

# BOARD MEETING OF MARCH 6, 2012

**J. Paul Ozer, Chair**



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

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
BOARD MEETING

A G E N D A

9:00 a.m.  
March 6, 2012

Capitol Extension, E1.028  
1500 North Congress Ave.  
Austin, TX

CALL TO ORDER, ROLL CALL  
CERTIFICATION OF QUORUM

J. Paul Oxer, Chairman

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

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

Swearing in of new member of the Governing Board, J. Mark McWatters

**Resolution recognizing April as Fair Housing Month, Resolution No. 12-020**

**Announcement:** Immediately following adjournment of this meeting, Department staff will conduct a public hearing to take comment on the Draft Substantial Amendment to the 2011 State of Texas Consolidated Plan, One Year Action Plan and to the Draft Substantial Amendment to the 2012 State of Texas Consolidated Plan, One Year Action Plan

**CONSENT AGENDA**

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

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

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

*Executive*

- a) Presentation, Discussion, and Possible Action regarding the Board Minutes Summary for February 16, 2012
- b) Presentation, Discussion, and Possible Action of the Board superseding Resolution No. 11-030 and adopting Resolution No. 12-019, due to department reorganization
- c) Presentation, Discussion, and Possible Action to publish a proposed repeal of existing 10 TAC Chapter 54 concerning Disaster Recovery, for public comment in the *Texas Register*

Tim Irvine  
Executive Director

*HOME Single Family*

- d) Presentation, Discussion, and Possible Action regarding the 2011 Single Family Homeowner Rehabilitation Assistance, Homebuyer Assistance and Tenant Based Rental Assistance Programs contract award recommendations

Sara Newsom  
Dir. HOME

Homeowner Rehabilitation Assistance			
2011-0025	City of Agua Dulce	Agua Dulce	
2011-0026	City of Orange Grove	Orange Grove	
2011-0027	City of Troup	Troup	
2011-0029	City of Gilmer	Gilmer	
2011-0030	City of New Summerfield	New Summerfield	

**Multifamily Finance**

e) Presentation, Discussion, and Possible Action regarding HOME Multifamily Development Program Awards

**Cameron Dorsey**  
Dir. Multifamily Finance

11081	Northwood Apartments	Navasota	
11082	Oakwood Apartments	Madisonville	
11123	Allegre Point	Travis County	
12500	Creek View Apartments II	Johnson City	

**ACTION ITEMS**

**Item 2: Program Services:**

Presentation by BBC on the Status of the Preparation of the State of Texas Plan for Fair Housing Choice: Analysis of Impediments

**Brenda Hull**  
Dir. Program Services

**Item 3: Legal:**

Presentation, Discussion, and Possible Action of the Board regarding Department compliance with revised regulations concerning the Americans with Disabilities Act of 1990 (ADA), as amended, and providing direction to staff

**Barbara Deane**  
General Counsel

**Item 4: Appeals:**

Appeals of any of the Department's Program or Underwriting Rules

Appeals Timely Filed

**Tom Gouris**  
DED Housing Programs

**Item 5: Community Affairs:**

Presentation, Discussion, and Possible Action on Approving the Program Year 2012 Community Services Block Grant (CSBG) Discretionary Notice of Funding Availability (NOFA)

**Michael DeYoung**  
Dir. Community Affairs

**Item 6: Housing Resource Center:**

a) Presentation, Discussion, and Possible Action to approve the Final 2012 State of Texas Low Income Housing Plan and Annual Report and Final Order adopting amendments to 10 TAC §1.23 concerning the Final 2012 State of Texas Low Income Housing Plan and Annual Report

b) Status Report on the Contracts for Deed Prevalence Project with the University of Texas at Austin

**Elizabeth Yevich**  
Dir. Housing Resource Center

**Item 7: Neighborhood Stabilization Program:**

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

**Marni Holloway**  
Dir. Neighborhood Stabilization Program

2011-512	Elijah's Promise	Houston	
2011-513	NHP Foundation	San Antonio	

**Item 8: Multifamily Division:**

Presentation, Discussion, and Possible Action regarding Disclosure and Possible Waivers of Ineligibility for Applications in the 2012 Competitive Housing Tax Credit Cycle

**Cameron Dorsey**  
Dir. Multifamily Finance

12022	Galveston Initiative I	Galveston	Floodplain
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## Item 9: Texas Homeownership Program:

Presentation, Discussion, and Possible Action on authorizing the Department to enter into a Memorandum of Understanding (MOU) with the Texas State Affordable Housing Corporation (TSAHC) for the operation of the Texas Statewide Homebuyer Education Program (TSHEP)

Eric Pike  
Dir. Texas Homeownership  
Program

## REPORT ITEMS

1. Status Report on the Implementation of the American Recovery and Reinvestment Act of 2009 (Recovery Act)  
Brooke Boston  
DED Community Based Programs
2. Final Report on 2011 Competitive Housing Tax Credit Cycle  
Cameron Dorsey  
Dir. Multifamily Finance
3. Status Report on the HOME Program Reservation System Participants  
Sara Newsom  
Dir. HOME
4. Status Report on the NSP Timeline for response to the January, 2012 Internal Audit report  
Marni Holloway  
Dir. NSP
5. TDHCA Outreach Activities, February 2012  
Michael Lyttle  
Dir. Policy & Public Affairs

## EXECUTIVE SESSION

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

J. Paul Oxer  
Chairman

1. The Board may go into Executive Session Pursuant to Texas Government Code §551.074 for the purposes of discussing personnel matters including to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee
2. Pursuant to Tex. Gov't. Code, §551.071(1) to seek the advice of its attorney about pending or contemplated litigation or a settlement offer, including:
  - a) *The Inclusive Communities Project, Inc. v. Texas Department of Housing and Community Affairs, et al* filed in federal district court, Northern District of Texas
  - b) *Heston Emergency Housing, LP and Naji Al-Fouzan vs. Texas Department of Housing and Community Affairs, Michael Gerber, Martin Rivera, Jr., Marisa Callan, and Timothy Irvine*
  - c) *Complaint of James Reedom filed with U.S. HHS/OCR ( No. 09-99008)*
  - d) *TDHCA v. William Ross & Susan Ross; Cause No. D-1-GN-11-002226, filed in district court, Travis County*
3. Pursuant to Tex. Gov't. Code, §551.071(2) for the purpose of seeking the advice of its attorney about a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Tex. Gov't. Code, Chapter 551; or
4. Pursuant to Tex. Gov't. Code, §551.072 to deliberate the possible purchase, sale, exchange, or lease of real estate because it would have a material detrimental effect on the Department's ability to negotiate with a third person.
5. Pursuant to Tex. Gov't. Code, §2306.039(c) the Department's internal auditor, fraud prevention coordinator or ethics advisor may meet in an executive session of the Board to discuss issues related to fraud, waste or abuse.

## OPEN SESSION

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

## ADJOURN

To access this agenda & details on each agenda item in the board book, please visit our website at [www.tdhca.state.tx.us](http://www.tdhca.state.tx.us) or contact Nidia Hiroms, 512-475-3934; TDHCA, 221 East 11<sup>th</sup> 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, 512-475-3930 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.

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**Texas Department of Housing and Community Affairs**  
**RESOLUTION No. 12-020**

**WHEREAS**, April 2012 is Fair Housing Month and marks the 44<sup>th</sup> anniversary of the passage of the federal Fair Housing Act (Title VIII of the Civil Rights Act of 1968), signed by U.S. President Lyndon Baines Johnson on April 11, 1968;

**WHEREAS**, the Fair Housing Act provides that no person shall be subjected to discrimination because of race, color, national origin, religion, sex, disability or familial status in the sale, rental, financing, or advertising of housing and charges the Secretary of the U. S. Department of Housing and Urban Development (“HUD”) with administering HUD programs in a manner that meets the requirements of the law and affirmatively furthers the objectives of the Fair Housing Act;

**WHEREAS**, the Texas Department of Housing and Community Affairs administers housing programs subject to the Fair Housing Act to assist in the development of safe, decent, affordable housing for qualifying Texans;

**WHEREAS**, it is the policy of the Texas Department of Housing and Community Affairs to support equal housing opportunity in the administration all of its programs and services, including encouraging equitable lending practices for its homebuyer programs and Fair Housing rules and guidelines for its multifamily developments;

**WHEREAS**, the Texas Department of Housing and Community Affairs, through its program implementation workshops, provides Fair Housing training designed to educate architects, building managers, consultants, contractors, developers, engineers, lenders, Realtors, and other partners about the importance of their commitment and adherence to the requirements of the Fair Housing Act;

**WHEREAS**, the Texas Department of Housing and Community Affairs encourages local communities to develop educational programs to provide fair housing information in communities throughout the State;

**WHEREAS**, the Texas Department of Housing and Community Affairs and the State of Texas support equal housing opportunity in accordance with the Fair Housing Act not only during Fair Housing Month in April, but throughout the entire year;

It is hereby:

**RESOLVED**, that in furtherance of the goals and objectives of the Fair Housing Act, on this, the 44<sup>th</sup> anniversary of its adoption, the Governing Board of the Texas Department of Housing and Community Affairs, does hereby celebrate April 2012 as Fair Housing Month in Texas and encourages all Texas individuals and organizations, public and private, to join and work together in this observance for free and equal housing treatment and opportunity for all.

Signed this Sixth Day of March 2012.

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J. Paul Oxer, Chair

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Tom H. Gann, Vice Chair

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J. Mark McWatters, Member

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Leslie Bingham Escareño, Member

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Lowell A. Keig, Member

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Dr. Juan Muñoz, Member

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Timothy K. Irvine, Executive Director

1a

**THIS ITEM HAS BEEN PULLED  
FROM THE AGENDA**



1b

**BOARD ACTION REQUEST**

**EXECUTIVE DIVISION**

**March 6, 2012**

Presentation, Discussion, and Possible Action of the Board superseding Resolution No. 11-030 and adopting Resolution No. 12-019, due to Department reorganization.

**RECOMMENDED ACTION**

**RESOLVED**, the Governing Board has now determined that Resolution No. 11-030, designating signature authority, should be superseded because of the Department's reorganization, and

**FURTHER RESOLVED**, adopts Resolution 12-019 designating signature authority for new signature designees.

**BACKGROUND**

The Texas Department of Housing and Community Affairs, a public and official governmental agency of the State of Texas, (the "Department") was created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as amended; and

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 finance, participating interests therein, secured by mortgages on residential housing in the State of Texas (the "State"); (b) to issue its bonds, for the purpose of, among other things, 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 of participating interests, and to mortgage, pledge or grant security interests in such mortgages of 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.

This Resolution updates and designates signature authority to reflect the current structure of the Department.

**Texas Department of Housing and Community Affairs  
RESOLUTION OF THE BOARD OF DIRECTORS**

**SUPERSEDING RESOLUTION NO. 11-030  
AND ADOPTING NEW RESOLUTION NO. 12-019**

**DESIGNATING SIGNATURE AUTHORITY**

**WHEREAS**, the Texas Department of Housing and Community Affairs, a public and official governmental agency of the State of Texas, (the “Department”) was created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as amended; 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 finance, participating interests therein, secured by mortgages on residential housing in the State of Texas (the “State”); (b) to issue its bonds, for the purpose of, among other things, 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 of participating interests, and to mortgage, pledge or grant security interests in such mortgages of 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**, on September 15, 2011, the Governing Board adopted Resolution No. 11-030, designating signature authority for bond and real estate transactions; and

**WHEREAS**, the Governing Board has now determined that Resolution No. 11-030, designating signature authority, should be superseded by a new resolution designating signature authority due to the reorganization of the Department.

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

**SECTION 1 – Supersession of Prior Signature Authority.** The Governing Board hereby supersedes Resolution No. 11-030 by enacting this new resolution.

**SECTION 2 – Designation of Signature Authority for Bond Transactions.** The Governing Board hereby authorizes and designates the Chairman or Vice Chairman of the Board, the Board Secretary, the Assistant Board Secretary, the Executive Director or the Acting Executive Director, the Chief of Administration, the Deputy Executive Director for Single Family, Community Affairs & Metrics, the Director of Financial Administration, the Director of Bond Finance, the Director of Texas Homeownership, Deputy Executive Director of Asset Analysis and Management, and the Director of

Multifamily Allocation and each of them as signatories for single family and multifamily bond transactions including, but not limited to letters of instruction, officer's certificates, bond transactional documents and all other documents and certificates executed in connection with such bond transactions.

**SECTION 3 – Designation of Signatory Authority for Real Estate Transactions.** The Governing Board hereby authorizes and designates the following persons to execute and deliver, as specified earnest money contracts, deeds or conveyances of title, leases of real property, settlement statements on purchase or sale of real property, deposits and disbursements on agency bank accounts, real estate transactional documents and all other documents executed in connection with real estate or real estate-related transactions:

- (a) Executive Director or Acting Director, Chief of Administration, Director of Financial Administration, Board Secretary, and Assistant Board Secretary: All real estate or real estate related transactions.
- (b) Deputy Executive Director for Single Family, Community Affairs & Metrics or the Assistant Deputy Director for Network & Customer Service: All real estate or real estate-related transactions administered under any of the Single Family Programs areas.
- (c) Deputy Executive Director of Asset Analysis and Management: All real estate or real estate-related transactions administered under any of the Real Estate Analysis, Asset Management, or Program Services sections.
- (d) Director of Multifamily Allocation: All real estate or real estate-related transactions administered under any Multifamily program.
- (e) Director of Bond Finance: All real estate or real estate-related transactions administered by the Bond Finance Division.
- (f) Director of Texas Home Ownership: All real estate or real estate-related transactions administered by the Texas Home Ownership Division.
- (g) Director of the HOME Program: All real estate or real estate-related transactions administered under the HOME Single Family Division.
- (h) Director of Program Services: All real estate or real estate-related transactions administered under Program Services.
- (i) Director of the Housing Trust Fund and the Office of Colonia Initiatives: All real estate or real-estate related transactions administered under the Housing Trust Fund and Office of Colonia Initiatives Division.
- (j) Director of the Neighborhood Stabilization Program: All real estate or real-estate related transactions administered under the Neighborhood Stabilization Program Division.

(k) Signatory authority on deposits and disbursements on agency bank accounts is limited to those persons designated on the applicable signature cards, as specified by the Executive Director or Acting Executive Director; provided however, that no person may be so designated other than the Executive Director or Acting Executive Director, the Chief of Administration, a Deputy Executive Director, or a Director.

**SECTION 4 – Execution of Documents.** The Governing Board hereby authorizes the Executive Director or, in the absence of the Executive Director, the Chief of Administration or a Deputy Executive Director, to execute, on behalf of the Department, any and all documents, instruments reasonably deemed necessary to effectuate this Resolution.

**SECTION 5 – Effective Date.** This Resolution shall be in full force and effect from and upon its adoption.

1c

**BOARD ACTION REQUEST**

**EXECUTIVE**

**March 6, 2012**

Presentation, Discussion, and Possible Action to publish a proposed repeal of existing 10 TAC Chapter 54 concerning Disaster Recovery, for public comment in the *Texas Register*.

**Requested Action**

**WHEREAS**, Governor Rick Perry designated the General Land Office (GLO) to administer all Community Development Block Grant funds relating to disaster recovery (CDBG-DR), and directed the transfer of duties, funding, and staff from TDHCA related to the CDBG-DR Program to the GLO (the "Transfer Letter") effective July 1, 2011; and,

**WHEREAS**, TDHCA and GLO entered into Memorandum of Understanding No. 11-305-000-4952 in accordance with the Transfer Letter, effective June 30, 2011; and

**WHEREAS**, staff believes sufficient time has passed for said Transfer to occur, and recommends that rules adopted by TDHCA, 10 TAC Chapter 54, are no longer applicable, and

**WHEREAS**, staff has confirmed with staff of GLO that such rules should be repealed;

It is hereby,

**RESOLVED**, that the Executive Director and his designees be and each of them hereby are authorized, empowered, and directed, for and on behalf of this Board, to cause to be published in the *Texas Register* for public comment the proposed repeal of existing 10 TAC Chapter 54 concerning Disaster Recovery, in the form presented to this meeting, and in connection therewith to make such grammatical or stylistic corrections of a non-substantive nature as they or any of them may deem necessary or advisable to effectuate the foregoing.

