost of home energy for very low-income Texans.

Strategy 3.1

Administer homeless and poverty-related funds through a network of community action agencies and other local organizations so that poverty-related services are available to very low-income persons throughout the state.

Strategy Measure (A)	2009 Target	2009 Actual	% of Goal	2010 Target
Number of persons assisted through homeless and poverty related funds	512,224	590,481	115%	531,498

Explanation of Variance: This measure is impacted by the number of persons assisted through the CSBG and ESGP. CSBG and ESGP subrecipients served 51,045 more persons in SFY 2009 than in 2008. Of that increase, 12,931 persons were assisted by ESGP subrecipients and 38,114 by CSBG subrecipients. There are more persons who are homeless or at risk of homelessness. CSBG subrecipients have also had an increase in the number of persons seeking assistance due to the increase in unemployment and poverty.

Strategy Measure (B)	2009 Target	2009 Actual	% of Goal	2010 Target
Number of persons assisted that achieve incomes above poverty level.	2,200	1,770	80%	2,800

Explanation of Variance: The tough economic times facing Texas have impacted the ability of CSBG subrecipients assisting persons to transition out of poverty. Staff resources at the subrecipient level also have to focus on providing more emergency assistance and services to families facing unemployment and poverty.

Strategy Measure (C)	2009 Target	2009 Actual	% of Goal	2010 Target
Number of shelters assisted through the Emergency Shelter Grant Program	76	77	105%	76

Explanation of Variance: None needed.

Strategy 3.2

Administer the state energy assistance programs by providing grants to local organizations for energy related improvements to dwellings occupied by very low-income persons and for assistance to very low-income households for heating and cooling expenses and energy related emergencies.

Strategy Measure (A)	2009 Target	2009 Actual	% of Goal	2010 Target
Number of households assisted through Community Energy Assistance Program	51,502	129,907	252%	66,050

Explanation of Variance: Federal funding increased.

Strategy Measure (B)	2009 Target	2009 Actual	% of Goal	2010 Target
Number of dwelling units weatherized through Weatherization Assistance Program	2,960	4,489	151%	3,809

Explanation of Variance: Federal funding increased.

GOAL 4: TDHCA will ensure compliance with the Texas Department of Housing and Community Affairs' federal and state program mandates.

Strategy 4.1

The Portfolio Management and Compliance Division will monitor and inspect for Federal and State housing program requirements.

Strategy Measure (A)	2009 Target	2009 Actual	% of Goal	2010 Target
Total number of monitoring reviews conducted	965	956	99%	864

Explanation of Variance: None needed.

Strategy Measure (B)	2009 Target	2009 Actual	% of Goal	2010 Target
Total number of units administered	252,766	248,191	98%	209,444

Explanation of Variance: None needed.

Strategy 4.2

The Portfolio Management and Compliance Division will administer and monitor federal and state subrecipient contracts for programmatic and fiscal requirements.

Strategy Measure (A)	2009 Target	2009 Actual	% of Goal	2010 Target
Total number of monitoring reviews conducted	258	593	229%	208

Explanation of Variance: More monitoring reviews were conducted than anticipated.

Strategy Measure (B)	2009 Target	2009 Actual	% of Goal	2010 Target
Number of contracts administered	430	256	59%	525**

Explanation of Variance: During this reporting period, there were few new contracts which would result in contract administration. The numbers reported reflect activity on existing contracts.

**The performance measure for 2010 has been changed to "Number of contracts monitored".

GOAL 5: To protect the public by regulating the manufactured housing industry in accordance with state and federal laws.

Strategy 5.1

Provide titling and licensing services in a timely and efficient manner.

Strategy Measure (A)	2009 Target	2009 Actual	% of Goal	2010 Target
Number of manufactured housing statements of ownership and location issued	90,000	63,767	70.8%	80,000

Explanation of Variance: This measure is under the targeted amount due to the excessive number of applications which were incomplete, as a result of law changes effective January 2008. Approximately 38% of the applications received were rejected, but will ultimately be resubmitted for issuance.

Strategy Measure (B)	2009 Target	2009 Actual	% of Goal	2010 Target
Number of licenses issued	4,000	2,318	57.9%	3,100

Explanation of Variance: Performance is under the targeted projection due to receiving fewer applications for new and renewed licenses. Effective in January 2008, the licenses were renewed every two years as opposed to every year, which caused a reduction in the number of renewals for this fiscal year.

Strategy 5.2

Conduct inspections of manufactured homes in a timely manner.

Strategy Measure (A)	2009 Target	2009 Actual	% of Goal	2010 Target
Number of routine installation inspections conducted	6,000	4,801	80.0%	5,000

Explanation of Variance: The measure was below the targeted projection. However, there were 5,315 attempted inspections; but, due to lack of accessibility, only 4,801 could be successfully completed. If all attempted inspections had been successful, then the measure would have been exceeded. The Department is meeting the program's statutory requirement to inspect at least 25% of the installation inspections received. The actual year-to-date inspection rate is 38%.

Strategy Measure (B)	2009 Target	2009 Actual	% of Goal	2010 Target
Number of non-routine installation inspections conducted	2,200	2,239	101.8%	2,300

Explanation of Variance: No explanation required.

Strategy 5.3
To process consumer complaints, conduct investigations and take administrative actions to protect the general public and consumers.

Strategy Measure	2009 Target	2009 Actual	% of Goal	2010 Target
Number of complaints resolved	1,250	629	50.3%	850

Explanation of Variance: The Department has received fewer complaints than expected, resulting in fewer complaints resolved.

Goals six through eight are established in legislation as riders to TDHCA’s appropriations, as found in the General Appropriations Act.

GOAL 6: TDHCA will target its housing finance programs resources for assistance to extremely low-income households.*

Strategy 6.1
The housing finance divisions shall adopt an annual goal to apply \$30,000,000 of the division’s total housing funds toward housing assistance for individuals and families earning less than 30 percent of median family income.

Strategy Measure	2009 Target	2009 Actual	% of Goal	2010 Target
Amount of housing finance division funds applied towards housing assistance for individuals and families earning less than 30 percent of median family income.	\$30,000,000	42,328,192	141%	\$30,000,000

Explanation of Variance: Explanation will be provided once 2009 amount is provided before the public comment period.

Note: For more information, see Rider 5 of TDHCA’s Appropriations as found in HB 1 (General Appropriations Act), 81st Legislature, Regular Session.

GOAL 7: TDHCA will target its housing finance resources for assistance to very low-income households.

Strategy 7.1
The housing finance divisions shall adopt an annual goal to apply no less than 20% of the division’s total housing funds toward housing assistance for individuals and families earning between 31% and 60% of median family income.

Strategy Measure	2009 Target	2009 Actual	% of Goal	2010 Target
Percent of housing finance division funds applied towards housing assistance for individuals and families earning between 31% and 60% of median family income.	20%	56%*	282%*	20%

Strategy 7.1

The housing finance divisions shall adopt an annual goal to apply no less than 20% of the division's total housing funds toward housing assistance for individuals and families earning between 31% and 60% of median family income.

Explanation of Variance: Explanation will be provided once 2009 amount is provided before the public comment period.

*Reflects 2008 figure; updated amount will be included before public comment period.

Note: For more information, see Rider 5 of TDHCA's Appropriations as found in HB 1 (General Appropriations Act), 81st Legislature, Regular Session.

GOAL 8: TDHCA will provide contract for deed conversions for families who reside in a colonia and earn 60 percent or less of the applicable area median family income.

Strategy 8.1

Help colonia residents become property owners by converting their contracts for deed into traditional mortgages.

Strategy Measure	2009 Target	2009 Actual	% of Goal	2010 Target
Amount of TDHCA funds applied towards contract for deed conversions for colonia families earning less than 60% of median family income.	100	25	25%	100

Explanation of Variance: Rider 6 of the Department's appropriations act requires that the Department direct \$2,000,000 a year towards completing 100 contract for deed conversions. The decline in the number of contract for deed requests has inhibited the ability of the Department to attain the target.

Note: For more information, see Rider 6 of TDHCA's Appropriations as found in HB 1 (General Appropriations Act), 81st Legislature, Regular Session.

The following TDHCA-designated goal addresses the housing needs of persons with special needs.

GOAL 9: TDHCA will work to address the housing needs and increase the availability of affordable and accessible housing for persons with special needs.

Strategy 9.1

Dedicate five percent (5%) of the HOME project allocation for benefits of persons with disabilities who live in any area of this state.*

Strategy Measure	2009 Target	2009 Actual	% of Goal	2010 Target
Amount of HOME project allocation awarded to applicants that target persons with disabilities.	\$2,196,677	\$5,167,301	235%	\$2,000,000**

Explanation of Variance: These include funds from the Persons with Disabilities Set-Aside and HOME general funds that were used to assist households with persons with disabilities. It is important to note that while funds from the set-aside may be used anywhere in the state, HOME general funds may only be utilized in non-participating jurisdictions, those communities that do not receive funds directly from HUD.

**Estimate based on \$40,000,000 prior to finalized Congressional appropriation.

Note: For more information, see 2306.111(c)(2).

Strategy 9.2:

Compile information and accurately assess the housing needs of and the housing resources available to persons with special needs.

Strategy Activities:

- Assist counties and local governments in assessing local needs for persons with special needs.
- Work with State and local providers to compile a statewide database of available affordable and accessible housing.
- Set up a referral service to provide this information at no cost to the consumer.
- Promote awareness of the database to providers and potential clients throughout the State through public hearings, the TDHCA web site as well as other provider web sites, TDHCA newsletter and local informational workshops.

Strategy 9.3:

Increase collaboration between organizations that provide services to special needs populations and organizations that provide housing.

Strategy Activities:

- Promote the coordination of housing resources available among State and federal agencies and consumer groups that serve the needs of special needs populations.
- Continue working with agencies, advocates and other interested parties in the development of programs that will address the needs of persons with special needs.
- Increase the awareness of potential funding sources for organizations to access, to serve special needs populations, through the use of TDHCA planning documents, web site and newsletter.

Strategy 9.4:

Discourage the segregation of persons with special needs from the general public.

Strategy Activities:

- Increase the awareness of the availability of conventional housing programs for persons with special needs.
- Support the development of housing options and programs, which enable persons with special needs to reside in noninstitutional settings.

SECTION 5: RECOVERY ACT

On February 13, 2009, the United States Congress passed the American Recovery and Reinvestment Act of 2009 (Recovery Act). A direct response to the economic crisis, the Recovery Act has three immediate goals:

1. Create new jobs as well as save existing ones
2. Spur economic activity and invest in long-term economic growth
3. Foster unprecedented levels of accountability and transparency in government spending

TDHCA administers several programs funded through the Recovery Act. These programs are grouped and discussed in their own chapter rather than the Action Plan because of their temporary nature; most of them will conclude in two to three years. However, the Recovery Act programs are included in the Action Plan's Housing Support Continuum because of their administration through the Department and their creation to serve the needs of low- to moderate-income Texas.

Nationally, the Recovery Act will provide more than \$150 billion in assistance to low-income and vulnerable households. The Department may receive up to approximately \$1.2 billion in Recovery Act funds if the Department is awarded all pending applications and receives all eligible funds.

Recovery Act programs administered by the Department include the Community Services Block Grant Program, Homebuyer Tax Credit Programs, Homelessness Prevention and Rapid Re-Housing Program, Housing Tax Credit Recovery Act Programs, and the Weatherization Assistance Program. The Department also applied for the Neighborhood Stabilization Program 2. The following table provides summary information about each of the Department's Recovery Act programs.

Texas Department of Housing and Community Affairs Recovery Act Programs

Program	Total Funding
Community Services Block Grant Program	\$48,148,071
Homebuyer Tax Credit Programs (Mortgage Advantage Program and the 90-Day Down Payment Assistance Program)	\$7,500,000 (for both programs)
Homelessness Prevention and Rapid Re-Housing Program	\$41,472,772
Housing Tax Credit Recovery Act Programs (Housing Tax Credit Exchange Program and Tax Credit Assistance Program)	Up To \$586,286,563 for the Housing Tax Credit Exchange Program \$148,354,769 for the Tax Credit Assistance Program
Neighborhood Stabilization Program, Round 2	Applied for \$110,000,000
Weatherization Assistance Program	\$326,975,732
Total	Up To \$ 1,268,537,907

COMMUNITY SERVICES BLOCK GRANT

PROGRAM DESCRIPTION

The Recovery Act expanded the funds available for the Department's existing Community Services Block Grant (CSBG) Program. The CSBG funds are distributed through the U.S. Department of Health and Human Services (USHHS). TDHCA received \$48,148,071 in CSBG Recovery funds. CSBG is administered through the Community Affairs Division.

The CSBG Program funds eligible entities and activities that support the intent of the CSBG Act. Activities typically allowed under the program include administrative support for poverty programs, such as Head Start and Meals on Wheels; and direct services such as credit counseling, short-term rental assistance and transportation. The Department provides administrative support funds to Community Action Agencies (CAAs) and other human-service-delivery organizations that offer emergency and poverty-related programs to lower-income persons.

Ninety-nine percent of the new funding available through the Recovery Act must be made available to the CSBG eligible entities and one percent of funding must be used to help clients enroll in federal, state, and local benefits programs. In addition, the Recovery Act raises the income limit from 125 percent to 200 percent of the federal poverty guidelines. This income limit increase will result in the eligibility of more households in Texas.

IMPLEMENTATION AND ALLOCATION

The Department submitted the CSBG Recovery Act plan to USHHS on May 28, 2009, and received notice of approval on July 24, 2009. The Department applied the existing CSBG allocation formula to the Recovery Act funds available for the CSBG-eligible entities. Allocations are based on two factors: (1) the number of persons living in poverty within the designated service-delivery area for each organization and (2) a calculation of population density. Poverty population is given ninety-eight percent weight and the ratio of inverse population density is given two percent weight. The formula also includes a base award for each organization before the factors are applied as well as a minimum award, also known as a floor.

Subrecipient contracts were executed in September 2009 and program services must be rendered by September 30, 2010.

ADDITIONAL RESOURCES

See State of Texas Federal FY 2009 and Federal FY 2010 Community Services Block Grant Program (CSBG) Recovery Act Plan as approved by USHHS in the Appendix and posted on the TDHCA website at <http://www.tdhca.state.tx.us/recovery/docs/09-CSBGRcoveryActPlan.pdf>.

HOMEBUYER TAX CREDIT PROGRAMS

The Recovery Act created a tax credit program for qualifying taxpayers who bought a home before December 1, 2009. The Department created two programs in late Spring 2009 to help Texas families take advantage of the Recovery Act tax credit program for first-time homebuyers. The 90-day Down Payment Assistance Program (DPAP) and the Mortgage Advantage Program (MAP) both provided short-term loans at 0% interest to eligible families in exchange for them filing for and receiving the federal first-time homebuyer tax credit. Upon receipt, borrowers were required to either repay the 2nd lien in full or make monthly payments for the duration of the term of the loan. Due to the overwhelming popularity of the program and limited availability of funds, applications were only accepted through September 23, 2009.

The Recovery Act's homebuyer tax credit program allowed homebuyers to claim a tax credit on either their 2008 or 2009 tax return. Homebuyers do not have to repay the credit to the IRS if the home remains their main residence for 36 months after the purchase date. Homebuyers can claim 10 percent of the purchase price up to \$8,000 for individuals or married couples, or \$4,000 for married couples filing separately. Taxpayers whose adjusted gross income is less than \$75,000 for individual filers or \$150,000 for joint filers were eligible to claim the credit. A first-time homebuyer is an individual or a married couple who has not owned a principal residence during the three-year period ending on the date of purchase. Homebuyers applying for the Department's DPAP or MAP needed to complete a homebuyer education course, be eligible to claim the federal tax credit and file the appropriate IRS forms to receive the credit.

90-DAY DOWN PAYMENT ASSISTANCE PROGRAM

PROGRAM DESCRIPTION

The Department's Board gave staff the authority to utilize up to \$5 million in Supplemental Bond Contingency Reserve Funds for down payment and closing cost assistance. The 90-day DPAP allowed a maximum of \$7,000 for this purpose. DPAP offered 90 days interest-free for the homebuyer to access the tax credit and repay the loan. If the homeowner did not repay the loan within the specified period, the homeowners were responsible for repayment of a second lien note with a two year term and an interest rate of 10%.

MORTGAGE ADVANTAGE PROGRAM

PROGRAM DESCRIPTION

The Department's Board gave staff the authority to utilize up to \$2.5 million from funds within the Mortgage Credit Certificate (MCC) Program and Mortgage Revenue Bond (MRB) Program 70. Like DPAP, MAP provided short-term loans at 0% interest to eligible families in exchange for them filing for and receiving the federal first-time homebuyer program tax credit. MAP funds were only available in conjunction with the Department's First Time Homebuyer Program or the Mortgage Credit Certificate Program. MAP allowed a maximum of \$6,000 for down payment and/or closing cost assistance interest-free for 120 days for the homebuyer to access their tax credit and repay the loan. If the homeowner did not repay the loan within the specified period, the homeowners were responsible for repayment of a second lien note with a five year term and an interest rate of 7%.

IMPLEMENTATION AND ALLOCATION FOR DPAP AND MAP

The TDHCA Board approved the use of funds for the Mortgage Advantage Program on April 23, 2009. On May 21, 2009 the TDHCA Board approved the use of Supplemental Bond Contingency Funds for the 90-day Down Payment Assistance Program.

First-time homebuyers accessed this program through a participating lender. The second lien for qualified borrowers was processed by TDHCA's Texas Homeownership Division. Although applications were accepted through September 23, 2009, loans were allowed to close up to December 1, 2009.

ADDITIONAL RESOURCES FOR DPAP AND MAP

For more information about the Recovery Act tax credit program for first-time homebuyers, see <http://www.irs.gov>. For information about other programs the Department may have available for first time homebuyers, please visit the Division's website at www.myfirsttexashome.com.

HOMELESS PREVENTION AND RAPID RE-HOUSING PROGRAM

PROGRAM DESCRIPTION

The Recovery Act created the Homelessness Prevention and Rapid Re-Housing Program (HPRP) to enable persons who are homeless or at risk of homelessness to maintain housing. The HPRP funds are administered through the U.S. Department of Housing and Urban Development (HUD). The Department received \$41,472,772 in HPRP funds. HPRP is administered through the Community Affairs Division.

The intent of HPRP is to transition program participants to stability, either through their own means or with public assistance, as appropriate. HPRP is not intended to provide long-term support for program participants (assistance is limited to 18 months). This program was created in response to the financial stress on individuals and households due to the impact of the current economic downturn. HPRP funds homeless prevention assistance to individuals and households who would otherwise become homeless and assists in re-housing persons rapidly who are homeless, as defined by Section 103 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11303). To be eligible, households must have incomes at or below 50 percent of area median income.

Two target populations facing housing instability are eligible to receive funding under HPRP. The first target population eligible for homeless prevention assistance includes individuals and families who are currently housed but are at risk of becoming homeless; they may need temporary rent or utility assistance to prevent them from becoming homeless or assistance to move to another unit. The second target population eligible for rapid re-housing assistance includes individuals and families who are experiencing homelessness (e.g. residing in emergency or transitional shelters or places not intended for habitation) and need temporary assistance in order to obtain and retain housing.

Homelessness Prevention services to at-risk populations include:

- Assistance to locate, secure, and/or maintain housing, including mediation or outreach to property owners to help avoid eviction;
- Assistance for certain financial needs, such as utility payment, utility security deposit assistance, housing search and moving costs;
- Counseling and other activities to help repair credit ratings; and
- Case management to ensure that appropriate programs are accessed to help achieve and maintain self-sufficiency.

IMPLEMENTATION AND ALLOCATION

The Department submitted a substantial amendment to its Consolidated Plan 2008 Action Plan that also served as the Department's application for HPRP funds to HUD in May 2009, and HUD approved the Department's substantial amendment on June 26, 2009.

TDHCA released a Notice of Funding Availability (NOFA) for the HPRP funds, authorized by its Governing Board based on public input for both competitive portions of the HPRP funds. Applications were due May 29, 2009. Eligible applicants included units of general local government and private nonprofit organizations with an exemption under Section 501(c)(3) of the Internal Revenue Code exemption and whose professional activities included the promotion of social welfare and the prevention or elimination of homelessness.

To allocate funds regionally across the State, the Department used a regional allocation based on the 13 Uniform State Service Regions. Calculation of regional allocations utilized 2000 US Census data for

individuals in poverty as well as unemployment figures for December 2008, January and February 2009 provided by the Texas Workforce Commission.

Region	Geographical Reference	Regional Funding Amount
1	Lubbock	\$ 1,243,246
2	Abilene	\$ 850,679
3	Dallas/Fort Worth	\$ 9,227,080
4	Tyler	\$ 1,783,793
5	Beaumont	\$ 1,414,642
6	Houston	\$ 8,572,937
7	Austin/Round Rock	\$ 2,301,128
8	Waco	\$ 1,632,540
9	San Antonio	\$ 3,132,547
10	Corpus Christi	\$ 1,353,832
11	Brownsville/Harlingen	\$ 4,339,138
12	San Angelo	\$ 864,583
13	El Paso	\$ 1,646,169
		\$ 38,362,314
	2.5% State Admin	\$ 1,036,819
	5% Statewide Pilot	\$ 2,073,639
	Total TDHCA Allocation	\$ 41,472,772

In July 2009, the TDHCA Board of Directors awarded HPRP funds to 59 eligible applicants. All HPRP contracts were executed in October 2009. HPRP is administered through the Community Affairs Division at the Department. According to the Recovery Act, 60 percent of the HPRP funds must be expended within two years and 100 percent within three years, and the Department is on target to meet this deadline.

ADDITIONAL RESOURCES

See the Substantial Amendment to the *Consolidated Plan 2008 Action Plan for the Homelessness Prevention and Rapid Re-Housing Program (HPRP)* as approved by HUD in the Appendix and posted on the TDHCA website at <http://www.tdhca.state.tx.us/recovery/docs/HPRP-ConPlanAmendment.pdf>.

HOUSING TAX CREDIT RECOVERY ACT PROGRAMS

Two Recovery Act programs are administered by the Department to assist with the existing Low Income Housing Tax Credit (HTC) Program, the Tax Credit Assistance Program and the Housing Tax Credit Exchange Program. The HTC Program is an existing Department program and is the primary program used to develop affordable rental housing for working families. Through the HTC Program, the federal government encourages private investment in affordable rental housing by providing investors a dollar-for-dollar reduction on their federal tax liability for every dollar of eligible construction expenses. The current economic crisis has decreased demand for tax credits by investors. As a result, the pricing of tax credits has plummeted, and many approved developments now lack the total funding needed for completion. This devaluation undermines the ability to develop housing with recently awarded tax credits.

HOUSING TAX CREDIT EXCHANGE PROGRAM

PROGRAM DESCRIPTION

Through the Recovery Act, the Housing Tax Credit Exchange Program (HTC EX) administered through the U.S. Department of the Treasury (Treasury) allows developments allocated HTCs in 2007, 2008 and through September 2009 to return their tax credits. The Department can exchange the returned credits with the Treasury for cash at a rate of \$0.85 for each dollar in credit returned. The total amount of national funding is estimated at \$3 billion and the Department may receive up to \$586 million depending on need. Administration of the program is shared by several Department divisions including the HOME and Multifamily Finance Production divisions with support from the Real Estate Analysis and Program Services divisions.

The HTC Program can only be used for the new construction or rehabilitation/ reconstruction of rental properties affordable to households earning up to 60 percent of the Area Median Family Income (AMFI), as determined by HUD.

IMPLEMENTATION AND ALLOCATION

The Department anticipates the submission of an application for HTC EX funds to Treasury in November 2009.

Eligible applicants include HTC applicants that:

- received an allocation of HTC for award years 2007, 2008, and/or 2009;
- have paid all required tax credit commitment fees; and
- intend to return 100 percent of their HTC allocation.

The 2007 and 2008 HTC developments with a legally binding tax credit carryover will have priority for the allocation of HTC EX funds. Requests for HTC EX funds for 2009 HTCs will be distributed based on each applicant's original selection score and the application of a modified Regional Allocation Formula. Changes to the Regional Allocation Formula emphasize at-risk and rural developments. At-risk funding targets will increase to 20 percent from 15 percent and the funding targets for rural developments will increase to 40 percent from 20 percent.

Region	Place for Geographical Reference	Regional Funding Amount	Regional Funding %	Rural Funding Amount	Rural Funding %	Urban Funding Amount	Urban Funding %
At Risk	\$ 40,994,344						
1	Lubbock	\$ 5,657,957	3%	\$ 4,313,395	76%	\$ 1,344,563	24%
2	Abilene	\$ 3,338,146	2%	\$ 2,878,352	86%	\$ 459,795	14%
3	Dallas/Fort Worth	\$ 37,647,159	23%	\$ 14,021,418	37%	\$ 23,625,741	63%
4	Tyler	\$ 5,814,100	4%	\$ 5,161,505	89%	\$ 652,596	11%
5	Beaumont	\$ 4,139,371	3%	\$ 3,726,499	90%	\$ 412,872	10%
6	Houston	\$ 39,981,663	24%	\$ 14,457,096	36%	\$ 25,524,567	64%
7	Austin/Round Rock	\$ 10,877,111	7%	\$ 5,028,700	46%	\$ 5,848,411	54%
8	Waco	\$ 7,783,586	5%	\$ 4,321,030	56%	\$ 3,462,556	44%
9	San Antonio	\$ 11,690,316	7%	\$ 5,330,933	46%	\$ 6,359,382	54%
10	Corpus Christi	\$ 6,063,919	4%	\$ 4,149,254	68%	\$ 1,914,665	32%
11	Brownsville/Harlingen	\$ 20,846,297	13%	\$ 11,730,698	56%	\$ 9,115,599	44%
12	San Angelo	\$ 2,810,393	2%	\$ 2,774,920	99%	\$ 35,473	1%
13	El Paso	\$ 7,327,359	4%	\$ 4,094,889	56%	\$ 3,232,470	44%
Total Regional		\$ 163,977,377	100%	\$ 81,988,688	50%	\$ 81,988,688	50%
Grand Total		\$ 204,971,721	100%	\$ 81,988,688	40%	\$ 81,988,688	40%

ADDITIONAL RESOURCES

For more information, see the Appendix and the Department's website at <http://www.tdhca.state.tx.us/recovery/detail-htc-exchange.htm>. The Tax Credit Exchange Policy as adopted by the Board is available at <http://www.tdhca.state.tx.us/recovery/docs/09-TCE-ExchangePolicyBoardRes.pdf>; and the Tax Credit Exchange Policy Supplement is available at <http://www.tdhca.state.tx.us/recovery/docs/09-TCE-ExchangePolicySupp.pdf>.

TAX CREDIT ASSISTANCE PROGRAM

PROGRAM DESCRIPTION

The Tax Credit Assistance Program (TCAP) provides funding through the HOME Program to compensate for the current state of the investor market for Housing Tax Credits (HTCs). TDHCA received \$148,354,769 in TCAP funding. TCAP is administered through the HOME Division.

The HOME Program is funded through HUD and typically provides funding to local governments and states for a variety of affordable housing activities benefiting low-income households. The Recovery Act seeks to address the loss in value of HTCs by allowing the Department to award federal HOME funds to HTC developments adversely affected by current HTC market conditions. Eligible recipients for this funding are previously-awarded 2007 and 2008 HTC applicants, as well as recipients of 2009 HTC awards. The HTC Program can only be used for the new construction or rehabilitation/reconstruction of rental properties affordable to households earning up to 60 percent of the Area Median Family Income (AMFI), as determined by HUD.

IMPLEMENTATION AND ALLOCATION

The TCAP Plan was submitted to HUD by June 3, 2009 after a five-day public comment period. The Department revised the TCAP Plan on July 16, 2009 and HUD approved the Plan on July 23, 2009.

The Department released TCAP funds through a competitive process open to eligible entities. TCAP funds were allocated according to the HTC Regional Allocation Formula distributing funds to 13 state regions and, within those regions, to urban and rural areas. The HTC Regional Allocation Formula is based on regional need for affordable housing and includes an at-risk set-aside of 15 percent and rural set-aside of 20 percent. TCAP funds must be expended by February 16, 2012.

Region	Place for Geographical Reference	Regional Funding Amount	Regional Funding %	Rural Funding Amount	Rural Funding %	Urban Funding Amount	Urban Funding %
1	Lubbock	\$4,344,197	3.4%	\$2,291,537	52.7%	\$2,052,659	47.3%
2	Abilene	\$2,590,427	2.1%	\$1,467,629	56.7%	\$1,122,798	43.3%
3	Dallas/Fort Worth	\$28,932,205	22.9%	\$3,691,363	12.8%	\$25,240,843	87.2%
4	Tyler	\$4,444,990	3.5%	\$2,893,936	65.1%	\$1,551,053	34.9%
5	Beaumont	\$3,187,599	2.5%	\$2,094,137	65.7%	\$1,093,463	34.3%
6	Houston	\$30,993,097	24.6%	\$3,605,180	11.6%	\$27,387,917	88.4%
7	Austin/Round Rock	\$8,295,464	6.6%	\$1,069,201	12.9%	\$7,226,263	87.1%
8	Waco	\$5,973,227	4.7%	\$1,884,930	31.6%	\$4,088,297	68.4%
9	San Antonio	\$9,002,345	7.1%	\$1,534,556	17.0%	\$7,467,789	83.0%
10	Corpus Christi	\$4,718,289	3.7%	\$2,101,631	44.5%	\$2,616,658	55.5%
11	Brownsville/Harlingen	\$16,014,660	12.7%	\$5,133,896	32.1%	\$10,880,763	67.9%
12	San Angelo	\$2,164,195	1.7%	\$832,664	38.5%	\$1,331,531	61.5%
13	El Paso	\$5,440,858	4.3%	\$1,070,292	19.7%	\$4,370,565	80.3%
Total		\$126,101,554	100.0%	\$29,670,954	23.5%	\$96,430,600	76.5%

ADDITIONAL RESOURCES

For more information regarding TCAP funds, see the Department's TCAP website at <http://www.tdhca.state.tx.us/recovery/detail-tcap.htm>. The TCAP plan as approved by HUD is available at <http://www.tdhca.state.tx.us/recovery/docs/09-TCAPplan.pdf>; the Board Resolution is available at <http://www.tdhca.state.tx.us/recovery/docs/09-TCAP-PolicyBdResolution.pdf>; and the TCAP Policy Supplement is at <http://www.tdhca.state.tx.us/recovery/docs/09-TCAP-PolicySupplement.pdf>.

NEIGHBORHOOD STABILIZATION PROGRAM 2

PROGRAM DESCRIPTION

TDHCA and the Texas Department of Rural Affairs (TDRA) jointly submitted a statewide application to the U.S. Department of Housing and Urban Development (HUD) for Neighborhood Stabilization Program Round 2 (NSP2) funding in July 2009. The Department was allocated \$102 million in NSP 1 funds in 2008 from the Housing and Economic Recovery Act of 2008. The total amount of NSP 2 national funding is \$1.93 billion and the Department has applied for \$110 million.

If awarded, Texas NSP2 funding will be available to eligible entities operating in targeted census tracts identified by HUD as having a high risk for foreclosures and vacancies. Funds will be released through a NOFA and awarded on a competitive basis to entities that meet the threshold requirements.

Activities may include:

- The Permanent Ownership Financing for Low-Income Households – Qualified Households earning 50 percent or less Area Median Income based on household size may obtain Mortgage Financing directly from the Department to purchase a foreclosed single-family home or residential property.
- Down Payment Assistance for Low- and Moderate-Income Households – Households with income levels less than 120% of the Area Median Income based on household size will be eligible to access Texas NSP2 funds through the Department for down payment assistance, reasonable closing costs, principal reductions, and gap financing.
- Rental (Single-family and Multifamily) Residential Property Financing – Subgrantees and developers may acquire foreclosed single-family and multifamily residential properties to create affordable rental opportunities may be funded through a loan with the Department.
- Purchase and Rehabilitation of Foreclosed Properties – Subgrantees may purchase and rehabilitate single-family and multifamily residential properties that have been abandoned or foreclosed, in order to sell, rent or redevelop such homes and properties. This activity will be funded by loans through the Department. Properties must be sold or leased to eligible Low- to Medium-Income Households within 12 months of completion of rehabilitation.
- Clearance (Removal of Blight or Demolition) – Subgrantees may perform clearance to address areas of greatest need where blighted structures affect property values in the area and pose a threat to human health, safety, and public welfare.
- Redevelopment – Subgrantees may engage in redevelopment activities including the new construction of housing and building of infrastructure and the redevelopment of property to be used as rental housing.

The target geography will consist of census tracts identified by HUD as having high risk for foreclosures and vacancies according to two different measurements: (1) the number and percentage of foreclosures and (2) the estimated foreclosure rate combined with the vacancy rate. Each measurement produced a separate score that rated need of the census tract. The application used a combination of the two measurements based on which resulted in a higher score for each census tract included in the application. This will allow for flexibility in program design that will be necessary to serve the diversity of needs for assistance and to stem the underlying causes of excessive foreclosures and abandonment of residential property experienced across the State.

IMPLEMENTATION

The Department submitted the application to HUD in July 2009 and will receive award notification from HUD in December 2009. If successful, the funds will be distributed, jointly with TDRA, through a NOFA in early 2010.

If awarded NSP2 funds, the program will be administered through the Neighborhood Stabilization Program division of the Department. The Department anticipates developing staffing and monitoring plans in November 2009 in advance of December's award notification.

ADDITIONAL RESOURCES

For more information, see the Department's application posted on the TDHCA website at <http://www.tdhca.state.tx.us/nsp/docs/09-NSP-2-SummarizedApp.pdf>.

WEATHERIZATION ASSISTANCE PROGRAM

DESCRIPTION OF PROGRAM

The Weatherization Assistance Program (WAP) is funded through the U.S. Department of Energy (DOE). The Recovery Act expands the Department's existing Weatherization Assistance Program, which was previously funded approximately \$13,000,000 per year through the DOE and the U.S. Health and Human Services' Low Income Home Energy Assistance Program (LIHEAP). The Department received \$326,975,732 in WAP Recovery Funds. WAP is administered through the Community Affairs Division.

The Weatherization Assistance Program allocates funding to help households control energy costs through the installation of weatherization measures and through energy conservation education. Activities include measures to reduce air infiltration, such as replacement of doors and windows, repairing of holes and caulking; installation of ceiling, wall, and floor insulation; replacement of energy inefficient appliances and heating and cooling units; and energy education to help families reduce their energy consumption.

The Recovery Act WAP program is able to benefit from the success of the pre-existing program. Of the \$326.9 million, approximately \$288 million is being made available for contracts with subrecipients for weatherization activities; the balance is designated for training and technical assistance and administrative funds. The Recovery Act allowed the increase of the income limit for households served from 125 percent to 200 percent of federal poverty guidelines, and the Department has increased the income limits to 200 percent. This income limit increase will result in the eligibility of more households in Texas. The Recovery Act increased the maximum percentage of funds that can be used for training and technical assistance from 10 to 20 percent of the total award amount. The Recovery Act also raised the monetary cap (WAP funds only) that may be spent on each household from \$3,044 in 2009 to \$6,500. Priority households include the elderly, persons with disabilities, families with young children, households with the highest energy costs or needs in relation to income (highest home energy burden), and households with high energy consumption.

IMPLEMENTATION AND ALLOCATION

The Department submitted a Plan for WAP Recovery Act funds to DOE on March 23, 2009. The DOE approved the Department's WAP Plan and the release of half the total funds on July 10, 2009.

The allocation formula for WAP uses the following five factors and corresponding weights to distribute funds to all 254 counties in Texas through the existing network of providers: non-elderly poverty household factor (40 percent); elderly poverty household factor (40 percent); inverse poverty household density factor (5 percent); median income variance factor (5 percent); and weather factor (10 percent).

The pre-existing Weatherization Assistance Program is administered by an existing subrecipient network comprised of 34 agencies that provide weatherization services to all 254 counties in Texas. Moreover, 12 cities were temporarily added to the existing network because of the significant increase in Recovery Act WAP funding compared to the historical WAP funding and the short timeframe for expenditure.

ADDITIONAL RESOURCES

See the Department plan approved by DOE; U.S. Department of Energy State Plan; 2009 American Recovery and Reinvestment Act; and Weatherization Assistance Program for Low-Income Persons in the Appendix or posted on the TDHCA website at <http://www.tdhca.state.tx.us/recovery/docs/09-ARRA-DOE-WAP-Plan.pdf>.

SECTION 6: PUBLIC PARTICIPATION

TDHCA strives to include the public in policy, program and resource allocation decisions that concern the Department. This section outlines how the public is involved with the preparation of the plan and includes a summary of public comment.

