

**BOARD MEETING OF MARCH 13, 2008**  
**C. Kent Conine, Chair**



Leslie Bingham Escareño, Member  
Tomas Cardenas, Member  
Sonny Flores, Member  
Juan Muñoz, Member  
Gloria Ray, Member

***MISSION***

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

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

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

**BOARD MEETING  
March 13, 2008**

**ROLL CALL**

	Present	Absent
Bingham Escareño, Leslie, Member	_____	_____
Cardenas, Tomas, Member	_____	_____
Conine, C. Kent, Chair	_____	_____
Muñoz, Juan, Member	_____	_____
Ray, Gloria, Member	_____	_____
Flores, Sonny, Member	_____	_____
Number Present	_____	
Number Absent		_____

\_\_\_\_\_, Presiding Officer

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

**March 13, 2008  
9:30 am  
Capitol Extension, E1.028  
1500 N. Congress**

**A G E N D A**

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

**Kent Conine**  
Chair of Board

**PUBLIC COMMENT**

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

The Board of the Texas Department of Housing and Community Affairs will meet to consider and possibly act on the following:

**CONSENT AGENDA**

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

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

***General Administration:***

- a) Minutes of the Board Meeting of December 15, 2007
- b) Minutes of the Board Meeting of January 31, 2008

***Legal Services:***

- c) Presentation, Discussion and Possible Approval of interest rate to be used in agreements entered into by the Department pursuant to H.B. 1196
- d) Resolution of the Board of Directors rescinding Resolution No. 06-036, designating signature authority, and adoption of new Resolution No. 08-012 due to reorganization and new signature authorities designated
- e) Adoption of Resolution of the Board of Directors No. 08-011 regarding policy related to 10 Texas Administrative Code §1.10 on public comment time limits

**ACTION ITEMS**

**Item 2: Election of Board Officers and Appointment of Board Committees**

**Item 3: Presentation, Discussion and Possible Approval of Community Affairs Division Items:**

- a) Presentation, Discussion and Possible Approval of the 2008 Department of Energy (DOE) Weatherization Assistance Program Annual Plan
- b) Presentation, Discussion and Possible Approval of the Department of Energy (DOE) and Low Income Home Energy Assistance Program (LIHEAP) Weatherization Program Contracts
- c) Presentation, Discussion and Possible Approval of staff recommendations (based on a Request for Application process) to designate Community Services Block Grant eligible entities to serve Duval, Jim Hogg, McMullen, Starr, and Zapata counties to administer the Community Services Block Grant, the Comprehensive Energy Assistance Program, and the Weatherization Assistance Program

**Item 4: Presentation, Discussion and Possible Approval of Housing Resource Center Items:**

- a) Presentation, Discussion and Possible Approval of a Request for Proposals for a Market Study Surveying the Need for Affordable Multifamily Housing in the McAllen-Edinburg-Pharr and Brownsville-Harlingen Metropolitan Statistical Areas
- b) Presentation, Discussion and Possible Approval of the Final 2008 State of Texas Low Income Housing Plan and Annual Report

**Item 5: Presentation, Discussion and Possible Approval to Publish Draft Department Rules in the *Texas Register***

- a) Presentation, Discussion and Possible Approval to publish the draft of proposed new 10 TAC §8.1, Project Access Program Rules, for comment in the *Texas Register*

**Item 6: Presentation, Discussion and Approval of HOME Division Items:**

- a) Presentation, Discussion and Possible Approval of HOME Program Award Recommendation for Disaster Relief for Crystal City in the amount \$500,000
- b) Presentation, Discussion and Possible Approval of the Amended Housing Trust Fund Rental Production Program Notice of Funding Availability (NOFA)
- c) Presentation, Discussion and Possible Approval of 2007 Housing Trust Fund Texas Veterans Housing Support Program Award Recommendations:

2007-43      U.S. Veterans Initiative (Houston, TX)      VRA

**Item 7: Presentation, Discussion and Approval of Texas Homeownership Division Items:**

- a) Presentation, Discussion and Possible Approval of the 2008 Texas Statewide Homebuyer Education Program (TSHEP) contract award

**Item 8: Presentation, Discussion and Approval of Bond Division Items:**

- a) Presentation, discussion and approval of Resolution No. 08-015 authorizing the change in liquidity facility for impending expiration of liquidity support for four outstanding variable rate demand obligations and a liquidity facility for a contemplated new issuance of variable rate single family revenue bonds
- b) Presentation, Discussion and Approval of Resolution No. 08-013 authorizing application to the Texas Bond Review Board for reservation of 2008 single family private activity bond authority and presentation, discussion and approval of a Mortgage Credit Certificate Program (MCC) for first time homebuyers (Program 72) to be administered by the Texas Department of Housing and Community Affairs

**Item 9: Presentation, Discussion and Possible Approval of Disaster Recovery Division Items:**

- a) Presentation and Discussion of the Community Development Block Grant (CDBG) Disaster Recovery Status Report for CDBG Round 1 Funding relating to Housing
- b) Presentation and Discussion of the Community Development Block Grant (CDBG) Disaster Recovery Status Report for CDBG Round 2 Disaster and Federal Emergency Management Agency (FEMA) Affordable Housing Pilot Program (AHPP) Program
- c) Presentation, Discussion and Possible Approval of certain policies related to Round 2 CDBG Disaster funding for the Homeowner Assistance Program and Sabine Pass Restoration Program

- d) Presentation, Discussion and Possible Approval of amendments relating to the ORCA Memorandums Of Understanding for CDBG Disaster Funds Round 1 and Round 2
- e) Presentation, Discussion and Possible Approval of Requests for Amendments to CDBG contracts administered by TDHCA for CDBG Round 1 Funding

C060001 Houston-Galveston Area Council

**Item 10: Presentation, Discussion and Possible Approval of Multifamily Division Items:**

- a) Presentation, Discussion and Possible Action on HTC Amendments
  - 05613 Providence at Mockingbird
  - 07091 City Walk at Akard
  - 07164 Covington Townhomes
  - 07249 Bluffs Landing Senior Village
- b) Presentation, Discussion and Possible Action for 2008 Competitive Housing Tax Credit Appeals:
  - Appeals Timely Filed
- c) Presentation, Discussion and Possible Action on Amendments to the Bond Documents for Tower Ridge Apartments, #04602

**Item 11: Presentation, Discussion and Possible Approval of Multifamily Division Items – Specifically Multifamily Private Activity Bond Program Items:**

- a) Presentation, Discussion and Possible Issuance of Determination Notices for Housing Tax Credits Associated with Mortgage Revenue Bond Transactions with Other Issuers:
  - 08408 Park Shadow Apartments, Beaumont  
Jefferson County HFC is the Issuer  
Recommended Credit Amount of \$504,949
  - 08409 Seville Row Apartments, Beaumont  
Jefferson County HFC is the Issuer  
Recommended Credit Amount of \$300,616
- b) Presentation, Discussion, and Possible Action for the Inducement Resolution Declaring Intent to Issue Multifamily Housing Mortgage Revenue Bonds for Developments Throughout the State of Texas and Authorizing the Filing of Related Applications for the Allocation of Private Activity Bonds with the Texas Bond Review Board for Program Year 2008, Resolution No. 08-017
  - 08602 Costa Ibiza Houston

**EXECUTIVE SESSION**

**Kent Conine, Chairman**

- a) The Board may go into Executive Session (close its meeting to the public) on any agenda item if appropriate and authorized by the Open Meetings Act, Texas Government Code, Chapter 551
- b) The Board may go into Executive Session Pursuant to Texas Government Code §551.074 for the purposes of discussing personnel matters including to deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee
- c) Consultation with Attorney Pursuant to §551.071(a), Texas Government Code:
  1. With Respect to pending litigation styled *Brandal v. TDHCA* Filed in State Court in Potter County
  2. With Respect to pending litigation styled *Rick Sims v. Texas Department of Housing and Community Affairs* filed in federal district court (new filing of previously dismissed suit)

3. With Respect to Any Other Pending Litigation Filed Since the Last Board Meeting

**OPEN SESSION**

**Kent Conine, Chairman**

Action in Open Session on Items Discussed in Executive Session

**REPORT ITEMS**

1. Executive Director's Report
2. TDHCA Outreach Activities, January 2008
3. Quarterly HTC Ownership Transfers
4. Quarterly HTC Amendments
5. Report on changes related to CDBG Program and ORCA

**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, 512-475-3934 at least three days before the meeting so that appropriate arrangements can be made.*

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

**EXECUTIVE OFFICE – BOARD**

**BOARD ACTION REQUEST**

**March 13, 2008**

**Action Item**

Minutes of the Board Meeting of December 20, 2007.

**Required Action**

Review minutes of the December 20, 2007 Board Meeting and make any necessary corrections.

**Background**

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

**Recommendation**

Staff recommends approval of minutes with any requested corrections.



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

**December 20, 2007**

**9:30 am**

**Capitol Extension, E1.028;1500 N. Congress**

**SUMMARY OF MINUTES**

**CALL TO ORDER, ROLL CALL**

**CERTIFICATION OF QUORUM**

The Board Meeting of the Texas Department of Housing and Community Affairs of December 20, 2007 was called to order by Chair, Elizabeth Anderson at 9:35 a.m. It was held at the Capitol Extension, E1.028, 1500 N. Congress, Austin, Texas. Roll call certified a quorum was present.

**Members Present:**

Elizabeth Anderson – Chair  
C. Kent Conine – Vice-Chair  
Shadrick Bogany – Member  
Gloria Ray – Member  
The Honorable Norberto Salinas – Member  
Sonny Flores – Member

**PUBLIC COMMENT**

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

Mike Clark, President of the Texas Affiliation of Affordable Housing Providers, provided testimony regarding the crisis on pricing.

Jenny Ainsworth, provided testimony concerning the proposed HOME rule.

Robin Sisco, Langford Community Management Services, provided testimony concerning the proposed HOME rule.

John Henneberger, co-director of the Texas Low Income Housing Information Service, provided testimony regarding a pilot program to come up with a better design for modular housing product.

Dan Markson, provided testimony.

Jason Marshall, representing Southwest Housing Development Company, provided testimony concerning Rosemont at Hidden Creek.

The Chair reported for the record, the receipt of the following Elected Official letters: The Honorable Senator Mike Jackson, concerning the 2008 HOME Program rule changes; The Honorable Mayor Stenzel, concerning the 2008 HOME Program rule changes; The Honorable Representative Yvonne Toureilles, concerning the 2008 HOME Program rule changes; The Honorable Senator Craig Estes, concerning the 2008 HOME Program rule changes; and, The Honorable Mayor of Bowie, Texas

The Board of the Texas Department of Housing and Community Affairs will meet to consider and possibly act on the following:

**CONSENT AGENDA**

Items on the Consent Agenda may be removed at the request of any Board member and considered at another appropriate time on this agenda. Placement on the Consent Agenda does not limit the possibility of any presentation, discussion or approval at this meeting. Under no circumstances does

the consent agenda alter any requirements provided under Texas Government Code Chapter 551, the Texas Open Meetings Act.

**AGENDA ITEM 1:**

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

**General Administration:**

- a) Minutes of the Board Meeting of October 11, 2007
- b) Minutes of the Board Meeting of November 8, 2007

**Multifamily Finance:**

- c) Housing Tax Credit Interagency Contract with Office of Rural Community Affairs
- d) Presentation, Discussion and Possible Action for the Inducement Resolution Declaring Intent to Issue Multifamily Housing Mortgage Revenue Bonds for Developments Throughout the State of Texas and Authorizing the Filing of Related Applications for the Allocation of Private Activity Bonds with the Texas Bond Review Board for Program Year 2008 and Applications for Carryforward of Private Activity Bonds for the 2007 Program Year, Resolution No. 08-005
  - 08605 Carrington Place Dallas
  - 08606 Ennis Family and Senior Estates Ennis
  - 08608 Broadway Place Apartments San Antonio

**HOME**

- e) Presentation, Discussion and Possible Approval of HOME Homebuyer Assistance Program NOFA
- f) Presentation, Discussion and Possible Approval HOME Tenant-Based Rental Assistance Program NOFA
- g) Presentation, Discussion and Possible Approval of Revisions to HOME Rental Housing Development and Community Housing Development Organization (CHDO) NOFA's to be updated with adopted HOME Program Rule changes
- h) Presentation, Discussion and Possible Approval of Revisions to Housing Trust Fund Rental Production Program NOFA to be updated with adopted Housing Trust Fund Program Rule changes
- i) Presentation, Discussion and Possible Approval of the selection of an outside management firm to oversee the production of approximately three housing units in response to the Housing Trust Fund Texas Grow Home Demonstration Program Request for Proposals (RFP) issued October 15, 2007

**Housing Resource Center:**

- j) Presentation, Discussion and Possible Approval of the 2008 State of Texas Consolidated Plan: One-Year Action Plan
- k) Presentation, Discussion and Possible Approval of the 2008 State of Texas Low Income Housing Plan and Annual Report (Draft for Public Comment)

**Community Affairs:**

- l) Presentation, Discussion and Possible Approval of 2008 CEAP Awards
- m) Presentation, Discussion and Possible Approval of Balance of State Homeless Continuum of Care (BoS CoC) Request for Proposals funded with General Revenue funds
- n) Presentation, Discussion and Possible Approval for Allocation of 2008 Community Services Block Grant (CSBG) funds

**Disaster Recovery:**

- o) Presentation, Discussion and Possible Approval of Requests for Amendments to CDBG Disaster Recovery contracts administered by the Office of Rural Community Affairs (ORCA) for CDBG Round 1 Funding
  - 060088 Trinity County
  - 060089 Tyler County
  - 060065 Orange County
  - 060085 City of Surfside Beach

060058	City of Nederland
060003	Angelina County
060007	The City of Broaddus
060095	City of Zavalla
060035	City of Hudson
060080	Shelby County
060082	City of Silsbee
060046	City of Kirbyville
060060	City of Newton
060073	City of Port Neches
060010	City of Center
060009	City of Carthage
060033	City of Henderson
060084	City of Splendora
060021	City of Dayton
060066	City of Panorama Village
060018	City of Cove
060093	City of Willis
060011	Chambers County
060014	City of Cleveland
060029	City of Groves

Motion by Mr. Conine to approve Consent Agenda as amended; seconded by Mr. Bogany; passed unanimously.

## **ACTION ITEMS**

### **AGENDA ITEM 2:**

#### **Presentation and Discussion of Internal Audit Division Items:**

- a) **Presentation, Discussion and Possible Approval of proposed FY 2008 Internal Audit Plan**  
Motion by Mr. Bogany to approve; seconded by Ms. Ray; passed unanimously.
- b) **Presentation, Discussion and Possible Approval of proposed Fraud Hotline**  
Motion by Mr. Bogany to approve; seconded by Ms. Ray; passed unanimously.
- c) **Presentation and Discussion of Internal Audit Report on the 9% Competitive Housing Tax Credit Program – Pre-Application and Notification Processes**  
Report item only.
- d) **Presentation and Discussion of Internal Audit Report on the 9% Competitive Housing Tax Credit Program – Application and Award Processes**  
Report item only.
- e) **Presentation and discussion of the status of prior audit findings**  
Report item only.

### **AGENDA ITEM 3:**

#### **Presentation, Discussion and Possible Approval to Publish Final Department Rules in the *Texas Register***

- a) **Presentation, Discussion and Possible Approval for publication in the *Texas Register* a final order adopting repeal of 10 TAC Chapter 53, HOME Investment Partnership Program, and final order adopting new 10 TAC Chapter 53, HOME Tres Davis, Grant Works and the HOME Task Force.**  
provided testimony.  
Motion by Mr. Bogany to approve with amendments; seconded by Mr. Conine; passed unanimously.

- b) **Presentation, Discussion and Possible Approval for publication in the *Texas Register* of a final order adopting new 10 TAC Chapter 60, Subchapter B, Accessibility Requirements**

Sarah Mills, Advocacy, Inc., provided testimony on behalf of Advocacy, Inc., United Cerebral Palsy of Texas, and the Texas Council for Developmental Disabilities. Motion by Mr. Conine to approve with amendments; seconded by Ms Ray; passed unanimously.

**AGENDA ITEM 4:**

**Presentation, Discussion and Approval of HOME Division Items:**

- a) **Presentation, Discussion and Possible Approval of Requests for Amendments to HOME Investment Partnerships Program Contracts:**

**1000253 City of Lewisville Lewisville, Texas**

Jamey Kirby, grants coordinator for the City of Lewisville, provided testimony.

Motion by Mr. Conine to grant extension to April 30, 2008; seconded by Mr. Bogany; passed unanimously.

**1000192 Midland Community Dev. Corp. Midland, Texas**

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

**1000189 Edinburg Housing Opportunity Corp. Edinburg, Texas**

Motion by Mayor Salinas to approve staff recommendation; seconded by Mr. Bogany; passed unanimously.

- b) **Presentation, Discussion and Possible Approval of modification to the form of the loan providing assistance for the HOME Homebuyer Assistance (HBA) Program Directed to Assist Persons with Disabilities**

Motion by Mr. Bogany to approve; seconded by Ms. Ray; passed unanimously.

The Board took a short recess.

In recognition and gratitude for six years of service as a member of the TDHCA Governing Board and for his commitment and tireless efforts on behalf of low income Texans, the Board presented Mr. Shad Bogany a proclamation from Governor Perry, a certificate of recognition and appreciation, as well as a Texas State Flag.

Joy Horak-Brown thanked Mr. Bogany for his continued work on behalf of the City of Houston.

**AGENDA ITEM 5:**

**Presentation, Discussion and Possible Approval of Disaster Recovery Division Items:**

- a) **Presentation and Discussion of the Community Development Block Grant (CDBG) Disaster Recovery Status Report for CDBG Round 1 Funding relating to housing**  
Chuck Wemple, Houston-Galveston Area Council, provided a report.

**EXECUTIVE SESSION**

At 12:00 p.m. Ms. Anderson convened the Executive Session.

- a) The Board may go into Executive Session (close its meeting to the public) on any agenda item if appropriate and authorized by the Open Meetings Act, Texas Government Code, Chapter 551
- b) The Board may go into Executive Session Pursuant to Texas Government Code §551.074 for the purposes of discussing personnel matters including to deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee
- c) Consultation with Attorney Pursuant to §551.071(a), Texas Government Code:
  1. With Respect to pending litigation styled *Brandal v. TDHCA* Filed in State Court in Potter County

2. With regard to contract negotiations with selected vendor on HAP Disaster Recovery RFP
3. With Respect to Any Other Pending Litigation Filed Since the Last Board Meeting

## **OPEN SESSION**

Ms. Anderson reconvened Open Session at 1:22 p.m. and announced that no action had been taken during Executive Session and certified that the posted agenda was followed.