Upon approval of the Board, the Department will release this proposed repeal for a 30-day public comment period from March 23, 2012, to April 23, 2012. During the public comment period, the public may submit comment by email to [tdhcarulecomments@tdhca.state.tx.us](mailto:tdhcarulecomments@tdhca.state.tx.us), by mail to Texas Department of Housing and Community Affairs, Michele Atkins, PO Box 13941, Austin, TX 78711-3941 or by fax to 512-469.9606.

## **Attachment A: Preamble and Repeal of 10 TAC Chapter 54, Disaster Recovery**

The Texas Department of Housing and Community Affairs (the "Department") proposes the repeal of 10 TAC Chapter 54, §§54.1 – 54.3 concerning Disaster Recovery. This repeal is proposed due to the July 1, 2011 transfer of the Community Development Block Grant-Disaster Recovery (CDBG-DR) program to the General Land Office.

Mr. Timothy K. Irvine, Executive Director, has determined that for the first five-year period the repeal is in effect there will be no fiscal implications for state or local governments as a result of enforcing or administering the repeal. There will be no effect on micro-businesses, small businesses or persons who are required to comply with the repeal as proposed.

Mr. Irvine has also determined that for each year of the first five years the proposed repeal is in effect, the anticipated public benefit resulting from the enforcement of the repeal will be clarification in the administrative code concerning the transfer of responsibilities for the Community Development Block Grant Disaster Recovery program from the Texas Department of Housing and Community Affairs to the Texas General Land Office.

Written comments may be submitted to Texas Department of Housing and Community Affairs, Michele Atkins, Rule Comments, P. O. Box 13941, Austin, Texas 78711-3941, by email to the following address: [tdhcarulecomments@tdhca.state.tx.us](mailto:tdhcarulecomments@tdhca.state.tx.us), or by fax to (512) 469.9606. **WRITTEN COMMENTS ON THE PROPOSED REPEAL MUST BE SUBMITTED NO LATER THAN MONDAY, APRIL 23, 2012 BY 5:00 P.M.**

The repeal is proposed pursuant to the authority of Chapter 2306 of the Texas Government Code, which provides the Department with the authority to adopt rules governing the administration of the Department and its programs.

No other statutes, articles, or codes are affected by the proposed repeal.

*§54.1. Definitions.*

*§54.2. General Provisions.*

*§54.3. Forms.*



1d

**BOARD ACTION REQUEST**

**HOME DIVISION**

**MARCH 6, 2012**

Presentation, Discussion, and Possible Action regarding the 2011 Single Family Homeowner Rehabilitation Assistance contract award recommendations.

**RECOMMENDED ACTION**

**WHEREAS**, the Department received five additional applications for funding under the 2011 HOME Single Family Notice of Funding Availability for Contract Award (NOFA), and has reviewed and determined that funding is available to award the five applications their requested funds;

It is hereby,

**RESOLVED**, that the award of contracts to City of Agua Dulce, City of Orange Grove, City of Troup, City of Gilmer and City of New Summerfield totaling \$2,710,000 in project funds and \$100,000 in administrative funds, resulting in assistance for 30 low-income households, is hereby approved as presented to this meeting.

**BACKGROUND**

Staff is recommending the award of applications received in response to the 2011 HOME Single Family NOFA for Contract Award. The award recommendations total \$2,710,000 in project funds and \$100,000 in administrative funds to assist 30 households for the applicants are listed below:

**City of Agua Dulce**  
**Located in Upshur County**  
**Service Area: City of Agua Dulce**

Applicant will receive \$542,000 in project funds and \$20,000 in Administrative funds to provide rehabilitation or reconstruction assistance to six homes, in significant disrepair, owned by low-income households.

**City of Orange Grove**  
**Located in Upshur County**  
**Service Area: City of Orange Grove**

Applicant will receive \$542,000 in project funds and \$20,000 in Administrative funds to provide rehabilitation or reconstruction assistance to six homes, in significant disrepair, owned by low-income households.

**City of Troup**  
**Located in Upshur County**  
**Service Area: City of Troup**

Applicant will receive \$542,000 in project funds and \$20,000 in Administrative funds to provide rehabilitation or reconstruction assistance to six homes, in significant disrepair, owned by low-

income households.

**City of Gilmer**  
**Located in Upshur County**  
**Service Area: City of Gilmer**

Applicant will receive \$542,000 in project funds and \$20,000 in Administrative funds to provide rehabilitation or reconstruction assistance to six homes, in significant disrepair, owned by low-income households.

**City of New Summerfield**  
**Located in Cherokee County**  
**Service Area: City of New Summerfield**

Applicant will receive \$542,000 in project funds and \$20,000 in Administrative funds to provide rehabilitation or reconstruction assistance to six homes, in significant disrepair, owned by low-income households.

The Department executed its 2011 HOME Grant Agreement with HUD, allowing the availability of HOME funds to be programmed for various uses in accordance with the HUD- approved 2011 Consolidated Plan One-Year Action Plan (OYAP). The 2011 allocation for the HOME Investment Partnerships Program is \$39,180,788 of which \$11.4 million has been allocated for multifamily activities and \$9,000,000 is programmed for contract awards for specific Single Family activities. On September 15, 2011, the Board approved a revision to add the remaining balance of \$12,132,695 for single family activities from the 2011 HUD HOME allocation to the HOME Single Family Programs Reservation System Notice of Funding Availability (NOFA).

The 2011 Single Family Programs NOFA, which was approved on September 15, 2011, and published in the *Texas Register* on September 30, 2011, made available approximately \$9,000,000 of HOME funds as follows: approximately \$7,000,000 for Homeowner Rehabilitation Assistance, approximately \$1,000,000 for Homebuyer Assistance, and approximately \$1,000,000 for Tenant-Based Rental Assistance. Funds under this NOFA were subject to the Regional Allocation Formula (RAF) and were restricted by Program Activity and Uniform State Service Region. On November 1, 2011, the RAF set-aside expired and funds not awarded or requested were made available statewide for any activity specified in the NOFA. Applications will continue to be accepted until 5:00 pm, April 30, 2012. After this date, funds not requested may be redirected and made available under the HOME Reservation System.

The availability and use of these funds are subject to the Department's 2010 HOME Program Rules contained in 10 TAC Chapter 53, as amended, and the federal regulation governing the HOME Program in 24 CFR Part 92.

Funds available under the Single Family Programs NOFA for Contract Award are \$9,000,000. If the above listed applications are approved, the available remaining balance will be \$2,128,000.

Staff recommends approval of funding for these applicants. The recommendation is conditioned on a previous participation review conducted by the Monitoring Division, and no issues of material non-compliance, unresolved audit findings or questioned or disallowed costs being identified.

1e

**BOARD ACTION REQUEST**  
**MULTIFAMILY FINANCE DIVISION**  
**March 6, 2012**

Presentation, Discussion, and Possible Action regarding the Multifamily Development Program Awards.

**RECOMMENDED ACTION**

**WHEREAS**, the Department received applications for funding under the 2011 Multifamily Development Program Notice of Funding Availability (NOFA); therefore; and

**WHEREAS**, staff has reviewed the applications under the criteria set forth in the NOFA and the Departments' Rules and determined which transactions it recommends;

It is hereby,

**RESOLVED**, that the award of HOME contracts for development of Allegre Point, Oakwood Apartments, Northwood Apartments and Creek View Apartments II totaling \$5,103,033 in project funds is hereby approved in the form presented to this meeting.

**BACKGROUND**

On September 15, 2011, the Board approved the 2011 HOME Multifamily Development Program NOFA, which made available \$22,038,066 in funding. Three applications previously received awards under the NOFA. Prior to the subject awards being made, \$6,260,000 was available under the General Set-Aside, \$9,550,000 was available under the Community Housing Development Organization (CHDO) Set-Aside, and \$1,377,066 was available under the Persons With Disabilities (PWD) Set-Aside. The period during which applications were subject to the Regional Allocation Formula (RAF) has ended and funding is available statewide. There are currently four (4) applications under the General Set-Aside, requesting a total of \$5,103,033.

Staff recommends four (4) applications for an award under the General Set-Aside. Three of the applications recommended today were awarded a commitment of 2011 competitive housing tax credits.

The four (4) recommended applications and award amounts are outlined as follows:

<b>General Set-Aside</b>					
<b>App #</b>	<b>Region</b>	<b>Applicant</b>	<b>Location</b>	<b>HOME Request</b>	<b>Recommendation</b>
11123	7	Allegre Point	Travis County	\$2,000,000	\$2,000,000
11082	8	Oakwood Apartments	Madisonville	\$484,863	\$484,863
11081	8	Northwood Apartments	Navasota	\$618,170	\$618,170
12500	7	Creek View Apartments II	Johnson City	\$2,000,000	\$2,000,000
<b>TOTAL</b>				<b>\$5,103,033</b>	<b>\$5,103,033</b>

If all of the awards recommended today are approved, the total balance of remaining funding under the 2011 Multifamily Development Program Notice of Funding Availability is \$12,084,033, with remaining funding under the individual set-asides as follows: \$1,156,967 in the General Set-Aside, \$9,550,000 remaining in the CHDO Set-Aside, and \$1,377,066 remaining in the PWD Set-Aside. Complete and updated Application and Award Recommendation Logs are posted on the Department website.

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## BOARD REPORT ITEM

### PROGRAM SERVICES

March 6, 2012

#### Report Item

Presentation by BBC on the Status of the Preparation of the State of Texas Plan for Fair Housing Choice: Analysis of Impediments

#### Background

BBC Research & Consulting, Inc. (BBC) is the vendor selected to complete the *State of Texas Plan for Fair Housing Choice: Analysis of Impediments (AI)*. Staff submits monthly Board updates on the progress of the AI based on BBC status reports and staff activities.

Shari Holland, a subcontractor with BBC, will provide an update for the Board on recent activities, as well as activities planned during the next few months. Highlights of activities since December include:

- A statewide stakeholder meeting on December 14th in which staff and BBC verbally presented the approach to the AI, as well as the state's expectations for a fully comprehensive and inclusive AI;
- A staff meeting with HUD to discuss specifics on the methodology and approach to the AI to ensure that the approach meets with HUD expectations;
- Update of the AI website to include the scope of work as stated in the Request for Proposals and a listing of the subtasks and timeline for completion of the AI, to be updated as work progresses;
- BBC completion of an analysis of the HUD approval letter for Phase 1 AI, including suggestions on addressing elements included in the letter;
- Mapping of racial and ethnic concentrated census tracts using HUD's "impacted area" criteria;
- Development of regional race and ethnicity tables showing breakdown by county;
- Completion of review of the State of Texas' *Analysis of Impediments to Fair Housing (Revised January 2003)* and *Analysis of Impediments to Fair Housing: Phase I Hurricane Impacted Communities*;
- Completion of the review of jurisdiction-level AIs for all but 13 communities that were not available;
- A conference call between state agencies to finalize details for the public input plan, stakeholder involvement and locations for the focus groups; and
- Finalization of the resident survey.

Upcoming activities include:

- A Resident survey administered in March and April.
- Publication of the Public Input Plan with approximate dates and locations for in-person focus groups and online focus groups. The Public Input Plan includes six parts: resident survey, in-person focus groups, online focus groups, stakeholder survey, stakeholder interviews and public hearings.
- Completion of a draft Demographic and Economic section; the Housing Market Analysis section; and the quantitative analysis of municipal service delivery.
- Finalization of the analysis of state regulations associated with housing development.
- Completion of maps showing areas with environmental concerns overlaid with minority impacted areas.



3

**BOARD ACTION REQUEST  
LEGAL DIVISION  
MARCH 6, 2012**

Presentation, Discussion, and Possible Action of the Board regarding Department compliance with revised regulations concerning the Americans with Disabilities Act of 1990 (ADA), as amended, and providing direction to staff.

**RECOMMENDED ACTION**

**WHEREAS**, on September 15, 2010, the U.S. Department of Justice (U.S. DOJ) published revised regulations at 28 C.F.R. Part 35 and 28 C.F.R Part 36 implementing Title II and III, respectively, of the ADA, enacting what are commonly known as the 2010 Standards; and

**WHEREAS**, additional input is needed from both stakeholder groups and cognizant agencies to determine applicability of these standards with regard to certain programs;

It is hereby,

**RESOLVED**, the Board reaffirms its commitment to provide meaningful access to all its programs, services, and activities to all eligible persons, and directs staff to:

- Conduct an assessment to determine the extent of Texas Administrative Code changes that might be necessary to incorporate these regulations, including obtaining stakeholder input;
- Work with appropriate federal funding agencies to obtain clear guidance on these new regulations; and,
- Develop, maintain, and periodically update training materials and monitoring tools, for use by employees, subrecipients, and contractors regarding accessibility.

**BACKGROUND**

On September 15, 2010, the U.S. DOJ published revised regulations at 28 C.F.R. Part 35 and 28 C.F.R Part 36 implementing Titles II and III, respectively, of the ADA. These regulations enact what are commonly known as the 2010 Standards. Compliance with the 2010 Standards will be required for certain covered facilities starting construction on or after March 15, 2012. Where applicable, these standards will apply to new construction, alterations, and barrier removal. This is in addition to any accessibility that may be required by Section 504 of the Rehabilitation Act (29 U.S.C. 794) and implementing regulations at 24 C.F.R. Part 8; the Fair Housing Act (42 U.S.C. 3601 *et seq.*) and implementing regulations at 24 C.F.R. Part 100; and any other provision in

federal, state, or local law. With regard to certain agency programs, federal guidance has been unclear, and in some circumstances, federal agencies, have expressed conflicting views regarding applicability.

The Department is committed to providing meaningful access to all its programs, services, and activities to all eligible persons. In addition, TEX GOV'T. CODE ANN. § 2306.257 requires that any applicant for housing funds must certify compliance with the ADA. The Department intends to undertake a course of action to ensure compliance with all legal requirements, where applicable, and seeks policy guidance from the Board in this regard.

### **Inquiries**

Inquiries regarding the content of this policy can be directed to Michael Lyttle, Director of Policy and Public Affairs, at (512) 475 - 4542, or by e-mail at [michael.lyttle@tdhca.state.tx.us](mailto:michael.lyttle@tdhca.state.tx.us) .

4

NONE AT THE TIME OF THIS  
POSTING

5

**BOARD ACTION REQUEST**  
**COMMUNITY AFFAIRS DIVISION**  
**MARCH 6, 2012**

Presentation, Discussion and Possible Action on Approving the Program Year 2012 Community Services Block Grant (CSBG) Discretionary Notice of Funding Availability (NOFA).

**Recommended Action**

**RESOLVED**, that the Executive Director is hereby authorized to release a Notice of Funding Availability for the Community Services Block Grant (CSBG) Discretionary Funds for Program Year 2012.

**Background**

The State will have available \$1,621,768 of FY 2012 CSBG funds and \$438,173 of 2011 CSBG FY 2012 available for State discretionary use. Of this total amount (\$2,059,941), \$750,000 of FY 2012 CSBG State discretionary funds is being made available through this NOFA and the balance will be utilized by the Department for disaster relief efforts and for other State mandated uses.

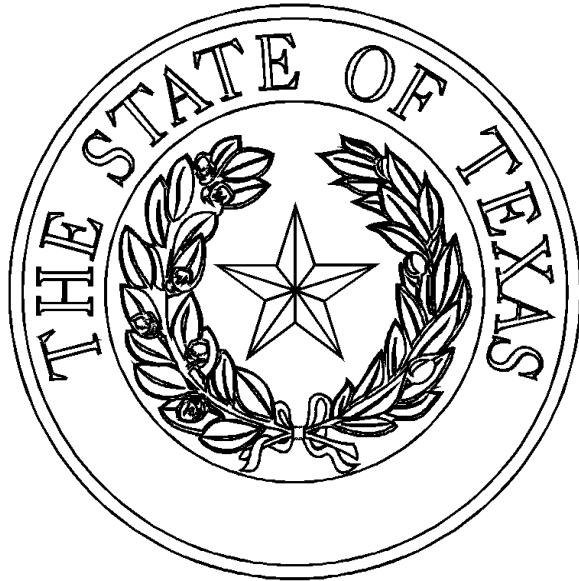
The Department has set aside \$750,000 of its 2012 annual CSBG allocation for state discretionary projects which include the following categories for funding to be reflected in the CSBG Discretionary Funds NOFA: employment and education projects from organizations serving migrant and seasonal farm workers; statewide projects to provide training and technical assistance to CSBG eligible entities; statewide projects that provide training and technical assistance to homeless service providers; support of Homeless Management Information Systems data reporting requirements for organizations funded by Emergency Solutions Grants that are serving homeless persons and persons at risk-of homelessness; and assist the Department with a statewide data warehouse project.