- *Participation in TDHCA Programs*: Discusses efforts to ensure that individuals of low income and their community-based institutions participate in TDHCA programs
- *Citizen Participation in Program Planning*: Discusses affirmative efforts to ensure the involvement of individuals of low income and their community-based institutions in the allocation of funds and the planning process

PARTICIPATION IN TDHCA PROGRAMS

Texas is an economically, regionally and demographically diverse state. The Department recognizes this by establishing criteria to distribute funds based on the priorities established in TDHCA's governing statute. It is incumbent upon TDHCA to increase the public's awareness of available funding opportunities so that its funds will reach those in need across the state.

Below are the approaches taken by TDHCA to achieve this end:

- Throughout the year, the TDHCA staff reaches out to interested parties at informational workshops, roundtables, and conferences across the state to share information about TDHCA programs. Organizations interested in becoming affordable housing providers are actively encouraged to contact TDHCA for further technical assistance in accessing TDHCA programs.
- The Department's Division of Public Affairs is responsible for media releases, attends conferences and maintains conference information booths on behalf of TDHCA, as well as coordinates media interviews and speaking events.
- The TDHCA *Program Guide* provides a comprehensive, statewide housing resource guide for both individuals and organizations across the state. The *Program Guide* provides a list of housing and housing-related programs operated by TDHCA, HUD and other federal and state agencies.
- The TDHCA website, through its provision of timely information to consumers, is one of TDHCA's most successful marketing tools and affordable housing resources.
- TDHCA also operates a listserv e-mail service, where subscribed individuals and entities can receive email updated on TDHCA information, announcements and trainings.
- TDHCA is involved with a wide variety of committees and workgroups, which serve as valuable resources to gather input from people working at the local level. These groups share information on affordable housing needs and available resources and help TDHCA to prioritize these needs.

CITIZEN PARTICIPATION IN PROGRAM PLANNING

The Department values and relies on community input to direct resources to meet its goals and objectives. In an effort to provide the public with an opportunity to more effectively give input on the Department's policies, rules, planning documents and programs, the Department has consolidated its public hearings. In addition to these annual public hearings, individual program sections hold various hearings and program workshops throughout the year. Furthermore, the TDHCA Board accepts extensive public comment on programmatic and related policy agenda items at monthly board meetings.

The Department ensures that all programs follow the citizen participation and public hearing requirements as outlined in the Texas Government Code. Hearing locations are accessible to all who choose to attend

and are held at times accessible to both working and non-working persons. The Department maintains a voluntary membership e-mail list which it uses to notify all interested parties of public hearings and public comment periods. Additionally, pertinent information is posted as an announcement in the *Texas Register* and on TDHCA's website. Participation and comments are encouraged and can be submitted either at a public hearing or in writing via mail, fax, or email.

PREPARATION OF THE PLAN

Section 2306.0722 of the Texas Government Code mandates that the Department meet with various organizations concerning the prioritization and allocation of the Department's housing resources prior to preparation of the Plan. As this is a working document, there is no time at which the Plan is static. Throughout the year, research was performed to analyze housing needs across the state, focus meetings were held to discuss ways to prioritize funds to meet specific needs and public comment was received at program-level public hearings as well as at every Governing Board meeting.

The Department met with various organizations concerning the prioritization and allocation of the Department's resources and all forms of public input were taken into account in its preparation. Several program areas conducted workgroups and public hearings in order to receive input that impacted policy and shaped the direction of TDHCA programs.

Communication between TDHCA and numerous organizations results in a participatory approach towards defining strategies to meet the diverse affordable housing needs of Texans. In March 2006, TDHCA mailed out the 2006 Community Needs Survey to approximately 2,500 state representatives and senators, mayors, county judges, city managers, housing/planning departments, USDA local offices, public housing authorities, councils of governments, community action agencies and Housing Opportunities for Persons with AIDS (HOPWA) agencies to gather preliminary input on local perceptions of housing, community affairs and community development needs. TDHCA uses this input when preparing the Plan and in program planning and development.

PUBLIC HEARING

From October to December 2009, TDHCA worked on the draft version of the *2009 State of Texas Low Income Housing Plan and Annual Report*. The draft was submitted to the TDHCA Board of Directors for approval at the December 2009 Board meeting and was released for public comment in accordance with §2306.0732 and §2306.0661. The hearing notice was published in the *Texas Register*. During the comment period from January 4 to February 2, 2009, the public is encouraged to submit input toward the Plan in writing via mail, fax, or e-mail.

PUBLIC COMMENT

Public comment will be included in the final version of this document.

SECTION 7: 2010-2011 COLONIA ACTION PLAN

POLICY GOALS

In 1996, in an effort to place more emphasis on addressing the needs of colonias, the TDHCA Office of Colonia Initiatives (OCI) was established to administer and coordinate efforts to enhance living conditions in colonias along the Texas-Mexico border region. OCI's fundamental goal is to improve the living conditions of colonia residents and to educate the public regarding the services that TDHCA has to offer.

The OCI Division was created to do the following:

- Expand housing opportunities to colonia and border residents living along the Texas-Mexico border.
- Increase knowledge and awareness of programs and services available through the Department.
- Implement initiatives that promote improving the quality of life of colonia residents and border communities.
- Train and increase the capacity of organizations that serve the targeted colonia population.
- Provide consumer education to colonia and border residents.
- Develop cooperative working relationships between other state, federal and local organizations to leverage resources and exchange information.
- Promote comprehensive planning of communities along the Texas-Mexico border to meet current and future community needs.
- Solicit input from colonia residents on major funding decisions that will affect border communities.

OVERVIEW

The US-Mexico border region is dotted with hundreds of rural subdivisions called colonias, which are characterized by high levels of poverty and substandard living conditions. Several different definitions of colonias are used by various funding sources and agencies due to differing mandates. Generally, these definitions include the concepts that colonias are rural and lacking services such as public water and wastewater systems, paved streets, drainage and safe and sanitary housing. Colonias are mostly unincorporated communities located along the US-Mexico border in the states of California, Arizona, New Mexico and Texas, with the vast majority located in Texas

While new colonias continue to develop, many have been in existence for over 50 years. A few colonia developments began as small communities of farm laborers employed by a single rancher or farmer while others originated as town sites established by land speculators as early as the 1900s. A majority of the colonias, however, emerged in the 1950s as developers discovered a large market of aspiring homebuyers who could not afford to purchase in cities or who did not have access to conventional financing mechanisms.

POPULATION AND POVERTY

Data updated in 2006 by the Texas Office of the Attorney General recorded 2,060 colonias in 30 counties within 150 miles of the Texas-Mexico border. However, approximately 1,700 of those colonias are concentrated in just seven counties directly abutting the international boundary. It should be noted that these figures represent only the documented colonias. There may be many small, rural colonias that have gone unidentified. Currently, Hidalgo County has the largest number of colonias, with 847 counted in 2006. The 13 counties running along the Texas-Mexico border have an average Hispanic or Latino population of 74.2 percent, as compared to the statewide average of 34.6 percent.

Between 2000 and 2005 many Texas border counties experienced rapid population growth. El Paso, Maverick, Webb, Zapata, Starr, Hidalgo and Cameron counties have shown an average increase in population of 12.3 percent, surpassing the state average increase of 9.6 percent. Simultaneously, a 5.4 percent average decrease in population has actually occurred in several counties that are adjacent to the border counties over the same time period. Counties experiencing large decreases include Hudspeth, Reeves, Pecos, Terrell, Edwards, Kinney, Duval, Jim Hogg and Brooks.⁵⁰

2003 U.S. Census data placed the median household income for Texas at \$39,967, while the median household income for the Texas-Mexico border counties averaged a much lower \$26,606. Zavala County, near the border, posted the lowest median household income at \$18,553. In the larger border-region cities El Paso, McAllen, Brownsville, Corpus Christi and Laredo, the average median values of owner-occupied housing units in 2000 was \$69,640. Laredo had the highest home values at \$77,900.²

The particular need for affordable housing in the border region can be largely attributed to the poverty level of the rapidly growing population. Counties along the Texas-Mexico border shoulder some of the highest poverty rates in the state. According to 2003 U.S. Census data, the poverty level in the state of Texas stood at 16.2 percent, while the average poverty level of counties along the Texas-Mexico border was 25.3 percent. Furthermore, the four counties with the greatest number of colonias (Hidalgo, El Paso, Starr, and Cameron), had an average poverty level of 31.5 percent, nearly double the state rate. Counties like Dimmit and Starr, at 32.7 percent and 36.2 percent respectively, were even higher.

HOUSING

According to a review completed by the Texas Comptroller's Office, most homebuilders would have a difficult time constructing houses for a sale price of less than \$60,000 to \$70,000. Houses in this price range would typically be affordable to workers earning \$12 to \$14 an hour (assuming a housing debt to income ratio of 33 percent with no additional debts). Some builders indicate that it is difficult to build lower-priced homes because many of the construction costs, including the cost of acquisition and site development, are fixed, regardless of the size of the home.³ Land acquisition and development can add \$10,000 to \$20,000 to the cost of a house.

Owner-builder construction in colonias can face additional significant obstacles. First, federal rules, such as those that govern the HOME Program, prohibit the use of affordable housing funds to acquire land unless the affordable structure is built within 12 months. Second, lenders are typically reluctant to lend funds for owner-builder construction because these borrowers may have little or no collateral. Third, owner-builders may not be sufficiently skilled and may end up building substandard housing without appropriate supervision or guidance. Some governmental housing programs limit the private housing market from serving border residents because they offer no profit incentive for housing professionals, builders, lenders and real estate agents to serve low-wage workers. Program administrators acknowledge profit as an ingredient in encouraging home construction.

COLONIA NEEDS ASSESSMENT

The following table displays housing quality data from 19 of the 32 colonias served by the Department's Colonia Self-Help Center Program. This sample of data, reported by the participating counties as part of their colonia needs assessments, provides a representation of the acute need for housing-related assistance in these communities. Each county conducted its own needs assessment by different methods and not all counties reported specific data figures. As a result, the table below contains only the data that is available.

¹ U.S. Census Bureau: State and County Quickfacts. <http://quickfacts.census.gov/qfd/states/48000.html> (Viewed July 27, 2006).

² U.S. Census Bureau: State and County Quickfacts. <http://quickfacts.census.gov/qfd/states/48000.html>. Viewed July 27, 2006.

³ *Bordering the Future: Homes of Our Own. Windows on State Government.* Texas Comptroller of Public Accounts. July 1998. Interview with Clark Wilson Homebuilders, November 20, 1997.

For the purposes of this assessment, “substandard homes” refers to structures in need of repair or rehabilitation, while “dilapidated homes” refers to structures necessitating total replacement.

Housing Structural Quality by Colonia, Selected Border Counties

County	Colonia Name	Total Number of Homes	Number of Substandard Homes	Number of Dilapidated Homes
Hidalgo	South Tower Estates	273	69	120
Hidalgo	Muniz	150	22	32
Hidalgo	LJ #1	65	2	12
Hidalgo	Linda Vista Estates	150	14	8
Hidalgo	Sanchez Ranch	77	23	10
Val Verde	Val Verde Park Estates	840	113	22
Val Verde	Cienegas Terrace	421	108	36
Val Verde	Villareal	12	3	0
Val Verde	Escondido Estates	32	0	0
Cameron	Laguna Heights	583	343	60
Cameron	Cameron Park	1088	558	346
Cameron	La Paloma	128	24	26
Cameron	Sunny Skies	44	9	16
Willacy	Los Angeles	35	19	6
Webb	Los Altos	95	8	19
Webb	Tanquecitos I & II	102	34	22
Webb	San Carlos I & II	119	45	22
Webb	Ranchitos 359 East	43	21	6
Webb	D-5 Acres	31	8	4
TOTAL		4288	1423 33% of total	767 18% of total

PROGRAM PLAN

TDHCA, through its Office of Colonia Initiatives, administers various programs designed to improve the lives of colonia residents. This action plan outlines how various initiatives and programs will be implemented for 2008.

FY 2009 and 2010 Office of Colonia Initiatives Funding

Programs	Estimated Available Funding for FY 2010	Estimated Available Funding for FY 2011
Texas Bootstrap Loan Program	\$6,062,942	\$6,062,941
Colonia Self-Help Centers	\$1,800,000	\$1,800,000
Total	\$7,862,942	\$6,862,941

TEXAS BOOTSTRAP LOAN PROGRAM

The Texas Bootstrap Loan Program is a statewide loan program that funds certified non-profit organizations and enables owner-builders to purchase real estate and construct or renovate a home. In 2009 the 81st Legislature amended this program under Senate Bill 679 with a legislative directive requiring continuation of an Owner Builder Loan Program through 2020. TDHCA is required under Section 2306.753(d) of the Texas Government Code, to set aside two-thirds of the available funds for owner-builders whose property is located in a county that is eligible to receive financial assistance under Subchapter K, Chapter 17, of the Water Code. A county is only eligible to receive financial assistance under Subchapter K, Chapter 17, Water Code, if: 1) the county contains an area that meets the criteria for

an economically distressed area under Section 17.92(1), Water Code; and 2) the county has adopted and enforces the model rules under Section 16.343, Water Code. The remaining one-third is available statewide.

The program promotes and enhances homeownership for very low-income Texans by providing funds to purchase or refinance real property on which to build new residential housing, construct new residential housing or improve existing residential housing throughout Texas. Participating owner-builders must provide a minimum of 65 percent of the labor required to build or rehabilitate the home. Section 2306.753(a) of the Texas Government Code directs TDHCA to establish a priority in directing funds to Owner-Builders with an annual income of less than \$17,500. The maximum loan amount using TDHCA funds may not exceed \$45,000 per Owner-Builder. The total amount of loans made with TDHCA and any other source may not exceed a combined \$90,000 per household. The Department committed \$12 million in Fiscal Year 2009 to implement this initiative from the Housing Trust Fund.

TDHCA is required under Section 2306.7581 (a-1) of the Texas Government Code, to make available at least \$3,000,000 each state fiscal year for mortgage loans to very low-income families (60% Area Median Family Income) not to exceed \$45,000 per unit. In addition to the 2010 & 2011 Fiscal Year allocation of \$3,000,000 per year, TDHCA's Governing Board set-aside an additional \$3,500,000 for this program under the 2010/2011 Housing Trust Fund Plan. The remaining funds from FY2009 in the amount of \$2,125,883 were reallocated with the 2010/2011 allocation for a total of \$11,625,883.

In an effort to increase the Department's ability to more promptly assist households and expend funds and to better disseminate Bootstrap funds across a broader network of providers, the OCI Division of TDHCA is utilizing a reservation system concept similar to the TDHCA First Time Homebuyer Bond Program in order to distribute funding. This type of system allows program funds to be expended more rapidly and efficiently. Under the reservation system, participating nonprofit organizations must be certified by TDHCA as a Nonprofit Owner-Builder Housing Program (NOHP) in accordance with Section 2306.755 of the Texas Government Code and must execute a Loan Origination Agreement with the Department in order to assure full compliance with program rules and guidelines. After being certified as an NOHP, the NOHP will then be able to submit individual loan applications to TDHCA on behalf of the owner-builder applicant on a first-come, first-served basis. A nonprofit is allowed to have up to \$900,000 in reservations at any given time under the 2/3 set-aside and up to \$450,000 in reservations under the 1/3 for the rest of the state. Funds may be reserved up to twelve months for each reservation; however, the nonprofits are required to meet specific performance benchmarks within that time period in order to retain the funding.

COLONIA SELF-HELP CENTERS

In 1995, the 74th Legislature passed Senate Bill 1509 (Texas Government Code Subchapter Z §2306.581 - §2306.591), a legislative directive to establish colonia self-help centers (SHCs) in Cameron/Willacy, Hidalgo, Starr, Webb and El Paso counties. This program also allows the Department to establish a colonia SHC in any other county if the county is designated as an economically distressed area. Five colonias in each county are identified to receive concentrated attention from its respective SHC. Operation of the colonia SHCs is managed by a local nonprofit organization, local community action agency, or local housing authority that has demonstrated the capacity to operate a center.

These 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. In addition, on-site technical assistance is provided to colonia residents. Key services to the designated colonias within each county receive technical assistance in the areas of housing rehabilitation; new construction; surveying and platting; construction skills training; tool library access for self-help construction; housing finance; credit and debt counseling; infrastructure constructions and access; contract for deed conversions; and capital access for mortgages to

improve the quality of life for colonia residents in ways that go beyond the provision of basic infrastructure. The three OCI border field offices provide technical assistance to the counties and SHCs.

The colonia SHC program serves 32 colonias in the five counties designated by statute and two additional counties of Maverick and Val Verde, which were added to the program at the discretion of the Department. The total number of beneficiaries for all SHCs is approximately 32,000 residents. The Department contracts with the counties, which in turn subcontract with nonprofit organizations to administer the colonia SHC program or specific activities. The counties oversee the implementation of contractual responsibilities and ensure accountability. Before selecting subcontractor organizations, County officials conduct a needs assessment to prioritize needed services within the colonias and publish a Request for Proposal (RFP) to provide these services.

The Department designates a geographic area to receive the services provided by the colonia SHCs based upon funding proposals submitted by the counties. In consultation with the Colonia Residents Advisory Committee (C-RAC) and the appropriate unit of local government, the Department designates up to five colonias in each service area to receive concentrated attention from the colonia SHCs. The C-RAC is a committee of colonia residents appointed by the TDHCA Governing Board which advises the Board regarding the needs of colonia residents and the types of programs and activities which should be undertaken by the colonia SHCs. Each county nominates two colonia residents to serve on the committee, both of which must be colonia residents. The committee also includes a primary and secondary representative from each county. The Department's Board of Directors appointed the current members to the C-RAC on April 23, 2009. The C-RAC meets thirty days before a contract is scheduled to be considered for award by the Board in order for their concerns, if any, to be relayed to and evaluated by the Board.

Each SHC is allocated sufficient funds to provide services within the designated colonias and if applicable, can provide limited assistance outside the service area.

The operations of the colonia SHCs are funded by HUD through the Texas Community Development Block Grant Program (CDBG) 2.5 percent set-aside, which is approximately \$1.8 million per year. The CDBG funds are transferred to the Department through a memorandum of understanding with the Texas Department of Rural Affairs. CDBG funds can only be provided to eligible units of general local governments. Therefore, the Department must enter into a contract with each participating county government. The Department provides administrative and general oversight to ensure programmatic and contract compliance. In addition, colonia SHCs are encouraged to seek funding from other sources to help them achieve their goals and performance measures.

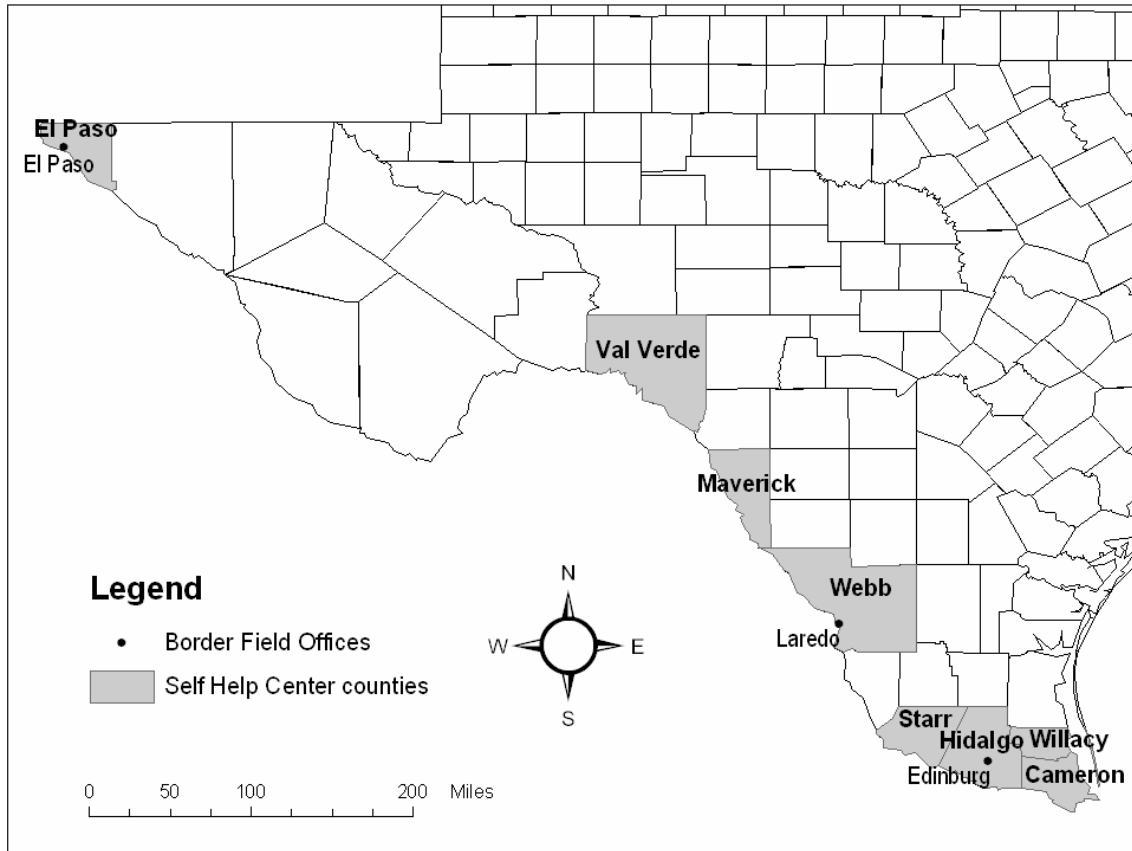
BORDER FIELD OFFICES

OCI manages three border field offices located in El Paso, Laredo and Edinburg. These border field offices administer, at the local level, various OCI programs and services and provide technical assistance to nonprofits, for profits, units of general local government, other community organizations and colonia residents along the Texas-Mexico border region. Current funding for the border field offices is partially funded from General Revenue, Bond Funds and CDBG programs. OCI will continue to maintain these three border field offices and will continue to act as a liaison between nonprofit organizations and units of local government.

Occasionally, there is funding available to communities and organizations in the colonias to support local programs. Technical assistance is provided to help nonprofit organizations locate funding and learn to write successful grant proposals. However, the most important aspect in seeking funding is the ability of the communities or organizations to manage the funding within its rules and program guidelines. Many communities and nonprofit organizations struggle to deliver services to their colonia residents due to capacity and financial issues. Therefore, the Border Field Offices anticipate approximately 800 technical assistance visits for FY 2010 to nonprofit organizations and units of local government.

The Department recognizes the need for consumer education on topics such as filing homestead exemptions, knowing one's property rights under Contract for Deed and the challenges of homeownership. The Department assists as needed to provide homebuyers under its Contract for Deed Conversion and Texas Bootstrap Loan Programs a form to file their homestead exemption at the time of closing on their homes. Education services are available through the colonia SHCs and OCI Border Field Offices.

Border Field Offices and Colonia Self Help Centers



SECTION 8: TEXAS STATE AFFORDABLE HOUSING CORPORATION ANNUAL ACTION PLAN

The Texas State Affordable Housing Corporation's (TSAHC) Annual Action Plan will be included in the final version of this document. The TSAHC Annual Action Plan will be approved by TSAHC's Governing Board and will have the same public comment period as the SLIHP.

APPENDIX A

LEGISLATIVE REQUIREMENTS FOR THE STATE OF TEXAS LOW INCOME HOUSING PLAN AND ANNUAL REPORT

SEC. 2306.072. ANNUAL LOW INCOME HOUSING REPORT

1. Not later than March 18 of each year, the director shall prepare and submit to the board an annual report of the department's housing activities for the preceding year.
2. Not later than the 30th day after the date the board receives and approves the report, the board shall submit the report to the governor, lieutenant governor, speaker of the house of representatives, and members of any legislative oversight committee.
3. The report must include:
 - a. a complete operating and financial statement of the department;
 - b. a comprehensive statement of the activities of the department during the preceding year to address the needs identified in the state low income housing plan prepared as required by Section 2306.0721, including:
 - i. a statistical and narrative analysis of the department's performance in addressing the housing needs of individuals and families of low and very low income;
 - ii. the ethnic and racial composition of individuals and families applying for and receiving assistance from each housing-related program operated by the department; and
 - iii. the department's progress in meeting the goals established in the previous housing plan;
 - c. an explanation of the efforts made by the department to ensure the participation of individuals of low income and their community-based institutions in department programs that affect them;
 - d. a statement of the evidence that the department has made an affirmative effort to ensure the involvement of individuals of low income and their community-based institutions in the allocation of funds and the planning process;
 - e. a statistical analysis, delineated according to each ethnic and racial group served by the department, that indicates the progress made by the department in implementing the state low income housing plan in each of the uniform state service regions;
 - f. an analysis, based on information provided by the fair housing sponsor reports required under Section 2306.0724 and other available data, of fair housing opportunities in each housing development that receives financial assistance from the department that includes the following information for each housing development that contains 20 or more living units:
 - i. the street address and municipality or county in which the property is located;
 - ii. the telephone number of the property management or leasing agent;
 - iii. the total number of units, reported by bedroom size;
 - iv. the total number of units, reported by bedroom size, designed for individuals who are physically challenged or who have special needs and the number of these individuals served annually;
 - v. the rent for each type of rental unit, reported by bedroom size;
 - vi. the race or ethnic makeup of each project;
 - vii. the number of units occupied by individuals receiving government-supported housing assistance and the type of assistance received;
 - viii. the number of units occupied by individuals and families of extremely low income, very low income, low income, moderate income, and other levels of income;

- ix. a statement as to whether the department has been notified of a violation of the fair housing law that has been filed with the United States Department of Housing and Urban Development, the Commission on Human Rights, or the United States Department of Justice; and
- x. a statement as to whether the development has any instances of material noncompliance with bond indentures or deed restrictions discovered through the normal monitoring activities and procedures that include meeting occupancy requirements or rent restrictions imposed by deed restriction or financing agreements;
- g. a report on the geographic distribution of low income housing tax credits, the amount of unused low income housing tax credits, and the amount of low income housing tax credits received from the federal pool of unused funds from other states; and
- h. a statistical analysis, based on information provided by the fair housing sponsor reports required by Section 2306.0724 and other available data, of average rents reported by county.

SEC. 2306.0721. LOW INCOME HOUSING PLAN

1. Not later than March 18 of each year, the director shall prepare and submit to the board an integrated state low income housing plan for the next year.
2. Not later than the 30th day after the date the board receives and approves the plan, the board shall submit the plan to the governor, lieutenant governor, and the speaker of the house of representatives.
3. The plan must include:
 - a. an estimate and analysis of the housing needs of the following populations in each uniform state service region:
 - i. individuals and families of moderate, low, very low, and extremely low income;
 - ii. individuals with special needs; and
 - iii. homeless individuals;
 - b. a proposal to use all available housing resources to address the housing needs of the populations described by Subdivision (1) by establishing funding levels for all housing-related programs;
 - c. an estimate of the number of federally assisted housing units available for individuals and families of low and very low income and individuals with special needs in each uniform state service region;
 - d. a description of state programs that govern the use of all available housing resources;
 - e. a resource allocation plan that targets all available housing resources to individuals and families of low and very low income and individuals with special needs in each uniform state service region;
 - f. a description of the department's efforts to monitor and analyze the unused or underused federal resources of other state agencies for housing-related services and services for homeless individuals and the department's recommendations to ensure the full use by the state of all available federal resources for those services in each uniform state service region;
 - g. strategies to provide housing for individuals and families with special needs in each uniform state service region;
 - h. a description of the department's efforts to encourage in each uniform state service region the construction of housing units that incorporate energy efficient construction and appliances;
 - i. an estimate and analysis of the housing supply in each uniform state service region;

- j. an inventory of all publicly and, where possible, privately funded housing resources, including public housing authorities, housing finance corporations, community housing development organizations, and community action agencies;
 - k. strategies for meeting rural housing needs;
 - l. a biennial action plan for colonias that:
 - i. addresses current policy goals for colonia programs, strategies to meet the policy goals, and the projected outcomes with respect to the policy goals; and
 - ii. includes information on the demand for contract-for-deed conversions, services from self-help centers, consumer education, and other colonia resident services in counties some part of which is within 150 miles of the international border of this state;
 - m. a summary of public comments received at a hearing under this chapter or from another source that concern the demand for colonia resident services described by Subdivision (12); and
 - n. any other housing-related information that the state is required to include in the one-year action plan of the consolidated plan submitted annually to the United States Department of Housing and Urban Development.
4. The priorities and policies in another plan adopted by the department must be consistent to the extent practical with the priorities and policies established in the state low income housing plan.
 5. To the extent consistent with federal law, the preparation and publication of the state low income housing plan shall be consistent with the filing and publication deadlines required of the department for the consolidated plan.
 6. The director may subdivide the uniform state service regions as necessary for purposes of the state low income housing plan.
 7. The department shall include the plan developed by the Texas State Affordable Housing Corporation under Section 2306.566 in the department's resource allocation plan under Subsection (c)(5).

SEC. 2306.0722. PREPARATION OF PLAN AND REPORT

1. Before preparing the annual low income housing report under Section 2306.072 and the state low income housing plan under Section 2306.0721, the department shall meet with regional planning commissions created under Chapter 391, Local Government Code, representatives of groups with an interest in low income housing, nonprofit housing organizations, managers, owners, and developers of affordable housing, local government officials, residents of low income housing, and members of the Colonia Resident Advisory Committee. The department shall obtain the comments and suggestions of the representatives, officials, residents, and members about the prioritization and allocation of the department's resources in regard to housing.
2. In preparing the annual report under Section 2306.072 and the state low income housing plan under Section 2306.0721, the director shall:
 - a. coordinate local, state, and federal housing resources, including tax exempt housing bond financing and low income housing tax credits;
 - b. set priorities for the available housing resources to help the neediest individuals;
 - c. evaluate the success of publicly supported housing programs;
 - d. survey and identify the unmet housing needs of individuals the department is required to assist;
 - e. ensure that housing programs benefit an individual without regard to the individual's race, ethnicity, sex, or national origin;
 - f. develop housing opportunities for individuals and families of low and very low income and individuals with special housing needs;
 - g. develop housing programs through an open, fair, and public process;

- h. set priorities for assistance in a manner that is appropriate and consistent with the housing needs of the populations described by Section 2306.0721(c)(1);
- i. incorporate recommendations that are consistent with the consolidated plan submitted annually by the state to the United States Department of Housing and Urban Development;
- j. identify the organizations and individuals consulted by the department in preparing the annual report and state low income housing plan and summarize and incorporate comments and suggestions provided under Subsection (a) as the board determines to be appropriate;
- k. develop a plan to respond to changes in federal funding and programs for the provision of affordable housing;
- l. use the following standardized categories to describe the income of program applicants and beneficiaries:
 - i. 0 to 30 percent of area median income adjusted for family size;
 - ii. more than 30 to 60 percent of area median income adjusted for family size;
 - iii. more than 60 to 80 percent of area median income adjusted for family size;
 - iv. more than 80 to 115 percent of area median income adjusted for family size; or
 - v. more than 115 percent of area median income adjusted for family size;
- m. use the most recent census data combined with existing data from local housing and community service providers in the state, including public housing authorities, housing finance corporations, community housing development organizations, and community action agencies; and
- n. provide the needs assessment information compiled for the report and plan to the Texas State Affordable Housing Corporation.

SEC. 2306.0723. PUBLIC PARTICIPATION REQUIREMENTS

1. The Department shall consider the annual low income housing report to be a rule and in developing the report shall follow rulemaking procedures required by Chapter 2001.

SEC. 2306.0724. FAIR HOUSING SPONSOR REPORT

1. The department shall require the owner of each housing development that receives financial assistance from the department and that contains 20 or more living units to submit an annual fair housing sponsor report. The report must include the relevant information necessary for the analysis required by Section 2306.072(c)(6). In compiling the information for the report, the owner of each housing development shall use data current as of January 1 of the reporting year.
2. The department shall adopt rules regarding the procedure for filing the report.
3. The department shall maintain the reports in electronic and hard-copy formats readily available to the public at no cost.
4. A housing sponsor who fails to file a report in a timely manner is subject to the following sanctions, as determined by the department:
5. denial of a request for additional funding; or
6. an administrative penalty in an amount not to exceed \$1,000, assessed in the manner provided for an administrative penalty under Section 2306.6023.

HOUSING TRUST FUND DIVISION

BOARD ACTION REQUEST

December 17, 2009

Requested Action

Approve the Housing Trust Fund Division Award Recommendations as described herein.

Background

A Notice of Funding Availability (NOFA) for \$1,000,000 for the 2009 Homeownership SuperNOFA was approved by the Board on December 18, 2008, consistent with the 2009 Housing Trust Fund Plan. The NOFA was oversubscribed with applications requesting in excess of \$2,000,000. In accordance with the 2009 Housing Trust Fund Rule, 10 TAC §51.12(a)(3), the remaining Applicants were notified on June 11, 2009, that their applications would be placed on hold for ninety (90) days from the date of notification, pending the availability of new funds. On September 28, 2009, the applicants were notified that new HTF funding had become available as a result of the 81st Legislative Session and that the review of their applications would continue. Those awards are being recommended today.

Five applications are being recommended today in the total amount of \$895,600. One of the organizations will serve 8 households with housing rehabilitation assistance, and the remaining organizations will serve 60 households with down payment assistance in their communities. In total, 68 low income households at or below 50% AMFI will be served.

After this action, \$1,682,150 in 2010-2011 homeownership funds remains available.

Housing Rehabilitation Assistance (HRA) Award Recommendations Summary

Applicant	City	Activity	Total Project Funds Requested	Total Administrative Funds Requested	Total Funds Requested	Total Number of Units Proposed
Eagle Pass Housing Authority	Eagle Pass	Housing Rehabilitation	\$240,000	\$10,000	\$250,000	8
Total			\$240,000	\$10,000	\$250,000	8

Home Buyer Assistance (HBA) Award Recommendations Summary

Applicant	City	Activity	Total Project Funds Requested	Total Administrative Funds Requested	Total Funds Requested	Total Number of Units Proposed
Dallas Area Humanity for Humanity	Dallas	Homebuyer Assistance	\$240,000	\$10,000	\$250,000	24
Austin Habitat for Humanity	Austin	Homebuyer Assistance	\$100,000	\$4,000	\$104,000	10
Fort Worth Housing Authority	Fort Worth	Homebuyer Assistance	\$240,000	\$10,000	\$250,000	22
Fort Hood Area Habitat for Humanity	Killeen	Homebuyer Assistance	\$40,000	\$1,600	\$41,600	4
Total			\$620,000	\$25,600	\$645,600	60

The agenda for today’s meeting includes three award recommendations that have been pulled from consideration at this time, pending further review. Those include one application from Community Council of Southwest Texas and two applications from the County of El Paso.

The Application Log reflecting all applications received in response to the 2009 SuperNOFA and an Award Recommendations Log is attached.

- 2009 HTF SuperNOFA Program – Award Recommendations; and
- 2009 HTF SuperNOFA Program – Application Log

RECOMMENDATION

Staff recommends that the Board approve all of the awards presented today. The total recommended amount of approximately \$895,600 dollars would assist 68 Texas families at or below 50% AMFI access safe, decent and affordable housing.