### **AGENDA ITEM 5 (CONTINUED):**

#### **Presentation, Discussion and Possible Approval of Disaster Recovery Division Items:**

- b) **Presentation and Discussion of the Community Development Block Grant (CDBG) Disaster Recovery Status Report for CDBG Round 1 Funding relating to non-housing activities and infrastructure activities for CDBG Round 2**  
Heather Lagrone, Office of Rural Community Affairs, provided report.
- c) **Presentation, Discussion and Possible Approval to request an amendment to the Partial Action Plan for Disaster Recovery (CDBG Round 2) for the Restoration of Critical Infrastructure Program from the US Department of Housing and Urban Development**  
Ken Pelt, Commissioner, Hardin County, provided testimony.  
Motion by Ms. Ray to approve amendment; seconded by Mr. Flores; passed unanimously.
- d) **Presentation, Discussion and possible Approval of an Amendment to the Amendment to the State of Texas Partial Action Plan for Disaster Recovery to Use Community Development Block Grant (CDBG) Funding (Action Plan) related to the City of Houston and Harris County Public Service and Community Development Program as approved on August 29, 2007 by the U.S. Department of Housing and Urban Development (HUD)**  
Postponed to January 31, 2008 meeting.

### **AGENDA ITEM 6:**

#### **Presentation, Discussion and Approval of Real Estate Analysis Division Items:**

- a) **Presentation Discussion and Possible Action for the 2007 Competitive Housing Tax Credits Appeals of Credit Underwriting Reports**  
**07302 Casa Alton Alton**  
Motion by Mr. Conine to grant 30-day extension; seconded by Mr. Bogany; passed unanimously.  
Motion by Mr. Conine to fund Casa Alton in the amount of \$691,232 in 2007 credits and included in the motion that any additional available funds should be used to lower the funds taken from the 2008 ceiling for Villas at Rayford; seconded by Mr. Bogany; passed unanimously.

### **AGENDA ITEM 7:**

#### **Presentation, Discussion and Possible Approval of Multifamily Division Items:**

- a) **Presentation, Discussion and Possible Action on HTC Amendments**  
**00032T Victory Apartments**  
Chetana Chaphekar, representing the owner, on behalf of the Victory Development Corporation, provided testimony.  
Barry Palmer, Coats Rose, on behalf of the Houston Housing Authority, provided testimony.  
Motion by Mr. Bogany to approve amendment; seconded by Mr. Conine; passed unanimously. Motion by Ms. Ray to waive penalties; seconded by Mr. Bogany; passed unanimously.

**04105 Preston Trace**

Motion by Mr. Bogany to grant 90 days to address deficiencies, including finding a HUB to replace terminated HUB; seconded by Mr. Conine; passed unanimously. Motion by Ms. Ray to postpone the penalty assessment until the 90-day expiration of the previous motion; seconded by Mr. Flores; passed unanimously.

**04118 Churchill at Commerce Apartment Community**

Brad Forslund, Churchill Residential, provided testimony.

Motion by Mr. Conine to approve staff recommendation with no penalty assessment; seconded by Mr. Bogany; passed unanimously.

**04191 Tropical Gardens at Boca Chica**

Bill Fisher, Odyssey Residential, provided testimony.

Motion by Mr. Flores to approve staff recommendation provided development provided a sufficient financial guarantee to be used to correct deficiencies; seconded by Mr. Conine; passed unanimously. Motion by Mr. Flores to waive penalty; seconded by Mr. Conine; passed unanimously.

**04193 Providence at Edinburg**

Bill Fisher, Odyssey Residential, provided testimony.

Estella Trevino, Edinburg Housing Authority, provided testimony.

John Shackelford, Shackelford Knuckles and Kinley, provided testimony.

Barry Palmer, Coates Rose, representing Edinburg Housing Authority, provided testimony.

Motion by Mr. Conine to approve the request of all changes with no more additional amenities, along with a sufficient financial guaranty that it will be done by the end of the year so that the 8609s can be issued; seconded by Ms. Ray; passed unanimously.

Motion by Mr. Conine to assess a one point for one year penalty to the housing authority; seconded by Ms. Ray; Mayor Salinas and Mr. Flores voted no; motion passed.

Motion by Mr. Conine to assess a one point for one year penalty to Bill Fisher, Odyssey Residential; seconded by Ms. Ray. Motion by Mr. Bogany to amend Mr. Conine's motion to assess one point for a two year period; seconded by Mayor Salinas; Mr. Conine and Ms. Ray vote no; amendment passed; motion as amended passed with Mr. Conine and Ms. Ray voting no.

**04255 Freeport Oaks**

**04260 TownePark Fredericksburg II**

Dianne Kildaz, President of Kildaz Realty Corp., provided testimony.

Les Kildaz, Kildaz Realty Corp., provided testimony.

Motion by Mr. Bogany to issue the 8609s for 04255 and 04260 and to grant 90-day period to find a replacement HUB; with a penalty to be assessed if HUB not replaced; seconded by Mr. Conine; passed unanimously.

**04427 Rosemont at Hidden Creek**

Lee Anderson, HIS, GP of Hidden Creek, provided testimony.

Motion by Mr. Conine to accept staff recommendation; seconded by Mayor Salinas; passed unanimously. Motion by Mr. Conine to waive penalties; seconded by Mr. Bogany; passed unanimously.

**05004 Samuels Place**

Prentice Gary, Carlton Residential Properties, provided testimony.

Jeff Fulencheck, Carlton Residential Properties, provided testimony.

Motion by Mr. Conine to approve staff recommendation, waiving penalty; seconded by Mr. Bogany; passed unanimously.

**05026 Mesa Vista**

Withdrawn from consideration.

**05084 Pecan Village**

Jim Fieser, GP and developer, provided testimony.

Motion by Mr. Conine to approve the request that would include a canvassing of the current residents as to whether they'd want a dishwasher or a carport, with the

understanding they're just going to get one or the other, within 90 days, waiving penalties; seconded by Mr. Bogany; passed unanimously.

**05198 Olive Grove Manor**

Administratively handled and withdrawn from consideration.

**04167 Oxford Place**

George Littlejohn, partner with Novagradic and Company, provided testimony.

Motion by Mr. Conine to approve amendment, including time to work with department staff on the credit amount in the underwriting report, waiving penalties; seconded by Mr. Bogany; passed unanimously.

**04157 Samaritan House**

Steve Dutton, Executive Director, Tarrant County Samaritan Housing, provided testimony.

Bob Deluca, Coach Realty Services, provided testimony.

Motion by Mr. Conine to grant amendment, waiving penalties; seconded by Mr. Bogany; passed unanimously.

**b) Presentation, Discussion and Possible Action for Housing Tax Credits Appeals:**

**07302 Casa Alton Alton**

Monica Poss, National Farm Workers Service Center, provided testimony.

Motion by Mr. Conine to grant appeal; seconded by Mr. Bogany; passed unanimously.

**07626 Costa Clemente Angleton**

Withdrawn from consideration.

**c) Presentation, Discussion and Possible Action on Request for Reallocation of Housing Tax Credits for Commons of Grace in Houston**

Withdrawn from agenda by applicant

**d) Presentation, Discussion and Possible Reallocation of 2007 Housing Tax Credits and Possible Allocation of 2008 Housing Tax Credits**

No action taken as all credits were used.

**AGENDA ITEM 8:**

**Presentation, Discussion and Possible Approval of Multifamily Division Items – Specifically Multifamily Private Activity Bond Program Items:**

**a) Presentation, Discussion and Possible Issuance of Determination Notices for Housing Tax Credits Associated with Mortgage Revenue Bond Transactions with Other Issuers:**

**07439 Jason Avenue Residential, Amarillo; Panhandle Regional HFC is the Issuer; Recommended Credit Amount of \$1,100,819**

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

**07454 Encinal Apartments, San Antonio; Bexar County HFC is the Issuer; Recommended Credit Amount of \$0**

Withdrawn from consideration.

**07457 Wyndham Park Apartments, Baytown; Southeast Texas HFC is the Issuer; Recommended Credit Amount of \$740,829**

Motion by Mr. Bogany to approve staff recommendation; seconded by Mr. Conine; passed unanimously.

**07458 Park Shadows Apartments, Beaumont; Jefferson County HFC is the Issuer; Recommended Credit Amount of \$0**

Motion by Mr. Bogany to waive the 60-day rule and approve staff recommendation for credits; seconded by Mr. Flores; passed unanimously.

**07459 Seville Row Apartments, Beaumont; Jefferson County HFC is the Issuer;  
Recommended Credit Amount of \$0**

Motion by Mr. Bogany to waive the 60-day rule and approve staff recommendation for credits; seconded by Mr. Flores; passed unanimously.

**REPORT ITEMS**

Executive Director's Report

1. TDHCA Outreach Activities, November 2007
2. Report on planned programming of balance of uncommitted and deobligated HOME funds
3. Status of Chaparral Townhomes

**ADJOURN**

Since there was no other business to come before the Board, the meeting was adjourned at 3:47 p.m.

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Mr. Kevin Hamby  
Board Secretary

**NOTE:**

**For a full transcript of this meeting, please see the TDHCA website at: [www.TDHCA.state.tx.us](http://www.TDHCA.state.tx.us)**



**EXECUTIVE OFFICE – BOARD**

**BOARD ACTION REQUEST**

**March 13, 2008**

**Action Item**

Minutes of the Board Meeting of January 31, 2008.

**Required Action**

Review minutes of the January 31, 2008 Board Meeting and make any necessary corrections.

**Background**

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

**Recommendation**

Staff recommends approval of minutes with any requested corrections.

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

**January 31, 2008 9:30 am  
Capitol Extension, E1.016 1500 N. Congress**

**SUMMARY OF MINUTES**

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

The Board Meeting of the Texas Department of Housing and Community Affairs of January 31, 2008 was called to order by Chair, Kent Conine at 9:43 a.m. It was held at the Capitol Extension, E1.016, 1500 N. Congress, Austin, Texas. Roll call certified a quorum was present.

**Members Present:**

C. Kent Conine – Chair  
Gloria Ray – Member  
Sonny Flores – Member  
Leslie Bingham-Escareño - Member  
Juan S. Muñoz - Member  
Tom Cardenas - Member

Presentation by Mr. Gerber of new Board members, Dr. Juan S. Muñoz, Mr. Tom Cardenas and Ms. Leslie Bingham-Escareño. Chief Justice Jefferson of the Texas Supreme Court, administered the Oath of Office to Mr. Conine as Board Chair, new Board members, as well as current members who wished to renew their Oath.

Mr. Gerber read for the record, a letter of thanks to the Board from the Honorable Mayor Salinas.

In recognition and gratitude for six years of service as a member of the TDHCA Governing Board and for her commitment and tireless efforts on behalf of low income Texans, the Board presented Ms. Elizabeth Anderson a proclamation from Governor Perry, a certificate of recognition and appreciation, a Texas State Flag flown over the Capitol and a gift from the Board.

**PUBLIC COMMENT**

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

Don Bethel, provided testimony.

Mike Clark, Alpha Barnes Real Estate Services, Dallas, Tx. and President of the Texas Association of Affordable Housing Providers, provided testimony.

Jerry Wright, managing director with Citigroup Global Markets, provided testimony.

Nicole Flores, PNC Multifamily Capital, provided testimony.

Dale Cook, Redd Capital Group, provided testimony.

The Board took a short recess.

Jean Langendorf, United Cerebral Palsy of Texas, provided testimony.

John Meinkowsky, ARCIL, Inc., provided testimony.

Bob Kafka, an organizer for Adaptive Texas, provided testimony.

Stephanie Thomas, Adaptive Texas, provided testimony.

Felix Briones, community integration specialists at Adapt, provided testimony.  
Donnie Thompson, Harlingen, Tx., provided testimony.  
Steven Carriker, Executive Director of the Texas Association of Community Development Corporations, provided testimony.  
John Henneberger, provided testimony.

The Board of the Texas Department of Housing and Community Affairs will meet to consider and possibly act on the following:

## **ACTION ITEMS**

### **AGENDA ITEM 1:**

#### **Election of Board Officers and Appointment of Board Committees**

Mr. Conine announced that the election for Vice Chairman would be held during the March meeting. Mr. Conine appointed Ms. Ray as interim Audit Committee Chair, with Mr. Flores and Ms. Bingham-Escareño as members.

### **AGENDA ITEM 2:**

#### **Presentation, Discussion and Possible Approval of Financial Services Items:**

- a) Presentation, Discussion and Acceptance of Audit Reports from Deloitte and Touche  
Julia Petty, Deloitte and Touche, provided report.
- b) Presentation and Discussion of 1st Quarter Investment Report  
David Cervantes, Director of Finance Administration, provided report.  
Bill Dally, Deputy Executive Director, Administration, provided report.

Mr. Gerber recognized Anne O. Reynolds on her retirement, with thanks and gratitude for 27 years of service as an Attorney for the Department and the State of Texas, and for her dedication and commitment on behalf of low income Texans.

## **EXECUTIVE SESSION**

At 12:30 p.m. Mr. Conine convened the Executive Session. The Board went into Executive Session (close its meeting to the public) on:

- a) any agenda item if appropriate and authorized by the Open Meetings Act, Texas Government Code, Chapter 551
- b) The Board may go into Executive Session Pursuant to Texas Government Code §551.074 for the purposes of discussing personnel matters including to deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee
- c) Consultation with Attorney Pursuant to §551.071(a), Texas Government Code:
  1. With Respect to pending litigation styled Brandal v. TDHCA Filed in State Court in Potter County
  2. With Respect to pending litigation styled Rick Sims v. Texas Department of Housing and Community Affairs filed in federal district court (new filing of previously dismissed suit)
  3. With Respect to Any Other Pending Litigation Filed Since the Last Board Meeting

## **OPEN SESSION**

Mr. Conine reconvened Open Session at 1:27 p.m. and announced that no action had been taken during Executive Session and certified that the posted agenda was followed.

### **AGENDA ITEM 3:**

#### **Presentation, Discussion and Possible Approval of Community Affairs Division Items:**

**a) Presentation, Discussion and Possible Approval of the Section 8 Streamlined 2008 Public Housing Agency (PHA) Plan**

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

**b) Presentation, Discussion and Possible Approval of the 2008 Investor Owned Utility Weatherization Contracts**

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

### **AGENDA ITEM 4:**

#### **Presentation, Discussion and Possible Approval to Publish Draft Department Rules in the *Texas Register***

**a) Presentation, Discussion and Possible approval to publish the draft of proposed new 10 TAC §8.1, Eligibility Requirements for the State of Texas Project Access Program, for comment in the *Texas Register***

Postponed until the March meeting.

### **AGENDA ITEM 5:**

#### **Presentation, Discussion and Approval of HOME Division Items:**

**a) Presentation, Discussion and Possible Approval of Housing Trust Fund Homeownership SuperNOFA**

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

**b) Presentation, Discussion and Possible Approval of four 2007 Housing Trust Fund Texas Veterans Housing Support Program Awards:**

2007-40 City of San Antonio

2007-41 HOVER, Inc.

2007-44 Catholic Charities of Dallas

2007-45 City of Dallas

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

**c) Presentation, Discussion and Possible Approval of Funding Plan for Deobligated and Uncommitted HOME Funds**

Motion by Mr. Flores to postpone until March; seconded by Dr. Muñoz; passed unanimously.

### **AGENDA ITEM 6:**

#### **Presentation, Discussion and Approval of Texas Homeownership Division Items:**

**a) Presentation, Discussion and Possible Approval to use deobligated Housing Trust Fund (HTF) funds for match to secure foreclosure mitigation assistance through the National Foreclosure Mitigation Counseling Program**

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

- b) **Presentation and Discussion of recent agreement to purchase by Bank of America of Countrywide Home Loans, Inc., the TDHCA Single Family Mortgage Revenue Bond Program Master Servicer**

Tim Almquist, Countrywide Bank, provided report.

#### **AGENDA ITEM 7:**

##### **Presentation, Discussion and Approval of Bond Division Items:**

- a) **Presentation, Discussion and Possible Approval of the Department's Investment Policy, Resolution No. 08-010**

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

- b) **Presentation, Discussion and Possible Approval of the Department's Interest Rate Swap Policy**

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

- c) **Presentation, Discussion and Possible Approval of Resolution No. 08-007 authorizing application to the Texas Bond Review Board for reservation of 2008 single family private activity bond authority and presentation, discussion and possible preliminary approval of Single Family Mortgage Revenue Bonds, 2008 Series A-C and approval of Underwriting Team for Program 71.**

Motion by Mr. Flores to approve staff recommendation; seconded by Mr. Cardenas; passed unanimously.

- d) **Presentation, Discussion and Possible Preliminary Approval for Bond Finance to change the existing Single Family Mortgage Revenue Refunding Tax-Exempt Commercial Paper Notes Program into a Drawdown Bond Program and continue to utilize the Investment Banking services of Goldman Sachs for the Drawdown Bond Program.**

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

#### **AGENDA ITEM 8:**

##### **Presentation, Discussion and Possible Approval of Disaster Recovery Division Items:**

- a) **Presentation, Discussion and Possible Approval of Requests for Amendments to CDBG contracts administered by TDHCA for CDBG Round 1 Funding C060002 Deep East Texas Council of Governments**

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

- b) **Presentation and Discussion of the Community Development Block Grant (CDBG) Disaster Recovery Status Report for CDBG Round 1 Funding relating to non-housing activities and infrastructure activities for CDBG Round 2**

Charlie Stone, Executive Director for the Office of Rural Community Affairs, provided report.

- c) **Presentation, Discussion and Possible Approval of Requests for Amendments to CDBG contracts administered by Office of Rural Community Affairs City of Lumberton**

Charlie Stone, Executive Director for the Office of Rural Community Affairs, provided report.  
Heather Lagrone, Office of Rural and Community Affairs, provided report.

Motion by Mr. Flores to approve the amendment to change amount from \$90,000 to \$75,000 with the stipulation that a report be made to the Board regarding the scheduling of these projects and their anticipated completion dates; seconded by Ms. Ray; passed unanimously.

**d) Presentation and Discussion of the Community Development Block Grant (CDBG) Disaster Recovery Status Report for CDBG Round 1 Funding relating to Housing**

Kelly Crawford, DED of Disaster Recovery, provided report.

Chuck Wemple, Houston-Galveston Area Council, provided testimony.

**e) Presentation and Discussion of the Community Development Block Grant (CDBG) Disaster Recovery Status Report for CDBG Round 2 Disaster and Federal Emergency Management Agency (FEMA) Affordable Housing Pilot Program (AHPP) Programs**

Don Atwell, project director for ACS, provided report.

**f) Presentation, Discussion and possible Approval of an Amendment to the State of Texas Partial Action Plan for Disaster Recovery to Use Community Development Block Grant (CDBG) Funding (Action Plan) related to the Texas Department of Housing & Community Affairs Partial Action Plan as approved on April 13, 2007 by the U.S. Department of Housing and Urban Development (HUD)**

Jen Joyce, program manager of Round Two of the CDBG funds and the HPP Program, provided report.

John Henneberger, Texas Low Income Housing Information Service, provided testimony.

The Honorable Dolores Bobbie Prince, Mayor of the City of Port Arthur, provided testimony.

Robert Williamson, Council member, District Six, City of Port Arthur, provided testimony.

Andy Narramore, Director of Nehemiah's Vision, provided testimony.

Stephanie Lundgreen, case manager for Catholic Charities, provided testimony.

Loye Kemp, Lutheran Social Services, construction coordinator, provided testimony.