Upon Board approval, the NOFA for \$750,000 will be released to the public for application by CSBG eligible entities, private non-profit organizations with 501(c)(3) status, units of local government, and regional councils headquartered within the State of Texas. Applications are due March 30, 2012. The maximum award amounts for projects will be \$125,000. The funds are available as follows: Statewide Initiative Projects - \$250,000, projects for Migrant and Seasonal Farmworker populations \$250,000, and projects for Native American populations \$250,000. Applicants can only apply for one type of activity. In the event that the Department does not have sufficient eligible applications to fund in one or more categories, the Department will consider reprogramming the funds from one of the eligible categories to another category and award more applications in one or both of the other categories.

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 Compliance Division will be consulted to determine if applicants have issues which will make the applicant's application ineligible for funding.

Of the remaining \$1,309,941 in discretionary funds, up to \$500,000 is authorized to be used for disaster relief efforts as they arise.





**TEXAS DEPARTMENT OF  
HOUSING AND COMMUNITY AFFAIRS**

**Community Services Block Grant  
State Discretionary Funding  
Notice of Funding Availability  
Federal Fiscal Year 2012**

**APPLICATION PACKET  
MARCH 6, 2012**



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

[www.tdhca.state.tx.us](http://www.tdhca.state.tx.us)

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**TO:** Interested Parties for the Community Services Block Grant Program

**FROM:** Michael DeYoung, Community Affairs Division Director

**DATE:** March 6, 2012

**SUBJECT:** **Notice of Funding Availability - FFY 2012 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 2012 Community Services Block Grant (CSBG) State Discretionary Funds. The source of the funds is the U.S. Department of Health and Human Services (HHS).

An announcement of the 2012 Community Services Block Grant (CSBG) State Discretionary Funds Notice of Funding Availability (NOFA) will appear in March 16, 2012 *Texas Register*.

The funds available for competitive applications are limited 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 J. Al Almaguer, Senior Planner, at (512) 475-3908 [Al.Almaguer@tdhca.state.tx.us](mailto: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>.

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# **Grant Information and Requirements**

# CSBG NOFA Submission Information

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## **Deadline for Receipt:**

Friday, March 30, 2012 by 5:00 p.m. CST

## **Electronic Submission:**

All 2012 CSBG Discretionary applications must be submitted electronically. In prior years applications were submitted by mail or in person but applicants will no longer be allowed to use these methods this year. **All applications without exception must be submitted electronically to be considered eligible applications.**

Applicants must follow the submission instructions found on the following page:  
<http://www.tdhca.state.tx.us/community-services/csbgnofas.htm>

Questions pertaining to the electronic submission of the application may be directed to Kathie Watkins, Administrative Assistant at (512) 305-8869.

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.

**Questions** pertaining to the content of this application packet may be directed 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 2012 CSBG State Discretionary Funds NOFA

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<b>Date for Statewide, MSFW &amp; Native American Applications</b>	<b>Action</b>
March 6, 2012	The application will be available through the TDHCA Website: <a href="http://www.tdhca.state.tx.us/cs.htm#CSBG">http://www.tdhca.state.tx.us/cs.htm#CSBG</a>
March 30, 2012	Deadline for applicants to submit applications in response to NOFA for FFY 2012 CSBG State Discretionary Funds.
April 12, 2012	Department will present funding recommendations to Board.
April 13, 2012	The Department will begin contract negotiation.
May 1, 2012	Contract Start Date

# **NOFA 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 2012 CSBG State Discretionary Funds.

## **Eligible Activities/Types of Activities to be Funded**

There will be four categories of projects to be funded with 2012 CSBG State Discretionary Funds. Funds will be awarded on a competitive basis for serving Texas' 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 of the following:
  1. Support for Community Services Block Grant Eligible Entities with training and technical assistance to CSBG eligible entities in best practices and program and management development; conducting surveys, as requested by the Department, of CSBG eligible entities in areas of particular interest; maintain data on services and capabilities of CSBG eligible entities; develop special reports, as directed by the Department, on CSBG supported services provided by eligible entities; assist eligible entities in conducting agency self-assessments and implementing improvements, and coordinate efforts among CSBG eligible entities and state and national associations targeting services to CSBG eligible entities and other assistance initiatives targeting low-income individuals;
  2. Support for Homeless Service Providers in the areas of: Provide support and training and technical assistance to providers of assistance and services to the homeless and persons at-risk of homelessness on best practices related to service provision; assist organizations providing homeless services to comply with federally mandated Homeless Management Information Systems requirements related to federally funded programs to prevent homelessness and to re-house homeless persons; assist in the development of a statewide data warehouse project. Preference will be given to non-profit organizations with current capacity and experience providing related services and with prior funding experience carrying out the types of activities solicited in this notice of funding availability.



- New or Existing Projects Providing Education or Employment Assistance and Services for the Migrant and Seasonal Farmworker Population (MSFW).
- New or Existing Projects Providing Education or Employment Assistance and Services for the Native-American Population.

(For MSFW and Native-American population projects, employment projects should result in an increase in employment skills or assist persons to obtain jobs. For MSFW and Native-American population projects, education projects should result in an increase in education which will result in individuals gaining education and or skills that will lead to an increase in income.)

Statewide, MSFW, and Native-American Projects contracts supported with competitive funds are one year contracts from May 1, 2012 through April 30, 2013. The availability of FFY 2012 CSBG funds to subrecipient organizations is dependent on the funds made available to the State from the U. S. Department of Health and Human Services. Access to funds will be limited to the amount of 2012 CSBG funds available to the Department.

## **Eligible Applicant Organizations**

Organizations eligible to apply for the competitive FFY 2012 CSBG State Discretionary Funds include the following: CSBG eligible entities, private nonprofit organizations who are 501(c)(3) entities, units of local government, and regional councils of governments. Applicant organizations must be headquartered within the State of Texas.

## **Funds Available and Award Amounts**

The State will have available \$1,621,768 of FY 2012 CSBG funds to utilize for discretionary projects and disaster relief. Of this amount, \$750,000 is being made available through this NOFA and the balance \$871,768 will be utilized by the Department for disaster relief efforts and for other State mandated uses.

Maximum award amounts for projects will be \$125,000.

The three eligible categories have the following funds available:

Statewide Initiative Projects - \$250,000

Migrant and Seasonal Farmworker- \$250,000

Native-American - \$250,000

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.

In the event that the Department does not receive sufficient applications which meet the minimum score for funding consideration or does not have sufficient applications to fund in one or more

categories due applications being deemed ineligible, the Department will consider reprogramming the funds from one of the eligible categories to another category and award more applications in one or both of the other categories.

## **Selection Process**

Applications from eligible applicant organizations and without threshold deficiencies 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. **Applications with a score below 50% of the maximum points available will not be considered for funding.**

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. Applicants with prior unresolved audit or monitoring findings will be deemed ineligible for funding.

## **Program Requirements**

Subrecipients shall comply with the provisions of Public Law 105-285, Title II - Community Services Block Grant Program, Subtitle B Community Services Block Grant Program of the Community Services Block Grant Act, Chapter 106 of the Community Services Block Grant Act (42 U.S.C. §9901 *et seq.*), as amended by the "Community Services Block Grant Amendments of 1994" (P.L. 103-252) and the Coats Human Services Reauthorization Act of 1998 (P.L. 105-285); Chapter 2306 of the Texas Government Code (herein the "State Act"). Subrecipients will also comply with 10 TAC, Part 1, Chapter 5, Subchapter A and Subchapter B. Subrecipients shall comply with OMB Circular A-102, OMB Circular A-133, 2 C.F.R. Part 215, 2 C.F.R. Part 225, 2 C.F.R. Part 230, and Uniform Grant Management Standards.

Subrecipients shall also comply with the Drug-Free Workplace Act of 1988, the Pro-Children Act of 1994, Section 504, Rehabilitation Act of 1973 (29 U.S.C. Section 794), the Americans with Disabilities Act of 1990 (ADA), as amended (42 U.S.C. 12101 *et seq.*) and Executive Order 13166 of August 11, 2000 related to Limited English Proficiency.

Subrecipients shall practice non-discrimination and provide equal opportunity in compliance with federal law in keeping with the President's Executive Order 11246 of September 24, 1965 and ensure that a person shall not be excluded from participation in, be denied the benefits of, be subjected to discrimination under, or be denied employment in the administration of or in connection with any program or activity funded in whole or in part with funds made available under this Contract, on the grounds of race, color, religion, sex, national origin, age, disability, political affiliation or belief.

Subrecipients shall comply with political activity prohibitions and shall not utilize CSBG funds to influence the outcome of any election, or the passage or defeat of any legislative measure or to directly or indirectly to hire employees or in any other way fund or support candidates for the legislative, executive, or judicial branches of government of Subrecipient, the State of Texas, or the government of the United States. Subrecipients shall comply with 45 C.F.R. §87.2 and ensure that CSBG funds are not be used for sectarian or inherently religious activities such as worship, religious instruction or proselytization, and must be for the benefit of persons regardless of religious affiliation.

Subrecipients shall comply with Chapter 2264 of the Texas Government Code and will not knowingly employ an undocumented worker, where “undocumented worker” means an individual who, at the time of employment, is not lawfully admitted for permanent residence to the United States or authorized under law to be employed in that manner in the United States.

The Department will not subcontract with an organization that includes proposed financial participation by a person who, during the five year period preceding the date of this Contract, has been convicted of violating a federal law in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005; or assessed a penalty in a federal, civil or administrative enforcement action in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005.

The Department will not subcontract with an organization where neither it nor its current principle parties are included in the Excluded Parties List System (EPLS) maintained by the General Services Administration (GSA). Subrecipient also certifies that it will not award any funds provided by this Contract to any party that is debarred, suspended, or otherwise excluded from or ineligible for participation in federal assistance programs under Executive Order 12549. Subrecipient agrees that prior to entering into any agreement with a potential subcontractor that the verification process to comply with this requirement will be accomplished by checking the Excluded Parties List System at <http://www.epls.gov/> or by collecting a certification from the potential subcontractor.

# **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 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 is the information requests/questions which must be addressed and the possible points to be awarded. In parenthesis are considerations to be taken into account when awarding points.

**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.

### **A. ORGANIZATION BACKGROUND**

1. Provide information on the current staff size and the educational background and work experience of key management staff. 3 POINTS TOTAL. (Consideration will be given to the adequacy of staffing and the experience and education of key management staff.)
2. Organizational information:
  - a. Describe of the type(s) of services and activities currently provided and the experience providing proposed services. 10 POINTS TOTAL. (Consideration will be given to the number and types of services provided and experience providing the proposed services.)
  - b. Provide information on the staff titles for staff that will provide the proposed services or activities and a brief description of their duties, their experience, and education of staff. 5 POINTS TOTAL. (Consideration will be given to the number of staff providing direct client services, their education, and experience.)
  - c. Information on office(s) which will be utilized to provide services with the CSBG State discretionary grant. Include the size of the facility, the city and county and physical

address and the staffing which will support the project. 5 POINTS TOTAL. (Consideration will be given to the capacity to deliver services to the target population).

3. Financial operations:
  - 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. 5 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. Explain the procedures and processes in place to provide for separation of duties 3 POINTS 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. 2 POINTS TOTAL. (Consideration will be given to the adequacy of the reporting mechanisms in regards to providing accurate performance data.)

## **B. PROPOSED PROJECT**

1. For **Migrant and Seasonal Farmworker Population and Native- American Population Projects**: Applicants must ensure that the project, services, and activities are related to the Eligible Activities/Types of Activities to be Funded as solicited through this notice of funding availability.

The description should include, at a minimum, the following:

- a. The purpose and goals and objectives of the proposed project. 5 POINTS TOTAL. (Consideration will be given to the goals and objectives 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. (non-applicable to statewide projects) 10 POINTS TOTAL. (Consideration will be given to the amount of request being used to provide direct assistance.)
  - d. A projection of the number of individuals to be served during the 12-month contract period. (non-applicable to statewide projects) 10 POINTS TOTAL. (Consideration will be given to the number of persons proposed to be served.)
2. For **Statewide Projects**:
    - a. Describe the proposed activities related to 1) Support for Community Services Block Grant Eligible Entities with training and technical assistance to CSBG eligible entities in best practices and program and management development; conducting surveys, as requested by the Department, of CSBG eligible entities in areas of particular interest; maintain data on services and capabilities of CSBG eligible entities; develop special reports, as directed by the Department, on CSBG supported services provided by eligible entities; assist eligible entities in

conducting agency self-assessments and implementing improvements, and coordinate 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, 2) Support for Homeless Service Providers in the areas of: Training and technical assistance to providers of assistance and services to the homeless and persons at-risk of homelessness on best practices related to service provision; assist organizations providing homeless services to comply with Homeless Management Information Systems requirements related to federally funded programs to prevent homelessness and to re-house homeless persons; and, assist in the development of a statewide data warehouse project. Preference will be given to non-profit organizations with current capacity and experience providing related services and with prior funding experience carrying out the types of activities solicited in this notice of funding availability. 30 POINTS TOTAL. (Consideration will be given to the types of activities proposed and the experience providing such services.)

**C. COORDINATION EFFORTS**

- 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. UNMET NEED (non-applicable to statewide projects)**

- 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. 10 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.)

**E. 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.) (non-applicable to statewide projects.)

**F. EVALUATION OF PROJECT**

- 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.)

**G. SINGLE AUDIT OR END-OF-THE-YEAR FINANCIAL STATEMENTS**

- One copy of the most recent audit, as required by the Single Audit Act or End-of-the-Year Financial Statements. 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. 5 POINTS. (Consideration will be given to any identified deficiencies and disallowed or questioned costs and to the ratio of assets to liabilities. Any audit findings related to misappropriation of funds or fraud will deem application ineligible. Consideration will be given to cash ratio.)

**H. CONCLUSION**

- 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. 5 POINTS. (Consideration will be given to the significant and beneficial impact that the proposed activity will have on the targeted population.)

**133 TOTAL MAXIMUM POINTS FOR STATEWIDE PROJECTS**

**143 TOTAL MAXIMUM POINTS TOTAL FOR MIGRANT AND SEASONAL FARMWORKER AND NATIVE AMERICAN APPLICATIONS**

**IV. Threshold Documents** - Failure to submit threshold documents will result in application being deemed ineligible. Department may allow a 3 day cure period. After the cure period has elapsed and the applicant has failed to submit document within cure period, the application will be deemed ineligible. Ineligible applications will not be scored.

- A. A copy of existing Internal Revenue Service (IRS) ruling. All private non-profit organizations who are 501(c)(3) 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. Local nonprofit affiliates 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 certified copy of approval of certificate of formation for private non-profit 501(c)3 organizations from the Texas Secretary of State's Office. Failure to provide documentation will deem the application ineligible. Not applicable to units of local government.
- C. A completed 12-month 2012 CSBG Budget with Budget Support Sheets utilizing provided forms.
- D. One copy of the most recent audit, as required by the Single Audit Act or End-of-the-Year Financial Statements. If your organization is not required to complete a single audit, provide a copy of the end-of-the-year financial statements including a (1) balance sheet, (2) income statement, and (3) a statement of cash flows.

**V. Other Requested Documents** – One point will be deducted from the application due to failure to submit requested documents.

- A. Table of Contents
- B. Standard Form 424
- C. Copy of accounting/fiscal policies and procedures.
- D. Fidelity bond coverage documentation for private non-profit 501(c)(3) organizations.



# List of Attachments

Attachments are posted separately as fillable MS Word forms on TDHCA's website:

<http://www.tdhca.state.tx.us/community-services/index.htm>

- Standard Form 424
- CSBG Budget Form, Budget Support Sheets

# **Appendix 1: Public Law 105-285, Title II CSBG**

[http://www.acf.hhs.gov/programs/ocs/csbg/documents/csbg\\_law.html](http://www.acf.hhs.gov/programs/ocs/csbg/documents/csbg_law.html)

6a

**BOARD ACTION REQUEST**  
**HOUSING RESOURCE CENTER**  
**MARCH 6, 2012**

Presentation, Discussion, and Possible Action to approve the Final 2012 State of Texas Low Income Housing Plan and Annual Report, and Final Order adopting amendments to 10 TAC §1.23 concerning the 2012 Final State of Texas Low Income Housing Plan and Annual Report

**RECOMMENDED ACTION**

Approve the 2012 State of Texas Low Income Housing Plan and Annual Report and adopt amended 10 TAC §1.23

**WHEREAS**, the enabling legislation for the Texas Department of Housing and Community Affairs', Texas Government Code Section 2306.071, requires a state low income housing plan; and

**WHEREAS**, Section 2306.072 of that same enabling legislation requires an annual low income housing report and §2306.723 requires that the report be adopted by following rulemaking procedures;

**RESOLVED**, the amendments to 10 TAC §1.23 are hereby approved and adopted, together with the preambles presented to this meeting, for publication in the *Texas Register*,

**FURTHER RESOLVED**, that the final 2012 State of Texas Low Income Housing Plan and Annual Report, in the form presented to this meeting, is approved and adopted.