2009 HTF Homeownership SuperNOFA - Application Log

Sorted by date/time received

Total NOFA Amount - \$1,000,000

Total Amount Available Prior to Action: \$0

App number	Received Date	Time Received	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2009-0001	2/4/2009	12:21 PM	Brownsville Housing Finance Corporation	11	\$240,000	\$10,000	24	\$240,000	\$10,000	24	Awarded 3/12/2009
2009-0002	2/5/2009	9:44 AM	City of Taylor	7	\$240,000	\$10,000	8	\$240,000	\$10,000	8	Awarded 3/12/2009
2009-0003	2/11/2009	4:23 PM	Habitat for Humanity of San Antonio, Inc.	9	\$240,000	\$10,000	24	\$240,000	\$10,000	24	Awarded 4/23/2009
2009-0005	2/12/2009	2:34 PM	FUTURO Communities, Inc.	11	\$240,000	\$10,000	8	\$240,000	\$10,000	8	Awarded 4/23/2009
2009-0006	2/23/2009	2:39 PM	Dallas Area Habitat For Humanity	3	\$240,000	\$10,000	24	\$240,000	\$10,000	24	Pending Award
2009-0007	2/25/2009	4:45 PM	Austin Habitat for Humanity	7	\$100,000	\$4,000	10	\$100,000	\$4,000	10	Pending Award
2009-0009	3/17/2009	3:32 PM	Fort Worth Housing Authority	3	\$240,000	\$10,000	22	\$240,000	\$10,000	22	Pending Award
2009-0010	3/19/2009	1:44 PM	Eagle Pass Housing Authority	11	\$240,000	\$10,000	8	\$240,000	\$10,000	8	Pending Award
2009-0011	3/23/2009	1:23 PM	Fort Hood Area Habitat for Humanity, Inc.	8	\$40,000	\$1,600	4	\$40,000	\$1,600	4	Pending Award
2009-0015	4/29/2009	9:31 AM	Community Council of Southwest Texas, Inc.	11	\$240,000	\$10,000	16	\$0	\$0	0	Under Review

App number	Received Date	Time Received	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2009-0016	4/30/2009	9:31 AM	Lamp Stand Institute	6	\$242,000	\$8,000	400				Terminated
2009-0017	5/1/2009	4:30 AM	County of El Paso	13	\$240,000	\$10,000	24	\$0	\$0	0	Under Review
2009-0018	5/1/2009	4:30 AM	County of El Paso	13	\$240,000	\$10,000	8	\$0	\$0	0	Under Review
Totals:					\$2,782,000	\$113,600	580	\$1,820,000	\$75,600	132	

2009 HTF Homeownership SuperNOFA - Award Recommendations Log

Sorted by date/time received

Total NOFA Amount - \$1,000,000

Total Amount Available Prior to Action: \$0

App number	Received Date	Time Received	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2009-0006	2/23/2009	2:39 PM	Dallas Area Habitat For Humanity	3	\$240,000	\$10,000	24	\$240,000	\$10,000	24	Pending Award
2009-0007	2/25/2009	4:45 PM	Austin Habitat for Humanity	7	\$100,000	\$4,000	10	\$100,000	\$4,000	10	Pending Award
2009-0009	3/17/2009	3:32 PM	Fort Worth Housing Authority	3	\$240,000	\$10,000	22	\$240,000	\$10,000	22	Pending Award
2009-0010	3/19/2009	1:44 PM	Eagle Pass Housing Authority	11	\$240,000	\$10,000	8	\$240,000	\$10,000	8	Pending Award
2009-0011	3/23/2009	1:23 PM	Fort Hood Area Habitat for Humanity, Inc.	8	\$40,000	\$1,600	4	\$40,000	\$1,600	4	Pending Award
Totals:					\$860,000	\$35,600	68	\$860,000	\$35,600	68	

NONE AT THE TIME OF THIS
POSTING

Multifamily Finance Production

BOARD ACTION REQUEST

December 17, 2009

Action Items

Presentation, discussion and possible approval of reinstatement of application #08260/09934 Harris Manor Apartments

Required Action

Approve the reinstatement of #08260/09934 Harris Manor Apartments

Background

2216 Harris Investors LLC was awarded 2008 Housing Tax Credits. In 2009 they submitted an application for exchange funds. During the previous participation review it was determined that the property was in Material Noncompliance and the application was terminated.

All noncompliance has been corrected. Under the new compliance monitoring rules which took effect November 30, 2009, the property is no longer in Material Noncompliance because the new rule reduces the length of time a corrected score stays on a property's record from three years to one year. However, since staff terminated the application, Board action to approve the reinstatement is required.

Recommendation

Staff recommends that the Board reinstate application # 08260/09934 for Harris Manor Apartments.

Multifamily Finance Production

BOARD ACTION REQUEST

December 17, 2009

Requested Action

Deny the request for reinstatement of HTC applications of #09155 Magnolia Trace and #09116 Tuscany Villas, which had been terminated for material noncompliance.

Background

United Housing Foundation applied for Housing Tax Credits in the 2009 round for Magnolia Trace and Tuscany Villas. Magnolia Trace has been allocated \$1,000,000 in 2009 tax credits to assist in the development of 112 units of affordable housing in Dallas and Tuscany Villas has been allocated \$1,000,000 in 2009 tax credits to assist in the development of 90 units of affordable housing in Plano. During the previous participation review it was determined that the applicant is affiliated with Blue Lake at Marine Creek which is in Material Noncompliance with a score of 36. The developments have subsequently requested both TCAP and Exchange funds but are only in range of potential awards for TCAP funds of \$3,660,000 and \$3,250,000 respectively.

Under the new rules which took effect on November 29, 2009, and which allow for the reinstatement of an application that was terminated due to Material Noncompliance, the applicant has requested that Magnolia Trace and Tuscany Villas be reinstated. Correspondence from the applicant's representative contends that two of the findings of noncompliance should be rescinded. While Staff does not agree and has explained its reasoning to the owner and applicant, *rescission of these two findings would not affect the ultimate result; the related property would still be in Material Noncompliance.*

The new rules at 10 TAC §60.126 provide that the Board may consider reinstatement of an application in such a case in the event that it finds, in an open meeting, that four specific preconditions to reinstatement are present: That the new award would be in the best interest of the State, that the award would not present undue increased program or financial risk, that the applicant was not acting in bad faith, and that the applicant had taken reasonable remedies the cause for termination. The reinstatement request does not specifically address these criteria. However, the following statements were made and staff has evaluated those statements for the Board.

"It (United Housing Foundation UHF the underlying owner of the Applicant) owns and manages over 20 affordable housing communities with three of them utilizing tax credits"

On their previous participation forms, UHF listed three Housing Tax Credit properties. Staff cannot confirm if UHF owns and manages over 20 affordable housing communities.

“Other than Blue Lake, none of UHF’s properties have been deemed to have non-compliance issues”

This statement is not technically correct. However, staff does agree that UHF’s other properties have never been in *Material Noncompliance* and have performed acceptably. Plaza at Chase Oaks has a score of 5. The finding Pattern of Minor Violations of the Uniform Physical Condition Standards has been corrected. Bella Vista Apartments was monitored in 2007. No noncompliance was identified. The property’s next regularly scheduled review is December 17, 2009.

“UHF has worked with its property management team to remedy the deficiencies that created the Material Non-Compliance score for Blue Lake, and all of the issues have been corrected.”

Staff confirms that all identified non-compliance has been corrected.

“The Development owners believe that there is tremendous need for Tuscan Villas in Plano and Magnolia Trace in Dallas”

If these two applications are not awarded the funds will first go back to be available in the same region or where no other applications exist be made available to other areas of the state where funds are also needed.

“Given the current economic circumstance, financing for the development of affordable housing is critical and these two developments should be allowed to proceed”.

If these two applications are not awarded, financing for affordable housing will still be provided by the Department. Furthermore, given the current economic circumstances, staff believes it is prudent whenever possible to avoid awarding funding to applicants in Material Noncompliance. If it is possible to award funds to an entity capable of moving quickly and correctly, there would need to be a very compelling reason to award funds to an applicant in Material Noncompliance. In their request, UHF has failed to demonstrate why their application should be reinstated.

“UHF is a non-profit organization with a significant track record.”

The Department’s records indicate that this applicant is a nonprofit and that if these applications were funded; they would be from the non-profit set aside. If the Board does not grant reinstatement of these applications, the Department will still meet the required 10% set aside.

**2216 HARRIS INVESTORS LLC
1050 WALL STREET WEST, SUITE 230
LYNDHURST, NEW JERSEY 07071
(201) 531-9100
FAX: (201) 935-5272**

November 11, 2009

Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78711-3941
Attention: Robbye Meyer
Director of Multifamily Finance

RE: Harris Manor Apartments #08260/09934

Dear Ms. Meyer:

We are in receipt of your letter dated November 10th, terminating our application, #09934, for Housing Tax Credit Exchange Program funds. Please accept this letter as our written request for the reinstatement of our application which was terminated due to Material Noncompliance.

Background

The applicant, 2216 Harris Investors LLC ("2216") was awarded 2008 Low Income Housing Tax Credits, from the At-Risk Set Aside, for the acquisition and rehabilitation of Harris Manor Apartments ("Harris"), in Pasadena, Texas, under application #08260. 2216 was unsuccessful in its good faith effort to syndicate the Credits. Despite the failed attempts to syndicate the credits, 2216 proceeded with the much-needed rehab in the Spring of 2009 and has made substantial progress to date. At this time three of the seventeen residential buildings are completely finished and are being leased and occupied. In addition, much of the exterior work on the rest of the property is in progress. When the Exchange Program was introduced 2216 submitted application #09934 for Exchange funds. The development can be completed in its entirety well before December 31, 2010 but it will be very unlikely for 2216 to do so without a commitment of Exchange funds or syndication proceeds.

Material Noncompliance

On 10/26/09 we received an email notice from the Department stating that Harris was in Material Non-Compliance with an HTC Score of 60 (this is under its original and current HTC #92028). The notice stated that the Compliance Division intended to recommend termination of the application but gave us until November 2nd to submit all requested information to correct the noncompliance. 40 of the 60 points were related to Physical Condition Standards deficiencies from a 2008 inspection. Most of these conditions had already been corrected but two items, replacing window screens and common area carpeting, had not been done yet. The reason for this is that as part of the rehab we are replacing every window in the property and the new screens that we would install would

then be discarded during the rehab. The common area carpeting was also scheduled to be replaced as part of the rehab. In any event we immediately contacted contractors who worked through the weekend to complete everything and we submitted all material to the Compliance Division by the November 2nd deadline. All the 2008 points were reduced which brought our HTC Score down to 35 points. The problem is our Score contains 15 points from 2006 corrections which are scheduled to come off completely at the end of the three year period on 12/11/09 which would then give us an in-compliance Score of 20 points. It is also our understanding these points may come off even earlier as a result of the November 9th Board Meeting.

Considerations for Reinstatement

We would like to specifically address the four considerations for reinstatement listed on page 33 of the November 9th, 2009 Board Action Request:

(1) it is in the best interests of the Department and the State to proceed with the award;

We believe that it is in the best interest of the Department and the State that this low-income housing development complete it's rehab. As explained above, without the award of Exchanges Funds there is a great risk the developer will not be able to continue and complete the rehab.

(2) the award will not present undue increased program or financial risk to the Department or State;

There will be no increased program or financial risk. As explained above the rehab is already in progress and with the commitment of an Exchange Program award, will be completed in a timely manner.

(3) the applicant is not acting in bad faith; and

(4) the applicant has taken reasonable measures within its power to remedy the cause for the termination.

The applicant has acted in good faith throughout this process and did everything in its power to reduce the HTC Score, even to the point of adding cost to the overall rehab by installing window screens which will be replaced in the near future. There was nothing further the applicant could have done to reduce its score as it was bound by the current three-year waiting rules of point removal.

Summary

We respectfully ask that this request be placed on the agenda for the next Board meeting. We request that the Board consider this request and reinstate application #09934 for Exchange program funds.

Thank you for your consideration and let us know if you would like any additional information.

2216 Harris Investors LLC


Daniel Betsale

Authorized Representative



November 12, 2009

Robbye Meyer
Director of Multifamily Finance
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78711-3941

RE: Appeal of Rescinded Tax Credits for Magnolia Trace # 09115

Ms. Meyer:

We are in receipt of the letter dated November 10, 2009, which terminated the application for Tax Credits for Magnolia Trace. We hereby formally make an appeal of the decision to rescind the tax credits for Magnolia Trace and will request reinstatement of our application as referenced in the aforementioned letter.

If you have any questions, please feel free to contact Clifton Phillips at 972-243-4205 or via email cep@rstdev.com.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Neil Crouch', written over a faint circular stamp.

R. Neil Crouch
President

2009 NOV 12 PM 3:13



Locke Lord Bissell & Liddell LLP

Attorneys & Counselors

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cbast@lockelord.com

November 17, 2009

Mr. Michael Gerber
Executive Director
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

Re: Tuscany Villas (Plano), TDHCA No. 09116
Magnolia Trace (Dallas), TDHCA No. 09115
Appeal for Reinstatement

Dear Mike:

We represent Unified Housing Foundation ("UHF") with respect to the two Developments referenced above. Both applied for Low-Income Housing Tax Credits in the 2009 application round, and both received commitments. As the Development Owners were proceeding with carryover for these two Developments, TDHCA performed its standard compliance review. This review determined that another Development affiliated with UHF had a Material Non-Compliance score. That Development is Blue Lake at Marine Creek in Fort Worth ("Blue Lake"), which was funded in 2003 with tax credits and tax-exempt bonds. Because Blue Lake is deemed to be in Material Non-Compliance, the tax credit applications for Tuscany Villas and Magnolia Trace have been terminated.

Request

On behalf of UHF, we request reinstatement of the applications for Tuscany Villas and Magnolia Trace so that they can proceed with financing and development.

Background Information

The Department conducted its regular compliance inspection of Blue Lake in October 2008. When the findings were presented, UHF and its on-site property management team worked to correct them. In fact, all noted deficiencies have now been corrected, based upon the letter from Patricia Murphy received today, a copy of which is attached.

However, UHF believes several issues deserve special consideration.

- *ESL Classes.* Blue Lake is required to provide English as a Second Language classes for its residents. At the time of TDHCA's compliance inspection, the staff determined that no classes were being provided. However,

UHF did provide evidence that it offered ESL classes and that no residents chose to participate. Therefore, the property management team acquired an educational software program for English as a Second Language tutoring and installed it on a computer in the community room. It notified the residents of this new amenity and their ability to take English as a Second Language instruction at their convenience. Given this situation, and the evidence that was provided, UHF believes TDHCA should have never made a finding of non-compliance for the ESL Classes. Although staff has now determined this matter to be corrected, Blue Lake carries a corrected compliance score of 3 points for this item. UHF believes those points should be disregarded from Blue Lake's Material Non-Compliance Score. (For further information about this matter, see the letter from Roundstone Development dated October 22, 2009, attached.)

- *Affirmative Marketing Plan.* In its Affirmative Marketing Plan, Blue Lake identified Asians and people with disabilities as being the least likely to apply for residency at the property. However, TDHCA staff found that the Affirmative Marketing Plan did not state, in writing, the Development Owner's plan for outreach to those potential residents. UHF and its property management team provided TDHCA with significant evidence that the Development was, in fact, marketing to these persons. Although staff has now determined this matter to be corrected, Blue Lake carries a corrected compliance score of 3 points for this item. UHF believes those points should be disregarded for Blue Lake's Material Non-Compliance Score; even if the plan of action was not written down in strict accordance with the rules, it was being implemented, and that fact should be considered.

If these two deficiencies were removed from the score, Blue Lake would have a compliance score of 30.

Rules and Analysis

On November 9, the TDHCA Board took action to revise the agency's compliance rules to allow applications that were terminated for Material Non-Compliance to be reinstated. Section 60.126(b) of the compliance rules provide:

. . . the Board may consider reinstatement of the application only in the event that it determines, after consideration of the relevant, material facts and circumstance that:

- (1) it is in the best interests of the Department and the State to proceed with the award;
- (2) the award will not present undue increased program or financial risk to the Department or State;
- (3) the applicant is not acting in bad faith; and
- (4) the applicant has taken reasonable measures within its power to remedy the cause for the termination.

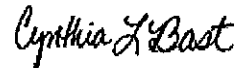
We believe the situation presented fits squarely within these parameters and the applications for these Developments merit reinstatement. UHF is a non-profit organization with a significant track record. It owns and manages over 20 affordable housing communities, with three of them utilizing tax credits. Other than Blue Lake, none of UHF's other properties have been deemed to have non-compliance issues. UHF has worked with its property management team to remedy the deficiencies that created the Material Non-Compliance score for Blue Lake, and all of the issues have been corrected. In fact, TDHCA staff commended the effort, saying "I would also like to thank you for submitting corrective actions in such an easy to follow manner. . . if all other properties would submit corrective actions like you and your property we might actually get caught up."

The Development Owners believe that there is tremendous need for Tuscan Villas in Plano and Magnolia Trace in Dallas, as described in Roundstone Development's letter dated October 22, attached. Given the current economic circumstances, financing for the development of affordable housing is critical, and these two Developments should be allowed to proceed.

We respectfully request that this matter be heard at TDHCA's December Board meeting, if it cannot otherwise be resolved before that time.

Thank you, and feel free to contact me with any questions.

Sincerely,



Cynthia L. Bast

cc: Robbye Meyer
Patricia Murphy
TDHCA

Clifton Phillips
Michael Hartman



1750 Valley View Lane
Suite 420
Dallas, Texas 75234

Tel 972 243 4205
Fax 972 243 4267

October 22, 2009

Mr. Michael Gerber
Executive Director
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

RE: Magnolia Trace TDHCA #09115 and Tuscany Villas TDHCA #09116
Request For Waiver of Material Noncompliance

Dear Mr. Gerber,

I am writing this letter as an authorized consultant on behalf of UHF Magnolia Trace, LP, UHF Tuscany Villas Housing, LP, and Unified Housing Foundation, Inc. in regards to a determination of material noncompliance by the portfolio compliance department at your agency.

Unified Housing Foundation, Inc., through its subsidiaries, recently received an allocation of low income housing tax credits for the above named deals. Both deals are economically viable and ready to proceed towards closing and construction. We have been working diligently over the past year to provide housing in these markets. Both of the deals are in markets that have a strong demand for quality affordable housing. In fact, in the Plano market, only two LIHTC deals have been completed in the market since 1998. Tuscany Villas, TDHCA #09116, will be constructed adjacent to one of the recent LIHTC senior living properties which has consistently maintained occupancy in the upper 90 percentile for the past 4 years. Magnolia Trace, TDHCA #09115, will be located in south Dallas and will also be an elderly living development. During our meetings with the City of Dallas, Mr. Jerry Killingsworth, Director of the Dallas Housing Authority, stated that this development would be the only true "senior" development in that submarket and that there was a great demand for such a development in the south Dallas market. In addition, the city councilman for the district stated that a nearby development that somewhat caters to seniors has a six month waiting list.

I am providing the above detail and explanation as it has come to our attention that both of these deal's tax credits could be rescinded due to a finding of material noncompliance at one of Unified Housing Foundation, Inc.'s properties. First, let me

state that our development team is dismayed by the material noncompliance finding and have made every effort to correct this finding. Unified Housing Foundation, Inc. has three properties that fall under the TDHCA's portfolio compliance review. Of the three properties, it is our understanding that two of the properties have no negative findings at all. However, one property, Terraces of Marine Creek TDHCA#04046, was found to be in noncompliance. As stated above, we were all surprised and concerned by the finding as we take great pride in the manner in which our properties are managed. We immediately contacted our third party manager to investigate and rectify the situation. We determined that upon correcting all the deficiencies we would still have a score of 36 which would be above the threshold of 30 for material noncompliance. However, upon reviewing the letters from the agency and associated findings, we found some unique circumstances that we believe should be considered. It is in light of these circumstances that we are requesting that you waive the finding of material noncompliance and allow the two affordable housing communities recently awarded to move forward.

The first issue noticed was that we were found out of compliance by not offering a particular supportive service at the property (in particular English as a Second Language). Our group was in fact offering ESL classes before and after the compliance inspection. We simply were not receiving any interest in the program. We placed flyers around property and scheduled class dates but never received any participants. Our efforts in this regard can be verified by the group offering the class. In furtherance of trying to comply with the LURA and our supportive services requirements, we then purchased ESL software and placed it on the computers in the computer lab with an icon shortcut on the computer's main screen. Afterwards, the management sent a notice to all the tenants notifying them of the new software and procedure for learning ESL. We are attaching some documentation regarding our compliance in this area and can provide a letter from the proposed provider if needed. Therefore, we feel that we were unfairly scored on this item.

Our second issue of concern is the finding of the lack of affirmative marketing plan as described in the compliance report. The property did maintain an affirmative marketing plan onsite and the compliance review individual was provided with a copy of the report at the time of inspection. The findings suggest that the report did not reflect a concerted effort towards commercial and community contacts that primarily work with people least likely to apply. However, due to the struggling occupancy levels at this property before and around the time of the audit, Unified Housing Foundation Inc. and the management group were making a concerted effort to find any and every qualified tenant for the property. We pursued multiple avenues in this regard in order to increase our tenant pool and to reduce our continued operational funding at the property level. The management group even submitted 51 pages of all of our marketing and community outreach efforts in response to the original findings dated February 17, 2009. We have copies of backup if needed. In regards to this item, we again feel that we were in compliance and further proved our compliance with the rules but still received a finding and the associated points.

Our third, and last main area of concern, revolves around the verification of employment (VOE) deficiencies listed in the report. The property was written-up as have 8 "questionable" VOEs. The compliance inspector felt that the reports might have been altered in some way. After the report was presented to our company, we requested check stubs from the employer or employee to document the VOEs. The data we received back proved that at least 7 of 8 VOEs were in fact correct. So, it seems unfair to penalize our group with the associated points with this item when the VOEs were in fact correct from the outset.

In light of the above concerns, we respectfully ask that you waive the finding of material noncompliance for Unified Housing Foundation, Inc. and allow our two region three deals to move forward. If the above issues were not considered findings, our group would be below the 30 point threshold and would not be deemed in material non-compliance. I would like to stress that we are concerned with compliance issues and keeping our properties free of findings (as documented by the lack of findings at the other two Unified Housing Foundation, Inc. properties). We also don't feel that we have a history of noncompliance and view this report as an aberration of the quality of our management and misrepresentation for our concern of affordable housing. We will strive to never be in this position again and hope that you can offer some relief in light of the circumstance.

We would be happy to meet with you and others at the agency to provide additional information and clarification at your request. Thank you so much for your time in consideration in this request.

Sincerely,
Roundstone Development, LLC



Clifton Phillips
President

In acknowledgement:

Unified Housing Foundation, Inc.



Brad Kyles
General Manager

Denise Barnett

Subject: FW: Terraces of Marine Creek - Lifeskills

Denise,

I was the Property Manager of Terraces of Marine Creek Apartments from July, 2008 until February, 2009.

Our procedure for offering Lifeskills was as follows:

We would suggest an activity by putting out sign up sheets in the clubhouse for residents to sign up if they were interested in a particular activity and then we would make arrangements to schedule the activity.

We put a sign up sheet in the Clubhouse to see if residents were interested in English as a Second Language, (ESL), learning program. Since no one signed up we felt a lack of interest in this life skill activity.

In order to offer some kind of life skill for ESL we then purchased ESL Learning software and installed it on the computer in the Business Center. We marked the computer that it was loaded on, sent out a calendar of events to all residents notifying them we had the software ready and was available on the computer so individuals could learn ELS at their on pace.

Sincerely,

Susan Dickey

No virus found in this incoming message.

Checked by AVG - www.avg.com

Version: 8.5.423 / Virus Database: 270.14.25/2450 - Release Date: 10/22/09 08:51:00



May 14, 2009

In an effort to make the most effective attempt at offering ESL to our residents we purchased software which has been installed on 1 computer in the business center. Included with the software are 2 CD's for residents to check out and borrow from the Leasing Agent. On these CD's are audio tracks for the IPOD and regular CD player. With the limited number of residents who might take advantage of an ESL learning time, we felt that time and effort is best invested by offering this software which residents can use it anytime and at their own pace.

Best Regards-
Joe Buck



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

BOARD MEMBERS
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Juan S. Muñoz, Ph.D.

November 17, 2009

Felicia Guajardo
Blue Lake at Marine Creek, LP
1800 Valley View Lane, Suite 125
Dallas, Texas 75234

RE: Blue Lake at Marine Creek CMTS ID: 4046

Dear Ms. Guajardo:

The Texas Department of Housing and Community Affairs has reviewed the additional corrective action documentation received in response to the October 2008 onsite monitoring visit. Enclosed you will find copies of forms 8823 that have been sent to the Internal Revenue Service reporting the correction of buildings TX-03-46404 and TX-03-46406. All identified issues of noncompliance have now been reported as corrected.

The property's *Issue of Noncompliance* report is enclosed. The property's current score is 36. Housing Tax Credit properties with a score of 30 or higher are considered to be in Material Noncompliance. Blue Lake at Marine Creek is in Material Noncompliance. Owners of property in Material Noncompliance are not eligible for additional funding from TDHCA and are subject to sanctions and penalties.

If you have any questions I can be reached at patricia.murphy@tdhca.state.tx.us or by phone at (512) 475-3140.

Sincerely,

A handwritten signature in black ink, appearing to read "Patricia Murphy".

Patricia Murphy
Chief of Compliance and Asset Oversight

Cc: Kary Stone



November 12, 2009

Robbye Meyer
Director of Multifamily Finance
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78711-3941

RE: Appeal of Rescinded Tax Credits for Tuscany Villas # 09116

Ms. Meyer:

We are in receipt of the letter dated November 10, 2009, which terminated the application for Tax Credits for Tuscany Villas. We hereby formally make an appeal of the decision to rescind the tax credits for Tuscany Villas and request reinstatement of our application as referenced in the aforementioned letter.

If you have any questions, please feel free to contact Clifton Phillips at 972-243-4205 or via email cep@rstdev.com.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Neil Crouch', written in a cursive style.

R. Neil Crouch
President

11-18-09A07:55 PAID



Locke Lord Bissell & Liddell LLP

Attorneys & Counselors

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Cynthia L. Bast
Direct Telephone: 512-305-4707
Direct Fax: 512-391-4707
cbast@lockelord.com

November 17, 2009

Mr. Michael Gerber
Executive Director
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

Re: Tuscany Villas (Plano), TDHCA No. 09116
Magnolia Trace (Dallas), TDHCA No. 09115
Appeal for Reinstatement

Dear Mike:

We represent Unified Housing Foundation ("UHF") with respect to the two Developments referenced above. Both applied for Low-Income Housing Tax Credits in the 2009 application round, and both received commitments. As the Development Owners were proceeding with carryover for these two Developments, TDHCA performed its standard compliance review. This review determined that another Development affiliated with UHF had a Material Non-Compliance score. That Development is Blue Lake at Marine Creek in Fort Worth ("Blue Lake"), which was funded in 2003 with tax credits and tax-exempt bonds. Because Blue Lake is deemed to be in Material Non-Compliance, the tax credit applications for Tuscany Villas and Magnolia Trace have been terminated.

Request

On behalf of UHF, we request reinstatement of the applications for Tuscany Villas and Magnolia Trace so that they can proceed with financing and development.

Background Information

The Department conducted its regular compliance inspection of Blue Lake in October 2008. When the findings were presented, UHF and its on-site property management team worked to correct them. In fact, all noted deficiencies have now been corrected, based upon the letter from Patricia Murphy received today, a copy of which is attached.

However, UHF believes several issues deserve special consideration.

- *ESL Classes.* Blue Lake is required to provide English as a Second Language classes for its residents. At the time of TDHCA's compliance inspection, the staff determined that no classes were being provided. However,

Atlanta, Austin, Chicago, Dallas, Houston, London, Los Angeles, New Orleans, New York, Sacramento, San Francisco, Washington DC

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UHF did provide evidence that it offered ESL classes and that no residents chose to participate. Therefore, the property management team acquired an educational software program for English as a Second Language tutoring and installed it on a computer in the community room. It notified the residents of this new amenity and their ability to take English as a Second Language instruction at their convenience. Given this situation, and the evidence that was provided, UHF believes TDHCA should have never made a finding of non-compliance for the ESL Classes. Although staff has now determined this matter to be corrected, Blue Lake carries a corrected compliance score of 3 points for this item. UHF believes those points should be disregarded from Blue Lake's Material Non-Compliance Score. (For further information about this matter, see the letter from Roundstone Development dated October 22, 2009, attached.)

- *Affirmative Marketing Plan.* In its Affirmative Marketing Plan, Blue Lake identified Asians and people with disabilities as being the least likely to apply for residency at the property. However, TDHCA staff found that the Affirmative Marketing Plan did not state, in writing, the Development Owner's plan for outreach to those potential residents. UHF and its property management team provided TDHCA with significant evidence that the Development was, in fact, marketing to these persons. Although staff has now determined this matter to be corrected, Blue Lake carries a corrected compliance score of 3 points for this item. UHF believes those points should be disregarded for Blue Lake's Material Non-Compliance Score; even if the plan of action was not written down in strict accordance with the rules, it was being implemented, and that fact should be considered.

If these two deficiencies were removed from the score, Blue Lake would have a compliance score of 30.

Rules and Analysis

On November 9, the TDHCA Board took action to revise the agency's compliance rules to allow applications that were terminated for Material Non-Compliance to be reinstated. Section 60.126(b) of the compliance rules provide:

... the Board may consider reinstatement of the application only in the event that it determines, after consideration of the relevant, material facts and circumstance that:

- (1) it is in the best interests of the Department and the State to proceed with the award;
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- (3) the applicant is not acting in bad faith; and
- (4) the applicant has taken reasonable measures within its power to remedy the cause for the termination.

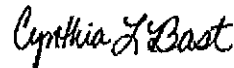
We believe the situation presented fits squarely within these parameters and the applications for these Developments merit reinstatement. UHF is a non-profit organization with a significant track record. It owns and manages over 20 affordable housing communities, with three of them utilizing tax credits. Other than Blue Lake, none of UHF's other properties have been deemed to have non-compliance issues. UHF has worked with its property management team to remedy the deficiencies that created the Material Non-Compliance score for Blue Lake, and all of the issues have been corrected. In fact, TDHCA staff commended the effort, saying "I would also like to thank you for submitting corrective actions in such an easy to follow manner. . . if all other properties would submit corrective actions like you and your property we might actually get caught up."

The Development Owners believe that there is tremendous need for Tuscan Villas in Plano and Magnolia Trace in Dallas, as described in Roundstone Development's letter dated October 22, attached. Given the current economic circumstances, financing for the development of affordable housing is critical, and these two Developments should be allowed to proceed.

We respectfully request that this matter be heard at TDHCA's December Board meeting, if it cannot otherwise be resolved before that time.

Thank you, and feel free to contact me with any questions.

Sincerely,



Cynthia L. Bast

cc: Robbye Meyer
Patricia Murphy
TDHCA

Clifton Phillips
Michael Hartman



1750 Valley View Lane
Suite 420
Dallas, Texas 75234

Tel 972 243 4205
Fax 972 243 4267

October 22, 2009

Mr. Michael Gerber
Executive Director
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

RE: Magnolia Trace TDHCA #09115 and Tuscany Villas TDHCA #09116
Request For Waiver of Material Noncompliance

Dear Mr. Gerber,

I am writing this letter as an authorized consultant on behalf of UHF Magnolia Trace, LP, UHF Tuscany Villas Housing, LP, and Unified Housing Foundation, Inc. in regards to a determination of material noncompliance by the portfolio compliance department at your agency.

Unified Housing Foundation, Inc., through its subsidiaries, recently received an allocation of low income housing tax credits for the above named deals. Both deals are economically viable and ready to proceed towards closing and construction. We have been working diligently over the past year to provide housing in these markets. Both of the deals are in markets that have a strong demand for quality affordable housing. In fact, in the Plano market, only two LIHTC deals have been completed in the market since 1998. Tuscany Villas, TDHCA #09116, will be constructed adjacent to one of the recent LIHTC senior living properties which has consistently maintained occupancy in the upper 90 percentile for the past 4 years. Magnolia Trace, TDHCA #09115, will be located in south Dallas and will also be an elderly living development. During our meetings with the City of Dallas, Mr. Jerry Killingsworth, Director of the Dallas Housing Authority, stated that this development would be the only true "senior" development in that submarket and that there was a great demand for such a development in the south Dallas market. In addition, the city councilman for the district stated that a nearby development that somewhat caters to seniors has a six month waiting list.

I am providing the above detail and explanation as it has come to our attention that both of these deal's tax credits could be rescinded due to a finding of material noncompliance at one of Unified Housing Foundation, Inc.'s properties. First, let me

state that our development team is dismayed by the material noncompliance finding and have made every effort to correct this finding. Unified Housing Foundation, Inc. has three properties that fall under the TDHCA's portfolio compliance review. Of the three properties, it is our understanding that two of the properties have no negative findings at all. However, one property, Terraces of Marine Creek TDHCA#04046, was found to be in noncompliance. As stated above, we were all surprised and concerned by the finding as we take great pride in the manner in which our properties are managed. We immediately contacted our third party manager to investigate and rectify the situation. We determined that upon correcting all the deficiencies we would still have a score of 36 which would be above the threshold of 30 for material noncompliance. However, upon reviewing the letters from the agency and associated findings, we found some unique circumstances that we believe should be considered. It is in light of these circumstances that we are requesting that you waive the finding of material noncompliance and allow the two affordable housing communities recently awarded to move forward.

The first issue noticed was that we were found out of compliance by not offering a particular supportive service at the property (in particular English as a Second Language). Our group was in fact offering ESL classes before and after the compliance inspection. We simply were not receiving any interest in the program. We placed flyers around property and scheduled class dates but never received any participants. Our efforts in this regard can be verified by the group offering the class. In furtherance of trying to comply with the LURA and our supportive services requirements, we then purchased ESL software and placed it on the computers in the computer lab with an icon shortcut on the computer's main screen. Afterwards, the management sent a notice to all the tenants notifying them of the new software and procedure for learning ESL. We are attaching some documentation regarding our compliance in this area and can provide a letter from the proposed provider if needed. Therefore, we feel that we were unfairly scored on this item.

Our second issue of concern is the finding of the lack of affirmative marketing plan as described in the compliance report. The property did maintain an affirmative marketing plan onsite and the compliance review individual was provided with a copy of the report at the time of inspection. The findings suggest that the report did not reflect a concerted effort towards commercial and community contacts that primarily work with people least likely to apply. However, due to the struggling occupancy levels at this property before and around the time of the audit, Unified Housing Foundation Inc. and the management group were making a concerted effort to find any and every qualified tenant for the property. We pursued multiple avenues in this regard in order to increase our tenant pool and to reduce our continued operational funding at the property level. The management group even submitted 51 pages of all of our marketing and community outreach efforts in response to the original findings dated February 17, 2009. We have copies of backup if needed. In regards to this item, we again feel that we were in compliance and further proved our compliance with the rules but still received a finding and the associated points.

Our third, and last main area of concern, revolves around the verification of employment (VOE) deficiencies listed in the report. The property was written-up as have 8 "questionable" VOEs. The compliance inspector felt that the reports might have been altered in some way. After the report was presented to our company, we requested check stubs from the employer or employee to document the VOEs. The data we received back proved that at least 7 of 8 VOEs were in fact correct. So, it seems unfair to penalize our group with the associated points with this item when the VOEs were in fact correct from the outset.

In light of the above concerns, we respectfully ask that you waive the finding of material noncompliance for Unified Housing Foundation, Inc. and allow our two region three deals to move forward. If the above issues were not considered findings, our group would be below the 30 point threshold and would not be deemed in material non-compliance. I would like to stress that we are concerned with compliance issues and keeping our properties free of findings (as documented by the lack of findings at the other two Unified Housing Foundation, Inc. properties). We also don't feel that we have a history of noncompliance and view this report as an aberration of the quality of our management and misrepresentation for our concern of affordable housing. We will strive to never be in this position again and hope that you can offer some relief in light of the circumstance.

We would be happy to meet with you and others at the agency to provide additional information and clarification at your request. Thank you so much for your time in consideration in this request.

Sincerely,
Roundstone Development, LLC



Clifton Phillips
President

In acknowledgement:

Unified Housing Foundation, Inc.



Brad Kyles
General Manager

Denise Barnett

Subject: FW: Terraces of Marine Creek - Lifeskills

Denise,

I was the Property Manager of Terraces of Marine Creek Apartments from July, 2008 until February, 2009.

Our procedure for offering Lifeskills was as follows:

We would suggest an activity by putting out sign up sheets in the clubhouse for residents to sign up if they were interested in a particular activity and then we would make arrangements to schedule the activity.

We put a sign up sheet in the Clubhouse to see if residents were interested in English as a Second Language, (ESL), learning program. Since no one signed up we felt a lack of interest in this life skill activity.

In order to offer some kind of life skill for ESL we then purchased ESL Learning software and installed it on the computer in the Business Center. We marked the computer that it was loaded on, sent out a calendar of events to all residents notifying them we had the software ready and was available on the computer so individuals could learn ELS at their own pace.

Sincerely,

Susan Dickey

No virus found in this incoming message.

Checked by AVG - www.avg.com

Version: 8.5.423 / Virus Database: 270.14.25/2450 - Release Date: 10/22/09 08:51:00



May 14, 2009

In an effort to make the most effective attempt at offering ESL to our residents we purchased software which has been installed on 1 computer in the business center. Included with the software are 2 CD's for residents to check out and borrow from the Leasing Agent. On these CD's are audio tracks for the IPOD and regular CD player. With the limited number of residents who might take advantage of an ESL learning time, we felt that time and effort is best invested by offering this software which residents can use it anytime and at their own pace.

Best Regards-
Joe Buck



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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GOVERNOR

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EXECUTIVE DIRECTOR

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Leslie Bingham Escareño
Tom H. Gann
Lowell A. Keig
Juan S. Muñoz, Ph.D.

November 17, 2009

Felicia Guajardo
Blue Lake at Marine Creek, LP
1800 Valley View Lane, Suite 125
Dallas, Texas 75234

RE: Blue Lake at Marine Creek CMTS ID: 4046

Dear Ms. Guajardo:

The Texas Department of Housing and Community Affairs has reviewed the additional corrective action documentation received in response to the October 2008 onsite monitoring visit. Enclosed you will find copies of forms 8823 that have been sent to the Internal Revenue Service reporting the correction of buildings TX-03-46404 and TX-03-46406. All identified issues of noncompliance have now been reported as corrected.

The property's *Issue of Noncompliance* report is enclosed. The property's current score is 36. Housing Tax Credit properties with a score of 30 or higher are considered to be in Material Noncompliance. Blue Lake at Marine Creek is in Material Noncompliance. Owners of property in Material Noncompliance are not eligible for additional funding from TDHCA and are subject to sanctions and penalties.