Joe Higgs, Southeast Texas Interfaith, provided testimony.

Motion by Ms. Ray to approve staff recommendation including the change of the maximum rehabilitation amount from \$25,000 to \$40,000 and change the reconstruction amount from \$40,000 to a range between \$60,000 and \$75,000 depending on family size. In addition the amendment should reflect that ACS will give primacy for inclusion in the applicant pool to both the COG and the faith-based community applications; seconded by Mr. Flores; passed unanimously.

**g) Presentation, Discussion and Possible Approval of an Amendment to the Amendment to the State of Texas Partial Action Plan for Disaster Recovery to Use Community Development Block Grant (CDBG) Funding (Action Plan) related to the City of Houston and Harris County Public Service and Community Development Program as approved on August 29, 2007 by the U.S. Department of Housing and Urban Development (HUD)**

David Turkel, Harris County, provided testimony.

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

**AGENDA ITEM 9:**

**Presentation, Discussion and Possible Approval of Multifamily Division Items:**

**a) Presentation, Discussion, and Possible Action on HTC Amendments**

**94114 Villa of Rock Prairie; College Station**

Deborah Griffin, provided testimony.

Motion by Ms. Ray to approve staff recommendation; seconded by Mr. Conine; Mr. Flores voted no; motion passed.

**01420 Park at Pineywoods Conroe**

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

**02040 Residences on Stillhouse Road; Paris**

Rob Musmeche, representing the general partner and developer, provided testimony.

Motion by Mr. Flores to approve staff recommendation with a penalty of one point for one year, no monetary penalty; seconded by Ms. Ray; passed unanimously.

**04447 Rosemont at Bethel; San Antonio**

Motion by Ms. Ray to approve staff recommendation with a penalty of one point for one year, no monetary penalty; seconded by Mr. Flores; passed unanimously.

**05026 Mesa Vista; Donna**

Cynthia Bast of Locke, Lord & Liddell, provided testimony.

Rick Deyeo, President of RealTex Development Corporation, provided testimony.

Motion by Ms. Ray to approve staff recommendation with no penalty; seconded by Mr. Cardenas; passed unanimously.

**07177 Hamilton Senior Village; Hamilton**

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

**b) Presentation, Discussion and Possible Approval to Ratify Recommendation for Adjusted HTC Scoring and Census Tract Data**

Motion by Ms. Ray to approve staff recommendation with no penalty; seconded by Mr. Flores; passed unanimously.

**c) Presentation, Discussion and Possible Action for the Ownership Transfers of Housing Tax Credit and Bond Developments**

Motion by Ms. Ray to approve staff recommendation with no penalty; seconded by Mr. Flores; passed unanimously.

**AGENDA ITEM 10:**

**Presentation, Discussion and Possible Approval of Multifamily Division Items – Specifically Multifamily Private Activity Bond Program Items:**

**a) Presentation, Discussion, and Possible Issuance of Determination Notices for Housing Tax Credits Associated with Mortgage Revenue Bond Transactions with Other Issuers:**

**08401 Artisan at San Pedro Creek Apartments, San Antonio San Antonio HFC is the Issuer Recommended Credit Amount of \$1,149,825**

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

**07460 Woodland Park at Greenville, Greenville North Central Texas HFC is the Issuer Recommended Credit Amount of \$364,632**

Withdrawn from consideration.

**b) Presentation, Discussion, and Possible Action for the Inducement Resolution Declaring Intent to Issue Multifamily Housing Mortgage Revenue Bonds for Developments Throughout the State of Texas and Authorizing the Filing of Related Applications for the Allocation of Private Activity Bonds with the Texas Bond Review Board for Program Year 2008, Resolution No. 08-008**

**08603 West Oaks Seniors Apartments Houston**

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

Mr. Conine thanked Ms. Jackie King, with the Governor's Office and Carolyn Scott with the Lieutenant Governor office for attending.

**REPORT ITEMS****Executive Director's Report**

1. TDHCA Outreach Activities, December 2007
2. Quarterly Delinquency Report of Department's Single Family Bond Mortgages (Countrywide)
3. Status of HOME Amendments Report

**ADJOURN**

Since there was no other business to come before the Board, the meeting was adjourned at 4:10 p.m.

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Mr. Kevin Hamby  
Board Secretary

**NOTE:**

For a full transcript of this meeting, please see the TDHCA website at: [www.TDHCA.state.tx.us](http://www.TDHCA.state.tx.us)



**LEGAL SERVICES DIVISION**

**BOARD ACTION REQUEST**

**March 13, 2008**

**Action Items**

Presentation, discussion, and possible approval of interest rate to be used in agreements entered by the Department pursuant to H.B. 1196

**Required Action**

Approve or amend staff's recommendation to use an interest rate of 5% in agreements entered into by the Department pursuant to H.B. 1196

**Background**

H.B. 1196 (80<sup>th</sup> Legislature) imposes restrictions on the use of certain "Public Subsidies." Public Subsidies, as defined in H.B. 1196 include all of the Department's housing and community services programs. Specifically, the new provisions require that a business certify upon application to the Department that it does not and will not knowingly employ an undocumented worker. If a business violates the certification the business is required to repay the public subsidy, with interest, at a rate established in an agreement between the Department and the business.

Though the Bill provides no express guidance for establishing an interest rate, it is reasonable to believe that the purpose for imposing an interest rate is to reimburse the Department for the lost time value of its money while in the hands of the business. Accordingly, a current cash management rate would be appropriate. The interest rates for the last two months on Department funds on deposit in the Texas Treasury average about 5%. Therefore, for the immediate future, 5% is a reasonable rate to apply to all agreements entered pursuant to H.B. 1196. If this rate changes significantly, the Department will bring a new rate recommendation to the Board.

**Recommendation**

Approve the use of a 5% interest rate for the agreements entered pursuant to H.B. 1196

**LEGAL SERVICES DIVISION**

**BOARD ACTION REQUEST**

**March 13, 2008**

**Action Item**

Resolution of the Board of Directors rescinding Resolution No. 06-036, designating signature authority, and adoption of new Resolution No. 08-012 due to reorganization and the designation of new signature authorities.

**Required Action**

Approval of Resolution 08-012 designating signature authority for bond transactions, Real Estate Transactions and Execution of Documents.

**Background**

The provisions of Chapter 2306, Texas Government Code, as amended, authorize the Department: (a) to make and acquire and finance, and to enter into advance commitments to make and acquire and finance, mortgage loans and participating interests therein, secured by mortgages on residential housing in the State of Texas (the "State"); (b) to issue its bonds, for the purpose 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.

**Recommendation**

Approve, reject or approve with modification the Resolution presented.

**RESOLUTION NUMBER 08-012**  
**RESOLUTION OF THE BOARD OF DIRECTORS**  
**RESCINDING RESOLUTION NO. 06-036**  
**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 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 August 30, 2006, the Governing Board adopted Resolution 06-036, designating signature authority for bond and real estate transactions; and

WHEREAS, the Governing Board has now determined that Resolution 06-036, designating signature authority, should be rescinded because of the reorganization of the Department and new signature authorities designated.

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

Section 1 -- Rescission of Prior Signature Authority. The Governing Board hereby rescinds Resolution 06-036.

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 Executive Director or the Acting Executive Director, the Deputy Executive Director of Programs, the Deputy Executive Director of Agency Administration, the Director of Financial Administration, the Director of Bond Finance, the Director of Single Family Finance Production, and the Director of Multifamily Finance Production 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 Executive Director or the Acting Executive Director, the Board Secretary, the Deputy Executive Director of Programs, the Deputy Executive Director of Agency

Administration, the Director of Financial Administration, the Director of Multifamily Finance Production, the Director of the HOME Division and the Director of the Texas Homeownership Division as signatories for 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 transactions.

Section 4 -- Execution of Documents. The Governing Board hereby authorizes the Executive Director or the Acting Executive Director to execute, on behalf of the Department, any and all documents necessary to effect this Resolution.

Section 5 -- Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

Section 6 -- Notice of Meeting. That written notice of the date, hour and place of the meeting of the Board at which this Resolution was considered and of the subject of this Resolution was furnished to the Secretary of State and posted on the Internet for at least seven (7) days preceding the convening of such meeting, that during regular office hours a computer terminal located in a place convenient to the public in the office of the Secretary of State was provided such that the general public could view such posting; that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof was discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended; and that written notice of the date, hour and place of the meeting of the Board and of the subject of this Resolution was published in the *Texas Register* at least seven (7) days preceding the convening of such meeting, as required by the Administrative Procedure and Texas Register and Administrative Code Acts, Chapters 2001 and 2002, Texas Government Code, as amended.

PASSED AND APPROVED this 13<sup>th</sup> day of March, 2008.

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Chair of the Governing Board

[SEAL]

ATTEST:

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Secretary to the Board

**LEGAL SERVICES DIVISION**

**BOARD ACTION REQUEST**

**March 13, 2008**

**Action Item**

Adoption of Resolution of the Board of Directors No. 08-011 regarding policy related to 10 Texas Administrative Code §1.10 on public comment time limits

**Required Action**

Approve, deny or approve with modifications Board of Directors Resolution No. 08-011 relating to 10 Texas Administrative Code §1.10 on public comment time limits

**Background**

The members of the Governing Board of the Texas Department of Housing and Community Affairs requested that, pursuant to Texas Government Code Section 2306.032 and 10 Texas Administrative Code Section 1.10, the Board adopt a policy regarding time limits for public comment at public hearings and meetings in order to provide adequate opportunity for the public to be heard. This resolution creates reasonable time limits based on the number of people wishing to address the Board, the number of agenda items to be heard, and the time duration of the meetings, to allow a fair hearing to be given to all matters placed on the agenda.

**Recommendation**

Approve, deny, or approve with modification the Resolution presented.

**Texas Department of Housing and Community Affairs  
Board Resolution #08-011**

*Whereas*, the members of the Governing Board of the Texas Department of Housing and Community Affairs desire, that pursuant to Texas Government Code Section 2306.032 and 10 Texas Administrative Code Section 1.10, the Board adopt a policy regarding time limits for public comment at public hearings and meetings in order to provide adequate opportunity for the public to be heard; and

*Whereas*, based on the number of people wishing to address the Board, the number of agenda items to be heard, and the time duration of the meetings, time limits must be reasonably restricted to allow a fair hearing to be given to all matters placed on the agenda,

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

The policy regarding time limits for the public to address the governing board shall be:

Each person shall be allowed to address the governing board on a topic for not more than three minutes during the public comment periods scheduled on the agenda or at the agenda item. In the event that a person addressing the board is yielded additional time, regardless of the number of people yielding time, no member of the public shall address the board for a period exceeding five minutes on any one topic.

In the event that more than three speakers wish to address the Board regarding a topic on the agenda, speakers both in favor and against the item will be limited to not more than 15 minutes for each viewpoint in total, and will still be subject to the individual speaker limitations above. In the event that more speakers are present than time allotment allows, the speakers will be called in the order selected by the Chair at her/his sole discretion.

The chair may, in limited cases, allow this time to be exceeded at his/her sole discretion. In the event a Board member asks questions of the speaker, that time will not be deducted from their time allocation.

This Resolution number 08-011 shall be in full force and effect from and upon its adoption.

That written notice of the date, hour and place of the meeting of the Board at which this Resolution was considered and of the subject of this Resolution was furnished to the Secretary of State and posted on the Internet for at least seven (7) days preceding the convening of such meeting, that during regular office hours a computer terminal located in a place convenient to the public in the office of the Secretary of State was provided

such that the general public could view such posting; that such meeting was open to the public as required by law during which this Resolution and the subject matter hereof was discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended; and that written notice of the date, hour and place of the meeting of the Board and of the subject of this Resolution was published in the *Texas Register* at least seven (7) days preceding the convening of such meeting, as required by the Administrative Procedure and Texas Register and Administrative Code Acts, Chapters 2001 and 2002, Texas Government Code, as amended.

PASSED AND APPROVED this 13<sup>th</sup> day of March, 2008.

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C. Kent Conine  
Chair of the Governing Board

[SEAL]

ATTEST:

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Secretary to the Board

NO MATERIALS.



**COMMUNITY AFFAIRS DIVISION**  
**BOARD ACTION REQUEST**  
March 13, 2008

**Action Item**

Presentation, Discussion and Possible Approval of Energy Assistance Department of Energy Weatherization Assistance Program Annual Plan.

**Required Action**

Approve, deny or approve with amendments submission of the Program Year (PY) 2008 Department of Energy (DOE) State Plan.

**Background**

The Texas Department of Housing and Community Affairs (the Department) develops and submits a State Plan to DOE each year. DOE provides grant guidance in early December to provide the format and content for the state plan, which the Department followed. The Department developed the draft State Plan, with review and comment by Energy Assistance (EA) staff, the Community Affairs Division Director, the Financial Services Division, and the Executive Team in January. After internal review and approval, and budget finalization, the draft of the PY 2008 DOE State Plan was posted on the Department's Internet website February 6, 2008. The *Texas Register* announcement of the public hearing and the availability of the draft plan were published February 1, 2008. The Department conducted its public hearing for the plan on Friday February 15, 2008 at 2:00 p.m. at the Department headquarters. Comments received during the hearing are summarized below. The 30-day comment period closed on February 22<sup>nd</sup>, 2008. The plan is due to DOE offices February 1, 2008. DOE has allowed for submission of the final plan after TDHCA Board approval.

The Department contracts with 33 WAP subrecipients to administer the program in all 254 counties of the state. Subrecipients utilize the DOE funding to provide cost effective weatherization measures to improve the energy efficiency of eligible client households. Typical weatherization measures include attic and wall insulation, weather-stripping and air sealing measures, heating and cooling unit repair and/or replacement, refrigerator replacement, and minor roof repair. Potential WAP client households apply for assistance with the WAP subrecipient. The subrecipient determines if the household is income-eligible and whether they meet the priority criteria. Typically, if the applicant is determined eligible, the applicant is placed on a waiting list.

As scheduling allows, the subrecipient conducts an energy assessment on the applicant's home and results are entered into the energy audit to determine if

weatherization measures are appropriate. If the applicant is still income eligible, the subrecipient weatherizes the client's home. The weatherization work typically is performed by an independent contractor procured through competition and with whom the subrecipient has contracted.

The PY 08 DOE WAP budget is **\$5,549,413**. The funding provides for state administration and state training and technical assistance. Additionally, the funds allow for subrecipients financial audits, household audits, and program administration. DOE allows a maximum of **\$2,966** per unit for weatherization services. Energy Assistance Section projects that subrecipients will weatherize **1,300** units.

### **Summary of Comments and Department Response**

The Department received three comments during the public hearing. The following summary represents the official comments. They required response from the Department. The name of the commentator and the organization that he represents appear at the end.

#### **Comment No. 1**

Public Comment received after the Policy Advisory Council meeting

*"How will the Policy Advisory Council (PAC) be made aware of any comments that are received by the state staff after the public hearing and before the close of the comment period on February 22<sup>nd</sup>, 2008?"*

#### **Department Response:**

Department staff will communicate any additional comments received before the close of the comment period via email to all members of the PAC. Additionally, if no additional comment is received, Department staff will notify the PAC members via email that no further comments were received. Should additional comment warrant PAC discussion or action, Department staff will coordinate a conference call with the PAC members to resolve the issue prior to plan submission.

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#### **Comment No. 2**

Training for Lead Safe Weatherization (LSW) and financial burden to contractors

*"The LSW training that is going to be required by the Department of Energy is going to place a burden on the subcontractors who perform a majority of the weatherization work for the subrecipient network. Will the Department provide sufficient funds to pay for the time the subcontractors will be trained on proper LSW measures?"*

#### **Department Response:**

The Department has not received the final rule (proposal) for LSW and cannot comment on what will and will not be provided for until further clarification has been received

from the Department of Energy. The Department expects the LSW policy information will be received by June 1, 2008.

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**Comment #3**

Budget

*"The Department is to be commended for the inclusion of the calendars and temperature strips for client education in the plan. I believe the temperature strips are the most effective client education that we provide. They can readily see the effects of behavioral change."*

**Department Response:**

Staff concurs and appreciates the response.

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<b>Reference #</b>	<b>Contact</b>	<b>Organization</b>
1,2 and 3	Art Kampschafer	Community Services, Inc.

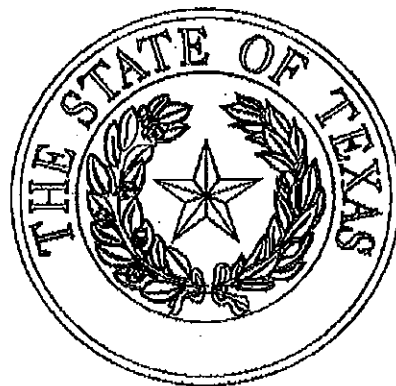
**Recommendation**

Staff recommends board approval of the PY 2008 DOE State Plan as drafted.

*(Funding allocation based on DOE's Weatherization Program Notice #08-2.)*

# **2008 DOE WAP STATE PLAN**

**TEXAS DEPARTMENT OF  
HOUSING AND COMMUNITY AFFAIRS**



**PY 2008 STATE PLAN & APPLICATION  
FOR  
WEATHERIZATION ASSISTANCE PROGRAM  
FOR LOW-INCOME PERSONS**

**April 2008**

**ANNUAL FILE**

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**ANNUAL FILE**

**Grant Application for Federal Assistance Standard Form 424**

## 1. Type of Submission:

- Preapplication  
 Application  
 Changed/Corrected Application

## 2. Type of Application:

- New  
 Continuation  
 Revision

If Revision, select appropriate letter(s)

Other (specify):

## 3. Date Received

## 4. Applicant Identifier:

R830010

## 5a. Fed Entity Identifier:

## 5b. Federal Award Identifier:

R830010

## State Use Only:

## 6. Date Received by State:

7. State Application Identifier: 20080128

## 8. APPLICANT INFORMATION:

a. Legal Name: STATE OF TEXAS

## b. Employer/Taxpayer Identification Number (EIN/TIN):

742610542

## c. Organizational DUNS:

806781902

## d. Address:

Street 1: P.O. BOX 13941

Street 2:

City: AUSTIN

County: TRAVIS

State: TX

Province:

Country: U.S.A.

Zip / Postal Code: 78711-3941

## e. Organizational Unit:

## Department Name:

TEXAS HOUSING &amp; COMMUNITY AFF.

## Division Name:

ENERGY ASST., COMM. AFF. DIV.