**BACKGROUND**

The Texas Department of Housing and Community Affairs (TDHCA) is required to prepare and submit to the Board not later than March 18 of each year an annual report of the Department's housing activities for the preceding year. This State of Texas Low Income Housing Plan and Annual Report (SLIHP) must be submitted annually to the Governor, Lieutenant Governor, Speaker of the House, and legislative oversight committee members not later than 30 days after the Board receives and approves 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 2011 performance during the preceding fiscal year (September 1<sup>st</sup>, 2010 through August 31<sup>st</sup>, 2011).

The proposed rule amendment, adopting by reference the 2012 SLIHP, was published in the *Texas Register* on December 30, 2011 (36 TexReg 9145). The proposed rule and the SLIHP

were made available for public comment on January 9 through February 7, 2012. Comments were received from two entities. In response, changes were made to the SLIHP but not to the rule as proposed.

The 2012 SLIHP for approval by the Board is posted online at <http://www.tdhca.state.tx.us/housing-center/pubs.htm>. The following attachments are provided:

- Attachment A – Summary of Substantive Changes from the 2011 SLIHP and 2012 SLIHP (Draft for Public Comment)
- Attachment B – Adoption preamble and amendment to 10 TAC §1.23 with comments and response to comments.

## Attachment A

### Summary of Substantive Changes from the 2011 SLIHP and 2012 SLIHP (Draft for Public Comment)

#### Summary of Substantial Changes from the 2011 SLIHP

- Housing Analysis chapter:
  - added analysis of veterans and youth aging out of foster care as a result of changes made to Texas Government Code Section 2306.072 by the 82<sup>nd</sup> Legislature;
  - included statewide estimates of victims of domestic violence as a special needs population;
  - updated figures with most recent socio-economic data available.
- Annual Report chapter:
  - updated numbers to reflect FY 2011 program performance by households/individuals and income group for the state and each region;
  - updated performance measure information for goals and strategies reflecting FY 2011 performance, including updated targets for FY 2012.
- Action Plan:
  - updated program descriptions to reflect programmatic changes;
  - updated Regional Allocation Formula reflecting updated data;
  - updated an extensive list of TDHCA workgroups and committees;
  - added policy-driven actions for veterans and youth aging out of foster care as a result of changes made to Section 2306.072 by the 82<sup>nd</sup> Legislature.
- Stimulus Programs chapter:
  - removed programs funded through the American Recovery and Reinvestment Act (ARRA) of 2009 that were completed, such as Community Services Block Grant ARRA, 90-Day Down Payment Assistance Program and Mortgage Advantage Program, and National Foreclosure Mitigation Counseling Program Rounds 2 and 3;
  - updated report data for other stimulus programs based on their multiyear cycles instead of state fiscal year cycles.
- Disaster Recovery chapter:
  - removed chapter because the Disaster Recovery Division was moved to the General Land Office.
- Updated Colonia Action Plan.

#### Summary of Changes from the 2012 SLIHP (Draft for Public Comment)

- Responded to 6 public comments. As part of the response, the following changes were made to the SLIHP:

- added statement that the plans and reports generated for the U.S. Department of Housing and Urban Development's (HUD) consolidated planning process satisfy a section of the SLIHP legislation;
  - added information on where to find updates on the Analysis of Impediments to Fair Housing (AI) and progress made by the State on the barriers identified in the AI;
  - added information about the 811 Team, which was formed as a result of the award of a grant from the Centers for Medicaid and Medicare and which is working to create a successful application for HUD Section 811 Project Based Rental Assistance funds;
  - corrected a typographical error.
- Removed references to 2005-2009 CHAS (Comprehensive Housing Affordability Strategy) data since this HUD generated data was not released in time to update the 2012 SLIHP; and
  - Made formatting changes for accessibility.

## Attachment B

Adoption preamble and amendment to 10 TAC §1.23 with comments and response to comments

The Texas Department of Housing and Community Affairs (the “Department”) adopts amendments to 10 TAC §1.23, concerning the State of Texas Low Income Housing Plan and Annual Report (“SLIHP”) without changes to the proposed text of the rule as published in the December 30, 2011, issue of the *Texas Register* (36 TexReg 9145). The section adopts by reference the 2012 SLIHP. While the rule text has not been changed, changes have been made to the SLIHP in response to comment, as discussed below. The purpose of the rule and referenced SLIHP is to serve as a comprehensive reference on statewide housing needs, housing resources, and strategies for funding allocations. The document reviews the Department’s programs, current and future policies, resource allocation plan to meet state housing needs, and reports on State Fiscal Year 2011 performance.

The Department received comments from two sources: Easter Seals Central Texas and the Council on Developmental Disabilities (the Council).

**Comment 1: Include a summary of findings and planned solutions to address impediments listed in the Analysis of Impediments to Fair Housing, Phase 1 in the SLIHP.**

Both Easter Seals and the Council suggested that the Department include a summary of findings and planned solutions to address impediments listed in the Analysis of Impediments to Fair Housing (AI), Phase 1 in the SLIHP. Easter Seals and the Council look forward to the AI Phase 2 and the Department’s response to the already-identified barriers noted in the AI Phase 1. Since the SLIHP is both a low-income housing plan and an annual report, Easter Seals and the Council would like a summary of the findings in AI Phase 1 and the Department’s planned solutions to address these issues in the SLIHP.

**Department Response:** The Department agrees in part with this comment and, in response, changes have been made to the SLIHP. The SLIHP is one of several of the planning and reporting documents that fulfills reporting requirements of §2306.071 and §2306.072. Page 9 of the SLIHP explains that several documents are needed to address all parts of the legislation. For clarity, language has been added to page 9 of the SLIHP to include Consolidated Planning to the U.S. Department of Housing and Urban Development (HUD) as meeting part of the requirements of Chapter 2306: “Consolidated Planning required by HUD: These plans and reports include the Five Year Consolidated Plan, the One Year Action Plan and the Consolidated Plan Annual Performance Report required for the HOME Investment Partnerships Program, Emergency Shelter/Solutions Grants Program, Community Block Grant Program and Housing Opportunities for Persons with AIDS/HIV Program, which fulfills §2306.0721(c)(14).”

The AI Phase 1 was submitted and ultimately approved by HUD in May 2010. TDHCA has reported actions taken to HUD and other interested parties. The reporting on the AI Phase 1 will be conducted in separate documents, such as the Consolidated Plan Annual Performance Report, and will also be posted on TDHCA’s website. These reports will demonstrate the progress made on the barriers identified in the Phase 1 AI. The Department will also post updates on the yet-to-be-completed Phase 2 AI on its website.



Furthermore, language has been added to page 242 that shows the reader where to find a report showing the progress made on the AI Phase 1 and Phase 2: “Reporting on both phases of the AI is conducted in the in Consolidated Plan Annual Performance Report submitted to HUD in May of each year. These reports can be found on TDHCA’s website at <http://www.tdhca.state.tx.us/housing-center/pubs.htm>.”

**Comment 2: More integrated units for individuals with disabilities**

Both Easter Seals and the Council hope that the Department will explore how the current guidelines developed for the housing programs can be modified to support the development of more integrated units for individuals with disabilities.

**Department Response:** The Department agrees with this comment, and changes have been made to the SLIHP in response to comment. The Department has listed one more workgroup on page 241: the 811 Team. Part of this team’s focus is to advise the State on how to implement a Section 811 Project Based Rental Assistance (PRA) program. Section 811 PRA would allow the Department to provide rental assistance to very-low income persons with disabilities which would help them live in community-based, multifamily housing funded by TDHCA. HUD requires states that want to apply for Section 811 PRA funds to modify the guidelines of existing housing programs, which may include the Housing Tax Credit Program's Qualified Allocation Plan (QAP) and/or the Consolidated Plan.

Although the descriptions of TDHCA’s workgroups and committees on page 237 were not changed as a result of public comment, the Department would like to point out that many of these workgroups and committees explore how current guidelines developed for housing programs can be modified to support the development of more integrated units for special with special needs, including individuals with disabilities. For example, the Aging Texas Well Advisory Committee, Housing and Health Services Coordination Council, Money Follows the Person Demonstration Project, Promoting Independence Advisory Committee, and the Texas State Independent Living Council all work to provide options for community-based care.

Finally, although not a change to the SLIHP as a result of public comment, the Department would like to note that it has modified programmatic guidelines to serve persons with disabilities in community-based settings. In the last two years, an example of a program modification is the Amy Young Barrier Removal Program. In the last 10 years, an example of a program modification is Project Access. More detail can be found starting on page 247 of the SLIHP.

**Comment 3: Create an income category of 0-110% of Supplemental Security Income.**

The Council cites statistics on the affordable housing needs of Texans with developmental disabilities who are on a fixed income of Social Security Income (SSI): SSI is currently \$714 per month, or around 15% of area median income. The Council believes the SLIHP should include in Policy-Driven Action for People with Special Needs (page 249) that TDHCA programs will target incomes between 0 and 110% of the level of SSI so Texas can monitor, plan for, and allocate resources to people with developmental or mental health disabilities and those who are frail elderly who are a priority of state housing programs, but slipping through the cracks.

**Department Response:** The Department disagrees with this comment and no changes have been made to the SLIHP in response to this comment. The creation of a separate income category for 0-110% SSI is not necessary to prioritize and adequately serve persons with developmental disabilities or frail elderly who are on a fixed income of SSI. The Department strives to effectively serve these populations, which are captured in the 0-30% AMFI income category and special needs categories.

Many TDHCA programs are encouraged to serve persons on a fixed income. The Housing Support Continuum that starts on page 218 lists programs that assist persons earning 0-30% AMFI. From Poverty and Homelessness Prevention to Disaster Relief, 0-30% households can be eligible for assistance at any stage on the continuum. In addition, many programs provide priorities to elderly persons and persons with disabilities; these priorities are listed starting on page 243.

Many of TDHCA programs serve persons at very low incomes. For the Housing Programs, the Rider 5 report, submitted to the Legislative Budget Board, tracks income levels of households served for many of the Department's programs; it does not include households committed to be served, as the SLIHP does. The most recent Rider 5 Report (2011) shows that the Department's Section 8, HOME, Housing Trust Fund and Housing Tax Credit programs expended \$37,914,380 to serve 3,779 households in the 0-30% AMFI category. This was approximately 45.79% of the total funding available in 2008 and 48.08% of the total households served for those programs during 2008. Furthermore, according to the 2011 Housing Sponsor Report, approximately 70,849 TDHCA-funded, reduced-rent units were occupied by persons with special needs who were mentally or physically challenged or were over 60 years old. This was approximately 42% of the total TDHCA-funded, reduced-rent units in the report. These statistics show that persons who may be living solely on SSI receive a substantial amount of assistance offered by TDHCA programs.

Finally, separating the 0-110% SSI income category out of the 0-30% category would reduce the consistency of the Department's data based on national standards. Because HUD uses the 0-30% AMFI category, it is more appropriate for the public to compare national data with TDHCA's data if the 0-30% AMFI category remained.

**Comment 4: Include an action plan to increase housing opportunities where there are urban and rural transit systems**

The Council commented that TDHCA should address the relationship of housing and transportation access. According to the Texas Department of Transportation, there are eight large urban, 30 small urban, and 39 rural transportation systems and over 135 operators of transportation services for elderly and individuals with disabilities. As such, the SLIHP needs to identify a priority that low-income housing options should be located where there is public transportation. This will be to the benefit of low income beneficiaries of TDHCA housing programs with or without disabilities. The SLIHP should include a Policy Driven Action for People with Special Needs (page 248) including a plan to increase housing opportunities where urban and rural transportations systems are located.

However, although the SLIHP reports that approximately 83 percent of Texans with disabilities now live in urban areas due to the need to access transportation that is in close proximity to health related and other services and supports, this finding should not be used to limit siting of affordable housing.

**Department Response:** The Department agrees in part with this comment; however, no changes have been made to the SLIHP in response to this comment. The Department already provides a variety of points for different types of siting options. For example, the 2012 Qualified Allocation Plan, which governs the Housing Tax Credit program, outlines the point structure for siting developments and strives to provide flexibility. Regarding transit service, sites located within one-half mile of a transit stop may qualify to be a High Opportunity Area or for points under Site Characteristics.

However, the transit stop is not the only criteria necessary for designation as a High Opportunity Area or Site Characteristics and many successful Housing Tax Credit applications do not have to be located within one-half mile of a transit stop. TDHCA allows this flexibility because siting affordable housing near transit is not always an appropriate choice for affordable housing. For instance, the development may already be located within walking distance of many amenities, making transit access less of a need.

Regarding the second part of the comment, the urban and rural characteristics of a location affect the amount of funding for which a proposed TDHCA-funded property may apply. Given the contrasts between urban and rural demographics and building patterns, the Department makes efforts to ensure that urban and rural areas receive what is most appropriate for their areas. More information about allocation formulas is given on page 233.

**Comment 5: Include serving extremely low income persons as a TDHCA priority**

On page 3-4 of the SLIHP, TDHCA states:

“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.”

The Council would like the above statement to be amended to include the words “extremely low income”, so that it would read:

“The highest priority of the department is to provide assistance to individuals and families of extremely low, 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.”

**Department Response:** The Department disagrees with this comment and no changes have been made to the SLIHP in response to this comment. The language to which the commenter refers is from Government Code Title 10, Subtitle G, Chapter 2306, TDHCA’s enabling legislation. The

Department does not have the authority to change its enabling legislation. Any change to this language would need to be a statutory change enacted by the Legislature.

**Comment 6: Clarify language on serving persons with disabilities**

Easter Seals commented that on page 235, the words “service people with disabilities” needs to be changed to “serve people with disabilities”. The statement in the draft reads:

“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 service people with disabilities; or do not exceed \$3 million.”

It should read as follows in the final SLIHP.

“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 serve people with disabilities; or do not exceed \$3 million.”

**Department Response:** The Department agrees with this comment and the SLIHP has been changed to state, “or serve people with disabilities.” The version published in the draft SLIHP was a typographical error.

While changes have been made to the SLIHP, the amendment to the rule is adopted as proposed.

The TDHCA Governing Board approved the final 2012 SLIHP at the March 6, 2012 Board meeting.

As referenced in the rule, the full text of the final 2012 SLIHP may be viewed at the Department’s website: [www.tdhca.state.tx.us](http://www.tdhca.state.tx.us). The public may also receive a copy of the 2012 SLIHP by contacting the Department’s Housing Resource Center at (512) 475-3976.

The amendment is adopted pursuant to the authority of the Texas Government Code, Chapter 2306 which provides the Department with the authority to adopt rules governing the administration of the Department and its programs, and specifically §2306.0723, which requires the Department to consider the report to be a rule and to follow rulemaking procedures.

No other statutes, articles, or codes are affected by the amendment.

§1.23. State of Texas Low Income Housing Plan and Annual Report (“SLIHP”).

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**BOARD REPORT ITEM**  
**HOUSING RESOURCE CENTER**  
**MARCH 6, 2012**

**Report Item**

Status Report on the Contracts for Deed Prevalence Project with The University of Texas at Austin.

**Background**

The Sunset Advisory Commission in 2010 “direct[ed] the Department to conduct a one-time study of the current prevalence of contracts for deed in Texas colonias and to report the results to the Legislature by December 1, 2012.” The preparation of an acceptable report will involve compiling and assessing an estimate of the numbers of recorded and unrecorded contracts for deed in colonias.

Because of the expertise needed for such a study, TDHCA entered into an agreement in August 2011, with The University of Texas at Austin to provide research and a report regarding the prevalence of recorded and unrecorded contracts for deed in Texas colonias. The research team consists of faculty and students from the LBJ School of Public Affairs and the School of Law. The Contracts for Deed Prevalence Project is comprised of three phases.