If you have any questions I can be reached at patricia.murphy@tdhca.state.tx.us or by phone at (512) 475-3140.

Sincerely,

A handwritten signature in black ink, appearing to read "Patricia Murphy".

Patricia Murphy
Chief of Compliance and Asset Oversight

Cc: Kary Stone

NONE AT THE TIME OF THIS
POSTING

NONE AT THE TIME OF THIS
POSTING

NONE AT THE TIME OF THIS
POSTING

**To Be Posted
three days
prior to the meeting**

MULTIFAMILY FINANCE PRODUCTION DIVISION
BOARD ACTION REQUEST
December 17, 2009

The Mirabella

Requested Action

Approve the waiver for The Mirabella associated with §49.12(f) of the 2009 QAP relating to the Certification Process for 4% Housing Tax Credit Applications Obtaining New Bond Reservation Docket Numbers, #09402.

Approval of this waiver to change the bond priority from a Priority 2 to Priority 3 as well as reducing the permanent bond amount from what the Board originally approved will allow the development to continue the existing Determination Notice and treated as a 2009 transaction eligible for the Tax Credit Assistance Program (TCAP). Approval will provide 172 units targeting the elderly population and serving serve 50% and 60% households. This action would be consistent with prior Board action to try and salvage and keep the application viable using TCAP funds. The exact amount of the reduction in permanent bond funds is still subject to the completion of the Real Estate Analysis report.

Summary of the Transaction

Background and General Information: The Department first received the Mirabella application on August 15, 2008. The Board approved, at the November 13, 2008 Board meeting, a HOME Rental Housing Development Award for persons with disabilities in the amount of \$500,000 and a Housing Trust Fund award in the amount of \$384,000. While the original staff recommendation was to not recommend the transaction due to the infeasibility of the HOME and HTF financing structure, the Board approved the transaction based on an alternative structure that allowed repayment to begin three years after stabilization is achieved. The first possible payment would be at least five years from award. Both contracts were subsequently executed and it was anticipated they would close on these loans simultaneously with the bond issuance. An allocation of housing tax credits in the amount of \$695,738 was previously approved at the November 13, 2008 Board meeting as well. This application was unable to close due to fluctuations in the credit pricing; specifically the equity investor they were working with (Bank of America) had already allocated their funds for 2008.

The applicant obtained a new bond reservation in 2009 and was required to file a new tax credit application and be evaluated based on 2009 program rules. On April 22, 2009 the Applicant re-submitted their tax credit application after having found a new equity investor, MMA Financial. The Applicant did not return their HOME or HTF award and currently have executed and continued contracts on both awards. At the September 3, 2009 Board meeting the Board approved the Mirabella application which included thirteen (13) permanent sources of funding in addition to the deferral of 100% of the developer fee and a significant portion of the general contractor fee. Of the thirteen (13) sources, four (4) were HUD HOME loans or grants from three different entities: TDHCA, Bexar County and the City of San Antonio, which were also contributing other local funding or fee waives to the transaction. In addition to the deferred fees, the Development also reflected a related party below market loan from NRP Holdings, LLC in the amount of \$1.6M. All of this combined, the owner proposed to provide over \$4M in loans or deferred fees.

Subsequent to the September 3, 2009 Board meeting the Applicant was unable to close on the bonds by the required 150 day deadline (9/14/09) and therefore withdrew the reservation from the Bond Review Board (“BRB”) and had another reservation issued. In order for the Department to issue a Determination Notice under the new docket number by the BRB the Applicant utilized §49.12(f) of the 2009 Qualified Allocation Plan (“QAP”) which allowed them to certify that nothing in the application has changed since it was approved by the Board. The new reservation issued subsequent to the September 3 Board meeting would expire on February 14, 2010. On November 13, 2009, the deadline to have a reservation issued from the 2009 program year, staff was notified by the BRB that the current Mirabella reservation had been withdrawn that morning by the Applicant and that it was

next in line to have a new reservation re-issued. While the original reservation was issued under the Priority 2 status the new reservation was issued under Priority 3 so that the reservation could be provided that day without the need for further information from the Department that would otherwise be needed for a Priority 2 reservation and provides a corresponding 150 day deadline of April 12, 2010.

Pursuant to §49.12(f) of the QAP the BRB priority status as well as the financial structure including the bond amount and terms in addition to the housing tax credit amount must remain unchanged in order to be eligible for the certification to have the Determination Notice re-instated. The Applicant has indicated that Department staff was not available on November 13 to confirm with the BRB that the required information had been submitted so that the reservation could be issued that day. Staff did confirm with the BRB later that afternoon that it had the required information from the Applicant; however, BRB staff had already issued the Priority 3 reservation. The Applicant has requested a waiver of this requirement in §49.12(f). Staff notes that a requirement of the certification is that it be submitted no later than thirty (30) days after the date the Bond Review Board issues the new docket number; for Mirabella that date is December 13. However, due to the changes in the BRB priority and the bond amount the applicant is unable to sign the certification. Should the Board grant the waiver it would also be waiving the thirty (30) day deadline by which to submit the certification to the Department.

On October 1, 2009, and having obtained the Determination Notice by the September 30, 2009 deadline, the Applicant submitted a TCAP application under Round 2. The TCAP application reflected a reduction in the permanent bond amount. However, the Determination Notice, based on §49.12(f) is not eligible to be re-instated due to these changes. As a result the application would not be eligible under the TCAP program pursuant to the TCAP Policy Supplement as approved by the Board because it does not have a valid Determination Notice by the TCAP eligibility deadline. Based on the current application log for Round 2 of TCAP the Mirabella application is next in line to be funded in Region 9 after Cevallos Lofts which was funded in the statewide collapse. It should also be noted that the 4% HTC application, as presented to the Board and approved on September 3, 2009, was a financially feasible transaction structured without the use of TCAP funds.

Cevallos Lofts

Requested Action

Approve the waiver for Cevallos Lofts associated with §49.12(f) of the 2009 QAP relating to the Certification Process for 4% Housing Tax Credit Applications Obtaining New Bond Reservation Docket Numbers, #09404.

Approval of this waiver to allow a reduction in the permanent bond amount from what the Board originally approved will allow the development to continue the existing Determination Notice and treated as a 2009 transaction eligible for the Tax Credit Assistance Program (TCAP). Approval will provide 63 units targeting the general population serving 50% households in San Antonio. This action would be consistent with prior Board action to try and salvage and keep the application viable using TCAP funds. The exact amount of the reduction in permanent bond funds is still subject to the completion of the Real Estate Analysis report.

Summary of the Transaction

Background and General Information: The Department received the tax credit application for Cevallos Lofts on July 3, 2009. The Board approved, at the September 3, 2009 Board meeting, a Determination Notice for 4% housing tax credits in the amount of \$285,205. The original staff recommendation was to not recommend the transaction for approval. The development only proposes to include 25% of the units as tax credit units and thus is only seeking 5% (\$1.6M) of its funds from the syndication of tax credits. This would be consistent with the tax credit syndicator for such a transaction being 30% of the tax credit portion of the development (30% of 25% or 7.5%). The Applicant is supporting the development with \$3.6M in proposed HOME and NSP financing but details of the commitments for this financing were not available. Moreover, the Applicant intended to defer 100% of their developer fee and a large portion of the general contractor fee as well as provide a \$3,575,000 related party loan from NRP Holdings, LLC. These sources represented nearly 30% of the development cost and funding of this sort is uncharacteristic of a tax credit development.

Subsequent to the September 3, 2009 Board meeting the Applicant was unable to close on the bonds by the required 150 day deadline (12/13/09) and therefore withdrew the reservation from the Bond Review Board (“BRB”) and had another reservation issued. The new reservation issued on November 13, 2009 expires on April 12, 2010. In order for the Department to issue a Determination Notice under the new docket number by the BRB the Applicant utilized §49.12(f) of the 2009 Qualified Allocation Plan (“QAP”) which allowed them to certify that nothing in the application has changed since it was originally approved by the Board. Specifically, at a minimum, the financial structure including the bond amount and terms as well as the housing tax credit amount must remain unchanged. Upon receiving notification of the new docket number issued by the Bond Review Board staff sent the certification to the Applicant for signature before the revised Determination Notice could be issued. This certification was received on December 2, 2009.

Staff notes that at the time the original tax credit application was being underwritten the Applicant indicated that they would likely apply for TCAP funds to reduce the related party loan and deferred fee portion of sources of funds. An application for Round 2 of TCAP was submitted on October 1, 2009 having received a Determination Notice by the September 30, 2009 deadline. This application reflected a reduction in the bond amount.

The Determination Notice, based on §49.12(f) is not eligible to be re-instated due to the change in the permanent bond amount without being re-submitted and reviewed as a tax credit application. As a result the application would not be eligible under the TCAP program pursuant to the TCAP Policy Supplement as approved by the Board. Based on the current application log for Round 2 of TCAP the Cevallos application is expected to be funded in the statewide collapse. It should also be noted that the 4% HTC application, as presented to the Board and approved on September 3, 2009, was a financially feasible transaction structured without the use of TCAP funds.

COATS | ROSE

BARRY J. PALMER

bpalmer@coatsrose.com
Direct Dial
(713) 653-7395
Direct Fax
(713) 890-3944

December 7, 2009

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

RE: The Mirabella (TDHCA # 09402);
Request for Waiver.

Dear Board Members:

This is a request for a waiver of a certification requirement under Section 49.12(f)(1) of the 2009 Qualified Allocation Plan. Section 49.12(f) (copy enclosed as Attachment 1) sets forth the TDHCA's policy permitting reinstatement of a Determination Notice for a 4% Housing Tax Credit project that has obtained a new docket number from the Texas Bond Review Board ("BRB") within the same program year. The policy was established by the TDHCA Board and is not dictated by statute.

Certification Required for Reinstatement of Determination Notice

In order to get the Determination Notice reinstated, the application must remain unchanged and the applicant must submit a Certification for 4% Housing Tax Credit Applicants Obtaining a New Bond Reservation Docket Number (the "Certification"). The Certification follows the language of the QAP by certifying that "as it regards the Application named above, the following, at a minimum, have not changed: site control, total number of units, unit mix.... or BRB priority status including the effect on the inclusive capture rate." (Emphasis added)

History of Bond Reservation and Determination Notice

The Mirabella received a \$15 million Priority 2 bond reservation from the BRB with a closing deadline of September 14, 2009. The TDHCA Board

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A Professional Corporation

3 East Greenway Plaza, Suite 2000 Houston, Texas 77046-0307

Phone: 713-651-0111 Fax: 713-651-0220

Web: www.coatsrose.com

approved an allocation of 4% Housing Tax Credits at the September 3, 2009 board meeting, and a 2009 HTC/Tax Exempt Bond Determination Notice was issued (see Attachment 2). The project did not close on the bonds because it was awaiting TCAP financing, which had not yet been awarded. Under the BRB rules, the Applicant applied for a new bond reservation, which was available to be issued on November 13, 2009, but only if the Applicant had filed Volumes 1 and 2 of the 4% tax credit application by 5:00 pm on November 13, 2009.

Issuance of New Bond Reservation

On November 13, 2009, at 11:42 a.m., John Barton, Back-up Administrator for the Private Activity Bond Allocation Program at BRB, sent official notification to various interested parties, including the TDHCA, that the project was next in line to receive a bond reservation for its full requested amount of \$15 million, conditioned on confirming that Volume 1 and 2 of the tax credit application had been filed by 5:00 p.m. (see Attachment 3). Unfortunately, TDHCA staff could not be reached to confirm that the Volumes had been filed despite efforts by Mr. Barton, the developer and the Applicant's attorneys. As the 5:00 p.m. deadline approached which would require Mr. Barton to cancel the application, a representative of the Issuer, San Antonio Housing Finance Corp., suggested that the bond application could be submitted under Priority 3, which does not require that the Volumes be submitted. Attorneys for the Applicant authorized the amendment in order to avoid losing the bond reservation.

The bond reservation was therefore issued for a Priority 3 project, instead of a Priority 2 project. There was no effective difference between the two priorities. Priority 2 requires that 80% of the project be at 60% AMGI with rentals at not more than 30% of 60% AMGI plus a utility allowance. Priority 3 is for "any other qualified residential rental project" and does not include the specific rent and income restrictions. Since the Applicant did not change its proposed Rent Schedule in any respect, the change in priorities did not have any effect, except that the filing of Volume 1 and 2 of the tax credit application by the reservation date was not a requirement for a Priority 3 bond reservation.

As it happened, Volumes 1 and 2 had, indeed, been filed with the TDHCA on April 23, 2009 (see Federal Express tracking information attached as Attachment 4). Since there were no changes to the tax credit application and the new bond reservation was in the same program year, it was not necessary to submit new Volumes 1 and 2 under the TDHCA policy. It was only the inability to contact a representative of the TDHCA who could confirm that Volumes 1 and 2 were in hand that lead the Applicant to change the priority in order to save the bond reservation. Later in the afternoon on November 13th, Robbye Meyer did get

back to John Barton, but by that time the bond reservation had been issued under Priority 3.

Change in Priority's Sole Effect Was to Permit Issuance of Reservation

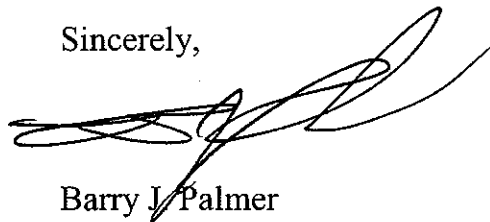
Although the project under the new bond reservation was exactly the same as under the prior bond reservation, there was an unintended consequence of changing to a Priority 3 application. In order to have the Determination Notice for the 4% tax credits reinstated, the Applicant must certify that there is no change in the tax credit application. The Applicant is not able to do this because of the BRB priority change – even though there is no other difference in the application and the priority change did not have any effect upon the specifications of the project. Because it is unlikely that such a result was intended when the TDHCA Board established its policy on reinstating Determination Notices within the same program year, we are requesting that the Board waive the certification requirement as it relates to the representation that there has been no change in BRB priority. All other certifications can and will be made by the Applicant.

Waiver of Certification Regarding BRB Priority is Requested

We respectfully request that the TDHCA Board exercise its discretionary right to waive the requirement that the Applicant certify that the BRB Priority has not changed since the prior bond reservation. While a change was made, the effect upon the application was only to permit the issuance of a new bond reservation in the absence of confirmation from the TDHCA that Volumes 1 and 2 of the tax credit application had been received. The change from Priority 2 to Priority 3 has no other effect upon the project or the tax credit application, both of which remain exactly the same as they were when the Determination Notice was previously approved by this Board on September 3, 2009.

Thank you for your consideration of this request. If you have any questions concerning this matter, the Applicant's representatives will be available to answer them at the December 17, 2009 Board Meeting.

Sincerely,



Barry J. Palmer

Attachments 1-4

cc: Dan Markson
Debra Guerrero
Valerie Garrity

ATTACHMENT 1

Section 49.12(f)

confirm that the Development satisfies the requirements of the QAP and Rules in accordance with the Code, §42(m)(1)(D).

(f) **Certification of Tax Exempt Applications with New Docket Numbers.** Applications that are processed through the Department review and evaluation process and receive an affirmative Board Determination, but do not close the bonds prior to the bond reservation expiration date, and subsequently have that docket number withdrawn from the Bond Review Board, may have their Determination Notice reinstated. The Applicant would need to receive a new docket number from the Texas Bond Review Board. One of the following must apply:

(1) The new docket number must be issued in the same program year as the original docket number and must not be more than four months from the date the original application was withdrawn from the BRB. The application must remain unchanged. This means that at a minimum, the following can not have changed: site control, total number of units, unit mix (bedroom sizes and income restrictions), design/site plan documents, financial structure including bond and Housing Tax Credit amounts, development costs, rent schedule, operating expenses, sources and uses, ad valorem tax exemption status, target population, scoring criteria (TDHCA issues) or BRB priority status including the effect on the inclusive capture rate. Note that the entities involved in the Applicant entity and Developer can not change; however, the certification can be submitted even if the lender, syndicator or issuer changes, as long as the financing structure and terms remain unchanged. Notifications under §49.9(h)(8) of this chapter are not required to be reissued. In the event that the Department's Board has already approved the Application for tax credits, the Application is not required to be presented to the Board again (unless there is public opposition) and a revised Determination Notice will be issued once notice of the assignment of a new docket number has been provided to the Department and the Department has confirmed that the capture rate and market demand remain acceptable. This certification must be submitted no later than thirty days after the date the Bond Review Board issues the new docket number and no later than thirty days before the anticipated closing. In the event that the Department's Board has not yet approved the Application, the Application will continue to be processed and ultimately provided to the Board for consideration. This certification must be submitted no later than thirty days after the date the Bond Review Board issues the new docket number and no later than forty-five days before the anticipated Department's Board meeting date.

(2) If there are changing to the Application as referenced in paragraph (1) of this subsection, the Application will be required to submit a new Application in full, along with the applicable fees, to be reviewed and evaluated in its entirety for a new determination notice to be issued.

§49.13. Commitment and Determination Notices; Agreement and Election Statement; Documentation Submission Requirements.

(a) **Commitment and Determination Notices.** If the Board approves an Application for a Housing Tax Credit Allocation, the Department will:

(1) If the Application is for a commitment from the State Housing Credit Ceiling, issue a Commitment Notice to the Development Owner which shall:

(A) Confirm that the Board has approved the Application; and

(B) State the Department's commitment to make a Housing Credit Allocation to the Development Owner in a specified amount, subject to the feasibility determination described in §49.16 of this chapter, and compliance by the Development Owner with the remaining requirements of this chapter and any other terms and conditions set forth therein by the Department. This commitment shall expire on the date specified therein unless the Development Owner indicates acceptance of the commitment by executing the Commitment Notice, pays the required fee specified in §49.20 of this chapter, and satisfies any other conditions set forth therein by the Department. The Commitment Notice expiration date may not be extended.

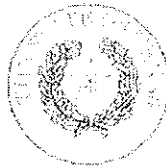
(2) If the Application regards a Tax-Exempt Bond Development, issue a Determination Notice to the Development Owner which shall:

(A) Confirm the Board's determination that the Development satisfies the requirements of this QAP; and

(B) State the Department's commitment to issue IRS Form(s) 8609 to the Development Owner in a specified amount, subject to the requirements set forth in §49.12 of this chapter and compliance by the Development Owner with all applicable requirements of this chapter and any other terms and conditions set

ATTACHMENT 2

Prior Determination Notice



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gezber
EXECUTIVE DIRECTOR

HOUSING TAX CREDIT PROGRAM 2009 DETERMINATION NOTICE FOR TAX-EXEMPT BOND FINANCED DEVELOPMENTS

BOARD MEMBERS
C. Kent Conine, *Chair*
Gloria Ray, *Vice Chair*
Leslie Bingham Escareño
Tom H. Gann
Lowell A. Keig
Juan S. Muñoz, Ph.D.

Development Owner:	The Mirabella, Ltd.
Contact Person:	Ed Hinojosa Jr.
Contact Address:	818 S. Flores St. Ste. 200
City, State, Zip:	San Antonio, TX 78204
Contact Phone/Fax:	(210) 477-6023 / 2104776002
Name of Development:	The Mirabella
TDHCA Development #:	09402
Address of Development:	1900 Block of Bandera Rd
City, County, State, Zip:	San Antonio, Bexar, TX 78228
Development Type:	New Construction
Tax-Exempt Bond Issuer:	San Antonio HFC
Building Identification Numbers:	TX 09-40201 - TX 09-40299
Annual Housing Credit Allocation Determination Amount:	\$775,146
Issuance Date of Determination Notice:	October 16, 2009
Effective Date of Determination Notice:	September 3, 2009
Expiration Date of Determination Notice:	November 16, 2009

The Texas Department of Housing and Community Affairs (the "Department") has approved an application from the Development Owner named above for a determination by the Department that the housing development described above (the "Development") satisfies the requirements for allocation of housing tax credits under the Department's qualified allocation plan, as required by §42(m) of the Internal Revenue Code of 1986, as amended (the "Code").

This Notice is subject to the Development Owner's full compliance with the Department's 2009 Housing Tax Credit Qualified Allocation Plan and Rules, Chapter 49 of Title 10 of the Texas Administrative Code, (the "QAP"); all applicable state and federal law, including Internal Revenue Code Section 42; and other relevant regulations and pronouncements of the Internal Revenue Service (IRS). In addition to compliance with applicable state and federal law, the Department's issuance of IRS Forms 8609 will be dependent upon the Development Owner's compliance with the terms of the Application and this Notice, including the implementation of all representations and covenants made by the Development Owner, whether express or implied, and specifically including all pledges made regarding the construction and operation of the Development, and any other conditions set forth in Exhibit "A" of this Determination Notice and incorporated by reference. This Notice is binding on all successors.

2009 HTC Program Determination Notice For Tax-Exempt Bond Financed Development: (CONTINUED)

The Mirabella, IDHCA #09402

Development Owner has represented to the Department that the Development is being financed by a tax-exempt obligation of the type identified at §42(h)(4) of the Code, to be issued by the issuer named above (the "Issuer"). Development Owner has represented that such tax-exempt obligation will finance 50 percent or more of the aggregate basis of the Development's land and building(s).

The Development may therefore be eligible to claim housing tax credits with respect to all or a portion of its qualified basis without receiving an allocation of credits from the state housing credit ceiling administered by the Department if, among other standards, the Development satisfies the requirements for allocation of housing tax credits under the QAP for the State of Texas. The Department is the sole housing credit agency for the State of Texas, and has adopted the 2009 QAP, which constitutes §§49.1 through 49.23 of Title 10 of the Texas Administrative Code, as amended.

Based upon its evaluation of the Development Owner's application, and subject to the assumptions and conditions set forth herein, the Department has determined that the Development satisfies the requirements for allocation of housing tax credits under the QAP. More particularly, the Department has determined, pursuant to §49.12 of the QAP, that the Development meets all applicable sections of the QAP for an allocation of housing credits as outlined in §50.12(b) of the QAP including, but not limited to, Threshold Criteria, Eligibility, Site and Development Restrictions.

Section 42(m) of the Code requires that a determination be made regarding a bond financed Development's financial feasibility and its viability as a qualified low-income housing Development. With respect to the Development, as of the date hereof:

1. The feasibility and viability determination has been made by the:
 - Department as Issuer;
 - Department as the Housing Credit Agency;
 - Department under contract with the Issuer; or
 - Issuer (other than the Department).

In issuing this Determination Notice, the Department has relied upon the information submitted to it by the Development Owner and has assumed that such information is accurate and complete in all material respects. The Department reserves the right to revoke this Determination Notice if the Department determines that the Development Owner has intentionally or negligibly provided erroneous, misleading or fraudulent information to the Department in connection with its application for receiving tax credits.

Pursuant to §49.17(e) of the QAP, in accepting this Determination Notice and submitting documents pursuant hereto, the Development Owner agrees and acknowledges that they may not transfer an allocation of housing tax credits or ownership of a Development supported with an allocation of housing tax credits to any person other than an Affiliate of the Development Owner, unless the Development Owner obtains the Executive Director's prior, written approval of the transfer.

A bond-financed Development which may be eligible to claim housing tax credits without receiving an allocation must, nonetheless, receive IRS Form(s) 8609 for each building in the Development from the Department. The Department will issue such IRS Form(s) 8609 upon fulfillment of all remaining conditions of the QAP and of Exhibit "A", contained herein and made a part hereof.

This Determination Notice does not represent the making of a housing credit allocation for the Development or any building therein, or a determination that the Development is eligible to claim credits pursuant to §42(h)(4) of the Code. The Department makes no representations that the Development Owner will be eligible to receive credits. Such determination rests with the Internal Revenue Service. This Determination Notice also does not represent any allocation, representation or determination regarding the ability of the Development Owner to make use of tax-exempt bond financing.

The Building Identification Numbers have been issued in this Determination Notice and should be used from this point forward in any correspondence with the Department.

EXHIBIT "A"

A signed original of this Determination Notice is to be submitted to the Department on or before the date denoted in Section 1 of this Exhibit. Pursuant to §49.13(a)(2)(B) of the QAP, "the Determination Notice shall expire on the date specified therein unless the Development Owner indicates acceptance by executing the Determination Notice and paying the required fee specified in §49.20 of the QAP. The Determination Notice shall also expire unless the Development Owner satisfies any conditions set forth therein by the Department. The Determination Notice expiration date may not be extended.

The following items must be submitted to the Department by the dates indicated below. The Department will not issue IRS Form(s) 8609 without timely receipt of such items, and ongoing compliance with the conditions of the Determination Notice and the Department's Rules.

1) By **November 16, 2009** the following items must be submitted:

1. Determination Notice fee in the amount of **\$38,757** in accordance with §49.20(f) of the QAP.
2. Building Inspection Fee in the amount of **\$750** in accordance with §49.20(h) of the QAP.
3. Evidence of final approval of appropriate zoning, if not provided at application, pursuant to §49.9(h)(7)(B)(i-iii).
4. Evidence of the following, pursuant to §49.13(c) of the QAP:
 - i. Evidence that the entity has the authority to do business in Texas;
 - ii. A Certificate of Account Status from the Texas Comptroller of Public Accounts or, if such a Certificate is not available because the entity is newly formed, a statement to such effect; and a Certificate of Organization from the Secretary of State;
 - iii. Copies of the entity's governing documents, including, but not limited to, its Articles of Incorporation, Articles of Organization, Certificate of Limited Partnership, Bylaws, Regulations and/or Partnership Agreement; and
 - iv. Evidence that the signer (s) of the Application have the authority to sign on behalf of the Applicant in the form of a corporate resolution or by-laws which indicate same from the sub-entity in Control and that those Persons signing the Application constitute all persons required to sign or submit such documents.

2) If the Development is being placed in service and requesting Forms 8609 during 2009, then all documents relating to the Cost Certification Manual and a Compliance Monitoring Fee, pursuant to §49.20(g) of the QAP, in the amount of \$40.00 per tax credit unit must be submitted to the Department pursuant to the Rules. For those developments not being placed in service and requesting IRS Forms 8609 in 2009, all documents relating to the Cost Certification Manual and a Compliance Monitoring Fee in the amount of \$40.00 per tax credit unit must be submitted to the Department pursuant to the Rules.

2009 HTC Program Determination Notice For Tax-Exempt Bond Financed Development: (CONTINUED)

The Mirabella, TDHCA #09402

3) Upon placement in service and at the time the Development owner applies for IRS Forms 8609, a certified, recorded original of a Declaration of Land Use Restrictive Covenant ("LURA") with respect to the Development. Development Owner hereby agrees and acknowledges that all pledges, conditions, restrictions, representations and obligations which the Development Owner undertook in applying for an allocation will be incorporated in a LURA, which will be in the form required by the Department and will also incorporate provisions requiring compliance with the Rules, the Code and with Chapter 2306, Tex. Gov. Code (the "Act"), including but not limited to requirements for: annual reporting and periodic inspections; payment of the fees, charges, and expenses of the Department in connection with its monitoring and compliance; management, operating, maintenance and repair standards; tenant selection and income certification; limitations on rents, charges and fees payable by tenants; cost controls and management selection; and a minimum thirty year affordability period, or the period stated in the Application, whichever is greater. If any liens (other than mechanics' or materialmen's liens) shall have been recorded against the Development prior to the recording of the LURA, the Development Owner shall also obtain and submit to the Department the subordination of the rights of any such lienholder, or other effective consent, to the survival of certain obligations contained in the LURA following the foreclosure of any such lien.

4) In accordance with §49.12(b) of the QAP, the Development Owner is required to submit within 60 days of closing the bonds. Evidence also required to be submitted at that time includes:

1. A Management Plan
2. An Affirmative Marketing Plan Form (the HUD form that is available at the following link: <http://www.hud.gov/offices/adm/hudclips/forms/files/935-2a.pdf>) submit the original completed, signed and notarized form.
3. Evidence that the Development Owner or management company has attended at least five hours of Department-approved Fair Housing training relating to leasing and management issues and the Development architect has attended at least five hours of Department-approved Fair Housing training relating to design issues on or before the date the bonds are closed. Certifications must not be older than two years.
4. The certification from the Development architect which certifies that the Development complies accessibility standards pursuant to §49.9(h)(4)(G) and energy saving devices and air conditioners pursuant to §49.9(h)(4)(I) of the QAP.
5. Evidence that the General Contractor hired by the Development Owner meets the experience criteria defined by §49.16(c) of the Rules must be provided in the form of the Post Application - General Contractor Certification Form and supporting documentation.

2009 HTC Program Determination Notice For Tax-Exempt Bond Financed Development: (CONTINUED)

The Mirabella, TDHCA #09402

5) This Determination is subject to the following Development specific conditions. Unless otherwise stated, the documentation required to satisfy these conditions must be submitted to the Department by Cost Certification unless otherwise noted below.


Per §49.12(c) of the Qualified Allocation Plan and Rules, all Tax Exempt Bond Development Applications "must provide an executed agreement with a qualified service provider for the provision of special supportive services that would otherwise not be available for the tenants. The provision of such services will be included in the Declaration of Land Use Restrictive Covenants ("LURA")."

Receipt, review, and acceptance prior to start of construction of evidence that all Phase I ESA recommendations have been carried out.

Receipt, review, and acceptance, by cost certification, of documentation from the county appraisal district indicating that the development is eligible for and has secured 100% property tax exemption.

Receipt, review, and acceptance, by cost certification, of a letter from a certified public accountant allocating which portions of site costs should be included in Eligible Basis and which ones may be ineligible.

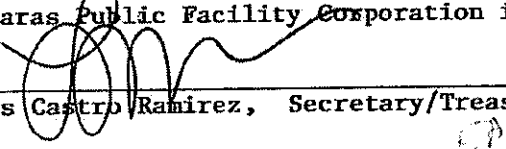
Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.



Robbye Meyer, Director of Multifamily Finance
Date 10/15/09

I (We), Development Owner hereby acknowledge and agree to abide by all terms and conditions stated in this Determination Notice and any referenced documentation contained herein.

I (We), hereby acknowledge that failure to comply with said Determination Notice, Exhibit "A" thereof, the Department's Rules, and any referenced documentation contained therein may result in a refusal of the Department to issue IRS Form(s) 8609 for purposes of housing tax credits as well as its exercise of other remedies, including revocation of the Determination Notice.

<u>The Mirabella, Ltd.</u>		
Development Owner	Date	Development Owner Printed Name, Title
By: SAHA The Mirabella, LLC its a Texas Limited Liability Company		
By: Las Varas Public Facility Corporation its Sole Member		
By: 	<u>11-10-09</u>	
Lourdes Castro Ramirez, Secretary/Treasurer		

ATTACHMENT 3

Notification by John Barton

From: John Barton [mailto:barton@brb.state.tx.us]

Sent: Friday, November 13, 2009 11:42 AM

To: bob_waggoner@saha.org; nina.nixon-mendez@sanantonio.gov; Dan Markson; Debra Guerrero; jplummer@fulbright.com; aalbiar@fulbright.com

Cc: Valerie Garrity; Nancy Sheppard; mspain@fulbright.com; clock@fulbright.com; mwilson@fulbright.com; 'French, Jaime'; shannon.roth@tdhca.state.tx.us; teresa.morales@tdhca.state.tx.us; bradford_mcmurray@saha.org; david_casso@saha.org; 'Kent Bedell'

Subject: San Antonio HFC - Mirabella Apts.

Importance: Low

Dear Interested Parties:

This email serves as your official notification that the above referenced project in San Antonio is next in line to get a reservation of allocation for its full requested amount of \$15,000,000.

However, before I can issue the reservation, volume one **and volume two (per the 2009 QAP)** of the tax credit application needs to be filed with TDHCA. Volume one and two of the tax credit application have to be turned in to TDHCA by the close of business today. If volume one and volume two of the tax credit application is not filed by **5pm November 13, 2009** I will then cancel this application and move on to the next one in line.

If said project needs to be withdrawn, I need a letter from the ISSUER or authorized representative letting me know as soon as possible.

Let me know if you have any questions.

John Barton
Texas Bond Review Board
300 W. 15th St., Ste. 409
Austin, TX 78701
Ph: 512.463.9891
Fax: 512.475.4802
barton@brb.state.tx.us

ATTACHMENT 4

Federal Express Tracking Information On Volumes 1 and 2

From: TrackingUpdates@fedex.com [mailto:TrackingUpdates@fedex.com]
Sent: Thursday, April 23, 2009 7:56 AM
To: Nancy Sheppard
Subject: FedEx Shipment 796543844209 Delivered

This tracking update has been requested by:

Company Name: The NRP Group LLC
Name: Lorraine Flores
E-mail: lflores@nrpgroup.com

Our records indicate that the following shipment has been delivered:

Reference: TDHCA-The Mirabella
Ship (P/U) date: Apr 22, 2009
Delivery date: Apr 23, 2009 7:51 AM
Sign for by: R.CONOLEY
Delivered to: Mailroom
Service type: FedEx First Overnight
Packaging type: FedEx Envelope
Number of pieces: 1
Weight: 0.50 lb.
Special handling/Services: Deliver Weekday

Tracking number: 796543844209

Shipper Information
Lorraine Flores
The NRP Group LLC
111 Soledad; Suite 1220
San Antonio
TX
US
78228

Recipient Information
Teresa Morales
TDHCA
221 East 11th Street
Austin
TX
US
78701

Please do not respond to this message. This email was sent from an unattended mailbox. This report was generated at approximately 7:55 AM CDT on 04/23/2009.

[Learn more](#) about new ways to track with FedEx.

All weights are estimated.

To track the latest status of your shipment, click on the tracking number above, or visit us at fedex.com.

This tracking update has been sent to you by FedEx on the behalf of the Requestor noted above. FedEx does not validate the authenticity of the requestor and does not validate, guarantee or warrant the authenticity of the request, the requestor's message, or the accuracy of this tracking update. For tracking results and fedex.com's terms of use, go to fedex.com.

Thank you for your business.

**MULTIFAMILY FINANCE DIVISION
BOARD ACTION REQUEST**

December 17, 2009

Required Action

Possible Approval of the Issuance of Forward Commitments for Allocations from the 2010 State Housing Credit Ceiling for 2009 Applications.

Background

As permitted under §49.10(c) of the 2009 Qualified Allocation Plan and Rules (the “QAP”): “The Board may determine to issue commitments of tax credit authority with respect to Applications from the State Housing Credit Ceiling for the calendar year following the year of issuance (each a “forward commitment”).”

The Board may consider all Applications submitted under the 2009 Application Round. Included with this Board Action Request is a list of the Applications that have received awards and Applications that remain on the 2009 Waiting List.. Pursuant to §49.10(c) of the 2009 QAP, “The Board will utilize its discretion in determining the amount of credits to be allocated as forward commitments and the reasons for those commitments considering score and discretionary factors”.

The following issues should be noted:

1. As described in §50.10(c) of the 2009 QAP: “Applications that are submitted under the 2009 QAP and granted a Forward Commitment of 2010 Housing Tax Credits are considered by the Board to comply with the 2010 QAP by having satisfied the requirements of this 2009 QAP, except for statutorily required QAP changes.”
2. As described in §49.10(c)(1) of the 2009 QAP: “Unless otherwise provided in the Commitment Notice with respect to a Development selected to receive a forward commitment, actions which are required to be performed under this chapter by a particular date within a calendar year shall be performed by such date in the calendar year of the Credit Ceiling from which the credits are allocated.”
3. For any Application approved by the Board for a forward commitment, the credit amount awarded will be attributed to the proper region and Set-Asides from the 2010 State Housing Credit Ceiling to ensure adherence to the requirements of §2306.6714 and the Regional Allocation Formula in 2010.
4. Any approved Applications will be reviewed to ensure that they do not have Material Noncompliance consistent with §49.5(b)(2) and (3) of the 2009 QAP.
5. Any approved Applications will be reviewed consistent with §49.6(f) of the 2009 QAP to ensure that they do not have any violations of the “one-mile, one-year test.” This rule

prohibits the Department from allocating to an Application with a proposed site that is within one mile of any other Application's proposed site awarded in the same calendar year.

6. Staff will review to ensure that consistent with §49.6(d) of the 2009 QAP, the Department "shall not allocate more than \$2 million of tax credits in any given Application Round to any Applicant, Developer, Related Party or Guarantor."
7. Any Applications that have not been reviewed, at this time, will be reviewed for Eligibility and Threshold, financial feasibility and compliance with previous participation; conditions to the award and the amount of final credits awarded will be those identified by Real Estate Analysis and/or Multifamily Finance Production Division.

The Board previously awarded \$6,415,933 in forward commitments from the 2010 Credit Ceiling. The allocation was awarded to the following four (4) Applications: Mustang Heights \$952,875 (Region 2), M Station and Wildflower Terrace \$3,819,234 (Region 7) and Champion Homes at Marina Landing \$1,643,824 (Region 6). Mustang Heights, M Station and Wildflower Terrace have all been awarded 2010 Forward Commitments but will have the option to receive 2009 credits should they become available before December 31, 2009. Champion Homes at Marina Landing was awarded a 2010 Forward Commitment.