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

Prefix: Ms. First Name: Amy

Middle Name:

Last Name: Oehler

Suffix:

Title:

Organizational Affiliation:

Telephone Number: (512)475-3864

Fax Number: (512)475-3936

Email: amy.oehler@tdhca.state.tx.us



9. Type of Applicant

A State Government (State)

10. Name of Federal Agency:

U. S. Department of Energy

11. Catalog of Federal Domestic Assistance Number:

81.042

CFDA Title:

Weatherization Assistance For Low Income Persons

12. Funding Opportunity Number:

DE-FA26-008000008

Title:

13. Competition Identification Number:

Title:

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

Statewide

15. Descriptive Title of Applicant's Project:

16. Congressional District Of:

a. Applicant: 10

b. Program/Project:

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

17. Proposed Project:

a. Start Date: 04/01/2008

b. End Date: 03/31/2009

18. Estimated Funding (\$):

a. Federal	5,549,413.00
b. Applicant	0.00
c. State	0.00
d. Local	0.00
e. Other	0.00
f. Program Income	0.00
g. TOTAL	5,549,413.00

19. Is Application subject to Review By State Under Executive Order 12372 Process?:

- a. This application was made available to the State under the Executive Order 12372 Process for review on:
- b. Program is subject to E.O. 12372 but has not been selected by the State for review.
- c. Program is not covered by E.O. 12372

20. Is the applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation)

No

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

I AGREE

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

Authorized Representative:

Prefix: Mr. First Name: Michael  
 Middle Name:  
 Last Name: Gerber  
 Suffix:

Title: Executive Director

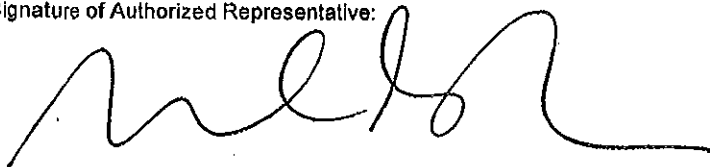
Telephone Number: (512) 475-3930

Fax Number:

Email: michael.gerber@tdhca.state.tx.us

Signature of Authorized Representative:

Date Signed:



02/01/2008

**Applicant Federal Debt Delinquency Explanation:**

The following field should contain an explanation if the Applicant is delinquent on any Federal Debt. Maximum number of characters that can be entered is 4,000. Try and avoid extra spaces and carriage returns to maximize the availability of space.

**Section 2: Budget**

Budget Information – Non Construction Programs

OMB Approval No. 0348-0044

Section A – Budget Summary		Estimated Unobligated Funds			New or Revised Budget		Total (g)
Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Federal (c)	Non-Federal (d)	Federal (e)	Non-federal (f)		
1. DOE	81.042			\$5,549,413		\$5,549,413	
2.							
3.							
4.							
5. Totals				\$5,549,413		\$5,549,413	
Section B – Budget Categories							
Grant Program, Function or Activity							
6. Object Class Categories	(1) Grantee Administration	(2) Subgrantee Administration	(3) Grantee T&TA	(4) Subgrantee T&TA	Total All Budget (5)		
a. Personnel	136,913		161,983		298,896		
b. Fringe Benefits	31,490		37,256		68,746		
c. Travel	19,705		21,962		41,667		
d. Equipment	0		0		0		
e. Supplies	17,854		24,873		42,727		
f. Contractual	0	483,069	41,500	68,154	4,940,339		
g. Construction	0		0		0		
h. Other	862		1,946		2,808		
i. Total Direct Charges (sum of 6a-6h)	206,824	483,069	289,520	68,154	5,395,183		
j. Indirect Charges	70,647		83,583		154,230		
k. Totals (sum of 6i and 6j)	277,471	483,069	373,103	68,154	5,549,413		
7. Program Income							

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### Budget Information – Non Construction Programs

Section A – Budget Summary		Estimated Unobligated Funds			New or Revised Budget		Total (g)
Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Federal (c)	Non-Federal (d)	Federal (e)	Non-federal (f)		
1.							
2.							
3.							
4.							
5.	<b>Totals</b>						
<b>Section B – Budget Categories</b>							
6. Object Class Categories		(1) Program Operations	(2) Health and Safety	(3) Vehicles and Equipment	(4) Liability Insurance/POI	Total All Budget (5)	
a. Personnel						298,896	
b. Fringe Benefits						68,746	
c. Travel						41,667	
d. Equipment						0	
e. Supplies						42,727	
f. Contractual		3,805,741	422,860		91,815	4,940,339	
g. Construction						0	
h. Other						2,808	
i. Total Direct Charges (sum of 6a-6h)		3,805,741	422,860		91,815	5,395,183	
j. Indirect Charges						154,230	
k. Totals (sum of 6i and 6j)		3,805,741	422,860		91,815	5,549,413	
<b>7. Program Income</b>							

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**Budget Information – Non Construction Programs**

Section A – Budget Summary		Estimated Unobligated Funds			New or Revised Budget		Total (g)
Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Federal (c)	Non-Federal (d)	Federal (e)	Non-federal (f)		
1.							
2.							
3.							
4.							
5.	<b>Totals</b>						
<b>Section B – Budget Categories</b>							
6. Object Class Categories		Grant Program, Function or Activity					Total All Budget (5)
		(1) Leveraging (Admin. /T&TA Funds)	(2) Financial Audits	(3)	(4)		
a. Personnel							298,896
b. Fringe Benefits							68,746
c. Travel							41,667
d. Equipment							0
e. Supplies							42,727
f. Contractual		0	27,200				4,940,339
g. Construction							0
h. Other							2,808
i. Total Direct Charges (sum of 6a-6h)		0	27,200				5,395,183
j. Indirect Charges							154,230
k. Totals (sum of 6i and 6j)		0	27,200				5,549,413
<b>7. Program Income</b>							

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**BUDGET EXPLANATION FOR FORMULA GRANTS**

Provide detailed information to support each Cost Category using this form. Cost breakdown estimates may be entered on this form or attach a breakdown of costs using your own format as Attachment A.

1. **PERSONNEL** - Prime Applicant only (all other participant costs must be listed on 6. below and form DOE F 4600.4, Section B. Line 6.f. Contracts and Sub Grants.

2. Identify, by title, each position to be supported under the proposed award.

Title	Rate	Grantee Admin.	Grantee T&TA	Totals
Manager of Energy Assistance	70,221	16,853	9,831	26,684
Project Manager of Energy Assistance	59,939	10,789	14,985	25,774
Project Manager of Energy Assistance	59,694	8,954	5,969	14,924
Trainer (1)	50,490	5,049	17,672	22,721
Senior Planner	51,665	14,466	0	14,466
Planner	44,248	4,425	0	4,425
Program Officers (7)	324,360	58,385	113,526	171,911
Contract Specialist	42,424	15,697	0	15,697
Contract Specialist	45,900	2,295	0	2,295
<b>6-a TOTAL, PERSONNEL</b>		<b>136,913</b>	<b>161,983</b>	<b>298,895</b>

a. Briefly specify the duties of professionals to be compensated under this project.

Manager of Energy Assistance (EA)	<i>Overall program management and staff supervision.</i>
Project Manager of EA	<i>Program management and staff supervision of program officers and trainers.</i>
Project Manager of EA	<i>Program management and staff supervision of fiscal, contract specialists, and planners.</i>
Trainer	<i>Subrecipient training in all aspects of the WAP</i>
Senior Planner	<i>Develop State Plan/Applications and reporting.</i>
Planner	<i>Develop State Plan/Applications and reporting.</i>
Program Officers (7)	<i>Programmatic monitoring of WAP subrecipients and technical assistance.</i>
Contract Specialist	<i>Process payment requests and develop contracts.</i>
Contract Specialist	<i>Process payment requests and develop contracts.</i>

**3. FRINGE BENEFITS -**

a. Are the fringe cost rates approved by a Federal Agency? If so, identify the agency and date of latest rate agreement or audit below, and include a copy of the rate agreement.

No

b. If a above does not apply, indicate the basis for computation of rates, including the types of benefits to be provided, the rate(s) used, and the cost base for each rate. You may provide the information below or provide the calculations as an attachment.

\$68,746



<u>Benefit</u>	<u>Rate</u>	<u>Cost base</u>
Retirement	6.00%	Salary
Insurance	10.50%	Salary
OASDI	5.50%	Salary
Medicare	1.00%	Salary
<b>Total</b>	<b>23%</b>	

3. TRAVEL - Identify total Foreign and Domestic Travel as separate items.

a. Indicate the purpose(s) of proposed travel.

Foreign Travel \$-0-  
 Domestic Travel \$41,667

Monitoring

Number of trips: 35  
 Point of origin: Austin  
 Destination: All areas of the State  
 Purpose: Monitoring of WAP subrecipients and training and technical assistance as needed during visit

T&TA

Number of trips: 35  
 Point of origin: Austin  
 Destination: All areas of the State  
 Purpose: Training and technical assistance for WAP subrecipients

Grant Guidance

Number of trips: 1 staff  
 Point of origin: Austin  
 Destination: Denver, CO  
 Purpose: Grant Guidance Meeting

National Association of State Community Service Programs Conference

Number of trips: 1 staff  
 Point of origin: Austin  
 Destination: Out-of-State, Location T.B.D.  
 Purpose: Conference Training and Technical Assistance

b. Specify the basis for computation of travel expenses (e.g., current airline ticket quotes, past trips of a similar nature, federal government or organization travel policy, etc.).

Cost of transportation is based on historical data and the State of Texas contracted travel providers.

Subsistence (hotel and per diem) is based on the State of Texas travel policy which allows for up to \$121 maximum for in-state travel (hotel: \$85, meals: \$36) and \$85 to \$259 maximum for out-of-state travel.

Monitoring

Transportation @ 200 X 35 = \$7,000  
 Subsistence @ 121 X 35 X 3 days = \$12,705

T&TA

Transportation @ 200 X 35 = \$7,000  
 Subsistence @ 121 X 35 X 3 days = \$12,705

Grant Guidance

Transportation @ \$533 X 1 = \$533  
 Subsistence @ 168 X 3 days = \$504

National Association for State Community Service Programs Conference

Transportation @ \$500 X 1 = \$500  
 Subsistence @ Meals \$60 x 4 days/Hotel \$160 x 3 nights = \$720

4. EQUIPMENT - as defined in 10 CFR 600.202. Definitions can be found at [http://www.access.gpo.gov/nara/cfr/waisidx\\_00/10cfr600\\_00.html](http://www.access.gpo.gov/nara/cfr/waisidx_00/10cfr600_00.html).

N/A

- a. Provide the basis for the equipment cost estimates (e.g., vendor quotes, prior purchases of similar or like items, etc.).
- b. Briefly justify the need for items of equipment to be purchased.

5. MATERIALS AND SUPPLIES - as defined in 10 CFR 600.202. Definitions at [http://www.access.gpo.gov/nara/cfr/waisidx\\_00/10cfr600\\_00.html](http://www.access.gpo.gov/nara/cfr/waisidx_00/10cfr600_00.html).

- a. Provide the basis for the materials and supplies cost estimates (e.g., vendor quotes, prior purchases of similar or like items, etc.).

Energy Savers Calendars

8,540 @ \$3.50 = \$29,890

Vendor National Energy Assistance Director's Association (NEADA)

Temperature Strips

8,558 @ \$1.50 = \$12,837

Historical data. Vendor quotes.

- b. Briefly justify the need for items of material to be purchased.

The printed material will be used for client education purposes. The material will be available for potential clients who apply for WAP services. The Department requires WAP Assessors to provide client education to all clients who receive WAP services. The Assessors will recommend where to place the temperature strips in the client's homes.

6. CONTRACTS AND SUBGRANTS - All other participant costs including subcontractor, sub-grants, and consultants.

Provide the information below for new proposed subrecipients and subcontractors. For ongoing subcontractors and subrecipients, if this information is provided elsewhere in the application, it does not have to be restated here, but please indicate the document and page numbers where it can be found. \* For example—Competitive, Historical, Quote, Catalog

<u>Name of Proposed Subrecipient</u>	<u>Basis of Cost</u>	<u>Total Cost</u>
--------------------------------------	----------------------	-------------------

Weatherization Subrecipients

Weatherization Subrecipients are listed in Section 3 of this Plan. The Department anticipates the program subrecipients will purchase 5 vehicles during PY2008.

Subrecipient Travel Allowance Pool (Subrecipients are listed in Section 3 of this Plan.)

35 Subrecipients – The Texas Association of Community Action Agencies Conference in May 2008: Cost for each is based on the number of staff attending, their location, and estimated travel expenditures according to the allowable Texas travel rates. \$22,134

35 Subrecipients – Community Affairs Division Training Conference July 2008: Cost for each is based on the number of staff attending, their location, and estimated travel expenditures according to the allowable Texas travel rates. The Department will focus on Lead Safe Weatherization \$22,134

17 Subrecipients – Mobile Home Training: Two Cluster Workshops. Cost for each is based on the number of staff attending, their location, and estimated travel expenditures according to the allowable Texas travel rates. \$1,380

21 Subrecipients – Heating Ventilation and Air Conditioning (HVAC) System Design and Performance Verification Four Cluster Workshops. Cost for each is based on the number of staff attending, their location, and estimated travel expenditures according to the allowable Texas travel rates. \$12,506

In-state and out-of-state travel allowances for subrecipients to attend in-state and out-of-state DOE/state sponsored workshops and conferences. Without the allowance, most subrecipients would not be able to attend these trainings.

Expert Trainer Services

Cost for Mobile Home Insulation Training services for subrecipients for 2 cluster workshops. The estimated cost is \$2,250/per day x 3 days per cluster workshop x 2 workshops = \$13,500. Cost is based on historical data.

Cost for Heating Ventilation and Air Conditioning services for subrecipients for 4 cluster workshops. The estimated cost is \$1,500/per day x 3 days per cluster workshop x 4 workshops = \$18,000. Cost is based on historical data.

Cost for Lead Safe Weatherization Training services. The estimated cost is \$2,000/per day x 1 day per cluster workshop x 5 workshops = \$10,000. Cost is based on historical data.

7. OTHER DIRECT COSTS - Include all direct costs not included in above categories.

- a. Provide the basis for the cost estimates (e.g., vendor quotes, prior purchases of similar or like items, etc.).

Miscellaneous/Other Direct Costs (estimated based prior purchases and historical data): \$2,808  
These costs include off-site training facility rental, membership dues, subscriptions/publications, maintenance/repair, and delivery services.

- b. Briefly justify the need for items to be purchased.

OTHER DIRECT COSTS - Includes all direct costs and miscellaneous items not included in the other budget categories.

Off-site training facility rental

Facility space to conduct cluster workshops and other trainings or conferences in subrecipient service areas or State sponsored workshops or conferences. \$1,000

Membership Dues

Costs for membership dues for technical and professional organizations. \$750

Subscriptions/Publications

Costs of Energy Assistance Section's subscriptions to program-related professional and technical periodicals. \$238

Maintenance/Repair

Maintenance and repair costs include minor maintenance/repair of office space, such as broken door locks, overhead light fixture, minor plumbing repair, heating/air conditioning repair, cost of utilities, janitorial services, elevator service, necessary maintenance, and normal repairs and alterations necessary. \$424

Delivery

Postage and handling services, mail services, and delivery services. \$396

8. INDIRECT COSTS -

- a. Are the indirect cost rates approved by a Federal Agency? If so, identify the agency and date of latest rate agreement or audit below, and include a copy of the rate agreement.

This is based on the new approved indirect cost rate. A copy of the letter will be sent to DOE to be added to our master file. We calculated the indirect rate at 51.60% of Personnel for this plan.

\$154,230 -- Indirect costs are calculated at 51.60% of Personnel.

- b. If a above does not apply, indicate the basis for computation of rates, including the types of benefits to be provided, the rate(s) used, and the cost base for each rate. You may provide the information below or provide the calculations as an attachment.

## Section 3: Subrecipients

Organization/ Counties	Address	Type	Funding	Units	District
1. <u>ALAMO AREA COUNCIL OF GOVERNMENTS</u> Atascosa, Bandera, Bexar, Comal, Frio, Gillespie, Guadalupe, Karnes, Kendall, Kerr, Medina, Wilson	8700 Tesoro Dr., Ste 700 San Antonio, Texas 78217 (210) 362-5245 (210) 225-5937 – FAX	COG	349,999	94	11, 20, 21, 23, 25, 28
2. <u>BEE COMMUNITY ACTION AGENCY</u> Bee, Live Oak, Refugio	PO Box 1540 Beeville, Texas 78104-1540 (361) 358-5530 (361) 358-6591 – FAX	CAA	21,755	6	15, 25
3. <u>BIG BEND CAC</u> Brewster, Crane, Culberson, Hudspeth, Jeff Davis, Pecos, Presidio, Terrell	PO Box 265 Marfa, Texas 79843 (432) 729-4908 (432) 729-3435 – FAX	CAA	65,514	18	11, 23
4. <u>BRAZOS VALLEY CAA</u> Brazos, Burleson, Grimes, Leon, Madison, Montgomery, Robertson, Walker, Waller, Washington	504 East 27th Street Bryan, Texas 77803-4025 (979) 779-7443 (979) 822-7758 – FAX	CAA	171,214	46	06, 08, 10, 17, 31
5. <u>CAMERON-WILLACY COUNTIES COMMUNITY PROJECTS</u> Cameron, Willacy	3302 Boca Chica, Suite #209 Brownsville, TX 78521-5705 (956) 544-6411 (956) 544-6414 – FAX	CAA	149,155	40	15, 27
6. <u>CAPROCK CAA</u> Crosby, Dickens, Floyd, Hale, King, Motley	224 South Berkshire Crosbyton, Texas 79322 (806) 675-7307 (806) 675-2291 – FAX	CAA	52,218	14	13, 19
7. <u>COMBINED CAA, Inc.</u> Austin, Bastrop, Blanco, Caldwell, Colorado, Fayette, Fort Bend, Hays, Lee	165 W. Austin St. Giddings, Texas 78942 (979) 540-2980 (979) 542-9565 – FAX	CAA	97,062	26	09, 10, 14, 15, 21, 22, 25, 28
8. <u>CAC OF VICTORIA</u> Aransas, Brazoria, Calhoun, DeWitt, Goliad, Gonzales, Jackson, Lavaca, Matagorda, Victoria, Wharton	PO Box 3607 Victoria, Texas 77903-3607 (361) 578-2989 (361) 578-0062 – FAX	CAA	135,004	36	14, 15, 22, 25
9. <u>CA CORPORATION OF SOUTH TEXAS (plus temporary counties)</u> Brooks, Jim Wells, San Patricio (permanent assignment) and *Hidalgo, *Kenedy, *Kleberg (*temporary assignment)	204 E. 1 <sup>st</sup> Street Alice, Texas 78333-1820 (361) 664-0145 (361) 664-0120 – FAX	CAA	313,741	85	15, 25, 27
10. <u>TBD (To Be Determined) (prior CA Council of South Texas)</u> Duval, Jim Hogg, McMullen, Starr, Zapata	TBD Texas (#) # (#) # – FAX	TBD	66,788	18	25, 28
11. <u>COMMUNITY ACTION PROGRAM, INC.</u> Brown, Callahan, Comanche, Eastland, Haskell, Jones, Kent,	PO Box 144 Abilene, Texas 79604 (325) 673-5785 (325) 673-5784 – FAX	CAA	115,990	31	11, 13, 19