Phase One has identified a number of contracts for deed in each of the counties selected for the study. Written requests for data were sent in September to the Office of County Clerk and the Central Appraisal District of each county. A researcher in each county began with a “verification check” to confirm the presence of contracts for deed by examining ten percent of the contracts in the record categories identified by county personnel as being at risk of having contracts for deed, either onsite or by obtaining an electronic copy of those contracts. The research team examined a sample of every tenth contract, pulled from a chronological roster to ensure that the contracts examined were dispersed proportionally across the years in which they were filed. In some cases where there were more than 1,000 contracts in the category, the research team conducted a one percent sampling instead of ten percent. The research team is in the process of reviewing these findings for accuracy with local title companies and meeting with local advocates. Preliminary results are not yet available due to the need for verification checks.

Phase Two will result in estimated number of the unrecorded contracts for deed by county. Fifty-six students and six faculty traveled in teams to El Paso, Webb, Starr, Hidalgo, Cameron and Maverick counties to interview colonias residents. The research team determined to capture the dynamics present in the small, middle-sized, and larger colonias in each locale. These size brackets are likely to capture differences in variables often correlated with size, such as age and proximity to amenities. The team modified the process of random selection to ensure that each county would have these three sizes of colonias represented. Over 5,000 lots were visited and over 1,000 face-to-face interviews were completed. Mail-in surveys were left when the residents

were not available and the mail-in surveys are still being received. The research team expects a statistically significant result showing the status of unrecorded contracts for deed by county. Currently the research team is coding the results of the surveys for analysis.

Phase Three will involve interviewing colonia residents to understand more fully the land practices that have developed in response to the legislative regulation of the contracts for deed. The research team has begun to develop a list of potential focus group participants and issues for discussion within those groups. The group participants are being selected by interviewers and by references from other colonia residents. In addition, informal interviews are being conducted with local developers.

Staff plans to meet with the research team Principal Investigators in April to discuss the next bi-monthly progress report and specifics on the methodology and approach. Staff supports the rigorous methodology developed by the research team and wants to emphasize the care the team is taking to ensure that the survey will hold its own on methodological grounds.

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**BOARD ACTION REQUEST**

**TEXAS NEIGHBORHOOD STABILIZATION PROGRAM**

**March 6, 2012**

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

**Recommended Action**

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

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

It is hereby,

**RESOLVED**, that the NSP Reservation System Participants, Elijah’s Promise and NHP Foundation, be and hereby are approved to participate in the reservation system as presented to this meeting.

**Background**

The Neighborhood Stabilization Program (NSP) is a HUD-funded program authorized by HR 3221, the “Housing and Economic Recovery Act of 2008” (HERA), as a supplemental allocation to the Community Development Block Grant (CDBG) Program through an amendment to the existing State of Texas 2008 CDBG Action Plan. The purpose of the program is to redevelop into affordable housing, or acquire and hold, abandoned and foreclosed properties in areas that are documented to have the greatest need for arresting declining property values as a result of excessive foreclosures.

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

On January 20, 2011, the Board approved the NSP1-Program Income NOFA; a revision to the NOFA was approved by the Board at the September 15, 2011 meeting. The application form was posted to the NSP webpage, and applications are continuing to be accepted. Two entities submitted applications to participate in the NSP Reservation System, and they are both recommended for conditional approval, pending clearance of administrative deficiencies.

<b>Application Number</b>	<b>Applicant Name</b>	<b>Location</b>	<b>NSP Activity</b>
2011-512	Elijah's Promise	Houston	Use C – Land Banking
2011-514	NHP Foundation	San Antonio	Use B – Purchase and Rehabilitation

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**BOARD ACTION REQUEST**  
**MULTIFAMILY FINANCE DIVISION**

**March 6, 2012**

Presentation, Discussion, and Possible Action Regarding Disclosure and Possible Waiver of Ineligibility for Applications in the 2012 Competitive Housing Tax Credit Cycle

**Requested Action**

Approve or deny the request for a waiver of §50.5(b) of the 2012-2013 Qualified Allocation Plan (QAP) regarding the parking and drive elevation requirements as they apply to Pre-Application #12022, Galveston Initiative I and any final application.

**WHEREAS**, the Board approved a waiver of the population requirement in the definition of Central Business District for Galveston Initiative I at the February 16, 2012, Board meeting based on the fact that many former residents of Galveston are waiting to return as the city recovers, and directed that consideration of a waiver of §50.5(b) of the QAP regarding the parking and drive elevation requirements be taken up at the March 6, 2012, meeting; and

**WHEREAS**, the Applicant asserts that the waiver will fulfill the purpose and policies of Chapter 2306 by meeting affordable housing needs and prevent losses of affordable rental units; and

**WHEREAS**, based on representations of the applicant, the waiver is necessary for there to be an opportunity for affordable housing to be provided on Galveston Island where flood plain issues are prevalent and the Board finds this waiver to be necessary for that reason;

It is hereby,

**RESOLVED**, that the request for a waiver of §50.5(b) regarding Floodplain requirements is hereby approved.

**Background**

Pursuant to §50.5(b) of the 2012-2013 QAP, the Applicant disclosed in the pre-application for Galveston Initiative I that the surface parking would not meet the floodplain requirements for a Development located within the one-hundred (100) year floodplain. The Applicant stated that the costs associated with elevating the buildings to be at least 12 inches above the floodplain and the drives and parking surfaces to be no more than six inches below the floodplain would render the Development financially infeasible. The Applicant also confirmed that the adjacent city streets would be inaccessible from surface parking if the application complied with Department rules. As mitigation the applicant indicated that they would negotiate agreements with owners of area

parking garages to allow residents to park in an elevated situation in the event of threatened flooding. Additionally, the applicant indicated that they would limit ground floor spaces to storage for outdoor items and that upper floors, including all residential areas, would be located above the base flood elevation. The applicant indicated that residents will be provided training related to evacuation and emergency procedures.

Waivers for the subject development were considered at the February 16, 2012 Board meeting. The Board approved a waiver of the population requirement in the Department's definition of Central Business District (CBD). At the same meeting, the Board tabled the Floodplain waiver request in order to consider additional information. The Floodplain waiver is the subject of this agenda item.

Of note, additional information arose subsequent to the February meeting that a waiver of the cost per square foot threshold in §50.9(b)(8) may ultimately be necessary. However, additional information is necessary to fully consider any necessary waiver of this provision and staff does not expect to bring this issue back for consideration by the Board until a later date.

Pursuant to §50.16(b) of the QAP, any waiver must be determined necessary to fulfill the purpose and policies of Chapter 2306 of the Texas Government Code. The development owner indicates that the subject waiver will meet §2306.6701 which states that a purpose of the Low Income Housing Tax Credit Program is to "prevent losses for any reason to the state's supply of suitable, affordable residential rental units." The Applicant notes that the subject development is providing the replacement of 96 units of public housing that were destroyed by Hurricane Ike.

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February 27, 2012

Mr. Tim Irvine  
Executive Director  
Texas Department of Housing & Community Affairs  
P.O. Box 13941  
Austin, TX 78711-3941

RE: Waiver Request, Floodplain Requirements  
Application for Galveston Initiative I (Located along Strand Street between 15<sup>th</sup> and 18<sup>th</sup> Streets,  
Galveston, TX)

Dear Mr. Irvine:

We are writing to request that TDHCA Staff recommend to the Board to approve a waiver of the requirement under Section 50.5 of the Qualified Allocation Plan due to extraordinary flood plain conditions in the City of Galveston. The waiver request concerns one new construction development for which a 9% LIHTC application will be submitted to TDHCA under the 2012 application cycle: Galveston Initiative I. McCormack Baron Salazar is submitting this application in collaboration with the Galveston Housing Authority. This development is critical to the City of Galveston as it replaces public housing units destroyed in Hurricane Ike (pursuant to requirements under the Conciliation Agreement) and provides much needed affordable housing for low and moderate income residents.

After our presentation on Thursday, February 16, 2012, we thought it might be beneficial to provide more detail regarding the waiver request so that the Staff and Board can more fully evaluate the widespread implications of a failure to approve the waiver. We have identified four main questions that arose during debate on the issue, and we provide below a more detailed response to these questions.

**What are we asking for?**

Section 50.5 of the Qualified Allocation Plan states the following: *Any Development proposing New Construction or Reconstruction and located within the one-hundred (100) year floodplain as identified by the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Maps must develop the site so that all finished ground floor elevations are at least one foot above the flood plain and parking and drive areas are no lower than six inches below the floodplain, subject to more stringent local requirements.*

1. We are asking staff to recommend approval to the Board of a waiver of this provision, ONLY as it relates to the parking and drive areas. All unit living areas will be a foot or more above the flood plain.

**McCormack Baron Salazar, Inc.**

St. Louis Office 720 Olive Street, Suite 2500 St. Louis, Missouri 63101 Phone (314) 621-3400 [www.mccormackbaron.com](http://www.mccormackbaron.com)  
Los Angeles Office 801 S. Grand Avenue, Suite 780 Los Angeles, California 90017 Phone (213) 236-2660

# MCCORMACK BARON SALAZAR

2. Nearly the entire island of Galveston is below the 100 year floodplain.
3. All we will allow parked or stored below the podium the flood plain will be cars and small personal items, like bikes.
4. The entire development will meet or exceed all requirements of the National Flood Insurance Program (NFIP) and local codes relative to flood and hurricane protection.
5. Section 50.5 provides a more stringent floodplain requirement than either the NFIP or local codes relative to parking and drive areas.

## **How will we address the major concern relative to potential of lost cars/personal items:**

1. We will institute a storm/flood evacuation plan in Galveston that is substantially similar to the one we are providing as Exhibit A as an example from our development in New Orleans, LA; the plan will be tailored to meet the needs of this particular development and recognizes that flood events in Galveston are typically related to major, predicted storm events, including hurricanes, and the related storm surge.
2. All residents will receive training and instructions on emergency evacuation procedures in the event of storm and/or flood events, including information on where their vehicles can be stored on island in locations above the base flood elevation.
3. We will negotiate agreements with area parking garages (i.e., those located downtown, University of Texas Medical Branch facilities, etc.) to allow residents to park their vehicles in higher levels of the garage until flood waters recede in the event the tenants cannot remove vehicles from the island on their own.
4. We will plan for any storage areas located beneath the floodplain to be limited to store outdoor items (i.e., bicycles, lawn chairs, etc.). Residents will be cautioned to avoid storing any personal items susceptible to water damage in ground level spaces (which are primarily designed for parking), and apartments will contain ample closet space in the living areas for storage.

## **Why is approving this waiver necessary to fulfill the purposes or policies of Chapter 2306 of the Texas Government Code?**

1. This development represents the first phase of a multi-phase effort by GHA and MBS to meet obligations under the Conciliation Agreement which require the State to deliver 569 public housing units on the Island of Galveston. No other development before this Board works toward that purpose.
2. Without the waiver, the cost of achieving this flood plain requirement will be too high for GHA to achieve the full rebuilding of all remaining units to be delivered.
3. In addition to excessive cost considerations, the type of building that would have to be engineered (see Exhibit B) to accommodate ramps and associated structured parking space results in larger buildings out of context with the architecture and zoning and fewer units overall. Without the higher unit/acre yield as we propose, GHA will be unable to complete the promised units under the Conciliation Agreement with the land currently available.

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4. This waiver will allow us to deliver the necessary units and will include “cooperation in the preservation of government-assisted housing occupied by individuals and families of very low and extremely low income.” Without these buildings, the government-assisted Federal operating subsidy will go unused and displaced residents will not benefit from it.
5. This waiver is necessary to “prevent losses for any reason to the state’s supply of suitable, affordable residential rental units... by providing other preventive financial support...” Our development proposal responsibly provides for replacement of the public housing units in mixed-income communities with a supportive service plan to ensure long term sustainability of the neighborhood and the opportunities for success of the residents.
6. With this waiver the Board will be doing what is necessary to “assist the governor and the legislature in coordinating federal and state programs” specifically as it relates to the efficient and effect use of the CDBG-Disaster Recovery funds that are the subject of the Conciliation Agreement.

**Finally, what are we proposing to build, and how is the waiver necessary to achieve the design plan?**

1. Exhibit C provides our elevation plans and a cross-section of a typical building showing clearly how the living areas will be above the floodplain.
2. The current plan delivers the necessary units for Galveston Initiative I to stay on target to deliver the units required under the Conciliation Agreement.
3. The current cost estimates are reasonable and allow the entire development to be completed in a financially feasible way to achieve requirements under the Conciliation Agreement.

Thank you and the Board for the additional consideration of this waiver request. We cannot stress enough how absolutely essential this waiver is to the overall development plan of this phase and all the phases to be proposed over the next year or two. This is not a scoring item but a threshold item that without approval, does not allow the use of low income housing tax credits for ANY new construction development that is planned to be built on Galveston Island in the most financially and physically responsible manner. This floodplain requirement does not just impact these GHA-related developments, but affects any new construction development anyone proposes to develop on Galveston Island.

We appreciate TDHCA’s additional consideration of this waiver request. Please feel free to contact me with any questions related to this request at (314) 335-2982 or [michael.duffy@mccormackbaron.com](mailto:michael.duffy@mccormackbaron.com).

Sincerely,



Michael Duffy  
Senior Vice President



MCCORMACK  
BARON  
SALAZAR

EXHIBIT A: SAMPLE EMERGENCY EVACUATION PREPAREDNESS PLAN

# Hurricane Evacuation

The Greater New Orleans Area is faced with a difficult challenge during an evacuation due to the city's large population and limited road system which is susceptible to flooding.

That is why the Office of Emergency Preparedness, urges people to "Plan to Be Safe" by voluntarily evacuating "high risk areas" before a recommended evacuation. See the high risk areas.

If you plan to evacuate, leave as early as possible, before hurricane gale force winds, heavy rainfall and storm surge cause road closings.

There are three phases of evacuation: precautionary, recommended, and mandatory. An evacuation notice will be issued when a hurricane is forecast to present a danger to the Greater New Orleans Area. When this notice to evacuate will be issued, depends on the landfall probability in this area and also on the speed and severity of the storm.

## General Evacuation Guidelines

These guidelines apply to both natural (hurricanes, floods, thunderstorms, tornadoes) and man-made (chemical spills and fires) disaster evacuations. If you are told to EVACUATE you should move to a place designated by public officials.

### Follow these steps:

- Remain calm.
- Take your disaster supply kit.
- As you leave your home remember to:
- Turn off lights, household gas appliances, heating, air conditioning, and ventilation systems.
- Leave refrigerator/freezer on.
- Lock your doors.
- Only use the phone in case of an emergency, injury, or illness. If you must use the phone, keep calls brief.
- Do not listen to rumors. Turn on your radio or television for up-to-date information from public officials during an emergency.
- Use only one vehicle for your family. If you have room, assist any neighbors that may need a ride.
- Tune to the Emergency Alert System on 870 AM or 101.9 FM radio stations for reports about evacuation routes, conditions, etc. Use those travel routes specified.
- Drive safely. Traffic will be heavy. Law enforcement officials along the route will help with traffic.
- If you need a ride, try to go with a neighbor, friend, or relative.

- Let others know when you leave and where you are going.
- Make arrangements for pets. Animals are not allowed in public shelters. Pet carriers are recommended along with pet supplies.

<b>Estimated Evacuation Times</b>		<b>State Emergency Alert System</b>	
<b>Estimated evacuation drive times* from New Orleans to:</b>		<b>Greater New Orleans</b>	<b>Shreveport</b>
Alexandria	16 hours	WWL 870 AM	KWKH 1130 AM
Baton Rouge	8 hours	WLMG 101.9 FM	94.5 FM
Lafayette	8 hours	<b>Baton Rouge</b>	<b>Alexandria</b>
Lake Charles	16 hours	WJBO 1150 AM	KZMZ 580 AM
Shreveport	20 hours	WFME 102.5 FM	96.9 FM
Hattiesburg	8 hours	<b>Lafayette</b>	<b>Monroe</b>
Jackson	24 hours	KVOL 1330 AM	KNOX 540 AM
Meridian	16 hours	KTDY 99.9 FM	101.9 FM
		<b>Lake Charles</b>	
		KLCL 1470 AM	
		KHLA 99.5 FM	

**\*Travel time during an evacuation is four times longer than in normal conditions.**

### **Why you must evacuate New Orleans in a storm**

New Orleans is not like any other city in the world. Because of its unusual geography, it is much more likely to take damage during a storm that will result in extreme loss of life, injury and property damage.