Recommendations

Staff does not recommend the allocation of forward commitments at this time. Generally, Applications that did not score sufficiently to be awarded credits this year would be eligible to reapply in 2010 under the terms of the new QAP. Without the reapplication process, the deals awarded out of next year's allocation will not be held to the same standards as other applicants in 2010.

Forward commitments made this year will reduce the amount of Housing Tax Credits available in 2010 to other qualified applications that will be submitted for the 2010 Application Round; the scoring process and Department rules were objectively applied to all 2009 Applications and those Applications not recommended for an award did not achieve a competitive score and/or did not meet the requirements of the program.

**2009 Waiting List as of December 10, 2009
2009 Competitive Housing Tax Credit Program**

Region File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	ACQ ⁶	Requested Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁷
Region: 1																
Applications Submitted in Region 1:		Urban														
09320	1 N	Oxford Street Apts	Ventura Dr. and Viking Dr.	Amarillo	Urban	<input type="checkbox"/> <input type="checkbox"/>	127	128	G	NC	<input type="checkbox"/>	\$1,330,000	Justin Zimmerman	<input type="checkbox"/>	180.0	
09113	1 N	Estacado Place Apts	Intersection of MLK & Loop 289	Lubbock	Urban	<input type="checkbox"/> <input type="checkbox"/>	120	120	E	NC	<input type="checkbox"/>	\$1,388,828	G. Granger MacDonald	<input type="checkbox"/>	160.0	
							Total:	247	248			\$2,718,828				
							Region Total:	247	248			\$2,718,828				
2 Applications in Region																

1 = Status of Award Abbreviation: Development Previously Awarded 2009 Housing Tax Credits=A, Recommended for Award=R, Not Recommended for Award=N.
2 = Allocation: Rural Regional Allocation or Urban Regional Allocation.
3 = Set-Aside Abbreviations: TRDO-USDA=USDA, Nonprofit=NP.
4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.
5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.
6 = Acquisition=ACQ, Developments for which acquisition Housing Tax Credits are being requested.
7 = Comment: Violation of State Statute if awarded.

Region File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	ACQ ⁶	Requested Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁷
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Region: 3

Applications Submitted in Region 3: Urban

09200	3 N	Mariposa Pointe	E. Side JJ Lemmon Rd .3m N. of Lancaster Hutchins Rd.	Hutchins	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/>	128	128	G	NC	<input type="checkbox"/>	\$1,550,426	Cynthia Mickens-Smith	<input type="checkbox"/>	210.0	Violates \$2M Cap
09140	3 N	Village of Salado	9.549 acres at approx. 201 N. Joe Wilson Rd.	Cedar Hill	Urban	<input type="checkbox"/> <input type="checkbox"/>	83	83	G	NC	<input type="checkbox"/>	\$1,557,463	Uwe Nahuina	<input type="checkbox"/>	205.0	Violates \$2M Cap
09264	3 N	Sedona Ranch	6101 Old Denton Rd.	Fort Worth	Urban	<input type="checkbox"/> <input type="checkbox"/>	200	208	G	NC	<input type="checkbox"/>	\$1,951,174	Manish Verma	<input type="checkbox"/>	196.0	Violates \$2M Cap
09168	3 N	LifeNet Lofts	2621 Jeffries St. and 2600 Block of Merlin St.	Dallas	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/>	125	125	G	NC	<input type="checkbox"/>	\$1,000,295	Liam Mulvaney	<input type="checkbox"/>	176.0	
09129	3 N	Napa Villas	NW corner Town Square Dr. & Gratitude Trl.	Plano	Urban	<input type="checkbox"/> <input type="checkbox"/>	123	123	E	NC	<input type="checkbox"/>	\$1,641,929	Dan Allgeier	<input type="checkbox"/>	133.0	

Total: 659 667 \$7,701,287

5 Applications in Region

Region Total: 659 667 \$7,701,287

1 = Status of Award Abbreviation: Development Previously Awarded 2009 Housing Tax Credits=A, Recommended for Award=R, Not Recommended for Award=N.
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Region	File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	Housing ⁶ ACQ	Requested Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁷
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Region: 6

Applications Submitted in Region 6: Urban

09272	6	N	Mason Apartment Homes	Mason Rd. b/t Franz & Morton Rd.	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	120	120	E	NC	<input type="checkbox"/>	\$1,068,324	Kenneth Cash	<input type="checkbox"/>	207.0	Violates \$2M Cap
09281	6	N	Mariposa at Keith Harrow	SWQ of Keith Harrow Blvd. & Hwy 6	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	180	180	E	NC	<input type="checkbox"/>	\$2,000,000	Stuart Shaw	<input type="checkbox"/>	204.0	Violates One Mile and \$2M Cap
09160	6	N	Stone Court Senior Residences	NEC of Smithstone Dr. & Somerall Dr.	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	80	80	E	NC	<input type="checkbox"/>	\$1,027,552	Michael Robinson	<input type="checkbox"/>	200.0	Violates \$2M Cap
09191	6	N	Sendero Pointe	S. Side of Addicks Satsuma approx. 10m E. of Hwy 6	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	120	120	E	NC	<input type="checkbox"/>	\$1,634,081	Thomas W. Troll	<input type="checkbox"/>	199.0	Violates One Mile and \$2M Cap
09201	6	N	Ventana Pointe	Red Oak & Butterfield Rd.	Houston	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/>	96	96	E	NC	<input type="checkbox"/>	\$1,091,199	Vincent A. Marquez	<input type="checkbox"/>	199.0	Violates One Mile
09269	6	N	Eldridge Oaks	8.5 acres on N. Eldridge Pkwy., N. of FM 529	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	160	160	G	NC	<input type="checkbox"/>	\$1,828,649	Kenneth Cash	<input type="checkbox"/>	194.0	Violates \$2M Cap
09276	6	N	Cypress Creek at Calder Drive	N. Side of FM 517 approx. 1/2 mi W. of FM 646	Dickinson	Urban	<input type="checkbox"/> <input type="checkbox"/>	180	180	G	NC	<input type="checkbox"/>	\$2,000,000	Stuart Shaw	<input type="checkbox"/>	181.0	Violates \$2M Cap
09169	6	N	Orem Ranch	W. Side of 12500 Blk of Alameda	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	80	81	G	NC	<input type="checkbox"/>	\$1,597,843	W. Barry Kahn	<input type="checkbox"/>	160.0	Violates \$2M Cap
09313	6	N	Hampshire Court Apts	3400 Blk of S. Burke Dr. near Vista Rd.	Pasadena	Urban	<input type="checkbox"/> <input type="checkbox"/>	159	159	E	NC	<input type="checkbox"/>	\$2,000,000	J. Steve Ford	<input type="checkbox"/>	150.0	
09311	6	N	Deerbrook Place Apts	19700 Blk of the W. Side of Deerbrook Park Blvd.	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	159	159	E	NC	<input type="checkbox"/>	\$2,000,000	William D. Henson	<input type="checkbox"/>	141.0	

Total: 1,334 1,335 \$16,247,648

Applications Submitted in Region 6: Rural

09102	6	N	Magnolia Trails	31000 Blk of Nichols Sawmill Rd. (W. side)	Magnolia	Rural	<input type="checkbox"/> <input type="checkbox"/>	76	80	E	NC	<input type="checkbox"/>	\$805,336	David Mark Koogler	<input type="checkbox"/>	212.0	Violates \$2M Cap
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Total: 76 80 \$805,336

11 Applications in Region

Region Total: 1,410 1,415 \$17,052,984

1 = Status of Award Abbreviation: Development Previously Awarded 2009 Housing Tax Credits=A, Recommended for Award=R, Not Recommended for Award=N.
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4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.
5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.
6 = Acquisition=ACQ, Developments for which acquisition Housing Tax Credits are being requested.
7 = Comment: Violation of State Statute if awarded.

Region	File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	ACQ ⁶	Requested Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁷
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Region: 7

Applications Submitted in Region 7: Rural

09293	7	N	Villas of Shady Grove	North FM 963 at Hill St. and Rhomberg St.	Burnet	Rural	<input type="checkbox"/> <input type="checkbox"/>	72	80	G	NC	<input type="checkbox"/>	\$952,875	Dennis Hoover	<input checked="" type="checkbox"/>	179.0	
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Total: 72 80 \$952,875

Region Total: 72 80 \$952,875

1 Applications in Region

1 = Status of Award Abbreviation: Development Previously Awarded 2009 Housing Tax Credits=A, Recommended for Award=R, Not Recommended for Award=N.
2 = Allocation: Rural Regional Allocation or Urban Regional Allocation.
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4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.
5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.
6 = Acquisition=ACQ, Developments for which acquisition Housing Tax Credits are being requested.
7 = Comment: Violation of State Statute if awarded.

File #	Region Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	Housing ⁵ ACQ ⁶	Requested Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁷
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Region: 8

Applications Submitted in Region 8: Urban

09118	8 N	Fairways at Sammons Park	SWC of W. Adams & 43rd St.	Temple	Urban	<input type="checkbox"/> <input type="checkbox"/>	92	92	E	NC	<input type="checkbox"/>	\$1,000,000	Clifton Phillips	<input type="checkbox"/>	204.0	
09121	8 N	Red Oak Seniors	920 S. Loop 340	Waco	Urban	<input type="checkbox"/> <input type="checkbox"/>	36	36	E	NC	<input type="checkbox"/>	\$543,337	R.J. Collins	<input type="checkbox"/>	204.0	

Total: 128 128 \$1,543,337

Region Total: 128 128 \$1,543,337

2 Applications in Region

1 = Status of Award Abbreviation: Development Previously Awarded 2009 Housing Tax Credits=A, Recommended for Award=R, Not Recommended for Award=N.
2 = Allocation: Rural Regional Allocation or Urban Regional Allocation.
3 = Set-Aside Abbreviations: TRDO-USDA=USDA, Nonprofit=NP.
4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.
5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.
6 = Acquisition=ACQ, Developments for which acquisition Housing Tax Credits are being requested.
7 = Comment: Violation of State Statute if awarded.

Region File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	Housing ⁵ ACQ ⁶	Requested Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁷
Region: 9																
Applications Submitted in Region 9: Urban																
09230	9 N	Darson Marie Terrace	3142 Weir Ave.	San Antonio	Urban	<input type="checkbox"/> <input type="checkbox"/>	56	57	E	NC	<input type="checkbox"/>	\$705,442	Richard Washington	<input type="checkbox"/>	207.0	
09187	9 N	Pleasanton Farms	SE Loop 410 & Pleasanton Rd.	San Antonio	Urban	<input type="checkbox"/> <input type="checkbox"/>	165	165	G	NC	<input type="checkbox"/>	\$2,000,000	Mike Sugrue	<input type="checkbox"/>	163.0	
09307	9 N	Medio Springs Ranch Apts	1530 Marbach Oaks	San Antonio	Urban	<input type="checkbox"/> <input type="checkbox"/>	200	252	G	NC	<input type="checkbox"/>	\$1,340,000	Stephen J. Poppoon	<input type="checkbox"/>	158.0	
09202	9 N	Tesoro Hills	Sweet Maiden Dr. at Tesoro Hills	San Antonio	Urban	<input type="checkbox"/> <input type="checkbox"/>	158	158	G	NC	<input type="checkbox"/>	\$2,000,000	Mike Sugrue	<input type="checkbox"/>	150.0	
							Total:	579	632			\$6,045,442				
Applications Submitted in Region 9: Rural																
09304	9 N	Gardens at Clearwater Apts	400 Blk of Clearwater Paseo	Kerrville	Rural	<input type="checkbox"/> <input type="checkbox"/>	80	80	E	NC	<input type="checkbox"/>	\$903,549	Lucille Jones	<input type="checkbox"/>	179.0	
							Total:	80	80			\$903,549				
5 Applications in Region							Region Total:	659	712			\$6,948,991				

1 = Status of Award Abbreviation: Development Previously Awarded 2009 Housing Tax Credits=A, Recommended for Award=R, Not Recommended for Award=N.
2 = Allocation: Rural Regional Allocation or Urban Regional Allocation.
3 = Set-Aside Abbreviations: TRDO-USDA=USDA, Nonprofit=NP.
4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.
5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.
6 = Acquisition=ACQ, Developments for which acquisition Housing Tax Credits are being requested.
7 = Comment: Violation of State Statute if awarded.

Region	File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	ACQ ⁶	Requested Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁷
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Region: 12

Applications Submitted in Region 12: Urban

09299	12	N Hillcrest Acres	19.9 acres b/w Cuthbert Ave. & Princeton Ave., W. of Midland Dr.	Midland	Urban	<input type="checkbox"/>	<input type="checkbox"/>	93	93	G	NC	<input type="checkbox"/>	\$1,191,077	Max Schleder	<input type="checkbox"/>	197.0	
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Total: 93 93 \$1,191,077

1 Applications in Region

Region Total: 93 93 \$1,191,077

1 = Status of Award Abbreviation: Development Previously Awarded 2009 Housing Tax Credits=A, Recommended for Award=R, Not Recommended for Award=N.
2 = Allocation: Rural Regional Allocation or Urban Regional Allocation.
3 = Set-Aside Abbreviations: TRDO-USDA=USDA, Nonprofit=NP.
4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.
5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.
6 = Acquisition=ACQ, Developments for which acquisition Housing Tax Credits are being requested.
7 = Comment: Violation of State Statute if awarded.

File #	Region Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	ACQ ⁶	Requested Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁷
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Region: 13

Applications Submitted in Region 13: Urban

09306	13	N Canyon Square Village	8622 & 8624 N. Loop Rd.	El Paso	Urban	<input type="checkbox"/> <input type="checkbox"/>	104	104	G	NC	<input type="checkbox"/>	\$1,264,046	Ike J. Monty	<input type="checkbox"/>	156.0	
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Total: 104 104 \$1,264,046

1 Applications in Region

Region Total: 104 104 \$1,264,046

28 Total Applications

3,372 3,447 \$39,373,425

1 = Status of Award Abbreviation: Development Previously Awarded 2009 Housing Tax Credits=A, Recommended for Award=R, Not Recommended for Award=N.

2 = Allocation: Rural Regional Allocation or Urban Regional Allocation.

3 = Set-Aside Abbreviations: TRDO-USDA=USDA, Nonprofit=NP.

4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.

5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.

6 = Acquisition=ACQ, Developments for which acquisition Housing Tax Credits are being requested.

7 = Comment: Violation of State Statute if awarded.

MULTIFAMILY FINANCE PRODUCTION DIVISION
BOARD ACTION REQUEST
December 17, 2009

Requested Action

Approve the correction to the 2008 additional allocation of housing tax credits using credits from the 2009 tax credit ceiling for Moore Grocery Lofts in Tyler, #06021/07096.

Summary of the Transaction

The Moore Grocery Lofts in Tyler received a forward commitment of 2007 housing tax credits which was based on an application that was submitted as part of the 2006 housing tax credit application cycle. As a result of the Housing and Economic Recovery Act (HERA) of 2008 the 2007 and 2008 tax credit awardees were awarded additional tax credits. Based on information submitted to the Department by the Applicant regarding updated syndication information, the Department evaluated the additional credits of which the above referenced application would be eligible. The Department re-calculated the tax credit based on a rate of \$0.94; however, this rate was inaccurate because it was a blended rate based on both historical and tax credit capital contributions that was discovered after the carryover documentation was issued. The rate that should have been used was \$0.923 based on the housing tax credit portion alone as well as a rate of \$0.70 which represented the price for the additional credits received.

The Department issued a carryover document in the amount of \$8,009 based on \$0.94 credit price. As a result of the miscalculation the carryover document should have been issued for \$26,195 which incorporates the \$0.923 and \$0.70 housing tax credit rates. The applicant is requesting the additional credits of \$18,186 be issued to Moore Grocery Lofts. Staff notes that because this amount was not included in the IRS reporting at year end for 2008 these additional credits must come out of the 2009 credit ceiling.

December 7, 2009

Mr. Michael Gerber
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78701

Re: Moore Grocery Lofts in Tyler
Request for Additional Tax Credits
TDHCA No. 060201/07096

Dear Mr. Gerber:

We represent the owner of the above referenced Development, which received a forward commitment of 2007 tax credits in the original amount of \$748,845, based upon an application that was submitted in the 2006 application round. The owner proposed the rehabilitation and new construction of 88 units, restoring a certified historical structure. The anticipated total budget for this rehabilitation was \$9,293,140.

In July 2008, President Bush signed the Housing and Economic Recovery Act of 2008, which granted additional tax credit authority to TDHCA. This additional tax credit authority was intended to provide relief for the industry-wide reduction in tax credit pricing. At a meeting on September 4, 2008, the Board approved a policy and procedure by which these additional tax credits would be allocated to 2007 and 2008 tax credit awardees. Pursuant to the policy and procedure, recipients of tax credits in 2007 and 2008 would submit updated syndication information, showing any revisions to the tax credit pricing, so that staff could calculate the amount of additional credits needed to fill the gap. At the Board meeting on November 13, 2008, staff made recommendations for additional credit awards for the 2007 and 2008 awardees. However, as a 2006 applicant with a 2007 forward commitment award, Moore Grocery Lofts was not on the list published in the Board Book.

The November 13, 2008 Board action permitted the 2006 applicants with 2007 forward commitments to receive the additional credit award, as well. Accordingly, Moore Grocery Lofts submitted its information as to credit pricing in the form of a limited partnership agreement so that staff could calculate the additional credit amount. It is notable that Moore Grocery Lofts qualified for both historic tax credits and housing tax credits. An affiliate of SunAmerica Affordable Housing Partners agreed to pay a blended rate of \$0.94 for those credits. However, the rate for the housing tax credits alone was \$0.923. Moreover, the rate for any additional tax credits awarded was \$0.70.

TDHCA staff calculated the additional credit award based upon the \$0.94 blended rate and issued a carryover agreement for \$8,009 of additional credits on December 10, 2008. The owner immediately identified that this amount was lower than it should have been and notified staff that the

additional credit award should have been calculated based upon the \$0.923 housing tax credit rate instead; this would have resulted in an additional credit award of \$26,195. While the owner was working with the staff on this discrepancy, it signed the carryover agreement and submitted it, knowing it was essential to have the carryover agreement completed before year-end. On December 17, 2008, staff acknowledged in an email that the additional credit award would have been \$26,195 if the \$0.923 housing tax credit rate was used. (See email correspondence attached as Exhibit A.) The owner thought that TDHCA would take steps to amend or revise the carryover agreement that had been submitted, in order to reflect this amount. In fact, in testimony before the Board on December 18, 2008, a representative of the owner referred to the additional credit award of \$26,195, evidencing his understanding that this amount had been agreed to with staff. However, staff never revised the carryover agreement to give the owner the full benefit of the additional credit award.

Because this discrepancy in calculation was not known to the owner until December 10, there was not sufficient time for the owner to make an appeal of the additional tax credit award for the December 18 Board meeting. Without being able to address this at the December 18 Board meeting, and with a year-end deadline to sign the carryover agreement or lose the additional tax credits entirely, the owner effectively was unable to appeal staff's calculation of the additional tax credit award.

On November 9, 2009, I appeared before the Board and asked for the owner to be given an opportunity to discuss this situation at the December 17, 2009 Board meeting. The request was granted, and this letter is being submitted for inclusion in the Board Book in support of the owner's request.

As I described in my testimony, Moore Grocery Lofts cannot afford to lose any additional tax credits to which it is entitled. The development faced numerous challenges, all impacting the overall development cost. The lender and investor that had originally committed to finance the transaction revoked their commitments after negotiations essentially had been completed. The owner was required to find substitute financing and incurred at least \$175,000 of additional costs and at least six months of delay because it went through multiple closings. As it stands, the Development has a gap between its sources and uses of approximately \$549,477. This is a significant shortfall.

The owner is now completing its cost certification and is asking that the total additional credits of \$26,195 be available and awarded to this development. This would require a tax credit award of \$18,186 (\$26,195 - \$8,009). The investor limited partner has committed to purchase these additional tax credits at a rate of \$0.515. (See letter attached as Exhibit B.) Had the full amount of additional credits been awarded in 2008, the investor limited partner would have paid \$0.70 for the credits. This reflects an overall loss to the development of approximately \$33,644 of equity. Nonetheless, \$18,186 of additional tax credits will generate approximately \$93,658 of additional equity for the owner. This does not make the owner whole with regard to its increased development costs, but it certainly helps. In fact, with the investor limited partner paying \$0.515, the Development would actually need \$106,705 of additional tax credits to fill the funding gap of \$549,477 referenced above.

Moreover, it should be noted that the amount being requested is actually small compared to the amount of credits for which the Development would qualify. The owner has prepared a draft of

its cost certification. Exhibit 9E to the cost certification, attached hereto as Exhibit C, shows the Development qualifies for \$204,806 of additional annual tax credits.

Section 49.16(i) of the 2009 QAP states:

(i) The Board at its sole discretion may allocate credits to a Development Owner in addition to those awarded at the time of the initial Carryover Allocation in instances where there is bona fide substantiation of cost overruns and the Department has made a determination that the allocation is needed to maintain the Development's financial viability.

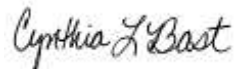
Additional credits for Moore Grocery Lofts could be awarded from credits returned to the 2009 allocation pool. Our client believes the Moore Grocery Lofts merits the Board's exercise of such discretion for the following reasons:

- The owner's additional credit award was artificially reduced based upon a misunderstanding of how the gap amount should be calculated, because of the combination of historic tax credits and housing tax credits.
- Due to the timing of the notification of the additional credit award, the owner did not have sufficient time to appeal the calculation before December 31, 2008, the deadline by which the credits were to be awarded.
- The development is one of only a few efforts across the state of Texas to restore and retain the character of historical buildings for the purposes of affordable housing. It recently won the Texas Downtown Association president's Award for Best Adaptive Reuse in the State of Texas.
- The risks associated with development of historical properties are greater than those of new construction or even standard rehabilitation, due to the numerous federal restrictions imposed on historical buildings.
- The owner weathered the failing capital markets and managed to take the project to completion, even though it lost its initial sources of financing after negotiations had been completed.
- The development has experienced financial hardship because of the loss of its initial financing sources, and the additional tax credits will help alleviate some of that burden.
- The investor limited partner has committed to purchase the additional tax credits.

Mr. Michael Gerber
December 7, 2009
Page 4

Our client looks forward to presenting this matter at the December 17, 2009 Board meeting, and we appreciate the opportunity for consideration.

Sincerely,



Cynthia L. Bast

cc: Bill Scantland
Hollis Fitch

Tom Gouris
Robbye Meyer
Brent Stewart

Exhibit A – Email correspondence regarding credit calculation
Exhibit B – Letter from syndicator, offering to purchase additional tax credits
Exhibit C – Cost Certification Exhibit 9E

Exhibit A

Email Correspondence

From: Tom Gouris [mailto:tom.gouris@tdhca.state.tx.us]
Sent: Wednesday, December 17, 2008 6:10 PM
To: Diamond Thompson; 'hollis@fitchdg.com'
Cc: Raquel Morales; Robbye Meyer
Subject: RE: Moore Grocery Lofts Additional Credit Calculation

So if we use the \$.923 price instead of the \$.94 price the credit amount would go to
 $((\$7,095,205 - (\$748,845 * \$0.923 * 10)) / 0.7 / 10) = \$26,195$
(the "new" gap - original credits * actual original price * 10) / lower new rate / 10
Do we agree?

Tom Gouris

Acting Deputy Executive Director for Programs

Texas Department of Housing and Community Affairs

(512) 475-1470

-----Original Message-----

From: Diamond Thompson
Sent: Wednesday, December 17, 2008 3:51 PM
To: Tom Gouris
Subject: FW: Moore Grocery Lofts Additional Credit Calculation

The email below is what I sent to Hollis...

We ended up using a credit price of \$0.94 based on the LP agreement they sent us that appeared to combine the Historical & Tax Credit capital contribution. So when we parsed these out we got \$0.94. I contacted Jim Sari before we posted the information to verify this, and this is when he informed me that SunAmerica no longer planned to purchase the additional credits at this amount and that they were in the process of re-negotiating the contract. They later sent in the letter from the syndicator indicating that the additional credits will be purchased at \$0.70, and we were still under the impression that the \$0.94 for the original credits was correct.

<T:\unun\ARCHIVES\LIHTC\2006 9% HTC\2006 Forward Commitments\060201 Moore Grocery Lofts\Moore Grocery LP Agreement.pdf>

Diamond Unique Thompson
TDHCA - Real Estate Analysis
Phone (512) 475-3915
Fax (512) 475-4420
diamond.thompson@tdhca.state.tx.us

-----Original Message-----

From: Diamond Thompson

Sent: Friday, December 12, 2008 3:28 PM

To: 'hollis@fitchdg.com'

Subject: Moore Grocery Lofts Additional Credit Calculation

Hollis,

Let me know if this helps or just confuses you even more!

Here are the calculations; you should be able to get all of these numbers right off the table that we published:

Final Total Allocation = Incr in Allocation + LIHTC Amount Awarded

Incr in Allocation = lesser of:

$^1[(\text{Original Eligible Basis} * \text{Boost} * \text{Fraction} * 9\%) + (\text{Acquisition Basis} * \text{Fraction} * \text{Applicable Percentage}^2) + (\text{10\% Incr in Costs} * \text{Fraction} * 9\%)] - \text{LIHTC Amount Awarded} = \text{\$974,435} - \text{\$748,845} = \text{\$225,590 in additional credits}$ (I believe we were able to get to this #, or pretty close over the phone)

or

$^4[(\text{Original Gap Proceeds} / \text{New Syndication} / 10 \text{ years} + (\text{New Gap Proceeds}^5 - \text{Original Gap Proceeds}) / \text{Additional Credit Syndication} / 10 \text{ years}] - \text{LIHTC Amount Awarded}$

Here's what the above Gap formula looks like for Moore Grocery:

$[(\$7,039,143 / 0.94 / 10) + (\$7,095,205 - \$7,039,143) / 0.7 / 10] - \$748,845 = \$8,009$ in additional credits

Notes:

¹**Creds Based on 10% Incr** - from the table

²**Applicable Percentage:** '07 deals - 3.64%; '08 deals - 3.55%

³**10% Incr in Costs** = ('Original' Sitework* + 'Original' Direct Construction Costs*) * 10%

⁴**Gap Creds Based on 10% Incr** - from the table

⁵**New Gap Proceeds** = Original Gap + 10% Incr in Costs = \$6,589,180 + \$506,025 = **\\$7,095,205**

Diamond Unique Thompson

TDHCA - Real Estate Analysis

Phone (512) 475-3915

Fax (512) 475-4420

diamond.thompson@tdhca.state.tx.us

Exhibit B

Letter from Syndicator



SunAmerica Affordable
Housing Partners, Inc.
1 SunAmerica Center
Los Angeles, CA 90067-6022

310.772.6553
310.772.6794 Fax
mfowler@sunamerica.com

Michael L. Fowler
President

Mr. Jim Sari
Landmark Development
406 E. 4th Street
Winston Salem, NC 27101

Dear Jim:

The project received \$8,009 annually in additional credits from an earlier application this year. As the costs have increased another application at this time is being proposed. We continue to be very supportive of the Moore Grocery Lofts project and its additional needs. We have already committed nearly \$8MM in equity to the project and would be willing to buy the recommended additional credits that the project and Landmark Development are requesting. With the difficulty in the tax credit market at this time and other pricing issues we can not price at previous levels used to purchase the credits at project closing in February 2008. Based on today's required yields and pricing needs, we would purchase the additional credits at \$.515 for up to \$120,000 of annual additional credits, if approved. We continue to be supportive of the project and its needs.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mike Fowler', with a long horizontal line extending to the right.

Mike Fowler

Member of American International Group, Inc.

Exhibit C

Cost Certification Exhibit 9E

EXHIBIT 9E: MAXIMUM ADDITIONAL ALLOCATION

FOR 2007 AND 2008 COMPETITIVE ANNUAL ALLOCATIONS ONLY
(INCLUDING 2006 APPLICATIONS FUNDED OUT OF 2007 CREDIT CEILING)

DEVELOPMENT NAME:

FILE NUMBER: 07096/08952

This exhibit explains the Department's calculation in determining the amount of additional allocation based on a 10% increase in direct and site work costs and adjustment to the applicable percentage up to the full 9%, as approved by the TDHCA Board at the November 13, 2008 meeting. A list of Award Recommendations is available on the Department's Real Estate Analysis webpage at www.tdhca.state.tx.us/rea. This exhibit also allows you to calculate the maximum increase in allocation based upon increases experienced in site work and direct construction costs. Direct construction costs are costs associated with labor and materials required for the construction or rehabilitation of the buildings of a development. Site work costs are defined as those costs associated with the site itself other than the foundation and the buildings. The maximum additional allocation allowed will be the lesser of the three calculations in (A), (B) or (C), and reflected in (D).

(A) Additional Allocation Awarded to the Development	
Original Allocation	\$ 748,845
Additional Allocation Amount, as Approved During the November 13, 2008 Board Meeting	\$ 8,009
Total Allocation	\$ 756,854
Additional allocation amount	\$ 8,009 (A)

Table (A) reflects the amount of additional credits a development was awarded based upon a 10% increase in the direct and sitework costs last approved by the TDHCA Board and an adjustment up to the 9% applicable percentage, subject to a calculation of the gap in financing sources, as approved by the TDHCA Board at the November 13, 2008 meeting.

(B) Potential Additional Allocation	
Original Eligible Direct + Sitework Costs	\$ 4,706,250
Final Eligible Direct + Sitework Costs	\$ 6,706,802
% Increase in hard costs from UW to Cost Certification	42.51%
Additional allocation amount based on prorata percentage	\$ 34,045 (B)

Table (B) calculates the maximum amount of additional credits based upon the prorata percentage increase in direct and sitework costs.

(C) Potential Additional Allocation	
Total Credits per Cost Certification	\$ 961,660
Total Allocation (Original + 10% Increase)	\$ 756,854
Difference b/w Total Credits per Cost Certification and Total Allocation	\$ 204,806 (C)

development via the original Carryover Allocation Agreement and the amount of tax credits a development is eligible for at Cost Certification as reflected in Ex. 10C.

(D) Requested Additional Credits	
Additional Allocation from Table (A)	\$ 8,009.00
Additional Allocation from Table (B)	\$ 34,044.98
Difference in Allocation from Table (C)	\$ 204,806.44
Requested Additional Credits	\$ 8,009.00

Table (D) takes the lesser of all three calculations (A, B, and C). This is the maximum additional allocation allowed.

**MULTIFAMILY FINANCE DIVISION
BOARD ACTION REQUEST**

December 17, 2009

Required Action

Approve the extension of the Placement in Service to a reasonable completion date.

Background

The Legacy Senior Housing development was awarded housing tax credits in 2006. In March 2009, the Department granted an extension of the placement in service date to December 31, 2009 in accordance of Revenue Procedure 2007-54 and FEMA disaster declaration 1780-DR. The reason given for the extension was due to the disaster and aftermath of Hurricane Ike.

The development owner has received a legal opinion (copy attached inboard materials) to the effect that an extension of the placement in service deadline to December 31, 2010 is permitted under federal law. The development owner understands that, by granting the extension, the Department is not providing legal counsel that the extension is permissible under federal law and that the Department is not liable to the owner in any way if the Internal Revenue Service (IRS) disagrees with the opinion and recaptures any of the credits. If the IRS were to recapture credits because the owner failed to timely place the development in service, in reliance on this extension, the owner understands the development would continue to be bound by the affordability restrictions of the tax credit land use restriction agreement.

It should be noted that in the event of recapture, the Department may lose the ability to reallocate the credits. Staff believes the relief granted previously should have been sufficient to complete the development.



Locke Lord Bissell & Liddell LLP

Attorneys & Counselors

Rec'd TDHCA Fri 12/4/2009 1:17 PM
100 Congress Avenue, Suite 300
Austin, Texas 78701-2748
Telephone: 512-305-4700
Fax: 512-305-4800
www.lockelord.com

Cynthia L. Bast
Direct Telephone: 512-305-4707
Direct Fax: 512-391-4707
cbast@lockelord.com

December 4, 2009

VIA E-MAIL

Texas Department of Housing and Community Affairs
ATTN: Kent Bedell
221 East 11th Street
Austin, Texas 78701

RE: Development: Legacy Senior Housing of Port Arthur
 TDHCA Development Number: 060199
 Project Owner: LRG Legacy Senior Housing of Port Arthur, L.P.

Ladies and Gentlemen:

We represent the Project Owner. On behalf of our client, we request an extension of the placement in service deadline for the Development to December 31, 2010.

The Development received an award of 2006 low income housing tax credits (the "**Tax Credits**") from the Texas Department of Housing and Community Affairs (the "**Department**"), and is located in Jefferson County, which is part of the Hurricane Rita GO Zone. Tax Credit developments located in the GO Zone have received special consideration and allowances under federal law.

The construction of the Development is 95% complete. The Project Owner and general contractor have worked through challenges over the last several months to prepare for completion of the Development. The Project Owner's limited partner has loaned an additional \$1,400,000 to the Project Owner and has committed an additional \$325,000 to finish the Development. Construction permits were renewed by the City of Port Arthur on November 13, 2009, and construction has recommenced. The remaining work includes installation of plumbing fixtures and fire alarm equipment and general finish work.

The Project Owner has received an opinion of the law firm of Ballard Spahr, LLP to the effect that an extension of the placement in service deadline to December 31, 2010 is permitted under federal law. A copy of the letter containing such opinion (the "**Opinion Letter**") is attached to this request. The Project Owner is relying upon the Opinion Letter in seeking this extension. The Project Owner understands that, by granting the extension, TDHCA is not providing the Project Owner with legal counsel that the extension is permissible under federal law and is not liable to the Project Owner in any way if the Internal Revenue Service disagrees with the Project Owner's position on this matter and recaptures any tax credits. If the Internal Revenue Service were to recapture tax credits because the Project Owner failed to timely place the Project in service, in reliance on this extension, the Project Owner understands that the Project would continue to be bound by the affordability restrictions of the tax credit land-use restrictive agreement.

Atlanta, Austin, Chicago, Dallas, Houston, London, Los Angeles, New Orleans, New York, Sacramento, Washington DC

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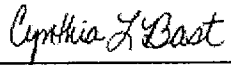
Texas Department of Housing and Community Affairs
December 4, 2009
Page 2

A check in the amount of \$2,500, payable to the Department, for an extension fee, will be sent to your attention under separate cover.

If you require any additional information to process this request, please let me know.

Sincerely,

LOCKE LORD BISSELL & LIDDELL LLP

By: 
Cynthia L. Bast

Enclosure

cc: Robbye Meyer
Seledonia Quesada
Lee Stevens
(all w/ encl.)

Ballard Spahr LLP

1225 17th Street, Suite 2300
Denver, CO 80202-5596
TEL 303.292.2400
FAX 303.296.3956
www.ballardspahr.com

December 2, 2009

SunAmerica Housing Fund 1531,
A Nevada Limited Partnership
1 SunAmerica Center, Century City
Los Angeles, California 90067-6022

LRG Legacy Senior Housing of Port Arthur, L.P.
920 Dequeen Boulevard
Port Arthur, Texas 77640

Re: LRG Legacy Senior Housing of Port Arthur, L.P.

Ladies and Gentlemen:

We have been requested by SunAmerica Housing Fund 1531, A Nevada Limited Partnership (the "Investor Limited Partner"), the limited partner of LRG Legacy Senior Housing of Port Arthur, L.P., a Texas limited partnership (the "Partnership"), to render the specific federal income tax opinion set forth below to the Partnership. The Partnership was formed to acquire, develop, construct, own and operate a residential rental property consisting of 126 apartment units in 11 residential buildings located in Port Arthur, Texas (the "Project").

Our opinion relates solely to the federal income tax issue set forth below, and is based on our interpretation of the applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code" or "I.R.C."), the existing and proposed Treasury Regulations interpreting the pertinent provisions of the Code (the "Treasury Regulations" or "Treas. Reg."), the existing published rulings by the Internal Revenue Service (the "Service" or "IRS"), reported judicial and administrative decisions, present administrative practices and other relevant authorities and interpretations, all through the date hereof, which we consider appropriate for purposes of this opinion. Because all of such Code provisions, Regulations, rulings, decisions and other interpretations are subject to change, our opinions are specifically based upon the Code provisions, Regulations, rulings, decisions and other interpretations as in effect on the date of this opinion letter.

In issuing this opinion, we have considered and followed the regulations governing practice before the Service (Circular 230), issued by the U.S. Department of the Treasury. Our opinion is limited to the specific federal income tax issue discussed herein.