Organization/ Counties	Address	Type	Funding	Units	District
Knox, Shackelford, Stephens, Stonewall, Taylor, Throckmorton					
12. <u>CC REEVES COUNTY, INC.</u> Loving, Reeves, Ward, Winkler	700 Dagett St, Suite F Pecos, Texas 79772-4524 (432) 447-4913 (432) 447-4914 -- FAX	CAA	19,672	5	11, 23
13. <u>CONCHO VALLEY CAA</u> Coke, Coleman, Concho, Crockett, Irion, Kimble; McCulloch, Menard, Reagan, Runnels, Schleicher, Sterling, Sutton, Tom Green	PO Box 671 San Angelo, Texas 76902 (325) 653-2411 (325) 658-3147 -- FAX	CAA	101,666	27	11, 23
14. <u>CSA OF South Texas (DIMMIT, LaSALLE )</u> Dimmit, Edwards, Kinney, LaSalle, Real, Uvalde, Val Verde, Zavala	PO Box 488 Carrizo Springs, TX 78834- 6488 (830) 876-5219 (830) 876-5280 -- FAX	CAA	75,698	20	23, 28
15. <u>COMMUNITY SERVICES, INC.</u> Anderson, Collin, Denton, Ellis, Henderson, Hood, Hunt, Johnson, Kaufman, Navarro, Palo Pinto, Parker, Rockwall, Smith, Van Zandt	PO Box 612 Corsicana, Texas 75151- 0612 (903) 872-2401 (903) 872-0254 -- FAX	CAA	280,735	76	01, 03, 04, 05, 06, 12, 13, 17, 24, 26
16. <u>DALLAS COUNTY HHS</u> Dallas	2377 N. Stemmons Fwy, Suite 600 Dallas, Texas 75207-2710 (214) 819-1858 (214) 819-6022 -- FAX	PPNP	349,999	94	03, 05, 24, 26, 30, 32
17. <u>EOAC OF PLANNING REGION XI</u> Bosque, Falls, Freestone, Hill, Limestone, McLennan	500 Franklin Ave. Waco, Texas 76701-2111 (254) 753-0331 (254) 754-0046 -- FAX	CAA	106,917	29	06, 17, 31
18. <u>EL PASO CAP -- PROJECT BRAVO, INC.</u> El Paso	P.O. Box 3445 El Paso, Texas 79923 (915) 562-4100 (915) 562-8952 -- FAX	CAA	207,852	56	16, 23
19. <u>CITY OF FORT WORTH, Dept of Housing</u> Tarrant	1000 Throckmorton Street Fort Worth, Texas 76102 (817) 392-7540 (817) 392-7328 -- FAX	PPNP	218,112	59	06, 12, 24, 26
20. <u>GREATER EAST TEXAS COMMUNITY ACTION PROGRAM</u> Angelina, Cherokee, Gregg, Houston, Nacogdoches, Polk, Rusk, San Jacinto, Trinity, Wood	PO Drawer 631938 Nacogdoches, Texas 75963 (936) 564-2491 (936) 564-0302 -- FAX	CAA	166,460	45	01, 05, 06, 08
21. <u>HILL COUNTRY CAA</u> Bell, Burnet, Coryell, Erath, Hamilton, Lampasas, Llano, Mason, Milam, Mills, San Saba, Somervell, Williamson	PO Box 846 San Saba, Texas 76877 (325) 372-5167 (325) 372-3526 -- FAX	CAA	125,315	34	11, 17, 31

<b>Organization/ Counties</b>	<b>Address</b>	<b>Type</b>	<b>Funding</b>	<b>Units</b>	<b>District</b>
22. <u>LUBBOCK, CITY OF,</u> <u>COMMUNITY</u> <u>DEVELOPMENT</u> <u>DEPARTMENT</u> Lubbock	P.O. Box 2000 Lubbock, Texas 79457 (806) 775-2301 (806) 775-3917 – FAX	PPNP	70,390	19	19
23. <u>MAVERICK COUNTY</u> <u>HUMAN SERVICES</u> Maverick	1609 Del Rio Blvd Eagle Pass, Texas 78852 (830) 773-0045 (830) 773-2754 – FAX	PPNP	27,864	7	23
24. <u>NUECES COUNTY CAA</u> Nueces	101 South Padre Island Dr. Corpus Christi, Texas 78405 (361) 883-7201 (361) 883-9173 – FAX	CAA	88,550	24	27
25. <u>PANHANDLE COMMUNITY</u> <u>SERVICES, INC.</u> Armstrong, Briscoe, Carson, Castro, Childress, Collingsworth, Dallam, Deaf Smith, Donley, Gray, Hall, Hansford, Hartley, Hemphill, Hutchinson, Lipscomb, Moore, Ochiltree, Oldham, Parmer, Potter, Randall, Roberts, Sherman, Swisher, Wheeler	PO Box 32150 Amarillo, Texas 79120- 2150 (806) 372-2531 (806) 373-8143 – FAX	CAA	176,278	48	13, 19
26. <u>PROGRAMS FOR HUMAN</u> <u>SERVICES, Inc.</u> Chambers, Galveston, Hardin, Jefferson, Liberty, Orange	PO Box 1607 Orange, Texas 77631-1607 (409) 886-0125 toll-free: 1(866) 550-0282 (409) 886-2849 – FAX	CAA	182,429	49	02, 08, 14, 22
27. <u>ROLLING PLAINS MGMT.</u> <u>CORP.</u> Archer, Baylor, Clay, Cottle, Foard, Hardeman, Jack, Montague, Wichita, Wilbarger, Wise, Young	PO Box 490 Crowell, Texas 79227 (940) 684-1571 (940) 684-1693 – FAX	CAA	92,961	25	12, 13, 19
28. <u>SHELTERING ARMS, INC.</u> Harris	3838 Aberdeen Way Houston, Texas 77025 (713) 956-1888 (713) 956-2079 – FAX	PPNP	349,999	94	02, 07, 09, 10, 18, 22, 29
29. <u>SOUTH PLAINS CAA</u> Bailey, Cochran, Garza, Hockley, Lamb, Lynn, Terry, Yoakum	PO Box 610 Levelland, Texas 79336 (806) 894-6104 (806) 894-5349 – FAX	CAA	44,175	12	19
30. <u>TEXOMA COUNCIL of</u> <u>GOVERNMENT</u> Bowie, Camp, Cass, Cooke, Delta, Fannin, Franklin, Grayson, Hopkins, Lamar, Marion, Morris, Rains, Red River, Titus	1117 Gallagher Drive, Suite. 300 Sherman, Texas 75090 (903) 893-2161 (903) 813-3511 – FAX	COG	169,798	46	01, 04, 13, 26
31. <u>TRAVIS COUNTY HEALTH &amp;</u> <u>HUMAN SERVICES DEPT.</u>	PO Box 1748 Austin, Texas 78767	PPNP	130,814	35	10, 21, 25

Organization/ Counties	Address	Type	Funding	Units	District
Travis	(512) 854-4100 (512) 854-4123 -- FAX				
32. <u>TRI-COUNTY CAA</u> Harrison; Jasper, Newton, Panola, Sabine, San Augustine, Shelby, Tyler, Upshur	PO Drawer 1748 Center, Texas 75935 (936) 598-6315 (936) 598-7272 -- FAX	CAA	97,862	26	01, 08
33. <u>WEBB COUNTY CAA</u> Webb	1110 Washington St., Suite 203 Laredo, Texas 78040-4443 (956) 523-4182 (956) 523-5016 -- FAX	CAA	66,941	18	23, 28
34. <u>WEST TEXAS</u> <u>OPPORTUNITIES, INC.</u> Andrews, Borden, Dawson, Ector, Fisher, Gaines, Glasscock, Howard, Martin, Midland, Mitchell, Nolan, Scurry, Upton	PO Box 1308 Lamesa, Texas 79331 (806) 872-8354 (806)872-5816 -- FAX	CAA	141,758	38	11, 19
<b>TOTAL: 254 Counties</b>			4,830,685	1,300	

**Additional information regarding Section 3--Subrecipients:**

*Note:* The Department allocated funds to subrecipients by formula based upon the DOE allocation for program year 2008. The allocation formulas reflect the 2000 Census data. The Community Action Council of South Texas contract has been terminated. Community Action Corporation of South Texas will serve some of those counties under temporary assignment as noted. A Request for Applications was published and the Department is in the process of assigning a new subrecipient(s) to provide services to the temporarily assigned county areas as well as the counties listed under the "To Be Determined—TBD" county service areas. Adjustments will be made to those temporarily assigned areas and to the unassigned areas as needed. The Department will notify DOE of permanent assignments. If any carryover funds are available, they will be used to increase the number of units to be weatherized and distributed by allocation formula as detailed in 10 TAC §6.3.

The adjusted average expenditure limit per unit for program year 2008 is \$2,966.

Texas limits reweatherization to 5% of all units weatherized only with the Department's prior approval.

If the Department determines it is necessary to permanently reassign a service area to a new subrecipient, the subrecipient will be chosen in accordance with 10 CFR §440.15 and 10 TAC §6.7.

The fund allocations for individual service areas are determined by a distribution formula with five (5) factors:

- (1) Number of non-elderly poverty households per county;
- (2) Number of elderly poverty households (65+) per county;
- (3) Median income variance per county;
- (4) Inverse poverty household density ratio per county; and
- (5) Heating/Cooling Degree days per county.

For further details of the distribution of funds formula, see 10 TAC §6.3.

The Department may deobligate all or part of the funds provided under this contract, if subrecipient has not expended funds as specified in the contract of each subrecipient according to the expenditure rate and



households served during the sixth month of the program year. Subrecipient's failure to expend the funds provided under this contract in a timely manner may also result in the subrecipient's ineligibility to receive additional funding during the program year.

Note: CFR: Code of Federal Regulation; TAC: Texas Administrative Code

**Section 4: WAP Production Schedule**

	Annual Total
Weatherization Units (Total)	1,300
Reweatherization Units	

**Vehicles and Equipment \$5,000 or more Average Cost per Dwelling Unit (DOE Rules)**

- A. Total of Vehicles and Equipment Budget ..... \$0
- B. Total Units to be Weatherized, from Production Schedule above ..... 1,300
- C. Units to be Reweatherized, from Production Schedule above ..... 0
- D. Total Units to be Weatherized, plus Planned Reweatherized  
 Units from Production Schedule above (B plus C) ..... 1,300
- E. Average Vehicles and Equipment Cost per Dwelling Unit (A divided by D)..... \$0

**Average Cost per Dwelling Unit (DOE Rules)**

- F. Total of Funds for Program Operations..... \$3,805,741
- G. Total Units to be Weatherized, plus Planned Reweatherized  
 Units from Production Schedule above (total from D above) ..... 1,300
- H. Average Cost per Dwelling Unit, less Vehicles and Equipment (F divided by G)..... \$2,927
- I. Average Cost per Dwelling Unit for Vehicles and Equipment (total from E)..... \$0
- J. Total Average Cost per Dwelling Unit (H plus I) ..... \$2,927

## Section 5: Energy Savings

DOE Program	Amount	Line
Total DOE State Weatherization Allocation	\$5,549,413	(a)
Total Cost associated with Administration, T&TA, Financial and Energy Audits or 15% of allocation.	\$1,743,671	(b)
Subtract the amount entered in line (b) from line (a), for a total Federal (DOE) funds available to weatherize homes	\$3,805,741	(c)
State Average Cost per Home or National WAP Program Year Average Cost per Home (i.e., PY 2008 \$2,966)	\$2,927	(d)
Divide the amount entered on line (c) by the amount entered on line (d), for Total Estimated Homes to be Weatherized	1,300 Homes	(e)
Multiply (e) by 30.5 MBTU for Total Annual Estimated Energy Savings resulting from DOE appropriated funds	39,650 MBTU	(f)
All Funding Sources		
Total funds (e.g., DOE WAP, State, Leveraged, LIHEAP, and other non-Federal sources of funds) used by State to weatherize homes	\$5,549,413	(g)
Total Cost associated with administration of Weatherization funds or 15% of total funds available to weatherize homes.	\$1,743,671	(h)
Subtract the amount entered in line (h) from line (g), for total funds available to weatherize homes	\$3,805,741	(i)
State Average Cost per Home or National WAP Program Year Average Cost per Home (i.e., PY 2008 \$2,966)	\$2,927	(j)
Divide the amount entered on line (i) by the amount entered on line (j), for Total Estimated Homes to be Weatherized	1,300 Homes	(k)
Multiply (k) by 30.5 MBTU for Total Annual Estimated Energy Savings resulting from all funding sources	39,650 MBTU	(l)

Method used to calculate energy savings: WAP Algorithm  Other (describe below)

*The PY 2008 energy saving calculations methodology was developed by the Department using the most recent Metaevaluation of the National Weatherization Assistance Program (ORNL/CON-493). This methodology estimates annual savings of 30.5 MBtu according to DOE's PY 2005 Application Instructions and Forms for PY 2006. The same methodology will be used for PY 2008 as was used for PY 2006 and PY 2007. The 2008 Plan is estimated according to funding allocation and adjusted average expenditure limit per unit allowed to weatherize a home. The total number of units projected to be weatherized in PY 2008 is 1,300 for a total of annual estimated energy savings of 39,650 MBtu.*

Estimated energy savings: 39,650 (MBtu)

Estimated prior year savings: 46,543 Actual: Pending final report

If variance is large, explain:

## **Section 6: Training, Technical Assistance, and Monitoring Activities**

The Texas Department of Housing and Community Affairs (the Department) plans to monitor the Weatherization Assistance Program (WAP) with the staff included in the budget. Each of the WAP subrecipients, unless identified as an exemplary subrecipient, shall be monitored for contract compliance at least once during the program year (April 1 through March 31). Training and technical assistance shall be provided to the subrecipient, whenever necessary, by the Program Officer during monitoring. Assigned staff members will conduct subsequent visits to ensure that corrective actions have taken place. If a subrecipient continues to show deficiencies, then a team of weatherization specialists will conduct extra training and technical assistance as needed.

Monitorings will be scheduled using a risk management-based assessment. Primary consideration will consist of amount of contract, previous findings, status of finding resolution, and submission and condition of annual independent audit. Periodic desk reviews of expenditures and production levels will be conducted during the program year. The scheduling of on-site monitoring will depend on availability of staff, minimum number of completed units, geographic and climatic considerations. The schedule may vary and dates will be confirmed with each subrecipient in advance. The purpose of the monitoring is to ensure that weatherization programs are managed within federal and state guidelines and that eligible low-income families are receiving quality and appropriate weatherization of their homes.

The Department has established a goal to monitor a minimum of 10% of the client files and 10% of the weatherized units at the time of the monitoring. The Department will concentrate on inspecting weatherized units whose work completion dates are less than 60 days from the date of monitoring. Additional units will be inspected if the minimum monitoring requirements have not been met by this criterion. Monitoring will include health and safety procedures, energy audit, and client education procedures. In addition, Program Officers will monitor financial management control and ensure the quality of work via established monitoring procedures.

In 2008, the Department will continue to emphasize training and technical assistance for heating and cooling systems assessments, materials installation, office operations, and financial accountability. The training staff will conduct periodic surveys to solicit input from subrecipients as to their training needs.

The Department will conduct training and technical assistance throughout the program year. A Program Officer may determine that additional training is needed for a particular subrecipient or the subrecipient may request it. The Senior Trainer is actively conducting training and technical assistance and is working with program officers and subrecipients to determine additional training needs on an on-going basis.

The Department does not require licensing or certifications of subrecipient staff. Should a subrecipient hire a new weatherization coordinator, the subrecipient will be required to notify the Department in writing within 30 days of the date of hiring the coordinator and request training. The Department will contact subrecipients within 30 days of the date of notification to arrange for training. The Department will use in-house staff as well as other subrecipient staff to provide training. The Department will provide travel assistance to subrecipients that receive training.

The Department will conduct cluster workshops throughout the program year to continue training the subrecipients on heating and cooling systems assessments, and material installation techniques. Expert trainers will be hired for topics where the Department lacks in-house expertise.

The Department WAP program year is April 1 through March 31. Upon the Department's completion of the PY 2007 Monitoring process, the Department will review all monitoring findings in order to evaluate

any improvements in the agencies' performances in May. The Department will submit to DOE a written summary of its monitoring findings.

The Department has scheduled the following training dates for WAP Network:

Texas Association of Community Action Agencies Annual Conference May 2008  
Community Affairs Training Conference, July or August 2008

The Department has not scheduled training dates for other state or regional trainings. The Department plans to provide training for mobile home insulation (2 cluster workshops), HVAC (4 cluster workshops), Lead Safe Training (5 cluster workshops), and Health and Safety. The Department will forward a schedule to DOE once the training schedule has been confirmed.

#### **Energy Audit Procedures**

The EASY Audit has been approved by DOE for use on single family dwellings, mobile homes, and multi-family buildings containing 24 or fewer units. EASY has not been approved for multi-family buildings containing 25 or more units. To date, Texas subrecipients have not proposed weatherizing a building with 25 or more units. In the event that the Department approves such a proposal, the Department will acquire a DOE approved energy audit, such as EA-QUIP, for use in auditing multi-family buildings containing 25 or more units.

#### **Energy Savings**

The State will cooperate with the Department of Energy as they implement a national evaluation project.

#### **Evaluation of Training Activities**

In order to evaluate the efficiency of its training activities, the training staff will annually review its training activities and compare those to the subrecipient monitoring reports, and the annual analysis of an in-house evaluation study. Additionally, subrecipients will be given the opportunity to provide feedback through evaluation forms distributed at all training sessions.

#### **Lead-Based Paint Safe Work Practices**

The State of Texas provided the Lead-Based Paint Safe Work Practices training methodology (developed by Montana State University) to all weatherization subrecipients during program year 2002. The Department plans to train the subrecipient sub contractors in Program Year 2008. The State will provide Lead-Based Paint Safe Work Practices to new subrecipient hires on an on-going basis.

#### **Mold**

The State of Texas provided the Mold Work Practices training methodology (developed by Montana State University) to all weatherization subrecipients during program year 2006. The subrecipients will be responsible for providing the training to their weatherization contractors. The State will provide Mold Work Practices to new subrecipient hires on an on-going basis.

The Texas Department of Health, beginning at Title 25, Texas Administrative Code, Section 295.301, has adopted procedures for addressing mold problems existing in residential dwellings that cover areas of 25 contiguous square feet or more by requiring the remediation to be addressed by a licensed mold remediation specialist.

If the energy auditor discovers a mold condition which the weatherization contractor cannot adequately address, then the unit should be referred to the appropriate public agency for remedial action. The applicant is to be provided written notification that their home cannot, at this time, be weatherized and why. They should also be informed which agency they should contact to report the mold condition. The applicant should be advised that when the mold issue is resolved they may reapply for weatherization.

If the energy auditor determines that the mold is treatable and covers less than the 25 contiguous square feet limit allowed to be addressed by the Texas Department of Health's guidelines, the applicant is to be provided written notification of the existence of the mold and potential health hazards, the proposed action to eliminate the mold, and that no guarantee is offered that the mold will be eliminated and that the mold may return. The auditor must obtain written approval from the applicant to proceed with the weatherization work.

Upon appropriate guidance from DOE, the Department will arrange to train all subrecipients to recognize mold problems and acceptable actions to resolve mold occurrences. The Department will also provide applicant notification and release forms to its subrecipients.

The limited cost incurred to remove the mold is to be charged to the health and safety portion of the subrecipient's budget.