The City of New Orleans lies below sea level. It was built on swamp land hundreds of years ago and due to weather, climate changes, and erosion, the city has sunk. This makes New Orleans like a bowl. The reason New Orleans does not flood every day is because of levees, which are high walls and flood gates that prevent water from entering the City. During normal rainfall, pumps in the sewers remove water from the streets. During Hurricane Katrina, high winds and rain overwhelmed the pumps and damaged the levees, causing New Orleans' protection to fail. Flood waters entered the City, killing over

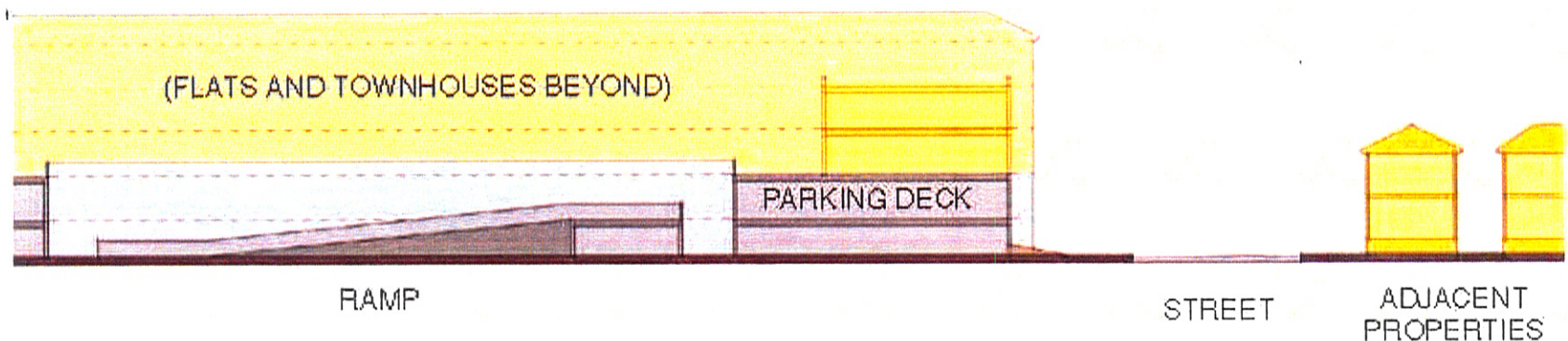
1,000 people who stayed behind and leading to billions of dollars in property damage. Five years later, New Orleans is still trying to repair the damage to the pumps and levees. Some parts of the City look clean and safe, others are still devastated. There will be no shelters in the City in a severe storm. Hotels will close, businesses will close and a curfew will be put in place to prevent theft. All people are expected to leave and those who stay may be arrested if they leave their homes. Make plans to drive out of the danger area when messages on the radio or TV warn of danger from storms. The

northern part of the state is above sea level, as are surrounding states such as Texas, Mississippi and Alabama. Make sure you bring your family, your pets, your possessions, and anything of value to you, as it may be destroyed if you leave it behind. If you have no vehicle, the City has a plan to evacuate people without transportation. This plan, called City-Assisted Evacuation Plan, is open to anyone who needs help, whether a Louisiana resident, a resident of another state, or a foreigner. The CAEP will provide you a bus ride to a shelter outside the danger area. Although it is easier to register you if you have documentation, you will not be turned away or punished if you have no documents or social security number. We will ask only for your name, birthday and address.

***Your life is important. Don't stay behind and put yourself at risk. Make plans to evacuate today.***

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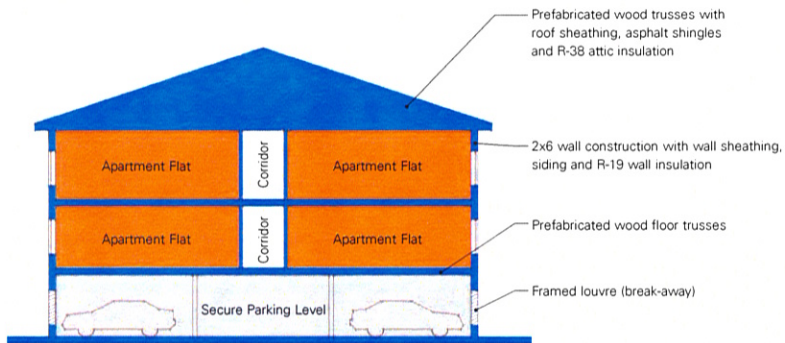
EXHIBIT B: SAMPLE BUILDING TO MEET FLOODPLAINREQUIREMENT



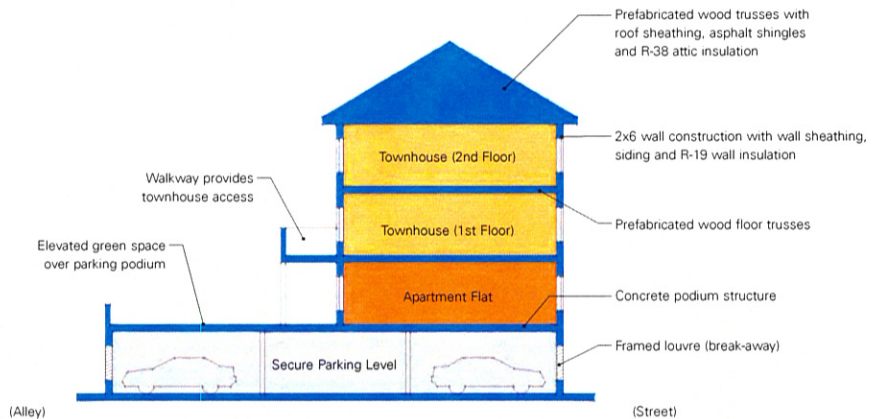
Site Section Through Lane

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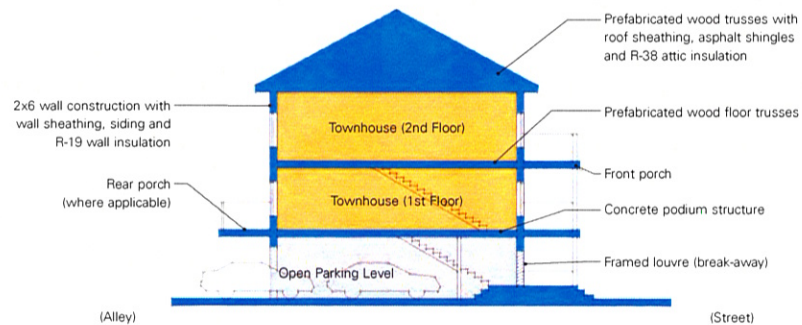
EXHIBIT C: PROPOSED DESIGN



Corridor Multi-family Building



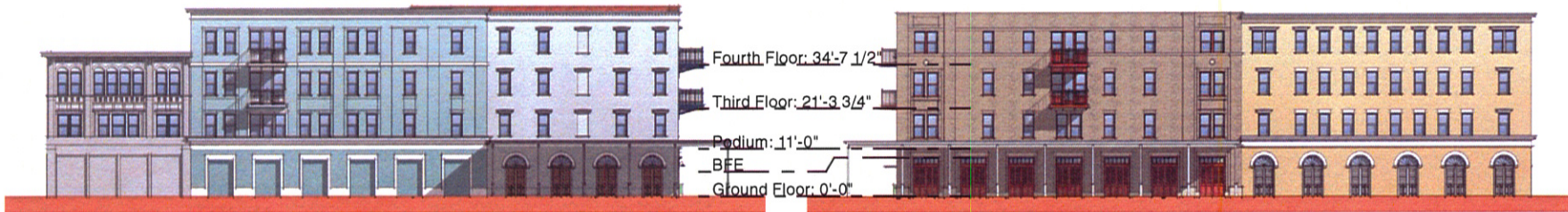
Stacked Townhouse over Flat Building



Townhouse Building

Typical Building Sections





Left Elevation

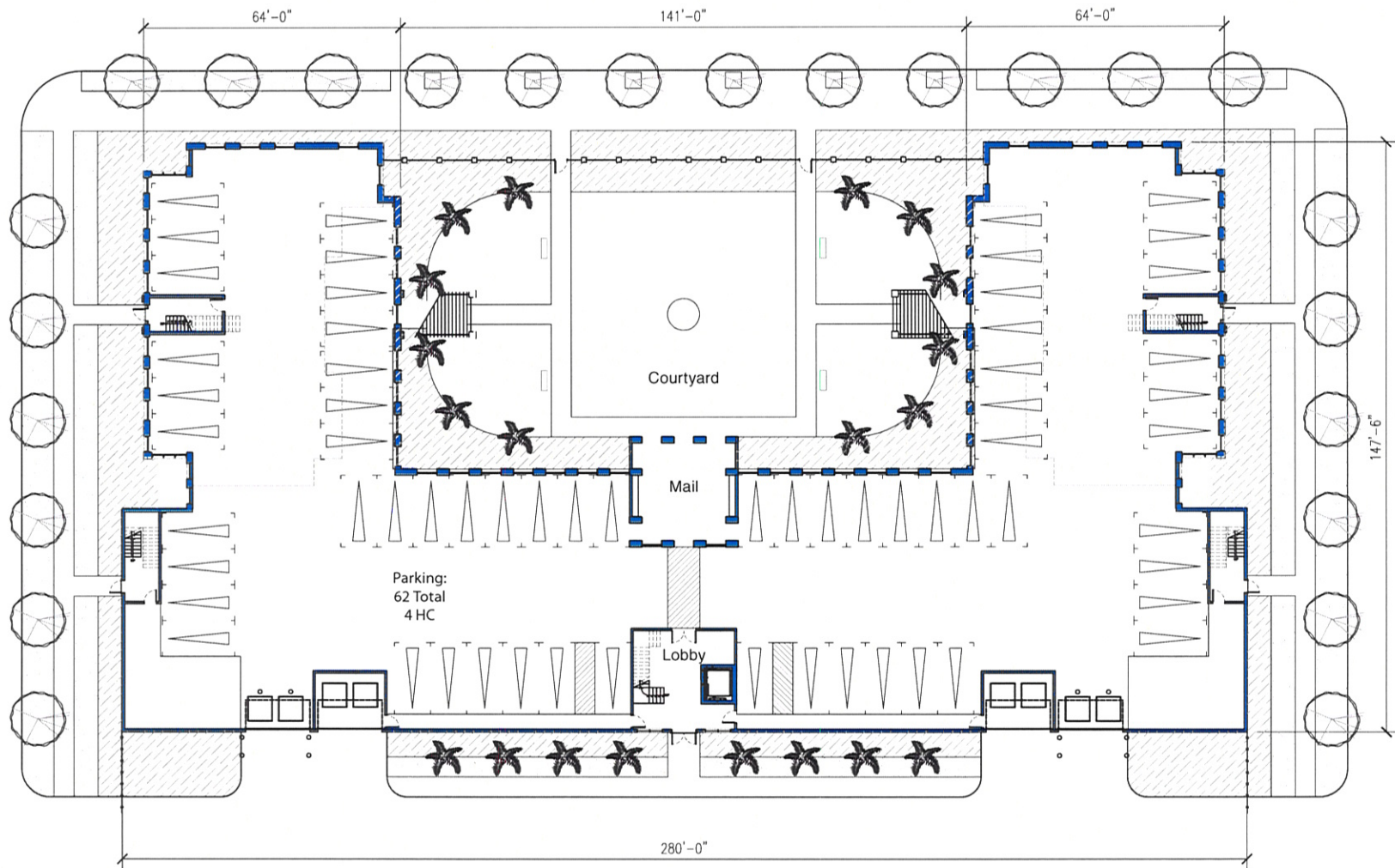
Right Elevation



Rear Elevation



Strand Elevation



Ground Floor Plan

BUILDING HI PLANS

GHA PROPERTIES | GALVESTON, TEXAS

SCALE: 1" = 40'-0"

14 FEBRUARY 2012



Side Street Elevation

Courtyard Side Elevation



Rear Elevation



Strand Elevation

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URBAN DESIGN ASSOCIATES

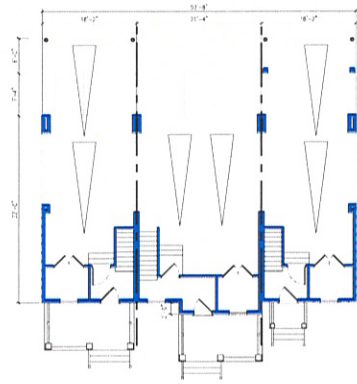
KAI Design & Build

BUILDING HI ELEVATIONS

GHA PROPERTIES | GALVESTON, TEXAS

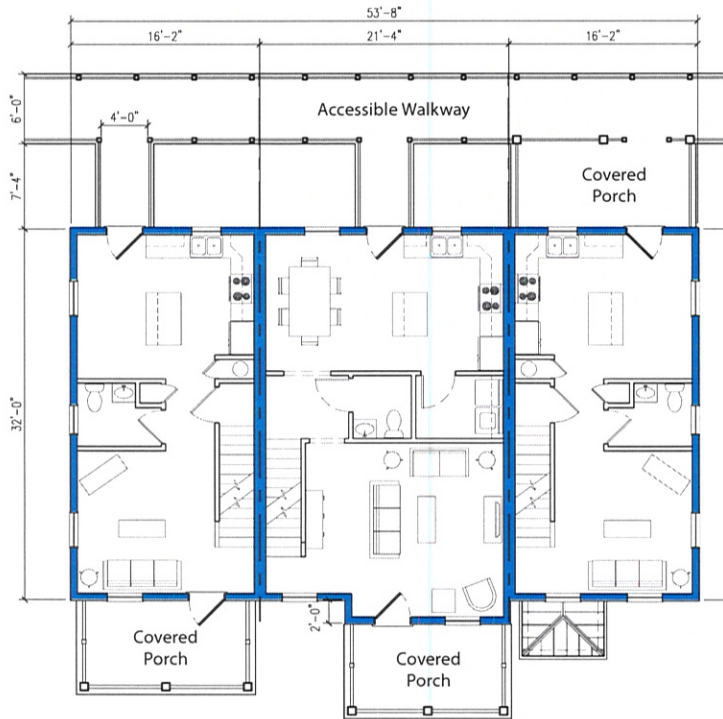
SCALE: 1" = 40'-0"

14 FEBRUARY 2012



Ground Floor Plan

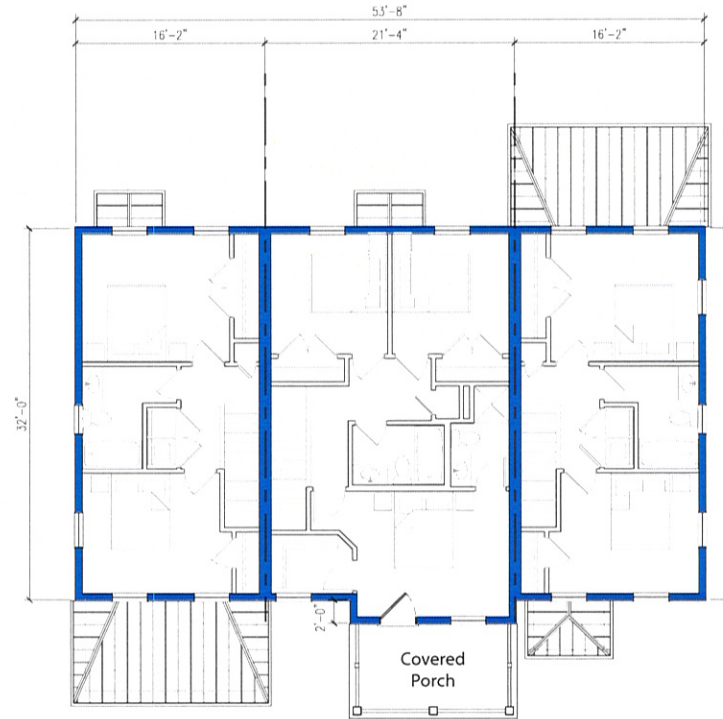
SCALE: 1/32" = 1'-0"



Two-Bedroom Unit    Three-Bedroom Unit    Two-Bedroom Unit

2nd Floor Plan

SCALE: 1/16" = 1'-0"