December 2, 2009

Page 2

A. Background and Facts.

The Partnership expects to finance the Project, in part, with an allocation of low-income housing tax credits pursuant to Section 42 of the Code (the "Housing Tax Credits"). Pursuant to a Carryover Allocation Agreement dated November 28, 2006 (the "Carryover Allocation"), the Texas Department of Housing and Community Affairs (the "Credit Agency") issued the Partnership a carryover allocation of \$961,150 of annual Housing Tax Credits pursuant to Section 42(h)(1)(E) of the Code. The Carryover Allocation indicates that the Credit Agency allocated Housing Tax Credits to the Partnership for the Project from the Credit Agency's 2006 tax credit authority under Section 42(h)(3) of the Code. In accordance with Section 42(h)(1)(E)(i) of the Code, the Carryover Allocation required the Partnership to place the Project in service by December 31, 2008.

The Project is located in Jefferson County, Texas. On October 6, 2005, the President of the United States declared areas within the states of Louisiana and Texas as a major disaster area because of Hurricane Rita. The Rita Gulf Opportunity Zone ("Rita GO Zone") under Section 1400M(3) of the Code encompasses various counties in Texas, including Jefferson County. *See* IRS Publication 4492.

Pursuant to Revenue Procedure 2007-54, 2007-31 I.R.B. 293, which provides general disaster relief to Housing Tax Credit project owners in presidentially-declared major disaster areas, the Credit Agency extended the Partnership's December 31, 2008 placement in service deadline under Section 42(h)(1)(E)(i) of the Code by one year to December 31, 2009. A letter from the Credit Agency to the Partnership dated March 26, 2009, reflects the placement in service date extension and that the original extension was granted by the Credit Agency in November 2008 (the "Placement in Service Extension").

Due to construction and other project delays, the Partnership has requested that the Credit Agency provide a further extension of the placement in service deadline to a date that is no later than December 31, 2010.

B. Opinion Requested.

We have been asked by the Investor Limited Partner to render an opinion as to the following specific issue:

Whether, for federal income tax purposes, the Housing Tax Credit allocation requirements in Sections 42(h)(1)(B) and 42(h)(1)(E) of the Code should be treated as satisfied if the Project buildings are placed in service on or before December 31, 2010.

C. Documents Reviewed.

In rendering our opinion, we have examined such instruments and documents as we considered necessary for purposes of this opinion including, without limitation:

1. The Carryover Allocation;
2. A certification letter dated June 14, 2007, from Novogradac & Company, LLP, certified public accountants, to the Credit Agency verifying that the Partnership timely incurred more than 10% of its reasonably expected basis in the Project

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pursuant to the requirements of Section 42(h)(1)(E)(ii) of the Code (the "CPA 10% Test Certification"); and

3. The Placement in Service Extension.

D. Material Assumptions and Representations.

In rendering this opinion, we have relied upon the representations made in the foregoing documents as to various questions of fact material to the matters set forth herein. We have not conducted any independent investigation or verification of any factual matters set forth or represented in any of the foregoing documents, but have relied entirely upon such documents and the representations therein. Our opinion is based solely upon such facts and any change in such facts may materially affect the opinions expressed herein. We have, however, no actual knowledge that any representations of factual matters in the documents upon which we have relied are false or inaccurate.

In rendering our opinions, we have assumed with your consent, that (i) the documents we reviewed for this opinion (including, without limitation, the documents specifically listed above) remain in full force and effect and have not been amended; (ii) those documents and the representations set forth therein are true and accurate; (iii) there are no adverse facts not apparent from the face of the instruments and documents we have examined; (iv) the copies of all documents submitted to us conform to the originals and the signatures appearing thereon are genuine; (v) each person executing any such document on behalf of any party to such document was duly authorized to do so; and (vi) the Credit Agency will grant a further extension of the placement in service date to the Partnership for the Project, but not beyond December 31, 2010.

E. Analysis, Opinion and Limitations.

Under Section 42(h)(1)(B) of the Code, an allocation Housing Tax Credits generally must be received in the calendar year in which the project buildings are placed in service. Section 42(h)(1)(B) of the Code contains an exception to the general rule for allocations which meet the requirements of Section 42(h)(1)(E) of the Code.

Under Section 42(h)(1)(E) of the Code, an allocation will be excepted from the general rule of Section 42(h)(1)(B) of the Code if (i) the taxpayer's basis in the project as of the date which is one year after the date that the allocation was made is more than 10% of its reasonably expected total basis in the project (the "10% Test"), and (ii) the taxpayer places the project in service no later than the close of the second calendar year following the calendar year in which the allocation is made (the "Second Year Placement in Service Rule").

Prior to the Housing and Economic Recovery Act of 2008 (the "HERA"), former Section 42(h)(1)(E)(ii) of the Code required a taxpayer to meet the 10% Test by the later of 6 months after the date the allocation was made or the close of the calendar year in which the allocation was made. HERA revised the 10% Test date in Section 42(h)(1)(E)(ii) of the Code to one year from the date of the allocation for projects whose buildings are placed in service after the July 30, 2008, date of enactment of HERA.

The Carryover Allocation required the Partnership to meet the 10% Test no later than 6 months from the date of the Carryover Allocation, in accordance with the requirements of former Section 42(h)(1)(E)(ii) of the Code which was in effect at the time of the Carryover Allocation. The CPA

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10% Test Certification reflects that the 10% Test requirement of Section 42(h)(1)(E) of the Code was satisfied by the Partnership.

The Carryover Allocation also required the Partnership to place its Project buildings in service by December 31, 2008, in accordance with the Second Year Placement in Service Rule. However, pursuant to the general disaster relief provisions contained in Section 5 of Revenue Procedure 2007-54, 2007-31 I.R.B. 293, the Credit Agency extended the Partnership's placement in service deadline for the Project by one year to December 31, 2009.

Sections 1400M and 1400N of the Code contain various additional disaster relief provisions for owners of Housing Tax Credit projects located in the presidentially declared Hurricane Katrina disaster area (the "Gulf Opportunity Zone"), the Hurricane Wilma disaster area (the "Wilma GO Zone"), and the Rita GO Zone (the Gulf Opportunity Zone, the Wilma GO Zone and the Rita GO Zone are sometimes collectively referred to herein as the "GO Zones"). The Project is located in Jefferson County, Texas, which is included in the Rita GO Zone. *See* IRS Publication 4492. Accordingly, the additional relief provisions contained in Sections 1400M and 1400N of the Code apply to the Project.

Section 1400N(c) of the Code expands, extends and modifies various Housing Tax Credit rules under Section 42 of the Code for projects located in the GO Zones. Section 1400N(c)(5) of the Code modifies the time period for making Housing Tax Credit allocations for projects located in the GO Zones. Section 1400N(c)(5) of the Code states:

"Section 42(h)(1)(B) [of the Code] shall not apply to an allocation of housing credit dollar amount to a building located in the Gulf Opportunity Zone, the Rita GO Zone, or the Wilma GO Zone, if such allocation is made in 2006, 2007, or 2008, and such building is placed in service before January 1, 2011."

Section 1400N(c)(5) of the Code has the effect of eliminating the 10% Test and the Second Year Placement in Service Rule requirements for certain Housing Tax Credit projects located in the GO-Zones. The legislative history of Section 1400N(c)(5) provides:

"The provision makes two modifications to the carryover allocation rule for otherwise qualifying buildings located in the Go Zones placed in service before January 1, 2011. First, it repeals the requirement that the 10% of taxpayer's reasonably expected basis in the project (after the close of the second calendar year following the calendar year of the allocation) must be incurred as of the later of six months after the allocation is made or the end of the calendar year in which the allocation is made (the "10-percent rule"). Second, it repeals the requirement that such building be placed in service not later than the close of the second calendar year following the calendar year of the allocation (the "second-year placed in service rule"). These changes apply only to allocations made in 2006, 2007, or 2008 whether made out of regular credit cap or the additional Gulf Opportunity Zone credit cap. Therefore, an otherwise qualifying building is treated as qualifying for the credit regardless of whether the 10-percent rule or second-year placed in service rule are satisfied if such building in one of the GO Zones: (1) receives an allocation in 2006, 2007 or 2008; and (2) is placed in service before January 1, 2011."

See Joint Committee on Taxation, *Technical Explanation of the Small Business and Work Opportunity Act of 2007*, at p. 17.

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As a result of Section 1400N(c)(5) of the Code, a project will be treated as qualifying for Housing Tax Credits regardless of whether the 10% Test or the Second Year Placement in Service Rule requirements are satisfied if (i) the project is located in the Gulf Opportunity Zone, the Rita GO Zone or the Wilma GO Zone, (ii) the project received an allocation in 2006, 2007 or 2008 (whether the allocation is made from regular credit cap or GO Zone credit cap), and (iii) is placed in service before January 1, 2011.

As noted, the Project is located in the Rita GO Zone and received an allocation of 2006 Housing Tax Credits from the Credit Agency pursuant to the Carryover Allocation. Therefore, the Project will be treated as qualifying for Housing Tax Credits, regardless of whether the Second Year Placement in Service Rule is met, as long as it is placed in Service on or before December 31, 2010.

Based on the foregoing and the assumptions set forth herein, it is our opinion that, for federal income tax purposes, the Housing Tax Credit allocation requirements in Sections 42(h)(1)(B) and 42(h)(1)(E) of the Code should be treated as satisfied if the Project buildings are placed in service on or before December 31, 2010.

Our opinion stated above is subject to the following qualifications and limitations:

- (a) The federal income tax consequences to the Partnership and the Investor Limited Partner cannot be predicted with absolute certainty;
- (b) No assurance can be given that the interpretation of current law will not be changed by the courts, or that the Service will not alter its present views with regard to any of the matters discussed herein, nor can any assurance be given that the Service will not audit or question the treatment given to the various items on the Partnership's or the Investor Limited Partner's federal income tax returns; and
- (c) The validity of any provisions of any agreement may be subject to or affected by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws or similar laws affecting the rights of creditors generally.

Finally, it must be recognized that this opinion represents our views as to the interpretation of existing federal tax law and can in no way be taken as an assurance that the Service will agree with these views.

The opinion set forth above represent our conclusions based upon the documents reviewed by us and the facts presented to us. Any material amendments to such documents or changes in any significant fact could affect the opinion expressed herein. Moreover, our opinion is limited to the specific issue addressed and is limited in all respects to laws and facts existing on the date hereof. We do not render any opinion with respect to any matters other than those expressly set forth above, including without limitation any opinion as to the applicability of or compliance with any federal or state securities laws, and no other opinions should be inferred herefrom. By rendering our opinion herein, we do not undertake to advise you of any changes in such laws or facts which may occur after the date hereof.

Only the addressees of this opinion may rely upon this opinion, and no other person or entity may rely on this opinion for any purpose without our prior written consent.

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In accordance with Circular 230, the advice set forth in this opinion is not intended or written by Ballard Spahr LLP to be used, and it cannot be used, by any taxpayer including, without limitation, the Partnership and the Investor Limited Partner, for the purpose of avoiding penalties that may be imposed on such taxpayer. The advice set forth in this opinion was written to support the promotion or marketing of the transaction and matters addressed in this opinion. The Partnership, the Investor Limited Partner, and any other taxpayer involved in the matters set forth herein should each seek advice based on its respective, particular circumstances from an independent tax advisor.

Very truly yours

Ballard Spahr LLP

DISASTER RECOVERY DIVISION

**BOARD ACTION REQUEST
December 17, 2009**

Requested Action

Approve CDBG Disaster Recovery Affordable Rental Housing Set-Aside Award Recommendations subject to completion of Underwriting and Portfolio Management's compliance review:

TDHCA #	Development Name	City
09807	2101 Church Street	Galveston
09822	Fountains of Westchase	Houston
09821	Towers at Clear Lake	Houston
09803	Union Acres	Center
09812	Champion Homes at Bay Walk	Galveston
09813	Champion Homes at Marina Landing	Galveston
09804	Balboa Apartments	Nassau Bay
09820	Lexington Square Apartments	Angleton
09818	Colony of Humble	Humble
09800	Arthur Robinson Apartments	Houston
09818	Countryside Village Apartments	Humble

Summary of the Applications

#09807 Church Street, located in Galveston, Galveston County consists of the acquisition and rehabilitation of the former Hotel Jean Lafitte. The project is one (1) building and proposes eighty-three (83) units, of which forty-six (46) will be affordable units and thirty-seven (37) will be market rate units. The unit mix will be seventy-four (74) one-bedroom, 1-bath and nine (9) two-bedroom, 1-bath units. A thorough rehabilitation of the blighted building, the project will preserve the historic design of downtown as well as provide affordable housing.

#09822 Fountains of Westchase, located in Houston, Harris County consists of the rehabilitation of a two-hundred and eighty-eight (288) unit apartment complex comprised of fifteen (15) 2-story residential buildings. The project holds two-hundred and nineteen (219) 1-bedroom , 1-bath units, thirty-three (33) 2-bedroom , 1-bath units, and thirty-six (36) 2-bedroom, 2-bath units. The rehabilitation of this multi-family development will provide a safe and secure environment for families and will aesthetically affect the community in a positive manner. **Approval with conditions based upon Real Estate Analysis review.**

#09821 Towers of Clear Lake, located in Houston, Harris County is the rehabilitation of an existing apartment complex comprised of two (2) seven-story buildings. There are one-hundred and eight (108) total units, of which twenty-four (24) units are 1-bedroom, 1-bath units, twenty-nine (29) 2-bedroom, 1.5-bath units, and one-hundred and forty-three (143) 2-bedroom, 2-bath units. The rehabilitation of this multi-family development will provide a safe and secure environment for families and will aesthetically affect the community in a positive manner. **Approval with conditions based upon Real Estate Analysis review.**

#09803 Union Acres, located in Center, Shelby County, is the rehabilitation of an existing one-hundred (100) unit apartment complex which is comprised of fifty (50) duplex style buildings. The unit mix of the proposed project is twelve (12) one-bedroom, one-bath units, twenty-four (24) two-bedroom, one-bath units, thirty (30) three-bedroom, one-bath units, thirty (30) four-bedroom/two-bath units, and four (4) five-bedroom/two-bath units. The Project is the only low-income housing facility in Center, Texas.

#09812 Champion Homes at Bay Walk, located in Galveston, Galveston County is the rehabilitation of a fourteen (14) residential building apartment complex. The project consists of forty-eight (48) 1-bedroom, 1-bath units, ninety-two (92) 2-bedroom, 1-bath units, twenty-four (24) 2-bedroom, 1.5 bath units and twenty-eight (28) 2-bedroom, 2-bath units. Rehabilitation and modernization of this apartment community will provide a safe and secure environment for families and will aesthetically affect the community in a positive manner. **Approval with conditions based upon Portfolio Management and Compliance review.**

#09813 Champion Homes at Marina Landing, located in Galveston, Galveston County is the rehabilitation of an existing twelve (12) building apartment complex comprised of two-hundred and fifty-six (256) units. The unit mix consists of one-hundred and twelve (112) 1-bedroom, 1-bath units, thirty-two (32) two-bedroom, 1.5-bath units, and one-hundred and twelve (112) 2-bedroom, 2-bath units. Rehabilitation and modernization of this apartment community will provide a safe and secure environment for families and will aesthetically affect the community in a positive manner. **Approval with conditions based upon Real Estate Analysis and Portfolio Management and Compliance review.**

#09804 Balboa Apartments, located in Nassau Bay, Harris County is the rehabilitation of an existing project that contains two (2) 3-story residential buildings. The project contains two-hundred and forty-eight (248) units consisting of one-hundred and thirty (130) 1-bedroom, 1-bath units, forty-six (46) 2-bedroom, 1-bath units, and seventy-two (72) 2-bedroom, 2-bath units. Rehabilitation of this multi-family development will provide a safe and secure environment for elderly tenants and will aesthetically affect the community in a positive manner. **Approval with conditions based upon Real Estate Analysis and Portfolio Management and Compliance review.**

#09820 Lexington Square Apartments, located in Angleton, Brazoria County is the rehabilitation of an existing eight (8) building apartment complex consisting of eighty (80) total units. The unit mix is twenty (20) 1-bedroom, 1-bath units, twenty (20) 2-bedroom, 1.5-bath units and forty (40) 3-bedroom, 1.5-bath units. Rehabilitation of Lexington Square Apartments will not only allow for aesthetic improvement, but will also make the development more energy efficient and hurricane ready. **Approval with conditions based upon Real Estate Analysis review.**

#09819 Colony of Humble, located in Humble, Harris County is the rehabilitation of an existing two-hundred (200) unit apartment complex holding twenty-five (25) buildings. The unit mix is one-hundred and twelve (112) 1-bedroom, 1-bath units and eighty-eight (88) 2-bedroom, 2-bath units. Rehabilitation of Colony of Humble will not only allow for aesthetic improvement, but will also make the development more energy efficient and hurricane ready.

#09800 Arthur Robinson Apartments, located in Orange, Orange County is the rehabilitation of eighty (80) apartment units and the new construction of thirty-two (32) single-family rental homes. The eighty (80) unit apartment complex will consist of twenty-four (24) 1-bedroom, 1-

bath units, forty (40) 2-bedroom, 2-bath units and twenty (20) 3-bedroom, 2-bath units and the thirty-two (32) single-family rental houses will consist of twenty-eight (28) 3-bedroom, 2.5-bath and four (4) 4-bedroom, 2.5-bath houses. This project will provide safe affordable housing for families who are returning to Orange to rebuild their town after the destruction caused by Hurricane Ike and the economic downturn.

#09818 Countryside Village Apartments, located in Humble, Harris County is the rehabilitation of one-hundred and eighty-two (182) units held within twenty-two (22) residential buildings. The unit mix is fifty-eight (58) 1-bedroom, 1-bath units, fifty-eight (58) 2-bedroom, 1-bath units, forty-four (44) 2-bedroom, 1.5-bath units, twelve (12) 2-bedroom, 2-bath units, and ten (10) 3-bedroom, 2-bath units. Rehabilitation of Countryside Village will not only allow for aesthetic improvement, but will also make the development more energy efficient and hurricane ready.

There are insufficient funds to provide to this project.

Background

Under the General Use of Funds and Funding Allocation of the Action Plan for Disaster Recovery to Use Community Development Block Grant (CDBG) Funding for Hurricanes Ike and Dolly is a line item activity for the Rental Housing Stock Restoration Program. Congress required that states devote not less than approximately 10.6% of these funds to support repair, rehabilitation and reconstruction of the affordable rental housing stock in the impacted areas.

The Texas Department of Housing and Community Affairs (the "Department") is responsible for administering an initial set-aside amount of \$58,834,914 for affordable rental housing programs through a Rental Notice of Funding Availability ("NOFA") appropriated for Hurricanes Ike and Dolly. This set-aside was established from 15% of the total grant amount that was available for planning purposes. At the May 21, 2009 Board meeting, staff presented an update of the Disaster Recovery Funds for Ike and Dolly and received the Board's approval to move forward with a Notice of Funding Availability (NOFA) for \$58 million of Multifamily Rental Funds.

These funds are to be made available in the form of a grant or deferred forgivable loan to the owners of affordable rental properties. The affected housing must be in one of the 3 counties directly affected by Dolly or one of the 34 counties directly affected by Ike, and must be designated in the State CDBG Action Plan. A minimum of 51% of the funds to each property are to be used for affordable rental housing for low/moderate-income Texans earning 80 percent or less of the Area Median Family Income (AMFI). The NOFA complies with the requirements as stated in the Action Plan for the Rental Housing Stock Restoration Program.

The NOFA provides that funds are first allocated regionally based on the same Council of Government (COG) regions and percentages as the general Ike/Dolly allocations. If there are any funds remaining in a COG Region after August 1, 2009 and there are insufficient requests for the funds available in that COG Region, then those un-requested funds will be distributed among the remaining COG regions. After which time applications will be awarded on a first come first served basis irrespective of COG Region until all funds are exhausted.

The Department received a total of twenty-two (22) applications totaling \$75,755,261 by the application acceptance period deadline of August 14, 2009. Staff has completed the review and evaluation of nine applications to be presented to the Board at this meeting.

Applications to be Funded Under the \$58,894,225 Million NOFA

<u>Status*</u>	<u>TDHCA #</u>	<u>Development Name</u>	<u>Location</u>	<u>Construction Type</u>	<u>Amount</u>		<u>Funds</u>	<u>Comments</u>	
					<u>Requested</u>	<u>Rec Awards</u>	<u>Remaining</u>		
AWD	09805	Orange Navy II	Orange	New Construction	\$3,450,000	\$3,450,000	\$55,444,225	Awarded	
AWD	09815	Tidwell Estates	Houston	Rehabilitation	\$277,676	\$277,676	\$55,166,549	Awarded	
AWD	09801	Beacon Bay Townhomes	Port Isabel	Rehabilitation	\$844,794	\$816,898	\$54,349,651	Awarded	
Total Awarded :					\$4,572,470	\$4,544,574	\$54,349,651		
Group II based on original application									
APP	09807	2101 Church Street	Galveston	Rehabilitation	\$5,000,000	\$5,000,000	\$49,349,651	Underwriting Posted	
APP	09822	Fountains of Westchase	Houston	Rehabilitation	\$2,390,000		\$46,959,651	Underwriting Pending	
APP	09821	Towers at Clear Lake	Houston	Rehabilitation	\$5,000,000		\$41,959,651	Underwriting Pending	
Total To Be Funded:					\$12,390,000		\$41,959,651		
Group III reorded based upon return of revised application to meet new NOFA with Priority for Galveston deals									
APP	09803	Union Acres	Center	Rehabilitation	\$3,003,389	\$3,003,389	\$38,956,262	Underwriting Posted	
APP	09812	Champion Homes at Bay Walk	Galveston	Rehabilitation	\$5,000,000	\$5,000,000	\$33,956,262	Underwriting Posted	
APP	09813	Champion Homes at Marina Landinç	Galveston	Rehabilitation	\$10,000,000		\$23,956,262	Underwriting Pending	
APP	09804	Balboa Apartments	Nassau Bay	Rehabilitation	\$4,987,819		\$18,968,443	Underwriting Pending was going to request more until they realized that would change their priority within the group	
APP	09820	Lexington Square Apartments	Angleton	Rehabilitation	\$1,790,826	\$1,425,868	\$17,542,575	Underwriting Posted \$364,958 less than requested	
APP	09819	Colony of Humble	Humble	Rehabilitation	\$6,311,349	\$6,296,670	\$11,245,905	Underwriting Posted \$14,679 less than requested	
APP	09800	Arthur Robinson Apartments	Houston	Rehabilitation	\$10,000,000	\$10,000,000	\$1,245,905	Underwriting Posted	
APP	09818	Countryside Village Apartments	Humble	Rehabilitation	\$7,266,331		(\$6,020,426)	Underwriting Pending, insufficient funds to fund this transaction	
Total:					\$48,359,714		\$1,245,905		
Group IV new construction									
APP	09810	Costa Mariposa	Texas City	New Construction	\$1,675,000	\$0		Not enough funds to award, UW not started	
APP	09808	Azure Pointe	Beaumont	New Construction	\$5,000,000	\$0		Not enough funds to award, UW not started	
APP	09809	Casa Brazoria	Clute	New Construction	\$1,375,000	\$0		Not enough funds to award, UW not started	
Total:					\$8,050,000				

Compliance and Asset Oversight

BOARD ACTION REQUEST

December 17, 2009

Requested Action

Adopt an order to approve publication in the Texas Register of that order adopting amendments to 10 TAC Chapter 60A, §60.102 (Definitions) and §60.105 (Reporting Requirements), such approval to include authorization for staff to make non-substantive corrections and conforming changes to meet the requirements of the *Texas Register*

Background

At the October Board meeting, the Board approved draft amendments to §60.102 and §60.105 of the Compliance Monitoring rules to be published for comment in the Texas Register. The rules were available for public comment from October 30, 2009 through November 30, 2009.

Comment was received from the Texas Affiliation of Affordable Housing Providers about the definition of substantial construction. Their comments were received during the public comment period for other sections of the compliance rules. Some of their comments were addressed in the proposed amendments that the Board approved in October.

Comment:

TAAHP suggested that the definition of substantial construction should read as follows:

(22) Substantial construction—

(A) The minimum activity necessary to meet the requirements of substantial construction for new constructions Developments will be defined as:

- (i) Delivery of an executed partnership agreement with the investor;
- (ii) delivery of the executed loan *note, deed of trust* and construction loan agreement;
- ~~(iii) completion of the foundation of the clubhouse (if applicable);~~
- (iv) having ~~all~~ *infrastructure* permits;
- (vi) all necessary utilities available at the property; and

(vii) all Right of Way access or letter from municipality that such will be completed by the completion date and one of the following:

- (I) 10 ~~20~~-percent of the construction contract amount for the development expended, adjusted for any change orders and certified by the inspecting architect; or

- (II) 100 percent of the foundations in place and 50 percent of the framing completed,
or
- (III) 25 percent of all residential buildings roofed.

The changes were recommended because the criteria are too specific for the "...variety of styles of construction and locations in the program" and because "...each contractor, site and locality may have different schedules".

Staff response:

The purpose of this benchmark is to ensure that construction has begun in a meaningful and measurable way. The reduction in the construction contract from 10% to 20% negates the necessity for the other two bench marks. Staff recommends the following definition which incorporates some of the suggested language:

(22) Substantial Construction--

(A) The minimum activity necessary to meet the requirements of substantial construction for new construction Developments will be defined as:

- (i) Delivery of an executed partnership agreement with the investor;
- (ii) Delivery of the executed construction loan and construction loan agreement;
- (iii) completion of the foundation of the clubhouse (if applicable);
- (iv) having all infrastructure permits;
- (v) all grading completed (not including landscaping);
- (vi) all necessary utilities available at the property;
- (vii) all Right of Way access and

(vii) 10 percent of the construction contract amount for the development expended, adjusted for any change orders and certified by the inspecting architect.

Comment:

Comment was received from Debra Coddington with the South Plains Community Action Agency and Bobby Bowling with Tropicana Building Corporation that §60.105 should not be changed to require a quarterly report in addition to an annual report.

Staff Response:

The Department is requiring quarterly reports in response to Senate Bill 1717 which requires the Department to adopt rules requiring owners to report quarterly. Staff is not able to make changes based on this comment.

Comment:

Comment was received from Betsy Medina Cruz requesting clarification on the due dates for the quarterly reports.

Staff response:

Staff recommends the following change:

(h) Periodic Unit Status Reports. All Developments must submit a quarterly Unit Status report to the Department through the Compliance Monitoring and Tracking System. Quarterly reports are due in January, ~~April~~ March, ~~July~~ June and October on the 10th day of the month. The report must show occupancy as of the last day of the previous month for the reporting period. For example, the report due October 10th should report occupancy as of September 30th. The first quarterly report is due January 10, 2010.

TITLE 10. COMMUNITY DEVELOPMENT.

PART 1. TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS.

CHAPTER 60. COMPLIANCE ADMINISTRATION.

SUBCHAPTER A. COMPLIANCE MONITORING.

§60.102 Definitions

§60.105 Reporting Requirements

§60.102. Definitions.

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.

(1) **Affordability Period**--The Affordability Period commences as specified in the Land Use Restriction Agreement (LURA) or federal regulation, or commences on the first day of the Compliance Period as defined by §42(i)(1) of the Internal Revenue Code (IRC) and continues through the appropriate program's affordability requirements or termination of the LURA, whichever is earlier. The term of the Affordability Period shall be imposed by the LURA or other deed restriction and may be terminated upon foreclosure. The Department reserves the right to extend the Affordability Period for HOME properties that fail to meet program requirements. During the Affordability Period the Department shall monitor to ensure compliance with programmatic rules, regulations, and Application representations.

(2) **Application**--An Application, in the form prescribed by the Department, filed with the Department by an Applicant, including any exhibits or other supporting material. (§2306.6702)

(3) **Architect of Record**--The architect licensed in the jurisdiction that the project is located in, who prepares, stamps and signs the construction documents, and is legally recorded as the architect for the project.

(4) **Board**--The governing Board of the Texas Department of Housing and Community Affairs.

(5) **Code**--The U.S. Internal Revenue Code of 1986, as amended from time-to-time, together with any applicable regulations, rules, rulings, revenue procedures, information statements or other official pronouncements issued by the United States Department of the Treasury or the Internal Revenue Service.

(6) **Compliance Period**--With respect to a Housing Tax Credit building, the period of fifteen (15) taxable years, beginning with the first year of the Credit Period, pursuant to the Code §42(i)(1).

(7) **Continuously Occupied**--The same household has resided in the Unit for at least twelve (12) months.

(8) Credit Period--With respect to a Housing Tax Credit building, the period of ten (10) taxable years, beginning with the taxable year the building is placed in service or at the election of the Development Owner, the succeeding taxable year, as more fully defined in the Code §42(f)(1).

(9) Department--The Texas Department of Housing and Community Affairs, an official and public agency of the State of Texas pursuant to Chapter 2306, Texas Government Code.

(10) Development--A property or work or a project, building, structure, facility, or undertaking, whether existing, new construction, remodeling, improvement, or rehabilitation, that meets or is designed to meet minimum property standards required by the Department and that is financed under the provisions of Chapter 2306, Texas Government Code.

(11) Extended Use Period--With respect to a Housing Tax Credit building, the period beginning on the first day of the Compliance Period and ending the later of:

(A) the date specified in the Land Use Restriction Agreement, or

(B) the date which is fifteen (15) years after the close of the Compliance Period.

(12) Historically Underutilized Business (HUB)--Any entity defined as a historically underutilized business with its principal place of business in the State of Texas in accordance with Chapter 2161, Texas Government Code.

(13) Housing Quality Standards--The property condition standards described in 24 CFR §982.401.

(14) HTC Development--Sometimes referred to as "HTC Property." A Development using Housing Tax Credits allocated by the Department.

(15) HUD--The United States Department of Housing and Urban Development.

(16) HUD-regulated Building--The rents and utility allowances of the building are reviewed by HUD on an annual basis.

(17) Low Income Unit--A Unit that is intended for occupancy by an income eligible household, as defined by the Department or the Code.

(18) Land Use Restriction Agreement or LURA--An agreement between the Department and the Development Owner which is a binding covenant upon the Development Owner's successors in interest that encumbers the Development with respect to the requirements of Chapter 2306 of the Texas Government Code, the Code, and the requirements of the various programs administered or funded by the Department.

(19) Material Noncompliance--

(A) A Housing Tax Credit Development located within the state of Texas will be classified by the Department as being in Material Noncompliance status if the noncompliance score for such Development is equal to or exceeds a threshold of 30 points in accordance with the Material Noncompliance provisions, methodology, and point system of this title.

(B) Non HTC Developments monitored by the Department with 1 to 50 Low Income Units will be classified as being in Material Noncompliance status if the noncompliance score is equal to or exceeds a threshold of 30 points. Non HTC Developments monitored by the Department with 51 to 200 Low Income Units will be classified as being in Material Noncompliance status if

the noncompliance score is equal to or exceeds a threshold of 50 points. Non HTC Developments monitored by the Department with 201 or more Low Income Units will be classified as being in Material Noncompliance status if the noncompliance score is equal to or exceeds a threshold of 80 points.

(C) For all programs, a Development will be in Material Noncompliance if the noncompliance is stated in §60.121 of this chapter to be Material Noncompliance.

(20) Non HTC Development--Sometimes referred to as Non HTC Property. Any Development not utilizing Housing Tax Credits.

(21) Owner--An individual, joint venture, partnership, limited partnership, trust, firm, corporation, limited liability company, other form of business organization or cooperative that is approved by the Department as qualified to own, construct, acquire, rehabilitate, operate, manage, or maintain a housing Development, subject to the regulatory powers of the Department and other terms and conditions.

(22) Substantial Construction--

(A) The minimum activity necessary to meet the requirements of substantial construction for new construction Developments will be defined as:

- (i) Delivery of an executed partnership agreement with the investor;
- (ii) Delivery of the executed construction loan and construction loan agreement;
- (iii) completion of the foundation of the clubhouse (if applicable);
- (iv) having all infrastructure permits;
- (v) all grading completed (not including landscaping);
- (vi) all necessary utilities available at the property;
- (vii) all Right of Way access and
- (viii) 10 percent of the construction contract amount for the development expended, adjusted for any change orders and certified by the inspecting architect.

(B) The minimum activity necessary to meet the requirement of Commencement of Substantial Construction for rehabilitation Developments will be defined as having:

- (i) building permits issued or a clearance from the City stating that building permits are not required;
- (ii) a certification that there are no reasonably foreseeable issues or circumstances which may prevent or delay the start and progress of construction or the timely successful completion of rehabilitation; and
- (iii) at least 20 percent of the construction budget expended as documented by the inspecting architect.

(23) Unit--Any residential rental Unit in a Development consisting of an accommodation, including a single room used as an accommodation on a non-transient basis that contains complete physical facilities and fixtures for living, sleeping, eating, cooking, and sanitation.

(24) Unit Type--Units will be considered different Unit Types if there is any variation in the number of bedroom, bathrooms or a square footage difference equal to or more than 120 square feet. *Example 102(1)*: A two bedroom one bath Unit is considered a different Unit Type than a two bedroom two bath Unit. A three bedroom two bath Unit with 1,000 square feet is considered a different Unit Type than a three bedroom two bath Unit with 1,200 square feet. A one bedroom one bath Unit with 700 square feet will be considered equivalent to a one bedroom, one bath Unit with 800 square feet.

(25) UPCS--Uniform Physical Condition Standards as developed by the Real Estate Assessment Center of the Department of Housing and Urban Development.

§60.105. Reporting Requirements.

(a) The Department requires reports to be submitted electronically through the Department's web-based Compliance Monitoring and Tracking System (CMTS) and in the format prescribed by the Department. The Electronic Compliance Reporting Filing Agreement and the Owner's Designation of Administrator of Accounts forms must be filed no later than September 1st of the year following the award. The Department will provide general instruction regarding the electronic transfer of data. Under special circumstances, the Department may, at its discretion, waive the online reporting requirements where a hardship can be demonstrated. In the absence of a written waiver, all Developments are required to submit reports online.

(b) Each Development is required to submit an Annual Owner's Compliance Report (AOCR). Depending on the property, some or all of the Report must be submitted. The first AOCR is due the second year following the award. For example, if a Development is awarded funds in calendar year 2007, the first report is due in 2009. The AOCR is comprised of 4 sections:

(1) Part A "Owner's Certification of Program Compliance." All Development Owners must annually certify to compliance with applicable program requirements. The AOCR Part A shall include answers to all questions required by Treasury Regulation 1.42-5(b)(1) or the applicable program rules. In addition, Owners are required to report on the race and ethnicity, family composition, age, income, use of rental assistance, disability status, and monthly rental payments of individuals and families applying for and receiving assistance. Housing Tax Credit (HTC) developments during the Compliance Period will also be required to provide the name and mailing address of the syndicator in the Annual Owner's Compliance Report.

(2) Part B "Unit Status Report." All Developments must annually report the information related to individual household income, rent, certification dates and other necessary data to ensure compliance with applicable program regulations.

(3) Part C "Housing for Persons with Disabilities." The Department must establish a system that requires Owners of state or federally assisted housing Developments with 20 or more housing Units to report information regarding housing Units designed for persons with disabilities. The questions on Part C satisfy this requirement.

(4) Part D "Owner's Financial Certification." Developments funded by the Department must annually provide the data requested in the Owner's Financial Certification.

(c) Parts A, B and C of the Annual Owner's Compliance Report must be provided to the Department no later than March 1st of each year, reporting data current as of December 31 of the previous year (the reporting year). Part D, "Owner's Financial Certification", which includes the current audited financial statements and income and expenses of the Development for the prior year, must be submitted to the Department no later than the last day of April each year.

(d) Any Development for which the AOCR, Part A, "Owner's Certification of Program Compliance," is not received or is received past the due date will be considered not in compliance with this section. If Part A is incomplete, improperly completed, or is not submitted by the Development Owner, it will be considered not received and not in compliance with this section. The Department will report to the IRS on Form 8823, Low-Income Housing Credit Agencies Report of Noncompliance or Building Disposition, any HTC Development that fails to comply with this requirement.

(e) Department staff will review Part A of the AOCR for compliance with the requirements of the appropriate program. If it appears that the Development is not in compliance based upon the report, the Owner will be given written notice and provided a corrective action period to clarify or correct the report. If the Owner does not respond to the notice, the report will be subject to the sanctions listed in subsections (f) and (g) of this section.

(f) If any required section, or sections (Parts A, B, C or D), of the report are not received on or before the deadline for submission specified in subsection (c) of this section, a notice of noncompliance will be sent to the Owner, specifying a corrective action deadline. If the report is not received on or before the corrective action deadline, the Department shall:

(1) For all HTC properties, issue Form 8823 notifying the Internal Revenue Service of the violation.

(2) For all properties, score the noncompliance in accordance with §60.121 of this chapter.

(g) The Department may assess and enforce the following sanctions against an Owner who fails to submit the AOCR on or before March 1 of each year. These sanctions will be assessed for multiple, consistent, and/or repeated violations of failure to submit the AOCR by March 1 of each year:

(1) A late processing fee in an amount equal to \$1,000;

(2) An HTC Development that fails to submit the required AOCR for three (3) consecutive years may be reported to the Internal Revenue Service as no longer in compliance and never expected to comply.