#### **Client Education**

The Department will continue to require WAP subrecipients to provide client education to each WAP client. Subrecipients will be required to provide (at a minimum) state produced educational materials in verbal and written format. Client education will include temperature strips that indicate the temperature in the room and an energy savings calendars.

### **Section 7: DOE-Funded Leveraging Activities**

N/A

### **Section 8: Policy Advisory Council Members**

**Introduction:** The Policy Advisory Council is broadly representative of organizations and agencies and provides balance, background, and sensitivity with respect to solving the problems of low-income persons, including the weatherization and energy conservation problems. The Council has the responsibility of advising the Department.

Prior to the expenditure of any grant funds, the Department shall establish a policy advisory council which:

- (1) Has special qualifications and sensitivity with respect to solving the problems of low-income persons, including the weatherization and energy conservation problems of these persons;
- (2) Is broadly representative of organizations and agencies, including consumer groups that represent low-income persons, particularly elderly and disabled low-income persons and low-income Native Americans, in the State or geographical area in question; and
- (3) Has responsibility for advising the appropriate official or agency administering the allocation of financial assistance in the State or area with respect to the development and implementation of a weatherization assistance program.

### Current Policy Advisory Council Members

Weatherization Providers	Energy Group	Consumer & Related Group
<b>Johnette Hicks</b> , Executive Director, Chairwoman Economic Opportunities Advancement Corporation – Planning Region XI	<b>Heather Ball</b> , Director Marketing & Public Education Railroad Commission of Texas Alternative Fuels Research and Education Division	<b>Doug Garrett</b> , CEM, CDSM Building Performance and Comfort Heating, Ventilation & Air Conditioning
<b>Karen Swenson</b> , Executive Director Greater East Texas Community Action Program		<b>Michael P. Wilson, PhD.</b> Texas Department of Aging and Disability Services
<b>Francis Pelley</b> , Executive Director (Mark Bullard, WAP Coordinator) Texoma Council of Governments		

The Policy Advisory Council (PAC) is currently in place, however, membership changes are expected to occur prior to the final PY 2008 DOE WAP Plan submission. At the present time, the PAC consists of six members. The Department is in the process of adding members to the PAC. The PAC meets annually. The Department seeks the PAC's guidance and approval on WAP Plans each year, and hosts other meetings, as needed.

#### Section 9: State Plan Hearings

The PY 2008 WAP Public Hearing and WAP Policy Advisory Council Meeting will both held on February 15, 2008. The transcripts will be available upon request.

Newspapers that publicized the hearings and the dates that the notice was published: Texas Register February 1, 2008—Statewide distribution. The public comment period will begin by February 1, 2008. The Department's web site publication of the draft plan will be available by February 1<sup>st</sup> and continue through February 22, 2008. Subrecipients were notified of the publication availability for public comment via mail out notification prior to February 1, 2008.

The hearing and council meeting transcript copies will be provided to the DOE.

## **Section 10: Adjustments to On-File Information**

**(This section references changes made to the PY 2007 On-File Information.)**

No changes will be made to the On-File Information.

## **Section 11: Miscellaneous**

### **Intergovernmental Review Data**

To comply with the provisions of Executive Order 12372, the State of Texas established the Texas Review and Comment System (TRACS). TRACS is a statewide system that provides state and local officials opportunities to review and to comment upon State plans, applications for federal or state financial assistance, and environmental impact statements related to projects or programs that affect their jurisdictions before the proposals are approved or funded. Comments made during the process are for the applicant's use in improving the project, and if necessary, for the funding agency's use in deciding whether to approve the application.

Related state provisions designate the regional review agencies and the state Single Point of Contact; the programs for which reviews will be required; delineate the respective responsibilities of applicants, state agencies, and review agencies; establish uniform review procedures and criteria; and describe procedures for seeking accommodation of review comments. State provisions specifically incorporate by reference Executive Order 12372, as amended by Executive Order 12416, the Demonstration Cities and Metropolitan Development Act of 1966, §204 (42 United States Code §3334); the Intergovernmental Cooperation Act of 1968, §401(a) (United States Code §4231(a)); and the National Environmental Policy Act of 1969, §102(2C)(42 United States Code §4332(2C)).

The TRACS State Single Point of Contact is Denise S. Francis, Governor's Office of Budget, Planning, & Policy, P.O. Box 12428, Austin, Texas 78711. This plan application was provided in draft to the State Single Point of Contact, made accessible to all regional councils, available to all the Department's weatherization program subrecipients and other interested parties prior to the public hearing and as a part of the public comment process.

### **Liability Insurance**

The liability insurance separate line item was increased to enable subrecipients to purchase pollution occurrence insurance in addition to the general liability insurance. Most regular liability insurance policies do not provide coverage for pollution occurrence. Subrecipients should review existing policies to ensure that lead paint measures are also covered and if not, secure adequate coverage for all units to be weatherized. If subrecipients require additional funding for liability insurance, they must first provide the Department with three price quotes. When approved, additional liability insurance costs may be paid from administrative or program support categories. The Department strongly recommends the subrecipients require their contractors to carry pollution occurrence insurance to avoid being liable for any mistakes the contractors may make. Each subrecipient should get a legal opinion regarding the best course to take for implementing the pollution occurrence insurance coverage.

### **Training & Technical Assistance Carryover Funds**

Training and technical assistance funds will not be used to purchase vehicles or equipment for local agencies to perform weatherization services. The cost of these vehicles and equipment to support the program must be charged to program support and program operations categories. The Department acknowledges that, should unexpended training and technical assistance funds remain at the end of the Program Year, DOE requires these funds to be used to weatherize homes during the following year.

**Formula Distribution**

The Department updates the budget allocation proportion by county and subrecipient based on poverty income, elderly poverty, median household income (from the 2000 U.S. Census data), and climate data (from the Southern Regional Climate Center, Louisiana State University, June 2002).

**Electric Base Load Measures (EBL)**

DOE has approved the inclusion of selected Electric Base Load (EBL) measures as part of the weatherization of eligible residential units. Currently, the approved EBL measures include replacement of refrigerators, electric water heaters, and compact fluorescent lights. All EBL measures must be determined cost effective with an SIR of 1 or greater by either audit analysis or separate DOE approved analytical tools.

DOE has approved analytical tools to measure EBL. Detailed instructions for incorporating EBL measures in to the WAP are provided by the Department's Policy Issuance System. All dwelling units will be evaluated to determine the most cost effective measures to be installed in each unit weatherized and to determine the order in which measures will be installed. The evaluation of each unit must include building envelope measures, mechanical measures, and Electric Base Load measures.



**Section 12: Assurances and Certifications**

*Forms have been filed separately in a Master Document File*

**COMMUNITY AFFAIRS DIVISION**  
**BOARD ACTION REQUEST**  
March 13, 2008

**Action Item**

Presentation, Discussion and Possible Approval of the Department of Energy and the Low Income Home Energy Assistance Program Weatherization Annual Funding Allocation.

**Required Action**

Approve, deny or approve with amendments the distribution of the weatherization funds for Program Year (PY) 2008 by the formula detailed in 10 TAC §6.201-§6.214 and approved by the U.S. Department of Health and Human Services.

**Background**

The Texas Department of Housing and Community Affairs (the Department) administers two Weatherization Assistance Program (WAP) grants. The United States Department of Health and Human Services (HHS) provides funding via the Low Income Home Energy Assistance Program (LIHEAP) and the United States Department of Energy (DOE) provides funding through the WAP awards. Fifteen percent (15%) of the Department's LIHEAP award is allocated to provide weatherization services and is governed by the 2008 LIHEAP Plan which the Board approved on July 30, 2007. The DOE award provides funding for weatherization services only and is governed the DOE State Plan. The 2008 State plan is detailed in the previous Board Action Request.

Energy Assistance staff is requesting approval to obligate the 2008 DOE contracts (\$4,898,840), the weatherization portion of the 2008 LIHEAP award (\$6,900,729), and the weatherization portion of the 2008 LIHEAP Emergency Contingency award (\$530,021) to the weatherization subrecipient network.

**Summary of Weatherization Programs**

The weatherization subrecipient network is comprised of 33 subrecipient agencies that provide weatherization services to all 254 counties in Texas. Subrecipients provide cost effective weatherization measures to improve the energy efficiency of eligible client households. Typical weatherization measures include attic and wall insulation, weather-stripping and air sealing measures, heating and cooling unit repair and/or replacement, refrigerator replacement, and minor roof repair. Potential WAP client households apply for assistance with the WAP subrecipient. The subrecipient determines if the household is income-eligible and whether they meet the criteria for one or more of the priority populations. Typically, if the applicant is determined eligible, the applicant is placed on a waiting list.

Once the eligible applicant list is developed the subrecipient conducts an energy assessment on the applicant's home and results are entered into a computerized energy audit to determine if weatherization measures are appropriate. If the applicant is income eligible and the applicant's home is appropriate for weatherization, the subrecipient weatherizes the client's home. The weatherization work typically is performed by an independent contractor procured through competition and with whom the subrecipient has contracted.

### **Recommendation**

Staff recommends board approval of the PY 2008 weatherization funding.

## 2008 Weatherization Awards

Subrecipient	LIHEAP CONTRACT	DOE CONTRACT	TOTAL AWARD
Alamo Area Council of Government	\$ 630,651	\$ 351,651	\$ 982,302
Bee Community Action Agency	\$ 29,210	\$ 23,265	\$ 52,475
Big Bend Community Action	\$ 87,966	\$ 68,334	\$ 156,300
Brazos Valley Community Action	\$ 229,891	\$ 173,792	\$ 403,683
Cameron-Willacy Counties Community Projects Inc.	\$ 200,272	\$ 151,391	\$ 351,663
Caprock Community Action Association	\$ 70,114	\$ 54,796	\$ 124,910
Combined Community Action	\$ 130,327	\$ 98,814	\$ 229,141
Community Action Committee of Victoria	\$ 181,272	\$ 136,756	\$ 318,028
Community Action Corporation of South Texas	\$ 117,944	\$ 90,560	\$ 208,504
South Texas Development Council	\$ 66,532	\$ 50,477	\$ 117,009
Greater East Texas Community Action Program	\$ 223,508	\$ 168,938	\$ 392,446
Community Action Program	\$ 155,741	\$ 118,568	\$ 274,309
Community Council of Reeves County	\$ 26,415	\$ 22,008	\$ 48,423
Community Services Agency of South Texas	\$ 101,640	\$ 78,176	\$ 179,816
Community Services, Inc.	\$ 376,947	\$ 282,387	\$ 659,334
Dallas County Department of Health and Human Service	\$ 559,554	\$ 352,135	\$ 911,689
EOAC of Planning Region X	\$ 143,560	\$ 109,011	\$ 252,571
El Paso CAP-Project BRAVO	\$ 279,086	\$ 210,430	\$ 489,516
City of Fort Worth	\$ 292,862	\$ 219,764	\$ 512,626
Hill Country Community Action Program	\$ 168,262	\$ 128,135	\$ 296,397
RFA--Maverick County	\$ 37,413	\$ 29,474	\$ 66,887
Nueces County Community Action Agency	\$ 118,897	\$ 90,302	\$ 209,199
Panhandle Community Services	\$ 236,690	\$ 178,272	\$ 414,962
Lubbock, City of	\$ 94,514	\$ 72,384	\$ 166,898
Programs for Human Service	\$ 244,949	\$ 184,181	\$ 429,130
Rolling Plains Management Corporation	\$ 124,819	\$ 95,297	\$ 220,116
Sheltering Arms Senior Services, Inc.	\$ 1,164,170	\$ 351,651	\$ 1,515,821
South Plains Community Action Agency	\$ 59,314	\$ 45,685	\$ 104,999
Texoma Council of Government	\$ 227,990	\$ 170,966	\$ 398,956
Concho Valley Community Action Agency	\$ 136,508	\$ 104,244	\$ 240,752
Travis County Health and Human Services Department	\$ 175,646	\$ 132,808	\$ 308,454
Tri-County Community Action, Inc.	\$ 131,400	\$ 99,230	\$ 230,630
Webb County Community Action Agency	\$ 89,883	\$ 68,109	\$ 157,992
West Texas Opportunities, Inc.	\$ 190,340	\$ 142,784	\$ 333,124
RFA--Hidalgo Co.	\$ 303,319	\$ 225,901	\$ 529,220
TBD--Deficiency Resp to RFA-Duval Co.	\$ 12,790	\$ 10,452	\$ 23,242
RFA --McMullen Co.	\$ 10,356	\$ 7,712	\$ 18,068
	\$ 7,430,750	\$ 4,898,840	\$ 12,329,590

**COMMUNITY AFFAIRS DIVISION**  
**BOARD ACTION REQUEST**  
March 13, 2008

**Action Item**

Presentation, Discussion, and Possible Approval of staff recommendations (based on a Request for Application process) to designate Community Services Block Grant (CSBG) eligible entities to serve Duval, Jim Hogg, Starr, and Zapata counties to administer the Community Services Block Grant, the Comprehensive Energy Assistance Program (CEAP), and the Weatherization Assistance Program (WAP).

**Required Action**

Approve or deny staff recommendation on designation of new service providers for the CSBG Program.

**Background**

Due to financial insolvency and numerous unresolved monitoring findings, Community Action Council of South Texas voluntarily relinquished the eligible entity status for several counties. This action left several counties without on-going providers in association with CSBG, CEAP and WAP funds. The Department issued a Request for Application (RFA) which had a deadline of January 11, 2008. We received two applications (which sought different service areas) from interested parties in response to the RFA. One application was submitted by South Texas Development Council to administer the CSBG, WAP, and CEAP grants in Jim Hogg, Starr, and Zapata counties and another application from the County of Duval to administer CSBG, WAP, and CEAP grants in Duval county. It is important to note that the Department did not receive an application from any interested party to serve McMullen county and we will continue to look at alternatives in this area.

The staff recommends that South Texas Development Council be selected to represent Jim Hogg, Starr, and Zapata counties with funding amounts recommended for program year 2008 of \$283,610 CSBG, \$380,127 CEAP, and \$105,709 WAP. The staff recommends that Duval County be conditionally approved subject to them clearing staff identified deficiencies with their application, for Duval County with a recommended funding amount for program year 2008 for Duval County of \$150,000, CSBG \$73,078 CEAP, and \$20,322 WAP.

The Department has notified Duval County of the deficiencies and is awaiting their written response. If Duval County fails to adequately respond, staff requests authorization to release a Request for Application for Duval County. Staff also requests that it be allowed to explore other opportunities for McMullen County including

potentially providing additional administrative funding to bidders to support additional expenses of working in that county.

### **Recommendation**

The Community Affairs Division recommends that the Board approve the designation of South Texas Development Council as the CSBG eligible entity to administer CSBG, CEAP, and WAP programs in Jim Hogg, Starr, and Zapata counties and the designation of the County of Duval as the CSBG eligible entity to administer CSBG, CEAP, and WAP funds in Duval county if application deficiencies are adequately addressed.

Staff recommends that the Department release a Request for Application for an entity to administer CSBG, WAP, and CEAP in McMullen County and Duval county if deficiencies are not adequately addressed by the County of Duval.

**Housing Resource Center**

**BOARD ACTION ITEM**

**March 13, 2008**

**Action Item**

Presentation, Discussion and Possible Approval of a Request for Proposals (RFP) for a Market Study Surveying the Need for Affordable Multifamily Housing in the McAllen-Edinburg-Pharr and Brownsville-Harlingen Metropolitan Statistical Areas.

**Requested Action**

Approve, deny or approve with amendments the RFP for a Market Study of the McAllen-Edinburg-Pharr and Brownsville-Harlingen Metropolitan Statistical Areas (McAllen and Brownsville MSAs) and authorize the Executive Director to negotiate and approve a contract for market study services in accordance with the RFP.

**Background**

In Chapter 2306 of the Government Code, specifically §2306.259 Affordable Housing Research and Information Program, the Department is required to establish a research and information program and contract for the following types of activities:

- (1) periodic market studies to determine the need for housing for families of extremely low, very low, and low income in census tracts throughout the state;
- (2) research from qualified professionals to determine the effect of affordable housing developments on property values, social conditions, and quality of life in surrounding neighborhoods;
- (3) independent research in affordable housing design and development approaches that enhance community acceptance of affordable housing and improve the quality of life for the residents of the housing; and
- (4) public education and outreach efforts to assist the public in understanding the nature and purpose of affordable housing and the process for public participation in the administration of affordable housing programs.

In the Department's appropriations for the 2008-2009 biennium, the Legislature provided for \$240,000 in funding earmarked for these activities. This Board action item addresses item (1) of the Affordable Housing Research and Information Program.

In September 2005, the Department published an RFP for a market study to evaluate the need for affordable housing in the Houston area. *The Multifamily Housing Needs Assessment for the Houston-Baytown-Sugar Land Metropolitan Statistical Area*, published in February of 2006, contains demographic information as well as an analysis of the affordable housing supply and anticipated demand for the years 2006 through 2009. *The Multifamily Housing Needs Assessment* has served as a resource and a reference document for developments proposed in the Houston MSA. Real Estate Analysis underwriting reports for developments proposed in the Houston MSA during the 2006 Housing Tax Credit cycle considered the conclusions and findings of the study.

A second study was initially considered for the San Antonio MSA but was postponed following considerable discussion and input from potential RFP respondents and other interested parties; including the 2007 roundtable workshop with Market Analysts and a public hearing meeting in San Antonio regarding the San Antonio RFP. During the discussions, the Department recognized that the desired design of the San Antonio market study was beyond the scope of the market study required by the Department.

In May 2007 the Board approved an RFP for a market study in a third location, the Dallas Metropolitan Division. As a result of the discussions of the San Antonio RFP, the Department expanded the requirements of the Dallas RFP in several areas: consideration of any existing submarket boundaries and existing studies; additional maps; inventory and condition of affordable housing; timeline for planned developments; analysis of market rents; and more specific demand methodology. In addition, staff enhanced the Dallas RFP with the requirement for turnover, occupancy by income group and number of bedrooms, and absorption information. The Department did not receive a proposal with the required detailed demand methodology that was within budget. Therefore, the Department has not pursued the Dallas market study.

The proposed RFP for the McAllen and Brownsville market study is able to benefit from the lessons learned from the San Antonio and Dallas RFPs. The proposed RFP includes topics resulting from discussions with market analysts and the public regarding the San Antonio RFP. In addition, the proposed RFP requires a sample demand calculation for a specific submarket, an area that was lacking in the Dallas proposals submitted.

An announcement of the RFP will be posted on our website and in the Texas Register. As the most likely pool of respondents comes from our existing market analysts, the RFP will also be sent directly to all market analysts on our approved market study provider list. The Department developed the timing of the publication of the RFP and delivery of the final study in order to be sensitive to timelines for 2009 Housing Tax Credit application cycle participants.

Staff is also recommending that the Executive Director be given authority to execute a contract with the successful respondent and report status progress to the Board in order to expedite the commissioning and receipt of the final report. The Houston market study was similarly brought to the Board for budgetary authority and staff reported on progress to the Board but processed the contract under executive Director Authority.

#### **Recommendation**

Staff recommends approval of the RFP as proposed for the market study of the Dallas MD and authorization of the Executive Director to negotiate and approve a contract for market study services in accordance with the RFP.



# TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

## Request for Proposals to Provide Market Analysis of the McAllen-Edinburg-Pharr and Brownsville-Harlingen Metropolitan Statistical Areas

### I. PURPOSE OF THE REQUEST

The Texas Department of Housing and Community Affairs (the Department or TDHCA) is requesting proposals to provide market analysis relating to affordable housing in the McAllen-Edinburg-Pharr and Brownsville-Harlingen Metropolitan Statistical Areas (McAllen and Brownsville MSAs). The McAllen and Brownsville MSAs include Hidalgo and Cameron counties as identified in Office of Management and Budget Bulletin No. 03-04. The market analysis report will be made available to the public and may be used by TDHCA to aid in decisions regarding its various programs.

### II. SCOPE OF WORK

The selected proposal will evaluate the need for additional affordable rental housing in the McAllen and Brownsville MSAs and issue a user friendly report for TDHCA. The respondent will define and analyze submarkets within the McAllen and Brownsville MSAs as part of the overall report. Each submarket analysis will contain the following:

#### A. General and Demographic Information

1. Describe the submarket's general characteristics including a map and an explanation for the selection of the boundaries. Where applicable, proposed submarkets should consider submarket boundaries established by the local apartment association. Discuss the predominant form of local government and all local government jurisdictions including overlaps and shared responsibilities. Provide additional maps of the submarket clearly identifying major transportation linkages and significant area amenities including retail, medical and educational facilities. Submarket maps should be sufficiently detailed to allow the reader to identify specific sites within the boundaries. Include maps displaying population density.
2. Describe the current economy for the submarket including existing major industries and any new or anticipated major employment impacts including significant incentives offered for corporate relocation.
3. Provide 2000 US Census data, current year estimates and five year projections for population and households, citing current, commonly used and well documented data sources. Provide a breakdown of households by tenure, income, household size, and age of head of household. Provide an analysis of the trends and/or shocks indicated by the data.
4. Consider existing studies of housing demand for the McAllen and Brownsville MSAs conducted by other entities.

#### B. Housing Supply Analysis

1. Describe the existing housing supply including total number of units, occupancy, absorption, tenure, turnover, number of bedrooms, typical square footages, unit and development amenities and overall condition and quality of rental housing stock. Include information on population served (market rate, low income, and project-based assistance) and targeted population (family, independent senior and special needs populations). Provide occupancy rate for all Housing Tax Credit units by income group and number of bedrooms. Provide absorption information for all developments completed within the last two years.
2. Provide an analysis of the existing housing supply and its effect on the demand for new modern units. Include an inventory of all existing affordable housing, including Public Housing and location of Housing Choice Vouchers currently in use. Discuss waiting lists for affordable housing. Address

condition and redevelopment plans for Public Housing Authority housing, and identify rental housing with significant reported code violations within each submarket.

3. Describe all rental developments with rents affordable to households earning up to 100% of the area median income including those approved by TDHCA, under construction or unstabilized (less than one year at 90% occupancy). Discuss planned properties in the submarket and provide an assessment of their impact on the market in relation to demographic trends. Include a property delivery timeline summarizing projected construction periods, placement in service, and lease-up periods.
4. Provide rental data including rental housing stock by population served (market rate, low income and project-based assistance) and type of occupancy (family, independent senior and special needs populations). Include current rents charged, typical concessions, market vacancy rates and absorption rates. Include a comparison of the market rents and the Housing Tax Credit program maximum rents. Submarket maps should provide location of individual market rate multifamily properties and location of individual subsidized affordable multifamily properties.

C. Analysis of Anticipated Demand

1. Provide detailed analysis of total demand by income group (less than 30%, 31% to 40%, 41% to 50%, 51% to 60% and 60% to 80%, 81% to 100% of AMFI), number of bedrooms, household size, and targeted population (family, independent senior, and special needs populations).
2. Provide a clear identification of the demand calculation methodology. The demand calculation methodology may ultimately be developed collaboratively with the Department. The demand calculation should include population and household growth and other sources that will be defined and mutually agreed to by the Contractor and the Department. The demand calculation methodology will be consistent throughout the market study based on targeted population. The demand calculation is not limited to that required under Title 10 of the Texas Administrative Code Section 1.33. Two independent models of demand are required and are generally described below.
  - a. Demand based upon strict need, comprised from:
    - i. Household growth;
    - ii. Cost overburdened households;
    - iii. Overcrowding;
    - iv. Substandard housing; and,
    - v. Demand from other non-overlapping sources.
  - b. Demand based upon traditional transitory patterns, comprised from:
    - i. Household growth;
    - ii. Turnover; and,
    - iii. Demand from other non-overlapping sources.
3. The demand analysis should identify the demand for additional affordable housing units for the periods ending December 2008 (baseline), December 2009, December 2010, December 2011, and December 2012.

D. Summary and Conclusions

Present summary and conclusions for each submarket in tables that identify the net affordable housing need under both a strict need demand and transitory pattern demand described in C (2) (a) and (b) above by income group, number of bedrooms, and targeted population. The net affordable housing need equals the total demand less existing, approved, under construction and unstabilized supply.

E. Appendix

Include demographic data used to complete the analysis, any relevant third party information, and a list of references cited in the body of the report.

### III. RESPONSE TIME FRAME AND OTHER INFORMATION

Response submission period: March 13-April 30, 2008  
TDHCA Notification: May 23, 2008  
Draft Analysis: October 1, 2008  
Final Analysis: November 1, 2008

Proposals must comply with rules and statutes relating to purchasing in the State of Texas. Late and/or unsigned proposals will not be considered. The person submitting the proposal must have the authority to bind the organization in a contract. Submissions received after 5:00PM (CST) on April 30, 2008 will not be considered.

Three hard copies of the proposal should be delivered to the following address: (facsimiles will not be accepted)

Texas Department of Housing and Community Affairs  
Attn: Brenda Hull, Housing Resource Center  
221 East 11<sup>th</sup> Street  
PO Box 13941  
Austin, TX 78711-3941  
(512) 305-9038

All costs directly or indirectly related to the preparation of a response to this RFP shall be the sole responsibility of and shall be borne by the respondent.

It is the express policy of the Department that parties responding to this request refrain from initiating any direct contact or communication with members of the Board of Directors with regard to this Request for Proposals during the selection process. Any violation of this policy will be considered a basis for disqualification.

Additional information regarding this RFP may be obtained from Brenda Hull at TDHCA. All requests must be in writing to (512) 469-9606 (fax) or [brenda.hull@tdhca.state.tx.us](mailto:brenda.hull@tdhca.state.tx.us) (email). All questions and responses will be made available to all applicants via the Department's website (<http://www.tdhca.state.tx.us/>) and will be subject to disclosure under the Public Information Law.

TDHCA shall not be obligated to proceed with any action and may decide it is in the Department's best interest to refrain from pursuing any selection process.

#### **IV. RESPONSE FORMAT**

- A. Each item in Section V of this Request for Proposals must be addressed.
- B. Identify the item to be addressed in the introduction to each response.
- C. Please limit your response to 22 pages of text with additional information such as sample work, additional resumes and references submitted in appendix form.

#### **V. PROPOSAL CONTENT**

##### **A. General Information**

Provide information regarding the applicant including, but not limited to:

- 1. Resumes of personnel assigned to the market analysis prepared under this RFP;
- 2. Number of market studies performed by the respondent for multifamily properties including those prepared according to the TDHCA Real Estate Analysis Rules and Guidelines; attach a descriptive list of types of assignments performed since 2002; a complete list of assignments performed is not necessary, but may be included in the appendix;
- 3. Description of market analysis similar in size and scope to that required by this RFP;
- 4. Description of familiarity with transactions involving federal and state housing programs;
- 5. Description of unique qualifications including experience specific to the market study area;
- 6. Certification that the respondent and its principals and key staff assigned to this proposal does not currently and is not anticipated to have an ownership interest in an entity that will apply for an allocation of funds or tax credits for affordable housing from the Department within twelve months of the due date; additional certification that the respondent and its principals and key staff assigned to this proposal does not currently and is not anticipated to have an ownership interest in an entity that will enter into contract to sell property associated with an allocation of

funds or tax credits for affordable housing from the Department within twelve months; additional certification that the respondent has not been barred from receiving funds from the Department or has been removed from the Department's approved list of market analysts for failure to perform a market study with the Department's guidelines any time in the last 24 months.

**B. Approach**

1. Provide a list of the labeled submarkets with a description of the defined boundaries for each and the methodology used to determine the boundaries; include population of each;
2. Provide maps of the McAllen and Brownsville MSAs with each submarket clearly delineated and labeled;
3. Provide a description of the source data to be used and the methodology proposed for analysis;
4. Provide a sample demand calculation (all of C. Analysis of Anticipated Demand under the Scope of Work section above) for the submarket containing Harlingen in the proposal submitted under this RFP.

**C. Work Plan and Schedule**

Provide a proposed work plan with specific dates for deliverables including market study outline, draft, and final draft. Identify resources to be dedicated to this assignment.

**D. Fee Schedule**

Provide a proposed itemized cost schedule for the market analysis.

**VI. SELECTION PROCEDURE**

Proposals will be referred to a panel of TDHCA staff for evaluation and scoring. Staff will review proposals for compliance with the proposal content requirements and the potential for fulfillment of the scope of work criteria described herein. To assist in the preparation of the proposal, established criteria for review are provided below (weighted values in parentheses).

- A. Evidence of respondent's experience in developing and conducting similar studies (25%).
- B. Evidence that the conceptual framework – demand calculation, definition of submarkets, methods and analysis - is adequately developed and appropriate for the aims of the project (30%).
- C. Submission of a realistic work plan, resources and timeline (20%).
- D. A budget and explanation for the scope and quality needed for successful completion of the project. Emphasis placed on cost efficiency (25%).

**VII. WORK MADE FOR HIRE**

All work performed pursuant to this agreement specifically including all deliverables developed or prepared for TDHCA is the exclusive property of the State of Texas. All right, title and interest in and to said property shall vest in the State of Texas and shall be deemed to be a work made for hire and made in the course of the services rendered pursuant to this agreement. To the extent that title to any work may not, by operation of law, vest in the State of Texas or such work that may not be considered a work made for hire, all rights, title and interest therein are hereby irrevocably assigned to the State of Texas.

TDHCA and/or the State of Texas shall have the right to obtain and to hold in its own name, copyrights, registrations, or such other protection as may be appropriate to the subject matter, and any extensions and renewals thereof. Contractor agrees to give TDHCA and/or the State of Texas and any person designated by TDHCA and/or the State of Texas, reasonable assistance required to assert the rights defined in this paragraph.

## **VIII. LICENSE AGREEMENT**

TDHCA shall grant to the awarded contractor a non-exclusive, irrevocable, world-wide, royalty-free, license to use, reproduce, distribute and display the materials created pursuant to this agreement, subject to the following terms and conditions. The license granted shall terminate on December 31, 2010 unless renewed by the parties in writing, terminated sooner in accordance with its terms, or if the agreement of which this clause is a part, is terminated for cause.

Each copy of the materials that the contractor distributes shall indicate on the cover that the creation of the material was funded by the Texas Department of Housing and Community Affairs. The contractor agrees that it will not charge a fee for the distribution of the materials, except to recover actual duplication and mailing costs. Contractor shall not create derivatives of or modify the content of the materials except with the express written consent of TDHCA.

Failure to comply with the terms of this license may result in immediate termination of the license agreement by TDHCA. Upon termination of this license agreement, contractor shall return the remaining materials to TDHCA, or shall destroy or distribute them, in accordance with the instructions of TDHCA.

With the prior approval of the Department, the contractor may update the market analysis prepared under this RFP. In the 12-month period following the due date, the contractor is required to provide an explanation if a market analysis submitted to TDHCA contains conclusions that contradict the findings of the market analysis prepared under this RFP.

## **IX. OPEN RECORDS**

Information submitted to TDHCA is public information and is available upon request in accordance with the Texas Public Information Act, chapter 552 of the Government Code (the "Act"). An applicant submitting any information it considers confidential as to trade secrets or commercial or financial information, which it desires not to be disclosed, must clearly identify all such information in its proposal. If information so identified by an applicant is requested from TDHCA, the applicant will be notified and given an opportunity to present its position to the Texas Attorney General, who shall make the final determination as to whether such information is excepted from disclosure under the Act. Information not clearly identified as confidential will be deemed to be non-confidential and will be made available by TDHCA upon request.

**Housing Resource Center**

**BOARD ACTION ITEM**

**March 13, 2008**

**Action Items**

Presentation, Discussion and Possible Approval of the Final 2008 State of Texas Low Income Housing Plan and Annual Report (SLIHP).

**Required Action**

Approve, Amend or Deny the 2008 State of Texas Low Income Housing Plan and Annual Report.

**Background**

The Texas Department of Housing and Community Affairs is required to submit the *State of Texas Low Income Housing Plan and Annual Report* (SLIHP) annually to the governor, lieutenant governor, speaker of the house, and legislative oversight committee members not later than 30 days after the TDHCA board receives the final SLIHP. The document offers a comprehensive reference on statewide housing needs, housing resources, and strategies for funding allocations. It reviews TDHCA's housing programs, current and future policies, resource allocation plans to meet state housing needs, and reports on 2007 performance during the preceding fiscal year (September 1, 2006, through August 31, 2007).

The following supporting attachments are provided:

- Attachment A - Summary of Substantive Changes from the 2007 SLIHP and the Draft 2008 SLIHP
- Attachment B - Public Comment and Staff's Reasoned Response
- Attachment C - 2008 State of Texas Low Income Housing Plan and Annual Report

On December 20, 2007, the Board approved the *Draft 2008 SLIHP*. Following this approval, the *Draft 2008 SLIHP* was made available for public comment between January 4<sup>th</sup> and February 6<sup>th</sup>, 2008. As part of the public comment process, a hearing was held in Austin on January 8<sup>th</sup> attended by staff from both TDHCA and the Texas State Affordable Housing Corporation (TSAHC). No public comment was received during the public comment period. However, the Department did receive comment on the *Draft 2008 SLIHP* before and after the formal public comment period. For the Board's convenience, staff has summarized and provided reasoned responses to the comment received outside of the formal public comment period. See "Attachment B" for a summary of the public comment received relating to the SLIHP and the corresponding reasoned response from TDHCA staff.

**Recommendation**

Approval of the 2008 SLIHP is recommended.

**Attachment A**  
**Summary of Substantial Changes from the 2007 SLIHP**

- Updated Annual Report section reflecting FY 2007 program performance by households/individuals and income group for the state and each region; updated performance measure information for goals and strategies reflecting FY 2007 performance, including updated targets for FY 2008; updated statewide and regional demographic data including population estimates and assisted housing inventory figures.
- Updated Disaster Initiatives section reflecting the Department's recent efforts in disaster recovery and response to Hurricanes Rita and Katrina. This section includes information on the following programs: Community Development Block Grant (CDBG), HOME Investments Partnership Program (HOME), and Housing Trust Fund; as well as initiatives from the Community Affairs Division, the Texas Homeownership Division, and the Office of Colonia Initiatives.
- Updated program action plans reflecting programmatic changes. The action plans have also been edited for consistency in length and amount of detail; references to existing plans and rules have been included in the *Draft 2008 SLIHP*.
- Updated Regional Allocation Formula reflecting statutory changes and updated data.
- Revised Colonia Action Plan that includes needs assessment data for colonias and updated program information including a description of the new reservation system for the Bootstrap Loan Program.
- Overall, the following changes were made to the *Draft 2008 SLIHP*: delete duplicated information; edit to remove information not required by statute; update terms and references; and reorganize sections for logical order.

**Summary of Changes from the Draft 2008 SLIHP**

- Updated annual performance data for the Community Services Block Grant (CSBG), Comprehensive Energy Assistance Program (CEAP) and the Weatherization Assistance Program (WAP).
- Updated total dollar amount for the Housing Tax Credit Regional Allocation Formula.
- Updated information from the public comment period for the *Draft 2008 SLIHP*.

**Attachment B**  
**Summary of Public Comment Related to the SLIHP**

No public comment was received during the public comment period. Staff has summarized and provided reasoned responses to comment received before and after the close of the formal public comment period.

**1. More Mixed-Income Developments**

One comment was received stating that TDHCA rental programs should promote the development of more mixed-income properties, including amending program rules to encourage a more even mix of reduced-rent and market-rate units within Multifamily Bond and HTC projects.

*Staff Response:* Staff appreciates the comment regarding the encouragement of mixed-income developments. A revision to the Qualified Allocation Plan (QAP) to provide a new point structure in regard to this issue is a material change that would require additional public comment during the rule revision process in the fall for the 2009 QAP. Department staff is researching the topic for the 2009 QAP. Staff recommends no change to the 2008 SLIHP.

**2. Rent Levels**

One comment suggested that the Department evaluate multifamily programs and investigate the lack of substantial difference between market rents and rents charged at publicly subsidized developments.

*Staff Response:* Staff is aware that in some markets the rents established by the U.S. Department of Housing and Urban Development and enforced for Department programs are very similar to the local market rents. While the Department does not establish the program rent limits, achievable rents are a consideration during the underwriting process. At underwriting, staff evaluates the proposed rents in light of local market rents, coordinating with the applicant as necessary, and staff conclusions on the financial feasibility of the development impact the development's recommendation for award.

**3. Utility Allowances**

One comment stated that increasing utility costs threaten the long-term viability of affordable housing developments, and the Department should develop new ways of determining utility allowances including the use of quantifiable data.

*Staff Response:* In the Compliance and Monitoring Rule effective December 2, 2007, 10 TAC §60.109, the Department allows for the use of one of three methods for calculating utility allowances, including the utility allowance established by the Public Housing Authority; a written estimate from a local utility provider; and an allowance calculation based upon the actual utility use for similar units. Staff recommends no change to the 2008 SLIHP.

**4. Construction Costs and Market Instability**

One commenter stated that, unless more leveraging is encouraged across TDHCA and non-TDHCA programs, increasing construction costs threaten the structural quality of affordable housing funded by the Department. The commenter further emphasized the need for leveraging drawn from multiple programs, pointing out how this funding could help counteract the affects of weakening financial markets. The commenter indicated the Housing Trust Fund as an example of a potential source of leveraging with the Housing Tax Credit program. The Housing Trust Fund action plan in the SLIHP supports the concept of leveraging however, the commenter points out, the Housing Trust Fund 2008 Notice of Funding Availability seems to contradict the SLIHP.



*Staff Response:* The Department is aware of the construction cost increases impacting the development community and has made the following adjustments to the financial evaluation of applications in response to rising construction costs:

- At the July 28, 2006 meeting the Board approved a change in the methodology for the calculation of the applicable percentage utilized in the underwriting of housing tax credit applications. The new methodology replaced the previous 10 basis point cushion over the greater of the 1-, 2-, 3-year trailing rates or current rate to a 40 basis point cushion. This, in effect, has increased the total amount of tax credits recommended for award for qualifying applications.
- At the October 12, 2006 meeting the Board approved the allocation of additional housing tax credits for applications approved during the 2004 and 2005 application cycles. The amount of the additional allocation was based on a 14 percent increase in the direct construction and sitework costs experienced at the time.