Two-Bedroom Unit    Three-Bedroom Unit    Two-Bedroom Unit

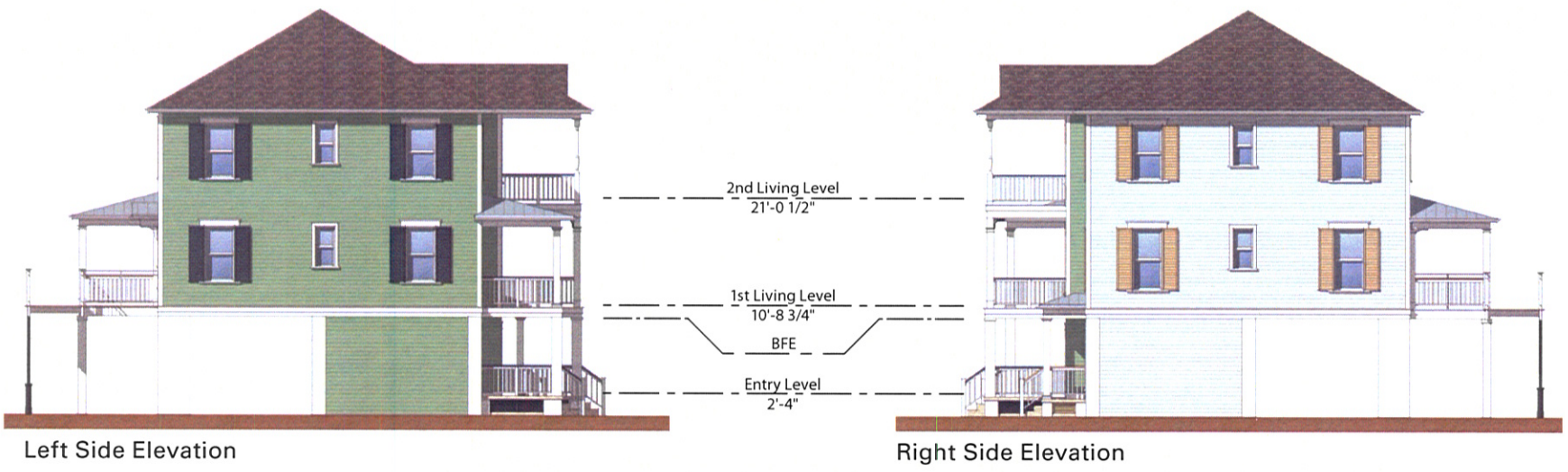
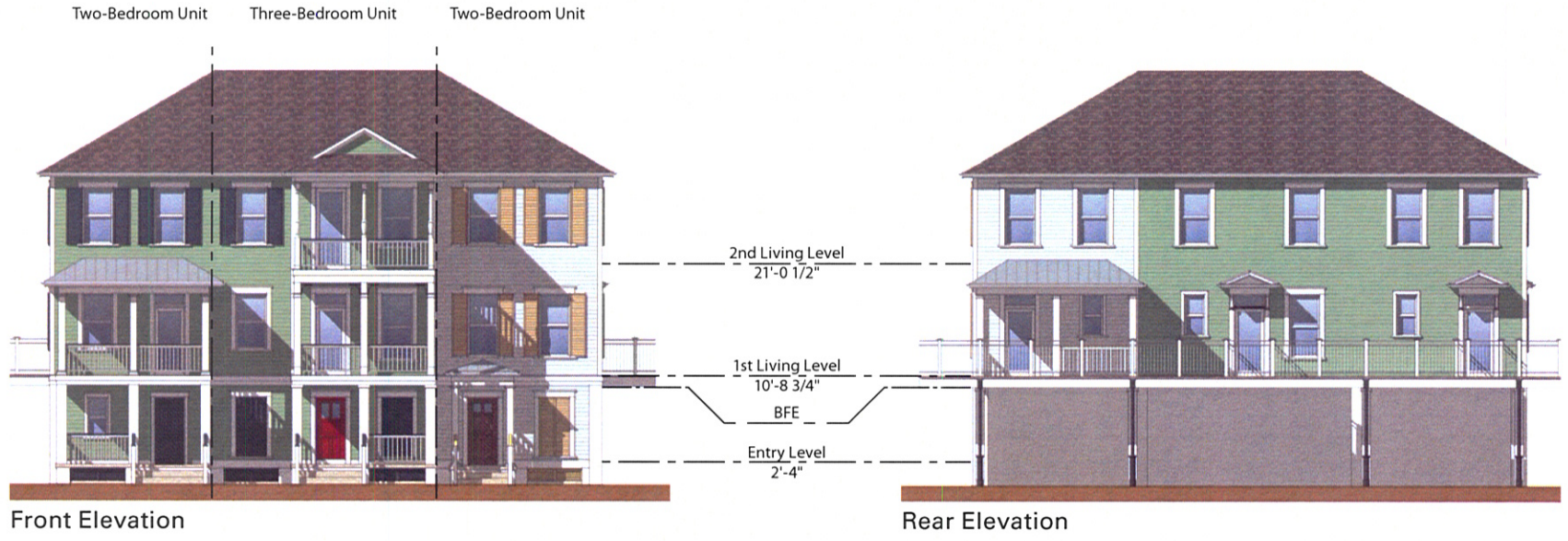
3rd Floor Plan

SCALE: 1/16" = 1'-0"

**BUILDING C PLANS**

GHA PROPERTIES | GALVESTON, TEXAS

I4 FEBRUARY 2012





9

**BOARD ACTION REQUEST**

**TEXAS HOMEOWNERSHIP DIVISION**

**MARCH 6, 2012**

Presentation, Discussion, and Possible Action on authorizing the Department to enter into a superceding Memorandum of Understanding (MOU) with the Texas State Affordable Housing Corporation (TSAHC) for the operation of the Texas Statewide Homebuyer Education Program (TSHEP).

**RECOMMENDED ACTION**

Authorize the Department to enter into an MOU with TSAHC whereby TSAHC would provide the services needed to carry out the TSHEP.

**WHEREAS**, the transfer of TSHEP will allow TSAHC to continue to serve as the nonprofit sponsor of monies donated to TSHEP and be responsible for future administration of the program to continue to ensure uniform quality homebuyer education throughout the state; and

**WHEREAS**, consolidation of these activities with TSAHC will promote more efficient government;

It is hereby,

**RESOLVED**, that the Executive Director and his designee(s) be, and each of them are, authorized for and on behalf of the Department to enter into a MOU with the Texas State Affordable Housing Corporation whereby TSAHC would undertake the consolidated operation of the Texas Statewide Homebuyer Education Program.

**BACKGROUND**

In 1997, the 75<sup>th</sup> Texas Legislature passed HB 2577, which charged the Department with the development and implementation of a statewide homebuyer education program, designed to provide information and counseling to prospective homebuyers about the home buying process. In accordance with Section 2306.253 of the Texas Government Code, the Department is given this mandate. TSHEP provides training to nonprofit organizations throughout the State of Texas.

TDHCA is prohibited from receiving donations to offset the cost of training and has previously entered into an MOU with TSAHC to serve as a nonprofit sponsor of monies donated to TSHEP and to manage and account for those funds. In order to derive programmatic and staffing efficiencies, the Department wishes to enter into a superceding MOU to include additional responsibilities relating to the administrative functions of TSHEP. These responsibilities include administration of the program to ensure quality homebuyer education throughout the state. TSAHC will be responsible for contracting with a qualified education provider to conduct pre- and post- purchase homebuyer



education classes and to certify participants as providers. Additionally, TSAHC is encouraged to offer foreclosure intervention and continuing education classes as deemed necessary to meet the training needs of TSHEP providers. TSAHC will be responsible for securing training locations, preparing, and surveying TSHEP providers and any reporting requirements as needed.

As part of the MOU, the Department will provide a matching contribution on an annual basis for partial payment of services rendered by the organization secured to provide training.

**R1**

**BOARD REPORT ITEM**

**OFFICE OF RECOVERY ACT ACCOUNTABILITY AND OVERSIGHT**

**March 6, 2012**

**Report Item**

Presentation and Discussion on a Status Report on the Implementation of the American Recovery and Reinvestment Act of 2009 (Recovery Act). This item provides an update on the status of the activity relating to each of the Recovery Act programs as well as a summary of the quarterly Section 1512 jobs reporting submitted for October 1, 2011, through December 31, 2011.

**Recovery Act Program Summary**

<b>Program</b>	<b>Activities</b>	<b>Program Status</b>	<b>Total Funding Expended to Date* Percent Expended</b>	<b>Served to Date**</b>	<b>1512 Reported Data Reported Program Expenditures^^ Jobs Created or Retained^</b>	<b>Timeline / Contract Period</b>
Weatherization Assistance Program	Minor home repair to increase energy efficiency, maximum \$6,500 per household. Households at or below 200% of poverty.	<ul style="list-style-type: none"> <li>Contracts executed for 100% of funds, subrecipients drawing funds.</li> <li>Fund movements among contracts are being executed and have been submitted to DOE consistent with production forecasting.</li> </ul>	\$326,975,732 \$304,538,647 93.14%	52,547 households	\$289,399,360 779.43 jobs	<ul style="list-style-type: none"> <li>Obligation required by September 30, 2010. (Achieved)</li> <li>Recipients will be required to expend all funds within a two year contract period (August 31, 2011); subrecipients taking on additional funds have been granted extensions: 1 extended thru November 2011, 28 to thru December 2011, and 7 thru Feb 2012.</li> <li>Federal funding expiration date is June 30, 2012, with a 90 day close out period.</li> </ul>
Homelessness Prevention and Rapid Re-Housing Program	Rental asst, housing search, credit repair, deposits, moving cost assistance, & case management. Persons at or below 50% AMI.	<ul style="list-style-type: none"> <li>All contracts executed and subrecipients currently drawing funds.</li> <li>October 2010 letter from HUD indicating State on target for expending all funds.</li> <li>Fund movements among contracts are being executed.</li> </ul>	\$41,472,772 \$40,963,216 98.77%	44,463 persons	\$40,331,273 45.53 jobs	<ul style="list-style-type: none"> <li>HUD requires 60% of funds expended in 2 years (Achieved Early); 100% in 3 years.</li> <li>All recipients will have fully expended by March 31, 2012.</li> <li>Federal funding expiration date is July 16, 2012.</li> </ul>

Program	Activities	Program Status	Total Funding Expended to Date* Percent Expended	Served to Date**	1512 Reported Data Reported Program Expenditures^^ Jobs Created or Retained^	Timeline / Contract Period
Community Services Block Grant Program	Assists existing network of Community Action Agencies with services including child care, job training, and poverty-related programs. Persons at or below 200% of poverty.	<ul style="list-style-type: none"> <li>• <b>COMPLETE</b></li> <li>• CSBG ARRA funds expired Sept 30, 2010</li> </ul>	\$48,109,133 \$48,108,280 99.92%	99,325 persons	\$48,119,270	<ul style="list-style-type: none"> <li>• Recipients were required to expend 100% of funds by Sept 30, 2010. 99.92% of funds were expended.</li> <li>• Due to disallowed costs and one subrecipient's inability to fully expend, 0.08% of funds were unspent.</li> </ul>
Tax Credit Assistance Program	Provides assistance for 2007, 2008 or 2009 Housing Tax Credit awarded developments. Households at or below 60% AMI.	<ul style="list-style-type: none"> <li>• <b>COMPLETE</b></li> <li>• Amount Awarded: \$148,354,769 (100%)</li> <li>• Amount Drawn: \$148,354,769 (100%)</li> </ul>	\$148,354,769 \$148,354,769 100%	8,346 households	\$139,125,233 54.52 jobs	<ul style="list-style-type: none"> <li>• Owners were required to expend 100% of funds by February 17, 2012, which was achieved. All earlier program deadlines were also met.</li> </ul>
Housing Tax Credit Exchange Program^^^	Provides assistance to 2007, 2008 or 2009 Housing Tax Credit awarded developments. Households at or below 60% AMI.	<ul style="list-style-type: none"> <li>• <b>COMPLETE</b></li> <li>• Amount Awarded: \$594,091,929 (100%)</li> <li>• Amount Closed: \$594,091,929 (100%)</li> </ul>	\$594,091,929 \$592,728,482 99.77%	8,015 households	9,351 jobs	<ul style="list-style-type: none"> <li>• Owners were required to expend 100% of funds by December 31, 2011. 99.75% of funds were expended.</li> <li>• Due to overcommitment and time expiring for two contracts, 0.25% of funds were unspent. All earlier program deadlines were met.</li> </ul>
Total			\$1,159,043,273 \$1,133,560,739 97.80%	143,788 persons 68,908 households	\$1,025,998,658 1512: 1,234.07 jobs this quarter Exchange: 9,351 jobs cumulatively	

\*This table includes updated expenditure data as of 2/16/2012.

\*\*Total served data through 9/30/2011 for HPRP and 12/31/2010 for CSBG; 2/20/2012 for WAP, 2/2/2011 for TCAP; and 12/10/2010 for HTC Ex. For TCAP and HTC Ex, households represent closed transactions.

^Jobs created or retained between 10/1/2011 and 12/31/2011. Note that Section 1512 reporting is not required for HTC Exchange and the figure includes total estimated jobs to be created or retained as reported to the U.S. Department of Treasury for 12/31/2010.

^^ Program expenditures reported for each program includes subrecipient and TDHCA administrative expenses. Information is updated quarterly. Data was submitted to Recovery.gov for quarter ending 12/31/2011.

^^^ The Housing Tax Credit Exchange Program is not subject to 1512 reporting requirements.

R2

**BOARD REPORT ITEM**  
**MULTIFAMILY FINANCE DIVISION**  
**March 6, 2012**

Final report on 2011 Competitive Housing Tax Credit Cycle

**BACKGROUND**

On February 28, 2012, the Department submitted IRS Form 8610 to the Internal Revenue Service. The 8610 is the formal method of accounting for the tax credit activities of calendar year 2011, including: allocation of 2011 Competitive Housing Tax Credit Ceiling; Forms 8609 issued for 9% and 4% transactions; and certification of required compliance activities.

The Department allocated a total of \$56,836,230 in Competitive Housing Tax Credits to 50 transactions. Forty-nine of the transactions received awards on July 28, 2011, and the Department was able to allocate the last remaining \$1,476,708 in credits to one final transaction, Allegre Point Apartments (11123), which was identified as the first transaction on the Board's approved waiting list. The Department executed Carryover Allocation Agreements for each of the 50 transactions by December 31, 2011. This means the Department allocated every last credit available for calendar year 2011.

A total of 1,162 8609 Forms were issued to forty 9% tax credit developments and seventeen 4% tax credit developments representing \$50,516,464 in annual credits. Additionally, the Compliance Division performed onsite inspections of 1,025 existing tax credit properties during the last three calendar years, in compliance with federal requirements.