(h) Periodic Unit Status Reports. All Developments must submit a quarterly Unit Status report to the Department through the Compliance Monitoring and Tracking System. Quarterly reports are due in January, ~~April~~ ~~March~~, ~~July~~ ~~June~~ and October on the 10th day of the month. The report must show occupancy as of the last day of the previous month for the reporting period. For example, the report due October 10th should report occupancy as of September 30th. The first quarterly report is due January 10, 2010.

(i) Owners are encouraged to continuously maintain current resident data in the Department's Compliance Monitoring and Tracking System. Under certain circumstances, such as in the event

of a natural disaster, the Department may require all Developments to provide current occupancy data through CMTS.

(j) All rental Developments funded or administered by the Department will be required to submit a current Unit Status Report prior to an onsite monitoring visit.

Likewise, any request for documentation that is made by a documentation monitor and which is located and provided before the monitor leaves the site should not be included in the monitoring report.

During the UPCS inspection, any violation for which the cure has already been initiated should be excluded from the inspection report. If the Owner is able to provide proof that a violation of the UPCS has been noted by the Owner and efforts have already been taken to initiate the cure, then such violation should be backed out of the UPCS inspection score. Appropriate proof might consist of a purchase order for paint needed to paint weathered surfaces, or evidence that a work order has been issued for the task or a contract has been entered into with a third party to resolve the matter. It could also be a requirement that the Owner provide photographic evidence within three weeks that the violation has been cured. This type of forbearance by the TDHCA is warranted when it is apparent that the Owner has identified a problem and is addressing it.

Appeals Process for Physical Inspections. The only appeal to a finding of a physical inspection is appeal to the full board. Some findings can be subjective and there should be a process to resolve differences without involving the board.

Commencement of Substantial Construction –

The Compliance rules require minimum activities necessary to evidence Commencement of Substantial Construction. These are too specific for the variety of styles of construction and locations in the program. We recommend the following changes to paragraph 22:

1. Completion of foundation of the clubhouse, all grading completed with the exception of landscaping, and all necessary utilities available to the property as specific requirements should be eliminated. Each contractor, site and locality may have a different schedule for each of these items. Utilities can be under construction with completion not anticipated until later in the project schedule. A senior's property may be all one building so the clubhouse will not be a separate foundation.

Recommendation:

These specific requirements should be deleted.

2. 20% of construction contract amount expended as certified by inspecting architect. This dollar expenditure may not be reached until the second or third month of construction in some cases.

Recommendation:

Change this requirement to 10% of construction as certified by an inspecting architect.

We offer this revised paragraph 22 of §60.102 –

(22) Substantial Construction--

(A) The minimum activity necessary to meet the requirements of substantial construction for new construction Developments will be defined as:

- (i) Delivery of an executed partnership agreement with the investor;
- (ii) Delivery of the executed construction loan *note, deed of trust* and construction loan agreement;
- ~~(iii) completion of the foundation of the clubhouse (if applicable);~~
- (iv) having all *infrastructure* permits;
- ~~(v) all grading completed (not including landscaping);~~
- ~~(vi) all necessary utilities available at the property; and~~
- (vii) all Right of Way access *or letter from municipality that such will be completed by the completion date* and one of the following:
 - (I) ~~10 to~~ 20 percent of the construction contract amount for the development expended, adjusted for any change orders and certified by the inspecting architect; or
 - (II) 100 percent of the foundations in place and 50 percent of the framing completed, or
 - (III) 25 percent of all residential buildings roofed.

TDHCA's Use of the UPCS versus Use of the IBC-

The Department continues to use the UPCS for its basis for inspections of LIHTC projects while the State of Texas has authorized several of its jurisdictions to adopt the IBC along with 324 Texas cities. The Texas agencies using the IBC are Texas Department of Insurance, Texas Department of Licensing & Regulations, Texas Education Agency and the Texas Jail Standards Commission. A review of the list of Texas Cities that have adopted the IBC indicates most of the municipalities in which TAAHP members are developing LIHTC projects are using the IBC for their inspection purposes. TAAHP believes TDHCA's change from the use of the current UPCS as its inspection base will alleviate many of the disputes and problems arising out of the use of the outdated UPCS.

Recommendation:

Replace the UPCS with the IBC as authorized by the State of Texas for use by its jurisdictions.

Patricia Murphy

From: Medina Cruz, Betsy [Betsy.Medina@concordrents.com]
Sent: Monday, November 30, 2009 11:15 AM
To: Patricia Murphy
Cc: Ivey, Sharon
Subject: FW: TDHCA: Proposed Amendments to Chapter 60 Subchapter A 60.102 and 60.105 open for public comment [HTC][MFC]

Good Morning Ms. Murphy,

The quarterly report due dates stated in section 60.105 (h) Periodic Unit Status Reports of the Proposed Amendments to Chapter 60 Subchapter A 60.105 - Reporting Requirements state the quarterly reports are due by the **10th of January , March, June and October**. The first quarterly report is due January 10, 2010.

It is my understanding that the first quarterly report due on **January 10th** should cover the months of **October, November and December** - the last quarter of the year.

The following reports will then be due on:

Due Date

April 10th - for the first quarter of the year covering the months of January, February and March.

July 10th - for the 2nd quarter of the year covering the months of April, May and June.

October 10th - for the 3rd quarter of the year covering the months of July, August and September.

Then, once again, the 4th quarter report due on

January 10th covering the months of October, November and December.

We will appreciate clarification in reference to the proposed quarterly report due dates and reporting period covered.

Thank you!

Betsy Y. Medina, HCCP
 Senior Compliance Analyst
 *: Concord Management / 1551 Sandspur Road, Maitland, FL 32751
 *: 407.621.6414 | 407.551.2835 Fax
 *: 407.408.9830
 *: betsy.medina@concordrents.com

Any Suggestions and/or comments? - Please fill out a Compliance Survey Card. Please click on following link.

<<http://home.ced-concord.com/concord/compliance/index.cfm?fuseaction=compsurvey>>

-----Original Message-----

From: TDHCA [mailto:do-not-reply@tdhca.state.tx.us]
 Sent: Tuesday, November 24, 2009 4:31 PM
 To: Medina Cruz, Betsy
 Subject: TDHCA: Proposed Amendments to Chapter 60 Subchapter A 60.102 and 60.105 open for public comment [HTC][MFC]

Reminder - Proposed Amendments to Chapter 60 Subchapter A 60.102 and 60.105 - Changes to Section 102

12/7/2009

(Definition) and 105 (Reporting Requirements) are available for public comment starting 11/10/2009 ending 11/30/2009. The Amendments can be found at: <http://www.tdhca.state.tx.us/pmcomp/manuals-rules-htc.htm>.

Written comments can be submitted to: <mailto:tdhcarulecomments@tdhca.state.tx.us>. For questions, contact Patricia Murphy at 512-475-3140 or via e-mail at <mailto:patricia.murphy@tdhca.state.tx.us>.

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Patricia Murphy

From: TDHCA Rule Comments
Sent: Monday, November 30, 2009 9:29 AM
To: Patricia Murphy; Tim Irvine; Jeff Pender
Subject: FW: TDHCA: Proposed Amendments to Chapter 60 Subchapter A 60.102 and 60.105 open for public comment [HTC][MFC]

FYI

Michele Atkins
Executive Assistant to the Chief of Staff

-----Original Message-----

From: Debra Coddington [mailto:dcoddington@spscaa.org]
Sent: Monday, November 30, 2009 9:19 AM
To: tdhcarulecomments@tdhca.state.tx.us
Cc: Henry Tarango
Subject: TDHCA: Proposed Amendments to Chapter 60 Subchapter A 60.102 and 60.105 open for public comment [HTC][MFC]

I have read the proposed change to Subchapter A 60.105 and am in disagreement with adding a required quarterly report. It appears to be a part of the same information we are required to submit each March – will these quarterly reports take the place of the yearly report due in March? It makes no sense whatsoever to do quarterly reports, plus an annual report, especially since we will already be reporting on the unit status of our units – it's redundant information and who has this kind of time? I suggest staying with the annual report, but not requiring both!

Thank you,
Debra

Debra Coddington

Associate Director, Housing
South Plains Community Action Association, Inc.
1611 FM 300 /P.O. Box 610, Levelland Texas 79336
Phone: (806) 894-5153, extension 221
Fax: (806) 894-9695
debra.coddington@spscaa.org

12/7/2009

Patricia Murphy

From: Bbowling4@aol.com
Sent: Monday, November 30, 2009 5:48 PM
To: patricia.murphy@tdhca.state.tx.us
Cc: Jimeneztrop@aol.com
Subject: (no subject)

Patricia,

Please accept this e-mail as a formal public comment regarding the Proposed Amendments to Chapter 60--subchapter A 60.102 and 60.105.

Regarding the changes to definitions concerning "substantial construction" and other proposed definition changes in section 102, we wholeheartedly agree with the proposed language change. We have long advocated for a easier definition that runs with lender and syndicator practices. We believe this change accomplishes that goal.

However, regarding the changes to reporting requirements in chapter 105, we believe this is a step backwards for the Department in its administration of the program. We are confused as to what benefit it would actually provide the Department to have quarterly rent roles on the over one hundred thousand tax credit units TDHCA has committed funding to since the inception of the program. Further, we question the ability of the Department to dedicate staff to review rent roles of these tens of thousands of units each quarter and take any substantial action. We are also confused as to what funding source the Department would use to employ additional staff to do this work, which will take hundreds, if not thousands, of man-hours to complete each quarter. If the intent is to understand or notice an individual property for being "under-occupied" what, specifically, would be the remedy for a property owner anyway? If the intent is to understand vacancy rates in certain areas of the state for future allocations, then this appears to be a waste or duplication of efforts with the market studies we are required to submit when we apply for credits. Tax credit property owners are already very closely monitored regarding rental activity by syndicators, investors and lenders in the private market, and are financially responsible when excessive vacancies exist. Adding another entity to report to causes an unnecessary and undue burden upon property owners, with very little (if any) benefit to the Department.

Thank you for your consideration of our comments.

Sincerely,

R. L. "Bobby" Bowling IV
President
Tropicana Building Corporation
4655 Cohen
El Paso, TX 79924
(915) 821-3550 Office
(915) 821-3556 Fax

12/7/2009

**Financial Administration Division
Board Action Request
December 17, 2009**

Requested Action

The Board approve the attached Amended Operating Budget for the duration of FY 2010.

Background

On July 30, 2009, the Board approved a \$33.3 million FY 2010 Operating Budget. The budget included funding for base operations as well as supplementary funding to support new activities associated with Disaster Recovery, the Housing and Economic Recovery Act of 2008 (HERA), and the American Recovery and Reinvestment Act of 2009 (ARRA). Since the adoption of the budget, the Department has determined that additional resources are available and will be necessary to execute these programs. In addition to funding for these essential activities, the Department has had to retain outside counsel which had not been an identified need at the time the budget was prepared. Please refer to the following Summary and Additional Detail for more information.

Summary

The proposed amendment will increase the budget from \$33,337,494 to \$34,770,971 a change of \$1,433,477 or 4.3%. In the chart below an "Article IX temp employee" is an FTE (full-time equivalent) beyond those appropriated limits that is entirely federally funded and is needed to carryout a new federal program or address a disaster. As the federal funding goes away, the Article IX temp employees will not be retained unless they are filling permanent positions. In summary, the amendment will accomplish the following:

	Description	Budget Category	Amount
1.	Add six Article IX, temp employees to support HERA, ARRA, and Disaster Recovery efforts (Article IX, §§ 6.10(f) and (g) (SB 1, 81 st Legislature, regular session).	Salaries	326,185
2.	Adjust the Texas Homeownership Division, Temporary Help Line Item to incorporate adequate funding to continue the implementation of the \$8,000 Tax Credit Monetization Program.	Temporary Help	23,270
3.	Funding for computer equipment for six new FTEs.	Furniture/ Equipment	9,000
4.	Add Funding for the payment of outside counsel for litigation defense.	Professional Fees	1,000,000
	Subtotal		1,358,455
		Payroll Related Costs	75,022
	Total		\$1,433,477

Additional Detailed Information

As noted in the summary, the first item relates to Article IX temp FTEs to address Davis Bacon requirements provisions associated with the ARRA Weatherization activity (3 FTEs); to perform ARRA reporting (1 FTE); and to provide legal support (loan documentation) to the Neighborhood Stabilization Program (2 FTEs).

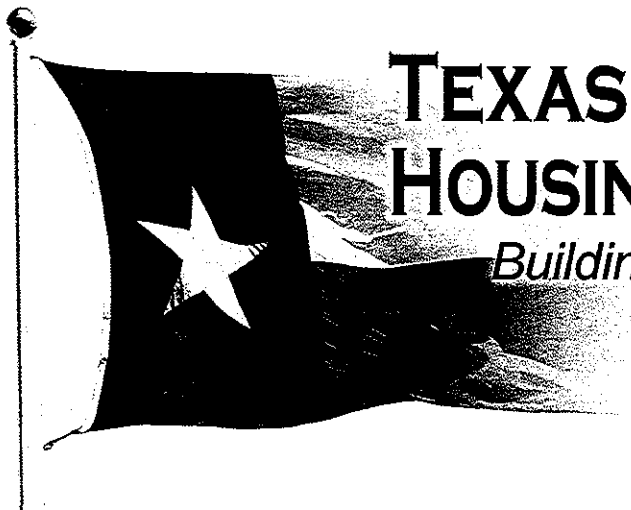
The second item of the amendment increases the “temporary help” budget. The ongoing \$8,000 Tax Credit Monetization Program is requiring temporary assistance to organize loan applications, input applications, maintain communications with lenders/borrowers, and close loans. The Department is requesting \$23K to retain adequate staff to carry out its duties.

The Department is also requesting approval to purchase computer equipment for six new employees.

The final item is funding for pending litigation; Inclusive Communities Project, Inc. vs. the Texas Department of Housing and Community Affairs et al.; United States District Court for the Northern District of Texas, Dallas Division, Civil Action No. 3:08-CV-00546-D. Due to the complexity of the issues and timeline of the suit, with the approval of The Office of the Attorney General, TDHCA has retained outside counsel to defend the lawsuit. The Department is recommending appropriated receipts from the Multifamily Tax Credit Program as a method of finance.

If the Board approves the recommended amendments to the FY 2010 Operating Budget, the Department will:

- 1) Submit the amended budget to the LBB and Governor’s Office;
- 2) And notify (by letter) the LBB, Governor’s Office, Comptroller’s Office and the State Auditor’s Office of additional temporary FTEs under special provisions of Article IX to carry out these new programs.



**TEXAS DEPARTMENT OF
HOUSING & COMMUNITY AFFAIRS**

Building Homes. Strengthening Communities.

DRAFT

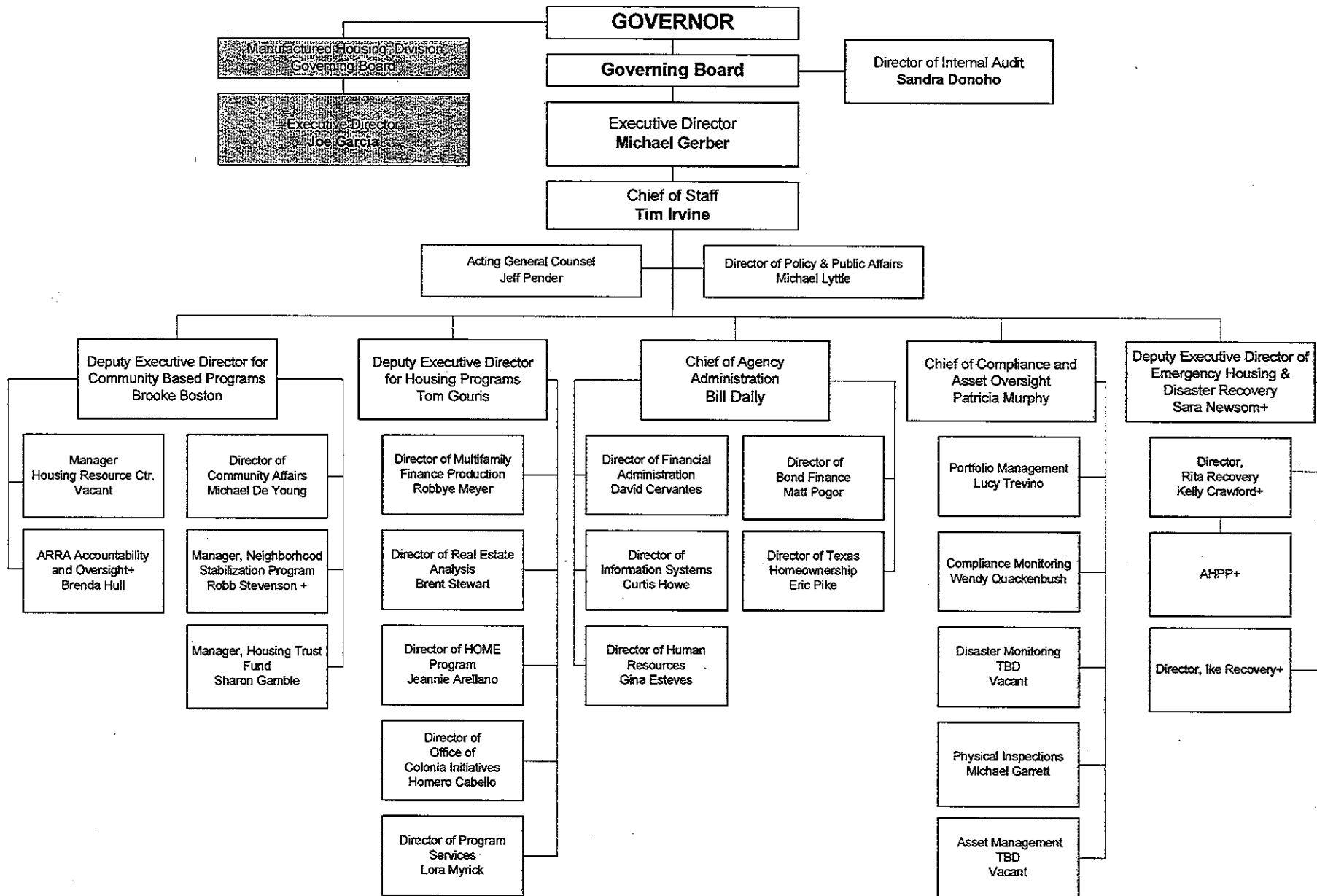
FY-2010 AMENDED OPERATING BUDGET

(September 1, 2009 through August 31, 2010)

December 17, 2009

Prepared by the Financial Administration Division

TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS



+Funded under Article IX

Texas Department of Housing and Community Affairs
September 2009 thru August 2010 (Amended)

Comparison by Expense Object

	Approved Budget (a)	Amended Budget (b)	Variance (b-a)	Percentage Change
Salaries and Wages	\$ 18,998,381	\$ 19,324,565	\$ 326,185	1.7%
Payroll Related Costs	4,369,628	4,444,650	75,022	1.7%
Travel In-State	1,232,420	1,232,420	-	0.0%
Travel Out-of-State	125,394	125,394	-	0.0%
Professional Fees	4,517,610	5,517,610	1,000,000	22.1%
Material and Supplies	637,743	637,743	-	0.0%
Repairs/Maintenance	668,855	668,855	-	0.0%
Printing and Reproduction	196,735	196,735	-	0.0%
Rentals and Leases	563,438	563,438	-	0.0%
Membership Fees	102,770	102,770	-	0.0%
Staff Development	386,372	386,372	-	0.0%
Insurance/Employee Bonds	94,997	94,997	-	0.0%
Employee Tuition	22,100	22,100	-	0.0%
Advertising	163,333	163,333	-	0.0%
Freight/Delivery	47,137	47,137	-	0.0%
Temporary Help	393,845	417,115	23,270	5.9%
Furniture and Equipment	359,130	368,130	9,000	2.5%
Communication and Utilities	329,887	329,887	-	0.0%
Capital Outlay	88,298	88,298	-	0.0%
State Office of Risk Management	39,423	39,423	-	0.0%
Total Department	\$ 33,337,494	\$ 34,770,971	\$ 1,433,477	4.3%
FTE's	308.00	314.00	6.00	1.9%
Method of Finance:				
General Revenue	\$ 3,207,337	\$ 3,220,111	\$ 12,774	0.4%
ARRA Stimulus Earned Federal Funds	728,935	790,065	61,130	
Federal Funds	6,162,332	6,145,744	(16,588)	-0.3%
CDBG/FEMA Disaster Recovery	3,289,161	3,278,526	(10,635)	-0.3%
ARRA Stimulus	6,058,133	6,259,193	201,060	
Neighborhood Stabilization Program	968,015	1,111,320	143,305	
Appropriated Receipts - Housing Finance	12,326,414	13,368,845	1,042,431	8.5%
Interagency Contracts	80,982	80,982	(0)	0.0%
Appropriated Receipts - Manufact. Housing	516,185	516,185	0	0.0%
Total, Method of Finance	\$ 33,337,494	\$ 34,770,971	\$ 1,433,477	4.3%

Texas Department of Housing and Community Affairs
September 2009 thru August 2010 (Amended)

Comparison by Division

	Approved Budget (a)	Amended Budget (b)	Variance (b-a)	Percentage Change	Approved FTEs (d)	Amended FTEs (e)	Variance (e-d)
Housing Programs Division:							
Office of Colonia Initiatives	\$ 517,670	\$ 517,670	\$ -	0.0%	6.0	6.0	0.0
Multifamily Finance Production	1,190,193	1,190,193	-	0.0%	16.0	16.0	0.0
HOME Program	1,312,144	1,312,144	-	0.0%	18.0	18.0	0.0
Real Estate Analysis	817,433	817,433	-	0.0%	11.0	11.0	0.0
Program Services	632,211	632,211	-	-	9.0	9.0	0.0
Total, Housing Programs Division	4,469,651	4,469,651	-	0.0%	60.0	60.0	0.0
Emergency Housing and Disaster Recovery	2,271,686	2,271,686	-	0.0%	28.5	28.5	0.0
Compliance and Asset Oversight	2,891,624	2,891,624	-	0.0%	38.0	38.0	0.0
Community Based Programs Division:							
Community Affairs Administration	320,421	320,421	-	0.0%	3.0	3.0	0.0
Community Services Programs	1,489,402	1,489,402	-	0.0%	19.0	19.0	0.0
Energy Assistance	6,111,816	6,279,936	168,120	2.8%	29.0	32.0	3.0
Section 8	459,494	459,494	-	0.0%	7.0	7.0	0.0
Housing Resource Center	659,857	659,857	-	0.0%	8.0	8.0	0.0
ARRA Accountability and Oversight	153,559	203,539	49,980	32.5%	1.0	2.0	1.0
Neighborhood Stabilization Program	723,322	840,408	117,086	16.2%	9.5	11.5	2.0
Housing Trust Fund	275,415	275,415	-	0.0%	4.0	4.0	0.0
Total, Community Based Programs Division	10,193,287	10,528,473	335,186	3.3%	80.5	86.5	6.0
Executive Administration:							
Executive Office	483,831	483,831	-	0.0%	4.0	4.0	0.0
Board	85,308	85,308	-	0.0%	-	-	-
Legal Services	732,599	1,732,599	1,000,000	136.5%	6.0	6.0	0.0
Internal Audit	487,248	487,248	-	0.0%	7.0	7.0	0.0
Policy and Public Affairs	625,257	625,257	-	0.0%	6.0	6.0	0.0
Total, Executive Administration	2,414,243	3,414,243	1,000,000	41.4%	23.0	23.0	0.0
Agency Administration:							
Director's Office of Financial Administration	715,851	715,851	-	0.0%	8.0	8.0	0.0
Accounting Operations	867,663	867,663	-	0.0%	12.0	12.0	0.0
Financial Services	1,254,084	1,254,084	-	0.0%	16.0	16.0	0.0
Purchasing and Facilities Management	578,318	578,318	-	0.0%	9.0	9.0	0.0
Human Resources	406,820	406,820	-	0.0%	5.0	5.0	0.0
Information Systems	1,533,091	1,533,091	-	0.0%	19.0	19.0	0.0
Bond Finance	443,390	443,390	-	0.0%	4.0	4.0	0.0
Texas Homeownership Program	638,838	662,108	23,270	3.6%	5.0	5.0	0.0
Total, Agency Administration	6,438,054	6,461,324	23,270	0.4%	78.0	78.0	0.0
Capital Budget (Note: \$36,840 in MH 2010 budget)	289,320	289,320	-	0.0%	-	-	-
Payroll Related Costs	4,369,628	4,444,650	75,022	1.7%	-	-	-
Total, Department	\$ 33,337,494	\$ 34,770,971	\$ 1,433,477	4.3%	308.0	314.0	6.0
Method of Finance:							
General Revenue	\$ 3,207,337	\$ 3,220,111	\$ 12,774	0.4%	-	-	-
ARRA Stimulus Earned Federal Funds	728,935	790,065	61,130	-	-	-	-
Federal Funds	6,162,332	6,145,744	(16,588)	-0.3%	-	-	-
CDBG/FEMA Disaster Recovery	3,289,161	3,278,526	(10,635)	-0.3%	-	-	-
ARRA Stimulus	6,058,133	6,259,193	201,060	-	-	-	-
Neighborhood Stabilization Program	968,015	1,111,320	143,305	-	-	-	-
Appropriated Receipts - Housing Finance	12,326,414	13,368,845	1,042,431	8.5%	-	-	-
Interagency Contracts	80,982	80,982	(0)	0.0%	-	-	-
Appropriated Receipts - Manufact. Housing	516,185	516,185	0	0.0%	-	-	-
Total, Method of Finance	\$ 33,337,494	\$ 34,770,971	\$ 1,433,477	4.3%	-	-	-

Note: Appropriated Receipts - Housing Finance include Bond Administration Fees, Housing Tax Credit Fees and Compliance Fees.

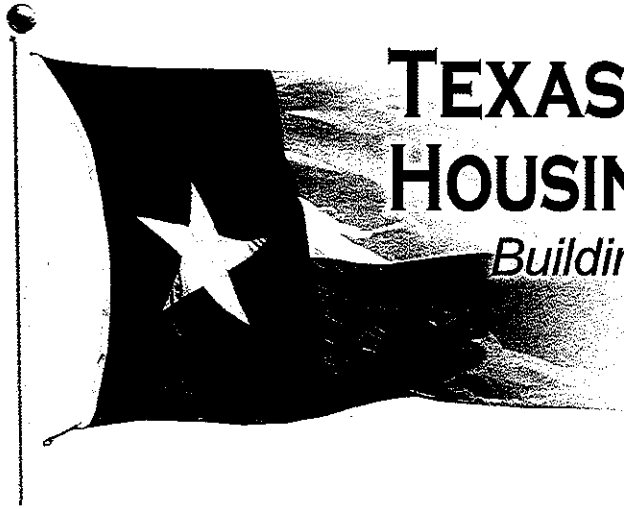
Financial Administration Division
Board Action Request
December 17, 2009

Requested Action

The Board approve the attached Amended Housing Finance Operating Budget for the duration of FY 2010. The amendment will incorporate additional multifamily tax credit fees of \$1,042,431 and increase the previous total from \$12,326,414 to \$13,368,845.

Background

In accordance with Section 2306.113 of the Texas Government Code, the Department shall create a separate annual budget for the Housing Finance Division to certify the housing program fee revenue that supports the Department. This budget is a subset of the whole operating budget and shows the Housing Finance revenues that support the operating budget. The attached budget reflects the amended amounts.



**TEXAS DEPARTMENT OF
HOUSING & COMMUNITY AFFAIRS**

Building Homes. Strengthening Communities.

DRAFT

FY-2010 AMENDED HOUSING FINANCE OPERATING BUDGET

(September 1, 2009 through August 31, 2010)

December 17, 2009

Prepared by the Financial Administration Division

Texas Department of Housing and Community Affairs
Annual Operating Budget
September 1, 2009 thru August 31, 2010 (Amended)

Housing Finance Budget

Budget Categories	Executive Administration	Agency Administration	Housing Programs Division	Community Based Programs	Compliance and Asset Oversight	Capital Budget	Payroll Related Costs	Total Appropriated Receipts
Salaries	1,305,758	3,829,865	1,785,150	236,375	1,371,479	-	-	8,528,627
Payroll Related Costs	-	-	-	-	-	-	1,265,040	1,265,040
Travel In-State	63,575	47,650	22,750	8,500	145,000	-	-	287,475
Travel Out-of-State	29,384	21,422	15,800	1,900	6,540	-	-	75,046
Professional Fees	1,175,500	172,450	45,400	-	156,750	-	-	1,550,100
Materials/Supplies	38,935	52,013	32,196	9,364	25,129	-	-	157,637
Repairs/Maintenance	24,672	166,855	35,724	10,437	32,044	-	-	269,732
Printing and Reproduction	17,407	13,509	3,397	8,684	7,131	-	-	50,129
Rental/Lease	34,222	75,317	20,776	4,112	39,894	-	-	174,321
Membership Dues	6,750	52,140	2,000	250	4,680	-	-	65,820
Staff Development	59,405	73,608	29,797	3,000	18,000	-	-	183,810
Insurance/Employee Bonds	4,313	25,366	7,276	2,156	6,412	-	-	45,523
Employee Tuition	-	3,570	2,600	-	2,400	-	-	8,570
Advertising	900	73,200	2,475	-	1,000	-	-	77,575
Freight/Delivery	6,850	13,128	2,875	250	1,500	-	-	24,603
Temporary Help	32,237	88,868	40,553	5,267	51,365	-	-	218,290
Furniture/Equipment	6,704	19,517	3,388	752	9,197	153,960	-	193,518
Communications/Utilities	28,543	40,563	26,323	7,522	21,850	-	-	124,801
Capital Outlay	-	-	-	-	-	44,020	-	44,020
State Office of Risk Management	1,471	14,508	2,553	-	5,677	-	-	24,208
Total, Appropriated Receipts	2,836,626	4,783,549	2,081,033	298,569	1,906,047	197,980	1,265,040	13,368,845

Method of Finance:

Bond Administration Fees	2,477,257
Housing Tax Credit Fees	1,247,519
Disaster Recovery Tax Credit Fees	572,856
Compliance Fees	2,109,477
Appropriated Receipts - Central Support	6,961,736
Total, Method of Finance	13,368,845

Note: Appropriated Receipts include Bond Administration Fees, Housing Tax Credit Fees, and Compliance Fees

BOND FINANCE DIVISION

BOARD ACTION REQUEST

December 17, 2009

Requested Action

Authorize staff to negotiate a liquidity agreement with the Federal Home Loan Bank of Dallas. Staff will come back to this Board for final approval of terms and conditions relating to the liquidity agreement in early 2010.

Background

As part of TDHCA's comprehensive plan to diversify liquidity agreements among several liquidity providers, staff is requesting authority to start negotiating a liquidity agreement with the Federal Home Loan Bank of Dallas.

Currently TDHCA has seven variable rate structures supported with liquidity agreements provided by the Texas Comptroller of Public Accounts. As our Liquidity Provider, the Comptroller is guaranteeing that in case our variable rate bonds are not marketable for some period of time, they will purchase the variable rate bonds and hold them until the bonds are once again marketable. The Comptroller is also providing liquidity for 90 days and extending it until TDHCA can find another liquidity provider. To help diversify our liquidity portfolio, the TDHCA Board at the November 9, 2009 meeting gave staff the authority to negotiate a liquidity agreement with Fannie Mae and Freddie Mac ("the GSEs") under the Homeowner Affordability and Stability Plan. There is a Board item on the December 17, 2009 Agenda that addresses the GSE liquidity proposal. Staff believes that by working with the Federal Home Loan Bank of Dallas, TDHCA will be able to further diversify our pool of liquidity providers.

Staff will be working with one of our approved Senior Underwriters as they prepare and review cashflows to determine release of indenture stress and cost associated by diversification. Staff will come back to the Board in early 2010 with an update on liquidity.

BOND FINANCE DIVISION

BOARD ACTION REQUEST

December 17, 2009

Requested Action

Adoption of Resolution No. 10-010 authorizing the Department to enter into a substitute liquidity facility provided by the Fannie Mae and Freddie Mac (the “GSEs”) for the 2004 Series D Single Family Variable Rate Mortgage Revenue Bonds and approving amendments to Supplemental Indentures, approving reoffering documents, and amendments to swap agreements where applicable.

Background

Staff is requesting approval to enter into a substitute liquidity agreement with Fannie Mae and Freddie Mac to replace the Comptroller for the 2004 Series D Single Family Variable Rate Mortgage Revenue Bonds.

As part of its comprehensive plan to stabilize the U.S housing market, the Obama Administration on October 19, 2009, announced a new initiative for state and local housing finance agencies (HFAs) that will help support low mortgage rates and expand resources for low and middle income borrowers to purchase or rent homes that are affordable over the long term. This new initiative, the Homeowner Affordability and Stability Plan has two parts: the New Issue Bond Program (NIBP) supports new lending by HFAs with the issuance of bonds and the Temporary Credit and Liquidity Program (TCLP) to improve the access of HFAs to liquidity for outstanding HFA bonds.

Currently TDHCA has seven variable rate structures supported with liquidity agreements provided by the Texas Comptroller of Public Accounts. As our Liquidity Provider, the Comptroller is guaranteeing that in case our variable rate bonds are not marketable for some period of time, they will purchase the variable rate bonds and hold them until the bonds are once again marketable. The Comptroller is also providing liquidity for 90 days and extending it until TDHCA can find another liquidity provider. To help diversify our liquidity portfolio, Staff was authorized to negotiate a liquidity agreement with Fannie Mae and Freddie Mac (“the GSEs) under the Homeowner Affordability and Stability Plan. Currently we have only one liquidity provider and staff would like to diversify our portfolio to two or more liquidity providers.

Resolution No. 10-010

RESOLUTION APPROVING REPLACEMENT LIQUIDITY FACILITY, AMENDMENT TO THE SUPPLEMENTAL INDENTURE, AMENDMENT TO THE REMARKETING AGREEMENT AND REOFFERING CIRCULAR FOR THE DEPARTMENT'S SINGLE FAMILY VARIABLE RATE MORTGAGE REVENUE BONDS, 2004 SERIES D; AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS AND INSTRUMENTS RELATING TO THE FOREGOING; MAKING CERTAIN FINDINGS AND DETERMINATIONS IN CONNECTION THEREWITH; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

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

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

WHEREAS, the Department has previously issued its Single Family Variable Rate Mortgage Revenue Bonds, 2004 Series D (the "2004 Series D Bonds") pursuant to the Single Family Mortgage Revenue Bond Trust Indenture dated as of October 1, 1980, between the Department, as successor to the Agency, and The Bank of New York Mellon Trust Company, N.A., as successor trustee to The Fort Worth National Bank (the "Trustee"), and the Thirty-Ninth Supplemental Single Family Mortgage Revenue Bond Trust Indenture dated as of October 1, 2004, as amended by the First Amendment to Thirty-Ninth Supplemental Single Family Mortgage Revenue Bond Trust Indenture dated June 30, 2009, each between the Department and the Trustee (collectively, the "Thirty-Ninth Supplemental Indenture"); and

WHEREAS, liquidity support for the 2004 Series D Bonds is currently provided by the Comptroller of Public Accounts of the State of Texas (the "Comptroller") pursuant to a Liquidity Agreement dated as of June 30, 2009, as amended by the first and second amendments thereto, each between the Department and the Comptroller (collectively, the "Existing Liquidity Facility"); and

WHEREAS, in accordance with the Thirty-Ninth Supplemental Indenture, the Board now desires to authorize (i) the replacement of the Existing Liquidity Facility with a standby irrevocable temporary credit and liquidity facility provided by Federal National Mortgage Association ("Fannie Mae") and Federal Home Loan Mortgage Corporation ("Freddie Mac") (collectively, the "GSEs" and each, a "GSE") for the 2004 Series D Bonds in substantially the form attached hereto (the "Standby Facility") and (ii) the execution and delivery of a Reimbursement Agreement among the Department, the Trustee and the GSEs (the "Reimbursement Agreement" and together with the Standby Facility, collectively the "GSE Liquidity Facility") in substantially the form attached hereto; and

WHEREAS, the Board further desires to authorize the execution and delivery of (i) a Second Amendment to Thirty-Ninth Supplemental Single Family Mortgage Revenue Bond Trust Indenture between the Department and the Trustee, in substantially the form attached hereto (the "Second Amendment"), for the purpose of accommodating the GSE Liquidity Facility under the Thirty-Ninth Supplemental Indenture to the GSE Liquidity Facility, and (ii) a First Amendment to Remarketing Agreement between the Department and Piper Jaffray & Co., as remarketing agent for the 2004 Series D Bonds, in substantially the form attached hereto (the "Remarketing Agreement Amendment"), for the purpose of making certain changes required by the Reimbursement Agreement; and

WHEREAS, the Board has been presented with a draft of a reoffering circular to be used in the remarketing of the 2004 Series D Bonds in connection with the replacement of the Existing Liquidity Facility with the GSE Liquidity Facility (the "Reoffering Circular"); and

WHEREAS, the Board further desires to approve the form of the GSE Liquidity Facility, the Second Amendment and the Remarketing Agreement Amendment, the execution and delivery of such documents and the taking of such other actions as may be necessary or convenient to carry out the purposes of this Resolution and to approve the Reoffering Circular; NOW, THEREFORE,

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

ARTICLE I

APPROVAL OF DOCUMENTS AND CERTAIN ACTIONS

Section 1.1--Approval of GSE Liquidity Facility. The form and substance of the Standby Facility and the Reimbursement Agreement are hereby approved, and the authorized representatives of the Department named in this Resolution are each hereby authorized and empowered to execute the Reimbursement Agreement and to deliver the Reimbursement Agreement to the GSEs and the Trustee.

Section 1.2--Approval of Second Amendment. The form and substance of the Second Amendment are hereby approved, and the authorized representatives of the Department named in this Resolution are each hereby authorized and empowered to execute the Second Amendment and to deliver the Second Amendment to the Trustee.

Section 1.3--Approval of Remarketing Agreement Amendment. The form and substance of the Remarketing Agreement Amendment are hereby approved, and the authorized representatives of the Department named in this Resolution are each hereby authorized and empowered to execute the Remarketing Agreement Amendment and to deliver the Remarketing Agreement Amendment to the Remarketing Agent.

Section 1.4--Approval of Reoffering Circular. The Reoffering Circular for use in the remarketing of the 2004 Series D Bonds in connection with the replacement of the Existing Liquidity Facility, in substantially the form presented to the Board, is hereby approved; the authorized representatives of the Department named in this Resolution, acting for and on behalf of the Board, are each hereby authorized and directed to finalize the Reoffering Circular for distribution by the remarketing agent to prospective purchasers of the 2004 Series D Bonds, with such changes therein as the authorized representatives of the Department named in this Resolution may approve, such approval to be conclusively evidenced by the distribution of the Reoffering Circular.

Section 1.5--Execution and Delivery of Other Documents. The authorized representatives of the Department named in this Resolution are each hereby authorized to execute and deliver all agreements, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, notices, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 1.6--Power to Revise Form of Documents. Notwithstanding any other provision of this Resolution, the authorized representatives of the Department named in this Resolution are each hereby authorized to make or approve such revisions in the form of the documents attached hereto as exhibits as, in the judgment of such authorized representative, and in the opinion of Vinson & Elkins L.L.P., Bond Counsel to the Department, may be

necessary or convenient to carry out or assist in carrying out the purposes of this Resolution, such approval to be evidenced by the execution of such documents by the authorized representatives of the Department named in this Resolution.

Section 1.7--Exhibits Incorporated Herein. All of the terms and provisions of each of the documents listed below as an exhibit shall be and are hereby incorporated into and made a part of this Resolution for all purposes:

- | | | |
|-----------|---|---------------------------------|
| Exhibit A | - | Standby Facility |
| Exhibit B | - | Reimbursement Agreement |
| Exhibit C | - | Second Amendment |
| Exhibit D | - | Remarketing Agreement Amendment |
| Exhibit E | - | Reoffering Circular |

Section 1.8--Authorized Representatives. The following persons are each hereby named as authorized representatives of the Department for purposes of executing and delivering the documents and instruments referred to in this Article I: the Chairman of the Board; the Vice Chairman of the Board; the Secretary to the Board; the Executive Director or the Acting Executive Director of the Department; the Chief of Agency Administration of the Department; and the Director of Bond Finance of the Department.

Section 1.9--Submission to the Attorney General of Texas. The Board hereby ratifies the submission by the Department's Bond Counsel to the Attorney General of Texas, for his approval, of a transcript of the legal proceedings relating to the authorization of the GSE Liquidity Facility.

Section 1.10--Ratifying Other Actions. All other actions taken or to be taken by the Executive Director and the Department's staff in connection with the GSE Liquidity Facility, the Second Amendment and the Remarketing Agreement Amendment are hereby ratified and confirmed.

ARTICLE II GENERAL PROVISIONS

Section 2.1--Effective Date. That this Resolution shall be in full force and effect from and upon its adoption.

Section 2.2--Notice of Meeting. Written notice of the date, hour and place of the meeting of the Board at which this Resolution was considered and of the subject of this Resolution was furnished to the Secretary of State and posted on the Internet for at least seven (7) days preceding the convening of such meeting; that during regular office hours a computer terminal located in a place convenient to the public in the office of the Secretary of State was provided such that the general public could view such posting; that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof was discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended; and that written notice of the date, hour and place of the meeting of the Board and of the subject of this Resolution was published in the Texas Register at least seven (7) days preceding the convening of such meeting, as required by the Administrative Procedure and Texas Register Act, Chapters 2001 and 2002, Texas Government Code, as amended. Additionally, all of the materials made available to the Board relevant to the subject of this Resolution were posted on the Department's website not later than the third day before the date of the meeting of the Board at which this Resolution was considered, and any documents made available to the Board by the Department on the day of the meeting were also made available in hard-copy format to the members of the public in attendance at the meeting, as required by Section 2306.032, Texas Government Code, as amended.

[Execution page follows]

PASSED AND APPROVED this 17th day of December, 2009.

Chairman, Governing Board

ATTEST:

Secretary to the Governing Board

(SEAL)

BOND FINANCE DIVISION

BOARD ACTION REQUEST

December 17, 2009

Requested Action

Adoption of Resolution No. 10-011 approving a Mortgage Credit Certificate Program (MCC) for first-time homebuyers (Program 75) along with related program documents to be administered by the Texas Department of Housing and Community Affairs.

Background

Since February 28, 2009, TDHCA has been administering its latest and most successful MCC program ever by issuing all \$30 million in MCC authority in just seven months. With TDHCA out of MCC authority, Staff is requesting approval of this resolution which will allow us to continue issuing new MCCs under Program 75 on January 29, 2010 and to obtain approval of the MCC program along with related program documents to be administered by TDHCA.

The \$120 million of volume cap for this MCC program was approved at the October 15, 2009 TDHCA Board meeting which approved \$60 million of H. R. 3221 single family private activity bond authority along with \$18.4 million of existing 2008 general volume cap and \$41.6 million of 2009 general volume cap.

A mortgage credit certificate is an instrument designed to assist persons of low to moderate income to better afford individual ownership. The procedures for issuing MCCs were established by the United States Congress as an alternative to the issuance of single family mortgage revenue bonds. As distinguished from a bond program, in an MCC program no bonds are issued, no mortgage money is actually used, many of the costs associated with a bond program are not incurred, and lenders are required to pay only nominal up-front fees.

Mortgage Credit Certificates help make ownership of a new or existing home more affordable by entitling the homeowner to a personal tax credit of up to \$2,000 against their federal tax liability for a portion of the interest paid on their home mortgage. For example, a homeowner that purchased a home for \$121,000 at 6% for 30 years would have a monthly principal and interest payment of \$725. With an MCC, homeowners can submit a revised W-4 Withholding Form to his or her employer to reduce the federal withholding tax by \$167 per month, which increases the borrower's disposable income by reducing their federal income tax obligation. This same homeowner can also deduct the yearly mortgage interest paid of approximately \$5,220 (\$7,220 less \$2,000) as an itemized deduction on their annual federal income tax return. Simply put, an MCC is a dollar for dollar reduction of income taxes owed.

In order to be eligible for an MCC, borrowers must comply with the same first-time homebuyer requirements stipulated by the Internal Revenue Code for mortgage revenue bonds. For example, MCC recipients must occupy the residence as their primary residence, comply with income limits and comply with home purchase price limits. MCCs cannot be used when mortgages are funded with tax-exempt bond proceeds.

Under Federal guidelines, the Department, as an issuer of mortgage revenue bonds can trade \$1 of bond authority for \$0.25 of MCC authority. Today, staff is recommending using another \$120 million of bond authority for \$30 million in MCC authority.

MCC Program 75 Example

\$60M of H.R. 3221 Volume Cap, \$18.4M of 2008 Volume Cap and \$41.6M of 2009 Volume Cap Allocated for MCCs	\$120 million
IRS MCC Conversion Factor	\$0.25
MCC Issuance Authority	\$30 million
Average 2007 Mortgage Credit Certificate Program Mortgage Amount	\$121,000
Market Mortgage Interest Rate	6.00%
First Year Mortgage Interest	\$7,220
MCC Certificate Credit Rate	30%
Tax Credit Amount	\$2,166
Maximum Tax Credit Allowed	\$2,000
Schedule A Mortgage Interest Deduction	\$5,220

Lenders participating in TDHCA's previous Mortgage Credit Certificate Programs have expressed continued interest in mortgage credit certificates.

Resolution No. 10-011

RESOLUTION AUTHORIZING IMPLEMENTATION OF TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS 2010 MORTGAGE CREDIT CERTIFICATE PROGRAM; APPROVING THE FORM AND SUBSTANCE OF THE MCC PROGRAM PARTICIPATION AGREEMENT, THE PROGRAM MANUAL AND THE PROGRAM SUMMARY; AUTHORIZING THE EXECUTION OF DOCUMENTS AND INSTRUMENTS NECESSARY OR CONVENIENT TO CARRY OUT THE 2010 MORTGAGE CREDIT CERTIFICATE PROGRAM; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

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

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

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

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

WHEREAS, the private activity bond "State ceiling" (as defined in Section 146(d) of the Code) applicable to the State for calendar year 2008 is subject to allocation, in the manner authorized by Section 146(e) of the Code, pursuant to Chapter 1372 Texas Government Code, as amended; and

WHEREAS, the Department has previously received a reservation of private activity bond volume cap for qualified mortgage bonds pursuant to Texas Bond Review Board Certificate of Reservation Docket Number 3774 (the "Standard Reservation"); and

WHEREAS, by resolution adopted on October 15, 2009, the Governing Board authorized the filing with the Texas Bond Review Board of an application for reservation of private activity bond volume cap in the amount of \$60,000,000 for qualified mortgage bonds from emergency housing volume cap reserved to the Department pursuant to Section 3021 of the Housing and Economic Recovery Act of 2008 (the "HERA Reservation"); and

WHEREAS, upon receipt of the HERA Reservation, the Department desires to convert an amount not to exceed the \$60,000,000 of the amount of the State ceiling reserved for qualified mortgage bonds and represented by the Standard Reservation and \$60,000,000 of the amount of the State ceiling reserved for qualified mortgage bonds

and represented by the HERA Reservation to mortgage credit certificates (“MCCs”), to be used for the Department’s 2010 Mortgage Credit Certificate Program (the “2010 MCC Program”); and

WHEREAS, the Governing Board desires to authorize the execution and delivery of the MCC Program Participation Agreement (the “Participation Agreement”) in substantially the form attached hereto; and

WHEREAS, the Governing Board desires to approve the Program Manual (the “Program Manual”) in substantially the form attached hereto, setting forth the terms and conditions upon which MCCs will be issued by the Department; and

WHEREAS, the Governing Board desires to approve the Program Summary (the “Program Summary”) in substantially the form attached hereto setting forth the terms of the 2010 MCC Program; and

WHEREAS, the Governing Board desires to approve the use of an amount not to exceed \$100,000 of Department funds to pay the costs of implementing the 2010 MCC Program; and

WHEREAS, the Governing Board desires to approve the forms of the Participation Agreement, the Program Manual and the Program Summary, in order to find the form and substance of such documents to be satisfactory and proper and the recitals contained therein to be true, correct and complete; and has determined to implement the 2010 MCC Program in accordance with such documents by authorizing the 2010 MCC Program, the execution and delivery of such documents and the taking of such other actions as may be necessary or convenient to carry out the 2010 MCC Program; NOW, THEREFORE,

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

ARTICLE I
USE OF PRIVATE ACTIVITY BOND VOLUME CAP

Section 1.1--Authorization of Certain Actions. The Governing Board authorizes the Executive Director or the Acting Executive Director, the staff of the Department as designated by the Executive Director or the Acting Executive Director, as appropriate, and Bond Counsel to take such actions on its behalf as may be necessary to carry out the purposes of this Resolution. The Governing Board ratifies the submission to the Texas Bond Review Board of an election to carry forward the Standard Reservation.

Section 1.2--MCC Authority. Upon receipt of the HERA Reservation, the Department shall take such steps as are necessary to convert \$60,000,000 of its authority to issue qualified mortgage bonds under the Standard Reservation and \$60,000,000 of its authority to issue qualified mortgage bonds under the HERA Reservation to authority to issue MCCs in order to implement the 2010 MCC Program.

ARTICLE II
APPROVAL OF MCC DOCUMENTS

Section 2.1--2010 MCC Program. The 2010 MCC Program is hereby authorized.

Section 2.2--Approval, Execution and Delivery of the Participation Agreement. The form and substance of the Participation Agreement are hereby approved, and the authorized representatives of the Department named in this Resolution are each hereby authorized to execute, attest and affix the Department’s seal to the Participation Agreement, and to deliver the Participation Agreement to the other parties thereto.

Section 2.3--Approval of Program Manual and Program Summary. The form and substance of the Program Manual and Program Summary are hereby authorized and approved.

Section 2.4--Execution and Delivery of Other Documents. The authorized representatives of the Department named in this Resolution are each hereby authorized to execute, attest, affix the Department’s seal to and deliver such other agreements, advance commitment agreements, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, notices of acceptance, written requests, public notices and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or

assist in carrying out the purposes of this Resolution, the Participation Agreement, the Program Manual and the Program Summary.

Section 2.5--Power to Revise Form of Documents. Notwithstanding any other provision of this Resolution, the authorized representatives of the Department named in this Resolution are each hereby authorized to make or approve such revisions in the form of the documents attached hereto as exhibits as, in the judgment of such authorized representative, and in the opinion of Vinson & Elkins L.L.P., Bond Counsel to the Department, may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution, such approval to be evidenced by the execution of such documents by the authorized representatives of the Department named in this Resolution.

Section 2.6--Exhibits Incorporated Herein. All of the terms and provisions of each of the documents listed below as an exhibit shall be and are hereby incorporated into and made a part of this Resolution for all purposes:

- Exhibit A - Participation Agreement
- Exhibit B - Program Manual
- Exhibit C - Program Summary

Section 2.7--Authorized Representatives. The following persons are each hereby named as authorized representatives of the Department for purposes of executing and delivering the documents and instruments referred to in this Article II: the Chairman of the Governing Board; the Vice Chairman of the Governing Board; the Secretary to the Governing Board; the Executive Director or the Acting Executive Director of the Department, the Chief of Agency Administration of the Department, the Director of Bond Finance of the Department and the Director of Texas Homeownership of the Department.

Section 2.8--Department Contribution. The Department authorizes the contribution of Department funds in an amount not to exceed \$100,000 to pay certain costs of implementing the 2010 MCC Program.

ARTICLE III GENERAL PROVISIONS

Section 3.1--Purposes of Resolution. The Governing Board of the Department has expressly determined and hereby confirms that the implementation of the 2010 MCC Program contemplated by this Resolution accomplishes a valid public purpose of the Department by providing for the housing needs of individuals and families of low, very low and extremely low income and families of moderate income in the State.

Section 3.2--Notice of Meeting. Written notice of the date, hour and place of the meeting of the Governing Board at which this Resolution was considered and of the subject of this Resolution was furnished to the Secretary of State and posted on the Internet for at least seven (7) days preceding the convening of such meeting; that during regular office hours a computer terminal located in a place convenient to the public in the office of the Secretary of State was provided such that the general public could view such posting; that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof was discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended; and that written notice of the date, hour and place of the meeting of the Governing Board and of the subject of this Resolution was published in the Texas Register at least seven (7) days preceding the convening of such meeting, as required by the Administrative Procedure and Texas Register Act, Chapters 2001 and 2002, Texas Government Code, as amended. Additionally, all of the materials made available to the Governing Board relevant to the subject of this Resolution were posted on the Department's website not later than the third day before the date of the meeting of the Governing Board at which this Resolution was considered, and any documents made available to the Governing Board by the Department on the day of the meeting were also made available in hard-copy format to the members of the public in attendance at the meeting, as required by Section 2306.032, Texas Government Code, as amended.

Section 3.3--Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

PASSED AND APPROVED this 17th day of December, 2009.

Chairman, Governing Board

ATTEST:

Secretary to the Governing Board

(SEAL)

TEXAS HOMEOWNERSHIP DIVISION

**BOARD ACTION REQUEST
DECEMBER 17, 2009**

Requested Action

Approval for staff to reopen a program to monetize the recently extended federal first time homebuyer tax credit by advancing additional funds for down payment and closing cost assistance in association with Mortgage Revenue Bond (MRB) Program 74 to enhance its attractiveness. Authorization is also requested to negotiate and enter into the necessary agreement with Bank of America.

Background and Recommendations

Summary

Due to the recent extension of the federal first time homebuyer tax credit and the overwhelming popularity and success of the Department's 90-Day Down Payment Assistance and Mortgage Advantage Programs, staff is proposing a similar program structure in conjunction with MRB Program 74. Released in mid-August with an allocation of \$81 million, MRB Program 74 has an interest rate of 6.25% and a 10-year deferred forgivable second lien loan of up to 4% of the mortgage amount for down payment and closing cost assistance. The program has a remaining balance of approximately \$49 million to be originated by our network of participating lenders. Even with market rates hovering in the upper 4% to low 5% range, loan originations have increased slightly with the end of the 90-Day and Mortgage Advantage Programs. In an effort to make the program more attractive to borrowers and lenders due to the higher than market first lien interest rate, staff is proposing to offer additional down payment to help utilize the remaining funds prior to our next scheduled MRB program release. It is proposed the down payment assistance would be advanced through a third lien to the borrower in exchange for them filing for and receiving the federal first time homebuyer tax credit.

Since most loans originated under the MRB Programs are underwritten using FHA guidelines, it generally requires approximately 7% of the purchase price to cover points, down payment and closing costs as detailed below.

3.5% - FHA down payment requirement

1% origination and 1% discount point- to receive MRB rate of 6.25% and 4 points of DPA

1%-1.5% - estimated closing costs

With the current 4 points of assistance, a gap of approximately 3% remains. Since the originating lender already advances funds for the deferred forgivable second lien, it is recommended they also be allowed to advance an additional 3% up to \$6,000, whichever is less, in the form of a third lien.

In recent conversations with Bank of America (BoFA), the program servicer, they have agreed to provide a warehouse facility subject to the following provisions and assumptions.

- Participating lender advances funds to cover the TDHCA tax credit loan at loan closing.
- BoFA purchases first, second and third lien mortgage loans simultaneously from the participating lender.

- BofA securitizes and delivers the first and second mortgage loans under normal program guidelines. Third mortgage tax credit loans would be held by BofA for a period of 120 days.
- Borrowers will be requested to pay off TDHCA tax credit loan with their 2009 tax refund. Payment will be made directly to TDHCA.
- After the 120 day holding period, BofA will invoice TDHCA for reimbursement of those applicable tax credit loans that have reached the end of the holding period. TDHCA will use repayments from its 90-Day Down Payment Assistance Program to reimburse BofA for the tax credit loans.

Upon loan repayment, borrowers would have up to 3% estimated equity* in their home after 120 days. Additional equity should also be realized each year the borrower remains in the home as the second lien funds are forgiven over time. Since first time homebuyers utilizing the Department's programs typically have lower incomes due to program income restrictions, it is recommended the repayment terms for the third lien be 5 years with a 7% interest rate since the payment must be included in the borrower's underwriting ratios in accordance with FHA guidelines.

With Board approval, staff will continue to finalize program processes and procedures and launch the new program in early January. This will enable borrowers to take advantage of the program benefit for a period of approximately four months. The federal first time homebuyer tax credit extension allows borrowers until April 30, 2010 to place a purchase contract on a home and close on the real estate transaction by June 30, 2010.

*Assuming the first lien loan is being kept current, the second lien loan is being forgiven in accordance with the loan terms, the third lien loan is repaid from the tax credit, and there is no material change in the market value of the home.

REPORT ITEMS



Rebuilding Texas: Disaster Recovery from Hurricanes Rita and Katrina

- Highlights:** Total of 3,948 single and multi family units either under construction or completed
- 2,290 units rehabilitated or reconstructed (1,089 single family and 1,201 rental units)
 - 1,658 units under construction (565 single family and 1,121 rental units)

Hurricane Rita First Supplemental Appropriation (\$74.5 million) Public Law 109-148

Purpose	To Date	Next Steps	Completion
\$40.3 million for housing	509 homes completed 6 homes under construction 14 homes under contract	Construction and rehabilitation of remaining 21 homes	Spring 2010

Financial Summary

	Current Budget	Admin \$ Drawn To Date	Project \$ Drawn To Date	Total Drawn	% of Funds Drawn
DETCOG	\$6,674,546.00	\$674,361.18	\$6,000,185.00	\$6,674,546.18	100.00%
H-GAC	\$7,015,706.00	\$925,718.53	\$5,290,769.94	\$6,216,488.47	88.61%
SETRPC	\$27,198,536.00	\$2,818,331.30	\$20,244,815.70	\$23,063,147.00	84.80%
Totals	\$40,888,788.00	\$4,418,411.01	\$31,535,770.64	\$35,954,181.65	87.93%

Hurricane Rita and Katrina Second Supplemental Appropriation (\$428.6 million) Public Law 109-234

The 2nd Supplemental CDBG Disaster Recovery Funding (referred to Round II) is the second of two awards in CDBG funding to help restore and rebuild in areas of the State most directly impacted by Hurricanes Rita, but it also addresses needs arising from Katrina evacuees.

	Current Budget	Cumulative Expenditures	Balance Remaining	Percentage Expended
Homeowner Assistance Program (HAP)	\$ 210,371,273.00	\$ 73,701,558.31	\$ 136,669,714.69	35.03%
Sabine Pass Restoration Program (SPRP)	\$ 12,000,000.00	\$ 6,106,121.72	\$ 5,893,878.28	50.88%
Rental Housing Stock Restoration Program (RHSRP)	\$ 82,779,333.00	\$ 60,086,447.08	\$ 22,692,885.92	72.59%
City of Houston	\$ 41,500,000.00	\$ 29,139,188.88	\$ 12,360,811.12	70.21%
Harris County	\$ 20,000,000.00	\$ 4,522,845.57	\$ 15,477,154.43	22.61%
Restoration of Critical Infrastructure Program (TDRA)	\$ 42,000,000.00	\$ 22,102,810.72	\$ 19,897,189.28	52.63%
State Administrative Funds (Admin Funds)	\$ 19,933,592.00	\$ 8,494,887.77	\$ 11,438,704.23	42.62%
	\$ 428,584,198.00	\$ 203,360,332.08	\$ 225,223,865.92	47.63%

CDBG Round 2 Homeowner Assistance Program and Sabine Pass Restoration Program Update from ACS State & Local Solutions, Inc.

Key metrics as of December 2nd are shown in the chart below. Changes in the totals of key metrics from 10/25 are as follows:

- Completed applications increased by 320, from 4,286 to 4,606
- Completed inspections now total 2,497, an increase of 136
- A total of 1,733 homes have been assigned to contractors, an increase of 98
- The total number of Benefit Selection meetings held also increased by 98
- Closings have increased to 1,226 from 1,128, an increase of 98
- Constructions starts have gone from 1,048 to 1,125, an increase of 77

AS OF 12/02/09	HAP	SPRP	Total
Completed Applications	4,486	123	4,606
Passed Eligibility	2,165	98	2,263
Inspections Complete	2,370	127	2,497
Projects Assigned to Contractors	1,646	87	1,733
Benefit Selection Meetings Held	1,646	87	1,733
Closings	1,160	66	1,226
Construction Starts	1,064	61	1,125
Finished Homes	594	49	643

Rebuilding Texas: Disaster Recovery from Hurricanes Ike and Dolly

**Hurricane Ike and Dolly First Supplemental Appropriation (\$1.3 billion)
Public Law 110-329**

The Texas Department of Housing and Community Affairs (Department/TDHCA) is in the process of awarding \$621,448,377 for housing activities related to CDBG Disaster Recovery Funding in the hurricane impacted areas with reported housing damage. This funding is comprised of \$562,642,822 that has been awarded to 18 Subrecipients identified through the Council of Government Method of Distribution process. The 18 CDBG Disaster Recovery awardees include 13 Subrecipients in the Ike impacted region and five in the Dolly impacted region that have been awarded the full \$562,642,822 available for housing activities. Over 80% of these funds are dedicated to assist low-to-moderate income households and assistance is anticipated to be wrapping up by late fall 2011.

Summary of Subrecipient Activities

- 18 awardees of CDBG Disaster Recovery funding including 13 in the Ike impacted region and 5 in the Dolly impacted region have been awarded the full \$562,642,822 available for housing activities
- Assistance is anticipated to be wrapping up with the Round I funds in late fall 2011
- A little over 80% of the funds are dedicated to low-to-moderate income households
- Over 4,700 households are anticipated to be assisted with rehab, reconstruction assistance of owner-occupied housing, and 4,000 of those families are anticipated to be LMI
- 1,365 rental units are anticipated to be rehabilitated or reconstructed by the Ike awardees (doesn't include TDHCA's affordable rental set-aside); no rental activities were proposed in the Dolly area
- At least a dozen buy-outs along the upper coast are anticipated

Staff have been conducting site visits since late September that will continue through November to each of the 18 Subrecipients to assist with program start up and assessment. Each of the awardees are at different phases of program development and several in the Ike impacted area have begun to receive applications.

A second major element of the housing component is the \$58 million set-aside for affordable rental housing in six COG regions with reported housing damage. The Department received a total of twenty-two (22) applications totaling \$75,755,261 by the application acceptance period deadline of August 14, 2009. TDHCA has awarded funds to two applicants during the quarter totaling \$3,727,676 and staff is completing the review and evaluation of the remaining applications.

Of the approximately \$32,700,000 reserved for TDHCA administrative expenses, TDHCA expended \$ 363,668 as of September 30, 2009 related to payroll and travel expenses.

FEMA Alternative Housing Pilot Program

The Disaster Recovery Division is also responsible for administration of the Federal Emergency Management Agency (FEMA) award of \$16,471,725 for the Alternative Housing Pilot Program (AHPP). The purpose of the AHPP is to demonstrate an alternative housing solution to the FEMA trailer in the areas affected by the 2005 Hurricanes.

On January 7, 2008, the Federal Emergency Management Agency (FEMA) announced that TDHCA was awarded \$16,471,725 for the Alternative Housing Pilot Program (AHPP). The purpose of the AHPP is to demonstrate an alternative housing solution to the FEMA trailer in the areas affected by the 2005 Hurricanes for a time period of twenty-four months. A one-time exemption to the Stafford Act, AHPP permits the use of FEMA funding to study alternatives to the FEMA trailer by examining cost-effective solutions that meet a variety of housing needs. Pursuant to FEMA requirements, the pre-fabricated units must be awarded within the 22 counties affected by the 2005 Hurricanes.

The Heston Group was selected to pilot a pre-fabricated, panelized solution which can be deployed quickly and built to accommodate a diverse population.

On July 31, 2009, TDHCA issued a notice of contract termination to the Heston Group for failure to provide sufficient responses to the requests outlined in the default notices issued on May 12, 2009 and June 25, 2009. The Department is currently working with the Heston Group as well as with their legal representation to build a transition to close out the contract. As a result of the contract termination, the Department drafted a Request for Proposal (RFP) for a contractor to complete the remaining portion of the program. The RFP was brought before the THDCA Board on November 9, 2009, and submitted to TDHCA's procurement department on November 20, 2009.

TDHCA staff is also working closely with the City of Houston on the planning for a group site to address the renter population that relocated from East Texas due to Hurricane Rita.

TDHCA Office of Recovery Act Accountability & Oversight Status Report

December 17, 2009

Program Amount Fed Agency	Eligible Activities	Program Status	Allocation or Commitment of Funds	Timeline / Contract Period
Weatherization Assistance Program (WAP) \$326,975,732 Dept. of Energy	Minor home repair to increase energy efficiency, \$6,500 per household. Households at or below 200% of poverty.	The DOE approved the Department's WAP Plan and approved the first 50% of funds, \$163.4 million, on July 10, 2009. Amended DOE WAP Plan to be submitted in mid-December. The TDHCA Board approved allocations to subrecipients on July 30. Contracts executed for 48% of funds, subrecipients drawing funds. Remainder to be awarded to allocated subrecipients based on performance. Training Academy courses ongoing. Subrecipients have drawn \$733,026 as of December 4, 2009.	Total Allocation of Funds: <ul style="list-style-type: none"> • \$14,349,967 for State Administration • \$21,253,423 for Training and Technical Assistance (T&TA) for State and Subgrantees • \$291,372,343 Subrecipient Allocation 	Obligation required by September 30, 2010. Recipients will be required to expend all funds within a two year contract period. Federal funding expiration date is March 31, 2012.
Homelessness Prevention and Rapid Re-Housing (HPRP) \$41,472,772 HUD	Rental assistance; housing search assistance, credit repair, deposits, moving cost assistance, and case management. Persons at or below 50% AMI.	On June 26, 2009 HUD approved the Department's HPRP Substantial Amendment to the Consolidated Plan. Awards to subrecipients were made July 30, 2009. All contracts executed and subrecipients currently drawing funds. Pre-monitoring visits ongoing. Subrecipients have drawn \$2,157,181 as of December 4, 2009.	Total Allocation of Funds: <ul style="list-style-type: none"> • \$1,036,819 (2.5%) for State Administration • \$2,073,639 (5%) for Pilot Projects • \$38,362,314 Subrecipient Allocation 	HUD requires 60% of funds expended in 2 years; 100% in 3 years. Recipients will be required to expend all funds within a two year contract period.
Community Services Block Grant (CSBG) \$48,148,071 HHS	Assists existing CSBG network of Community Action Agencies with essential services. Persons at or below 200% of poverty.	The CSBG Plan was submitted to HHS by May 29, 2009 and the Notice of Grant Award was dated April 14, 2009. All contracts executed and subrecipients currently drawing funds. Subrecipients have drawn \$5,219,171 as of December 4, 2009.	Total Allocation of Funds: <ul style="list-style-type: none"> • \$481,481 for Benefit Enrollment / Coordination activities • \$47,666,590 Community Action Network Allocation The existing CSBG formula was applied. There are no administrative and no discretionary funds.	Obligation required by September 30, 2010. Recipients will be required to expend all funds within a one year contract period.
Homebuyer Tax Credit MAP: \$ 2.5M Statewide: \$5M	Home purchases through December 1, 2009 for first time homebuyers. Low/moderate income.	<i>Mortgage Advantage Program:</i> Mortgage Assistance Program (in conjunction with Department's MCC and MRB Programs): \$2.5 million. Tax credit advance loan to MCC & MRB borrower's up to \$6,000; loan is interest free for the initial 120 days; thereafter, 5 years at 7% interest. <ul style="list-style-type: none"> • 104 loans totaling \$563,882. <i>90- Day Down Payment Assistance Program:</i> Tax credit advance loan for stand-alone borrower's up to \$7,000; loan is interest free for the initial 90 days; thereafter, 2 years at 10% interest. <ul style="list-style-type: none"> • 782 loans totaling \$4,186,537. As of November 30, 2009.	Both Programs: Contracts are with one of our 115 participating lenders; funds are first come-first serve for households within that network of lenders. Loan repayments will be recycled for use to eligible households.	Not applicable.

Program Amount Fed Agency	Eligible Activities	Program Status	Allocation or Commitment of Funds	Timeline / Contract Period
Tax Credit Assistance Program (TCAP) \$148,354,769 HUD	Provides gap assistance for 2007, 2008 or 2009 HTC awarded developments. Household income up to 60% AMI.	On September 3, 2009 the Board conditionally approved \$78.2 million in awards for 28 2007 and 2008 HTC recipients. On November 9, 2009 the Board conditionally approved \$66.5 million for 25 2009 HTC recipients. All funds have been conditionally awarded by the Department. Written agreements in the process of execution.	Available to 2007, 2008 and 2009 Housing Tax Credits awardees. Funds are to be allocated regionally as show in the TCAP Policy Supplement.	Property owners must expend 75% of funds by Feb 17, 2011. Owners must expend 100% of funds by February 17, 2012.
Housing Tax Credit Exchange \$586,286,563 Treasury	Provides assistance to 2007, 2008 or 2009 HTC awarded developments. Household income up to 60% AMI.	On November 9, the Board conditionally approved the award of \$586,286,563 for 86 awards. These figures are subject to change as applicants make final decisions regarding the use of either TCAP or Exchange. Application submitted to Treasury for \$333,226,792 for 2007 and 2009 HTC awards. Written agreements in the process of execution.	Available to 2007, 2008 and 2009 Housing Tax Credits awardees. Funds are to be allocated regionally.	Unused funds to be returned by December 2011.

TDHCA Office of Recovery Act Accountability & Oversight

512-305-9038 brenda.hull@tdhca.state.tx.us

<http://www.tdhca.state.tx.us/recovery/>



December 3, 2009

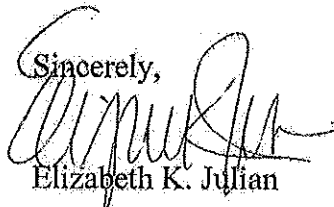
C. Kent Conine, Chair
Texas Department of Housing and Community Affairs
221 East 11th Street
P.O. Box 13941
Austin, TX 78711-3941

Re: Texas NSP Contract No. 77090000156 and 7709000183

Dear Mr. Conine:

As you know ICP had requested to be put on the agenda of the December 17, 2009 TDHCA Board meeting to present ICP's request for modifications in the terms under which ICP would implement its award of NSP funds. Since that request was made, ICP staff and TDHCA staff have consulted in an effort to clarify the outstanding issues. As a result of those discussions, and the decision by ICP's Board to modify its initial request, it appears that the last barriers to ICP's participation in the NSP program have been removed without a need for TDHCA Board action. Accordingly, and based upon the representations of TDHCA staff to that effect, ICP would like to have this item removed from the December 17, 2009 agenda.

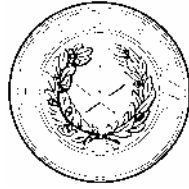
We are pleased that this matter has been resolved in a manner that will allow us to proceed to acquire and rent single family homes in high opportunity areas of the Dallas Metroplex to low income families participating in the Dallas Housing Authority's Section 8 Voucher Program. We appreciate the Board's willingness to consider our request, and particularly appreciate the TDHCA staff's working with us to get these issues resolved.

Sincerely,

Elizabeth K. Julian

cc: TDHCA Board of Directors
ICP Board of Directors
Mike Gerber
Brooke Boston
Mari Holloway
Ann Loft
Henry Korman

Inclusive Communities Project

3301 Elm Street, Dallas, Texas 75226 * office 214.939.9239 * fax 214.939.9229 * www.inclusivecommunities.net



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Memorandum

To: Michael Gerber
From: Gordon Anderson
cc: Tim Irvine, Michael Lyttle
Date: December 8, 2009
Re: TDHCA Outreach Activities

The attached document highlights outreach activities on the part of TDHCA staff for November 2009. The information provided focuses primarily on activities Executive and staff have taken on voluntarily; however, also included are mandated activities such as TEFRA and tax credit public hearings. This list may not account for every activity undertaken by staff, as there may be a limited number of events not brought to my attention.

For brevity sake, the chart provides the name of the event, its location, the date of the event, division(s) participating in the event, and an explanation of what role staff played in the event. Should you wish to obtain additional details regarding these events, I will be happy to provide you with this information.

TDHCA Outreach Activities, November 2009

A compilation of activities designed to increase the awareness of TDHCA programs and services or increase the visibility of the Department among key stakeholder groups and the general public

Event	Location	Date	Division	Purpose
Aging Texas Well Workgroup	Austin	November 4	Housing Resource Center	Participant
First Thursday Income Eligibility Training	Austin	November 5	Compliance & Asset Oversight	Training
Bring the Recovery Home: Nonprofits working with TDHCA	Abilene	November 5	ARRA Oversight, Neighborhood Stabilization, Policy & Public Affairs	Presentation
Future of Fair Housing & Fair Credit Policy Workshop	Austin	November 6	Housing Resource Center	Participant
2009 East Texas Economic Development Summit	Nacogdoches	November 12	Executive, Policy & Public Affairs	Presentation, Participant
Community Resource Coordinating Group	Austin	November 12	Housing Resource Center	Participant
Housing and Health Services Coordination Council	Austin	November 13	Housing Resource Center	Participant
2010 Emergency Shelter Grants Program NOFA Application Workshop	Austin	November 17	Community Affairs	Training
Disability Advisory Workgroup	Austin	November 18	Housing Resource Center	Participant
Texas Association of Community Action Agencies Board Meeting	Austin	November 20	Executive, Community Affairs	Remarks, Presentation