R3

**BOARD REPORT ITEM**  
**HOME PROGRAM DIVISION**

**March 6, 2012**

Status Report on the HOME Program Awards including Reservation System Participants

**HOME Funding and Performance Summary Report**

- For the past several years we have consistently been initially programming approximately 50% more to Homeowner Rehabilitation than the subrecipients were able to utilize.
- Demand for funds under the Multifamily Housing Program consistently allows for the expenditure of HOME funds from over funded activities
- The Tenant Based Rental Assistance and Homebuyer Assistance Programs expenditures are approximately equal to awards, but the programs represent a small percentage of HOME awards each year

**Summary Report January 1, 2011 to December 31, 2011**

- HOME expenditures for 2011 are in excess of \$45 million and exceed commitments of \$40.3 million
- Commitments and expenditures under the Reservation System indicate a positive acceptance of the system
- Commitments under the Tenant Based Rental Assistance program represent three times the number of commitments under traditional HOME contracts

**Potential factors leading to the variance between commitments and expenditures in single family program:**

- Over several cycles, changes were made from grants to loans and back to grants
- Utilization of reservation system

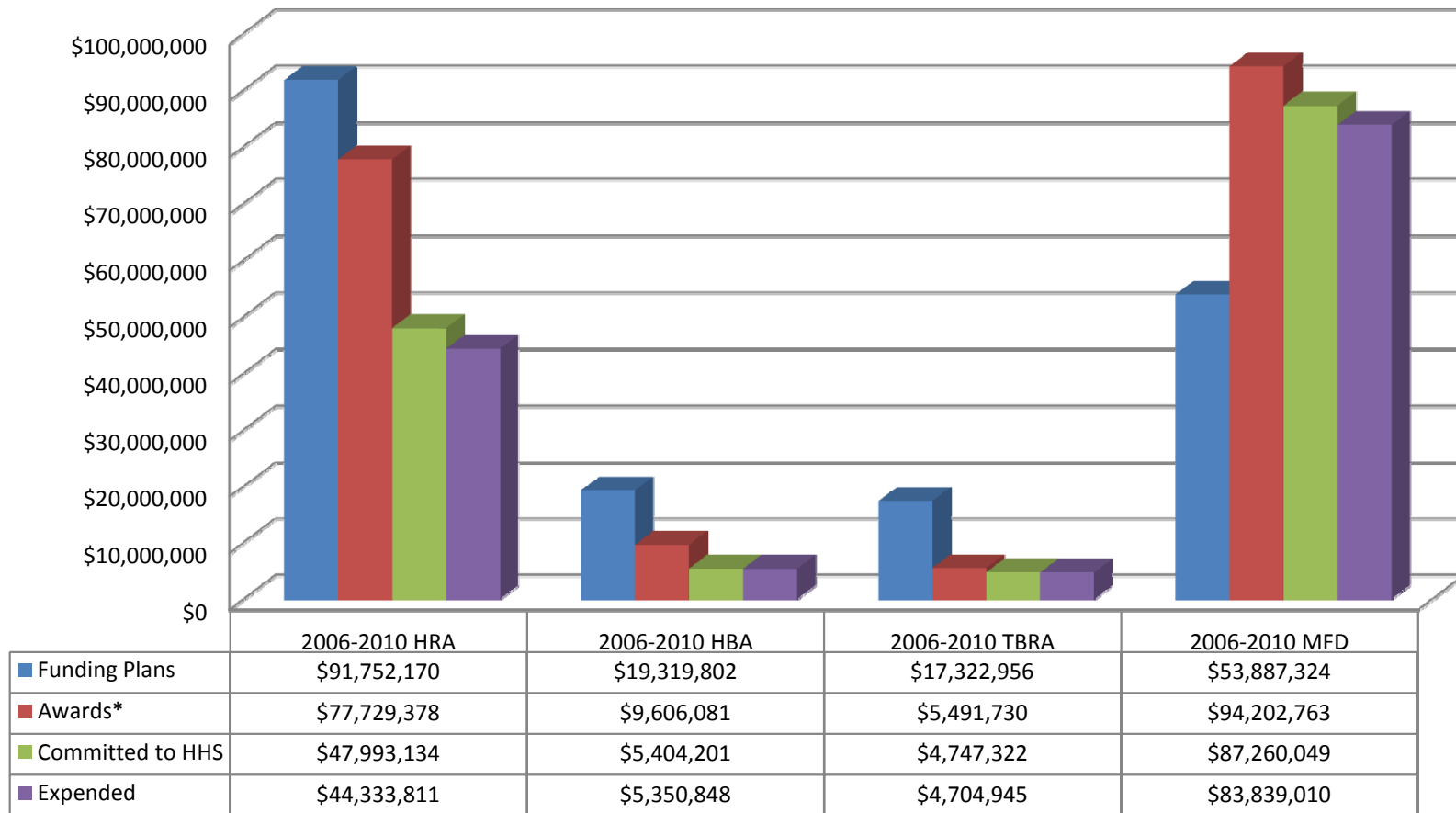
Staff anticipates that a steady approach to the use of grants and the implementation of a streamlined loan closing process, along with continuing migration to use of the reservation system, will all promote a better utilization of funds programmed to Homeowner Rehabilitation.



# HOME Funding and Performance Summary

2006 -2010

(Expressed in Dollars)



The above chart reflects the total amount of funding set-aside for each program activity in the HUD-approved One Year Action Plan in relation to cumulative HOME awards, funds committed to households, and expenditures (by program activity). This information is provided for each year from 2006 through 2008.

\* "Awards" includes any subsequent amendments to increase project funds.

\*\* 2006 OCC Funding Plan includes CHDO set-aside funds from 2005 and 2006 as approved by HUD.

# HOME Summary Report for January 1, 2011 - December 31, 2011

Activity_Type	<u>Funded/Awarded for 2011</u>		<u>Draws for 2011</u>		<u>Setups for 2011</u>	
	RSP	Contracts	RSP	Contracts	RSP	Contracts
CFD	\$120,500.00	\$0.00	\$70,659.38	\$180,835.89	1	0
CHDO Operating	\$0.00	\$50,000.00	\$0.00	\$244,295.81	0	0
Development Single Family New Co	\$0.00	\$681,600.00	\$0.00	\$338,838.08	0	10
HBA	\$0.00	\$0.00	\$0.00	\$1,002,126.06	0	77
HBA/Rehab	\$907,608.72	\$953,731.00	\$747,211.32	\$252,393.09	55	33
HRA	\$1,465,003.00	\$19,748,320.00	\$57,422.66	\$14,209,004.60	20	153
MFD/New Construction	\$0.00	\$12,390,000.00	\$0.00	\$20,309,326.20	0	8
MFD/Rehab	\$0.00	\$5,689,578.00	\$0.00	\$6,515,720.94	0	7
TBRA	\$2,642,374.54	\$886,101.00	\$1,023,266.07	\$1,990,676.25	273	165
<b>Totals:</b>	\$5,135,486.26	\$40,399,330.00	\$1,898,559.43	\$45,043,216.92	349	453

**CFD - Contract For Deed**

**CHDO - Community Housing Development Organization**

**HRA - Homeowner Rehabilitation Assistance**

**HBA - Homebuyer Assistance**

**HBA\Rehab - Homebuyer Assistance With Rehabilitation Assistance**

**MFD - Multifamily Housing Development Program**

**RSP - Reservation System Participant**

**TBRA - Tenant Based Rental Assistance**

R4

**BOARD REPORT ITEM**  
**NEIGHBORHOOD STABILIZATION PROGRAM**  
**March 6, 2012**

Status Report on the NSP Timeline for Response to the January 2012 Internal Audit Report.

At the February 16, 2012, meeting of the TDHCA Governing Board Audit Committee, a request was made for management to provide deadline dates for completion of the audit recommendations contained in the January, 2012 Internal Audit Committee report on the Neighborhood Stabilization Program. This summary provides deadline dates, responsible parties, and further detail regarding proposed actions for implementation of corrective actions.

<b>January 2012 Report Chapter</b>	<b>Action to Be Taken Based on Management Response</b>	<b>Completion Date/ Responsible Party</b>
1	Management will proceed with the remaining corrective action measures from the April 2011 Audit Report. (Chapter Numbers below are from the April 2011 Report)	See Below
	1B: Key program elements should be monitored. In process of implementation.	April 30, 2012 / Marni Holloway
	2A: Reconciliation of HUD's reporting system (DRGR) with the Housing Contract System. Reconciliation is nearly finalized.	March 31, 2012 / Marni Holloway
	2B: Management response was submitted; Internal Audit found the finding only partially cleared. Further revision to the SOP for draws and setups will be made to address auditor's follow up review comments to enable this finding to be fully cleared.	March 31, 2012 / Marni Holloway
	2D: Supporting documentation available to support HUD obligation requirements. Continues to be in process of implementation and staff is awaiting review results from HUD-OIG.	March 31, 2012 / Marni Holloway
	3D: Management response was submitted; Internal Audit found the finding only partially cleared. The demolition setup checklist will be revised and/or a new demolition draw checklist will be created to enable this finding to be fully cleared.	March 31, 2012 / Marni Holloway

	4C: NSP Loan files provided to Legal should be complete and accurate. NSP has been consistently improving in this area. Additionally, the reorganization of the department includes improvements and changes in the single family loan closing process including file preparation and transfer between program areas and the Legal Division.	Continuing / Marni Holloway and Single Family Coordinator, Homero Cabello
2A	NSP Staff will add copies of recorded Warranty Deeds to MITAS tracking and amend the Loan Processing SOP to include periodic review of MITAS records to determine documents that are missing in order to follow up with Title companies. NSP will request that Legal Services add the requirement to provide a copy of the recorded Warranty Deed in their closing instruction letters to Title Companies.	April 30, 2012/ Marni Holloway/Legal Services
2B	The NSP Loan Processing SOP will be amended to include periodic review of MITAS document tracking to determine if any Title Policies are missing, in order to follow up with Title Companies.	April 30, 2012 /Marni Holloway
2C	The NSP Contract Amendment SOP will be amended to include examination of loans for required modifications to the NSP agreement between the Department and the subrecipient as part of the procedures to be followed on receipt of a fully-executed Amendment.	April 30, 2012 /Marni Holloway
3A	The 1 <sup>st</sup> Quarter QPR (Quarterly Performance Report) will be timely submitted on or before the April 30, 2012 due date, provided previous reports have been approved by HUD in time, which is a pre-requisite of a subsequent submission.	April 30, 2012/ Marni Holloway
3B	The TDHCA Compliance and Monitoring Division will include verification of PY 2011 Section 3 reports in accordance with their established protocol.	Continuing/ Patricia Murphy

R5

**BOARD REPORT ITEM**  
**EXTERNAL AFFAIRS DIVISION**  
**March 6, 2012**

TDHCA Outreach Activities, February 2012

**BACKGROUND**

This report provides a compilation of activities during the past month 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.

<b>Event</b>	<b>Location</b>	<b>Date</b>	<b>Division</b>	<b>Purpose</b>
Housing & Health Services Coordination Council (HHSCC)/ Service Issues Committee	Austin	February 1	Housing Resource Center	Participant
First Thursday Income Eligibility Training	Austin	February 2	Compliance & Asset Oversight	Training
Tx Association of Community Action Agencies/Board Meeting	San Antonio	February 3	Executive, Community Affairs	Participant
HHSCC/Housing Committee	Austin	February 8	Housing Resource Center	Participant
V.G. Young Institute/County Judge, County Commissioners Conference	College Station	February 8	Public Affairs	Presentation
CMS Real Choice - 811 Team Meeting	Austin	February 9	Housing Resource Center	Participant
Southeast TX Housing Finance Corp/HOME HBA Technical Assistance Visit	Houston	February 9	HOME	Technical Assistance
HOME HBA/HRA/TBRA Application Workshop	Houston	February 9	HOME	Training
Highlands Residential Mortgage/Lender Training	Dallas	February 9	Homeownership	Training
Adults Youth United Development Association/HOME HRA, Contract for Deed Technical Assistance Visit	San Elizario	February 14	HOME	Technical Assistance
HOME HBA/HRA/TBRA Application Workshop	El Paso	February 14	HOME	Training
HOME HRA Implementation Training	El Paso	February 15	HOME	Training
HHSCC/Service Committee	Austin	February 15	Housing Resource Center	Participant
Texas Supportive Housing Coalition	Austin	February 15	Housing Resource Center, Multifamily Finance	Participant
Tx Apartment Association/Uniform Physical Condition Standards Training	Houston	February 21	Compliance	Training
HHSCC/Housing Committee	Austin	February 22	Housing Resource Center	Participant
Disability Advisory Workgroup	Austin	February 23	Housing Resource Center	Participant
Rural Housing Workgroup	Austin	February 24	Housing Resource Center	Participant
HHSCC/Service Committee	Austin	February 29	Housing Resource Center	Participant

## Internet Postings of Note, February 2012

*A list of new or noteworthy documents posted to the Department's Web site*

**2012 PY Community Service Block Grant Program Allocations** — listing total program year funding allocations to each of 44 subrecipient agencies and percentage change from 2011:

[www.tdhca.state.tx.us/community-services/csbg/index.htm](http://www.tdhca.state.tx.us/community-services/csbg/index.htm)

**Housing Tax Credit Program - 2012 Competitive Application Cycle Frequently Asked Questions** — providing answers to some of the most frequently asked questions regarding the 2012 credit allocation cycle:

[www.tdhca.state.tx.us/multifamily/htc/index.htm](http://www.tdhca.state.tx.us/multifamily/htc/index.htm)

**HOME Multifamily Application Log – As of 2/1/12** — detailing status of applications seeking HOME funds for the development of affordable rental housing as of 2/1/12:

[www.tdhca.state.tx.us/home-division/mf-rental.htm](http://www.tdhca.state.tx.us/home-division/mf-rental.htm)

**HOME Single Family Development Application and Award Log – As of 2/1/12** — detailing status of applications seeking HOME funds for single-family activities as of 2/1/12:

[www.tdhca.state.tx.us/home-division/sfd.htm](http://www.tdhca.state.tx.us/home-division/sfd.htm)

**Purchasing - Current Contracts over \$100,000** — updating list of contracts for services and professionals for amounts over \$100,000:

[www.tdhca.state.tx.us/purchasing/vendors.htm](http://www.tdhca.state.tx.us/purchasing/vendors.htm)

**2011-2012 HHSCC Committee Meeting Dates and Materials** — featuring transcripts and audio files of recent conference calls for Housing & Health Services Coordination Council and committee meetings:

[www.tdhca.state.tx.us/hhsc/committees.htm](http://www.tdhca.state.tx.us/hhsc/committees.htm)

**HTC Applicable Percentages and Calculation of Underwriting Rates** — providing percentage used to determine the allocation amount of the Housing Tax Credit:

[www.tdhca.state.tx.us/rea/index.htm#tools](http://www.tdhca.state.tx.us/rea/index.htm#tools)

**2011 HOME Single Family Activities Application** — under which applicants may apply for a contract award, a reservation system participant agreement, or both:

[www.tdhca.state.tx.us/home-division/applications.htm](http://www.tdhca.state.tx.us/home-division/applications.htm)

**2012 HOME HBA for Lenders – Income Limits** — listing information regarding income eligibility requirements for households in Bastrop, Blanco, Burnet, Caldwell, Hays, Travis, and Williamson counties:

[www.tdhca.state.tx.us/home-division/direct-assistance.htm](http://www.tdhca.state.tx.us/home-division/direct-assistance.htm)

**2012 Statewide and Regional Expense Databases** — detailing operating expenses at the state and regional level as a point of reference for developers of affordable rental housing through the use of housing tax credits:

[www.tdhca.state.tx.us/rea/index.htm#tools](http://www.tdhca.state.tx.us/rea/index.htm#tools)

**Fair Housing, AI 2010 Phase 2** — which includes updated text relative to affirmatively furthering fair housing and AI Phase 2:

[www.tdhca.state.tx.us/program-services/fair-housing/analysis-impediments.htm](http://www.tdhca.state.tx.us/program-services/fair-housing/analysis-impediments.htm)

**TDHCA Overview and Instructions – HUD Section 3** — explaining how funding subgrantees must adhere to Section 3 requirements, increasing economic opportunities for area low income individuals:

[www.tdhca.state.tx.us/program-services/hud-section-3/components.htm](http://www.tdhca.state.tx.us/program-services/hud-section-3/components.htm)

**Clarifications to Davis-Bacon Reference Sheets and Preconstruction Guide** — ensuring compliance on the part of subrecipient contractors regarding federal labor standards:

[www.tdhca.state.tx.us/program-services/davis-bacon/hud.htm](http://www.tdhca.state.tx.us/program-services/davis-bacon/hud.htm)



**2012 Multifamily Programs Procedures Manual – Revised** — *setting forth the basic information needed for participation in the Housing Tax Credit, Multifamily Mortgage Revenue Bond, and HOME Multifamily Rental Housing Development programs:*  
[www.tdhca.state.tx.us/multifamily/applications.htm](http://www.tdhca.state.tx.us/multifamily/applications.htm)

**Housing Tax Credit Program Overview** — *providing a basic explanation of how the program works, how the 9% and 4% programs differ, how citizens may participate in the process, and a brief detail of the economic impact of a rental property financed through tax credits:*  
[www.tdhca.state.tx.us/multifamily/index.htm](http://www.tdhca.state.tx.us/multifamily/index.htm)

**2012 Competitive HTC Pre-Application Submission Log** — *detailing applicants submitting a pre-application in the 2012 Housing Tax Credit allocation cycle:*  
[www.tdhca.state.tx.us/multifamily/htc/index.htm](http://www.tdhca.state.tx.us/multifamily/htc/index.htm)

**2012 Emergency Solutions Grant NOFA Package** — *including basic application information, workshop date and submission deadline, and anticipated funding amounts:*  
[www.tdhca.state.tx.us/community-services/esgp/nofas.htm](http://www.tdhca.state.tx.us/community-services/esgp/nofas.htm)

**Housing Tax Credit Program - Download Software for Electronic Application File Transfer** — *allowing for the electronic file transfers of application materials required for financing multifamily housing:*  
[www.tdhca.state.tx.us/multifamily/applications.htm](http://www.tdhca.state.tx.us/multifamily/applications.htm)

**Real Estate Analysis - List of Approved Market Analysts** — *detailing the names and contact information of third-party entities approved by TDHCA to perform market studies required for financing through housing tax credits:*  
[www.tdhca.state.tx.us/rea/index.htm#mktanalysis](http://www.tdhca.state.tx.us/rea/index.htm#mktanalysis)