The Department is committed to continuing to work closely with the development community in addressing the concerns regarding increases in construction costs.

The Department appreciates the comment regarding the current state of the market. The Department has made efforts to gather industry input on the impact of market conditions on the affordable housing industry. At the Board's request, staff coordinated a presentation at the January 31, 2008 Board meeting by the following Texas Association of Affordable Housing Providers (TAAHP) representatives: Mike Clark, President of TAAHP; Jerry Wright, Citigroup Global Markets; Nicole Flores, PNC Multifamily Capital; and Dale Cook, Redd Capital Group. The presenters provided perspective and insight into current market conditions and the impact of the market on the affordable housing industry in Texas. The state of the market is an ongoing concern of the Department and staff welcomes continued dialogue with the industry regarding potential Department responses.

The 2008 Housing Trust Fund Rental Production Program NOFA, approved by the Board at the October 2007 meeting and updated at the December 2007 meeting, is consistent with the Housing Trust Fund funding plan approved by the Board at the September 2007 meeting. Staff encourages comment on the 2009 Housing Trust Fund funding plan regarding the programming of the available funds. Staff has updated the language in the Housing Trust Fund action plan in the *2008 SLIHP* to reflect the changing use of Housing Trust Fund multifamily funds. No other changes to the *2008 SLIHP* are recommended.

## **5. NIMBY (“Not in my Backyard”) Public Opposition**

One comment urged the Department to include strong language in the Action Plan discouraging unsubstantiated acts of opposition to affordable housing developments.

*Staff Response:* The Department is statutorily directed to receive and consider public comment from the community regarding the administration of its programs. As evidenced through its annual schedule of public hearings across the state as well as the time provided for public comment at each Board meeting, the Department solicits and values input that addresses the validity of factual components within every funding decision. Staff is not required and does not accept all information on its face and examines potential fair housing issues while still respecting the comments and the sincerity with which they are given. Staff recommends no change to the *2008 SLIHP*.

**Brenda Hull**

**From:** jkirby@cityoflewisville.com  
**Sent:** Wednesday, January 02, 2008 10:21 AM  
**To:** brenda.hull@tdhca.state.tx.us  
**Subject:** Public Comment

Ms Hull,

I would like to request a hard copy of both the SLIHP and the Program Guide so that I can review and comment.

Please send to:  
City of Lewisville  
Community Dev - Jamey Kirby  
PO Box 299002  
Lewisville TX 75029-9002

I do have comments based on prior year observations:

1) I believe the state, both TDHCA and the Legislature, need to do more to encourage Mixed-Income Housing Development in its various programs. It is intuitive to set priorities so that the most funds are targeted to the lowest income clients; but I believe that time and experience have shown that having multi-family (and even single-family) developments in which a mixture of income levels can be represented makes the development stronger in the long-term. It also assists in the TDHCA and HUD goal of preventing a concentration of poverty.

In the area of Multi-Family Bonds and Tax Credits, this might translate to restricting the subsidy granted to between 40% and 60% of the total units in a development and leaving the developer to finance the rest of the units entirely with private funds and renting them out at market rates. If I understand correctly the Tax Credit program still prioritizes funds to developments where 100% of the units are made available to families below 80% or 60% of area median income levels. This at first glance appears to be an excellent mandate in order to use funds to assist more needy Texans. However, if the same amount of funding were spread out to more developments with fewer dollars/tax credits going to each development the same number of low-income families could still be assisted by spreading them out to more developments and thereby spreading them out geographically, while seeing that private market concerns and underwriting played a larger role in the viability of developments. Hopefully by offering development where substantial or even a majority of the units still rent for market rates you would have developments that were attractive to consumers in better neighborhoods and could still offer a subsidy to help low-income families move in and enjoy areas with more neighborhood amenities, lower crime and better schools.

2) The Department should also study its Multi-family programs in outcomes-based terms by reviewing past projects and their actual impact on rents paid by program clients. I was disappointed a few years back in doing a rent survey to find that there was not a very substantial difference in the rents being paid for subsidized units occupied by low-income families compared to the actual market rate that anyone else would pay. Perhaps this varies according to local markets and there is a greater impact in other communities. I especially believe that the dollars spent on MF Bonds and Tax Credits should be compared to the dollars put into direct subsidies such as TBRA and Section 8. These should be compared over time and broken into a simple tabulation showing the return on investment of \$1 from each program and what that dollar 'buys' for a low-income family at each income level served (60%, 50%, 30% etc) if this is not already available.

Thank you, I look forward to receiving hard copies of the reports made available this morning so I can give more thoughtful comments. It may be that my concerns listed above have already been addressed or answered.

Jamey Kirby  
Grants Coordinator  
(w) 972-219-3780  
(f) 972-219-3698

2/22/2008



**NRP**

U.S. Social Suite 1270  
Suite 1270, Texas 75205  
Phone: 214.757.7575  
Fax: 214.757.7575

February 11, 2008

Mr. Michael Gerber  
Executive Director  
Texas Department of Housing and Community Affairs

VIA EMAIL

RE: 2008 SLHIP Public Comments

Dear Mr. Gerber:

Thank you very much for allowing us to comment on the 2008 State of Texas Low Income Housing Plan and Annual Report. First and foremost it is important that we compliment your staff on a very thorough and comprehensive plan that provides in great detail an analysis of the TDHCA's activities statewide and impact in each of the regions. The success of the agency's programs means success for the communities, tenants, and developers that are participants.

However, it is important that we also recognize the real world challenges that will impact all of us in 2008 and beyond. Challenges to housing that may go as far as to derail the success of the Department's programs up to this point - programs that have put quality affordable housing on the ground in Texas.

1. Utility Costs - Increased utility costs coupled with rents that have and are predicted to remain stagnant are impacting the long term viability of affordable communities as operating costs continue to increase. The Action Plan must include the continued support and discussions with the developer community to provide innovative ways to determine utility allowances with approved quantifiable data.

2. Construction Costs - Higher construction costs are threatening the quality of the housing that will be built around the State. Nobody wants to see minimum standards they want to see above minimum and as construction costs increase we see value engineering which does not produce sustainable long term housing that will stand the test of time. This along with market instability can be addressed by allowing smoother leveraging of the Department's programs not only internally, but with outside local funding programs.

3. NIMBY (Not in my backyard) - Increased opposition to any and all affordable housing developments especially in areas that show the greatest need is a clear violation of fair housing standards. In the fair housing section of the Action Plan it should clearly

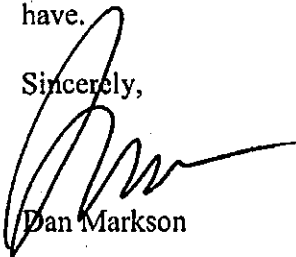
state that the rules, programs and decisions will not accommodate or reward these unwarranted and unsubstantiated acts of opposition.

4. Market instability- The markets are going haywire. It is a misconception to think that only the single family market is reaching peak volatility. The financial market for financing multifamily developments is suffering. Equity pricing has dropped dramatically and with financial conglomerates such as MMA and others losing their standings in the market we do not anticipate that it will get any better anytime soon. And if we want to continue to provide quality affordable housing that communities can be proud of than we need to make up the difference in lost equity through increased soft financing. The Action Plan should encourage the use of leveraging TDHCA programs together, as well as with local funding opportunities. For example the Department's Housing Trust Fund program should be able to be leveraged with the LIHTC program. Whereas the Housing Trust Fund section of the Action Plan supports this concept, the recent 2008 NOFA appears to be in contradiction.

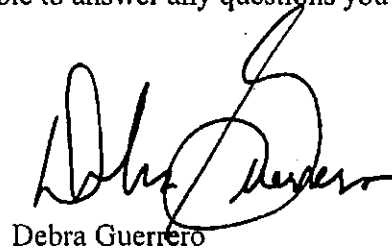
These very real issues are impacting developers and communities throughout the State of Texas and by encouraging creative uses of financing the gaps can be filled. Other general comments that can positively impact the financial viability of future developments would be to allow programs to be awarded funds on a project by project basis not on geographic location (i.e. rural vs. urban). And lastly we would ask that the Action Plan for 2008 continue to provide the greatest amount of money to the construction and rehabilitation of actual units on the ground.

Again, thank you for the opportunity to comment on the 2008 State of Texas Low Income Housing Plan and Annual Report and we are available to answer any questions you may have.

Sincerely,



Dan Markson



Debra Guerrero

**Attachment C**  
*2008 State of Texas Low Income Housing Plan and Annual Report*

# **2008** State of Texas Low Income Housing Plan and Annual Report



Fairlake Cove Apts, Huffman, TX

**Texas Department of Housing  
and Community Affairs  
March 2008**

**2008 STATE OF TEXAS LOW INCOME HOUSING PLAN AND ANNUAL REPORT**

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## **SECTION 1: INTRODUCTION**

The Texas Department of Housing and Community Affairs (TDHCA, Department, Agency) is the State's lead agency responsible for affordable housing. TDHCA is also responsible for administering a wide variety of community affairs, energy assistance, and colonia programs and activities.

### **INSTITUTIONAL STRUCTURE**

In 1991, the 72nd Texas Legislature created the Texas Department of Housing and Community Affairs. The Department's enabling legislation combined programs from the Texas Housing Agency, the Texas Department of Community Affairs, and the Community Development Block Grant Program from the Texas Department of Commerce.

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

### **AGENCY MISSION AND CHARGE**

TDHCA's mission is as follows: To help Texans achieve an improved quality of life through the development of better communities.

TDHCA accomplishes this mission by administering a variety of housing and community affairs programs. A primary function of TDHCA is to act as a conduit for federal grant funds for housing and community services. However, because several major housing programs require the participation of private investors and private lenders, TDHCA also operates as a housing finance agency.

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

*(a) The legislature finds that:*

*(1) every resident of this state should have a decent, safe, and affordable living environment;*

*(2) government at all levels should be involved in assisting individuals and families of low income in obtaining a decent, safe, and affordable living environment; and*

*(3) the development and diversification of the economy, the elimination of unemployment or underemployment, and the development or expansion of commerce in this state should be encouraged.*

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

TDHCA's services address a broad spectrum of housing and community affairs issues that include homebuyer assistance, the rehabilitation of single family and multifamily units, rental assistance, the new construction of single family and multifamily housing, special needs housing, transitional housing, and emergency shelters. Community services include energy assistance, weatherization assistance, health and

## *Introduction*

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### *Texas Department of Housing and Community Affairs*

human services, child care, nutrition, job training and employment services, substance abuse counseling, medical services, and emergency assistance.

Funding sources for the services listed above include the US Department of Housing and Urban Development (HUD), US Treasury Department, US Department of Health and Human Services, and US Department of Energy, and State of Texas general revenue funds. With this funding, TDHCA strives to promote sound housing policies; promote leveraging of state and local resources; prevent discrimination; and ensure the stability and continuity of services through a fair, nondiscriminatory, and open process. Recognizing that all the need may not ever be met, the Department looks at where the federal programs and state resources at its disposal could provide the most benefit by managing these limited resources to have the greatest impact.

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

## **ADMINISTRATIVE STRUCTURE**

Agency programs are grouped into the following divisions: Multifamily Finance Production, Texas Homeownership Program, HOME Program, Office of Colonia Initiatives, Disaster Recovery, and Community Affairs. In addition, TDHCA includes the following divisions: Administrative Support; Bond Finance; Financial Administration; Information Systems; Internal Audit; Legal Services; Portfolio Management and Compliance; Real Estate Analysis; the Division of Public Affairs; and the Housing Resource Center. The Manufactured Housing Division is administratively attached to TDHCA, though it is an independent entity with its own governing board.

The following table outlines TDHCA's programs. For more detailed program information, please see "TDHCA Program Plans" in the Action Plan section of this document.

Activity	Program	Program Description	Eligible Households
Multifamily Development	HOME Investment Partnerships Program (HOME)	Loans or grants to develop or preserve affordable rental housing	<80% AMFI
	Housing Trust Fund (HTF)	Loans or grants for rental housing development, predevelopment, and other industry innovations	<80% AMFI
	Housing Tax Credit (HTC)	Tax credits to develop or preserve affordable rental housing	<60% AMFI
	Multifamily Bond (MFB)	Loans to develop or preserve affordable rental housing	<60% AMFI
	Community Development Block Grant (CDBG)	Targeted disaster recovery assistance to preserve affordable rental housing	<80% AMFI
Rental Assistance	HOME Program	Loans or grants for entities to provide tenant-based rental assistance for two years	<80% AMFI
	Section 8 Housing Choice Vouchers	Acts as a public housing authority to offer tenant-based rental assistance vouchers in certain areas	<50% AMFI
Single Family Development	HOME Program	Loans or grants for entities to construct single family housing and offer down payment assistance	<80% AMFI
	Colonia Model Subdivision	Loans for Community Housing Development Organizations (CHDOs) to develop residential subdivisions as an alternative to colonias	<60% AMFI
Home Purchase Assistance and Home Repair Assistance	Contract for Deed Conversion Initiative	Facilitates colonia-resident ownership by converting contracts for deed into traditional mortgages	<60% AMFI
	Grant Assistance	Grants in conjunction with the First Time Homebuyer Program for down payment and closing costs	<80% AMFI
	HOME Program	Loan and grants for entities to offer down payment and closing cost assistance	<80% AMFI
	HOME Program	Loans and grants for entities to provide home repair assistance	<80% AMFI
	Lone Star Loan	Market-rate loans with second liens for down payment assistance	<115% AMFI
	Mortgage Credit Certificate	Annual tax credit based on the interest paid on the homebuyer's mortgage loan	<115% AMFI
	Texas Bootstrap Loan	Funds entities to offer owner-builder loans programs	<60% AMFI
	Texas First Time Homebuyer	Low-interest loans for first time homebuyers	<115% AMFI
Homebuyer Education	Community Development Block Grant (CDBG)	Targeted disaster recovery funding to provide home repair assistance	<80% AMFI
	Colonia Consumer Education Services	Homebuyer education offered through Colonia Self-Help Centers and Office of Colonia Initiatives (OCI) field offices	<115% AMFI (All)
Community Affairs Activities	Texas Statewide Homebuyer Education	Training for nonprofits to provide homebuyer education	<115% AMFI (All)
	Community Services Block Grant (CSBG)	Funds local agencies to provide essential services and poverty programs	<50% AMFI
	Emergency Shelter Grants (ESGP)	Funds entities to provide shelter and related services to the homeless	<30% AMFI (Homeless)
	Comprehensive Energy Assistance (CEAP)	Funds local agencies to offer energy education, financial assistance, and HVAC replacement	<50% AMFI
Manufactured Housing	Weatherization Assistance (WAP)	Funds local agencies to provide minor home repairs to increase energy efficiency	<50% AMFI
	Manufactured Housing Division	Regulates the manufactured housing industry. Licenses manufactured housing professionals, titles homes, inspects homes, and investigates manufactured housing complaints.	All

## 2008 STATE OF TEXAS LOW INCOME HOUSING PLAN AND ANNUAL REPORT

The *2008 State of Texas Low Income Housing Plan and Annual Report* (SLIHP, Plan) is prepared annually in accordance with §2306.072–2306.0724 of the Texas Government Code (TGC). This statute requires that TDHCA provide a comprehensive statement of activities in the preceding year, an overview of statewide housing needs, and a resource allocation plan to meet the state’s housing needs. It offers policy makers, affordable housing providers, and local communities a comprehensive reference on statewide housing need, housing resources, and performance-based funding allocations. The format is intended to help these entities measure housing needs, understand general housing issues, formulate policies, and identify available resources. As such, the Plan is a working document whose annual changes reflect input received throughout the year.

The Plan is organized into eight sections:

- *Introduction*: An overview of TDHCA and the Plan
- *Annual Report*: A comprehensive statement of activities for 2007, including performance measures, actual numbers served, and a discussion of TDHCA’s Strategic Plan goals
- *Housing Analysis*: An analysis of statewide and regional demographic information, housing characteristics, and housing needs
- *TDHCA Action Plan*: A description of TDHCA’s initiatives, resource allocation plans, program descriptions, and goals
- *Public Participation*: Information on the Plan preparation and a summary of public comment
- *Colonia Action Plan*: A revised biennial plan for 2008–2009, which discusses housing and community development needs in the colonias, describes TDHCA’s policy goals, summarizes the strategies and programs designed to meet these goals, and describes projected outcomes to support the improvement of living conditions of colonia residents
- *Texas State Affordable Housing Corporation (TSAHC) Plan*: This section outlines TSAHC’s plans and programs for 2008, and is included in accordance with legislation
- *Appendix*: Includes TDHCA’s enabling legislation

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

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

## **SECTION 2: ANNUAL REPORT**

The Annual Report required by §2306.072 of the Texas Government Code includes the following sections:

- TDHCA's Operating and Financial Statements
- *Statement of Activities*: Describes TDHCA activities during the preceding year that worked to address housing and community service needs
- *Statement of Activities by Region*: Describes TDHCA activities by region
- *Housing Sponsor Report*: Describes fair housing opportunities offered by TDHCA's multifamily development inventory
- *Analysis of the Distribution of Tax Credits*: Provides an analysis of the sources, uses, and geographic distribution of housing tax credits
- *Average Rents Reported by County*: Provides a summary of the average rents reported by the TDHCA multifamily inventory

### **OPERATING AND FINANCIAL STATEMENTS**

TDHCA's Operating Budgets and Basic Financial Statements are prepared and maintained by the Financial Administration Division. For copies of these reports, visit <http://www.tdhca.state.tx.us/finan.htm>.

## STATEMENT OF ACTIVITIES

The Department has many programs that provide an array of services. This section of the Plan highlights TDHCA's activities and achievements during the preceding fiscal year through a detailed analysis of the following:

- TDHCA's performance in addressing the housing needs of low, very low, and extremely low income households
- TDHCA's progress in meeting its housing and community services goals

This analysis is provided at the State level and within each of the 13 service regions TDHCA uses for planning purposes (see Figure 2.1). For general information about each region, including housing needs and housing supply, please see the Housing Analysis section of this document.

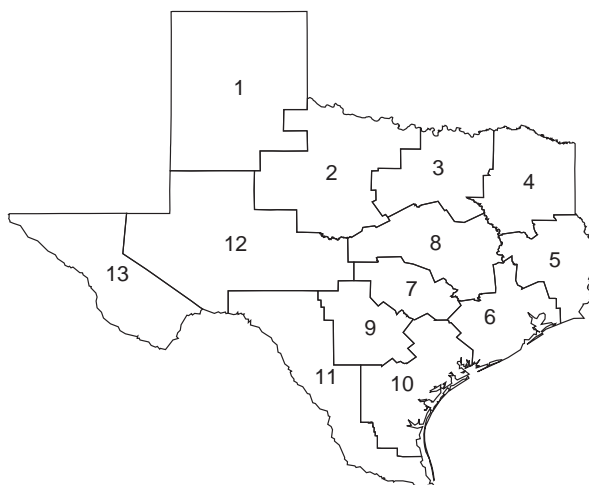


Figure 2.1 State Service Regions

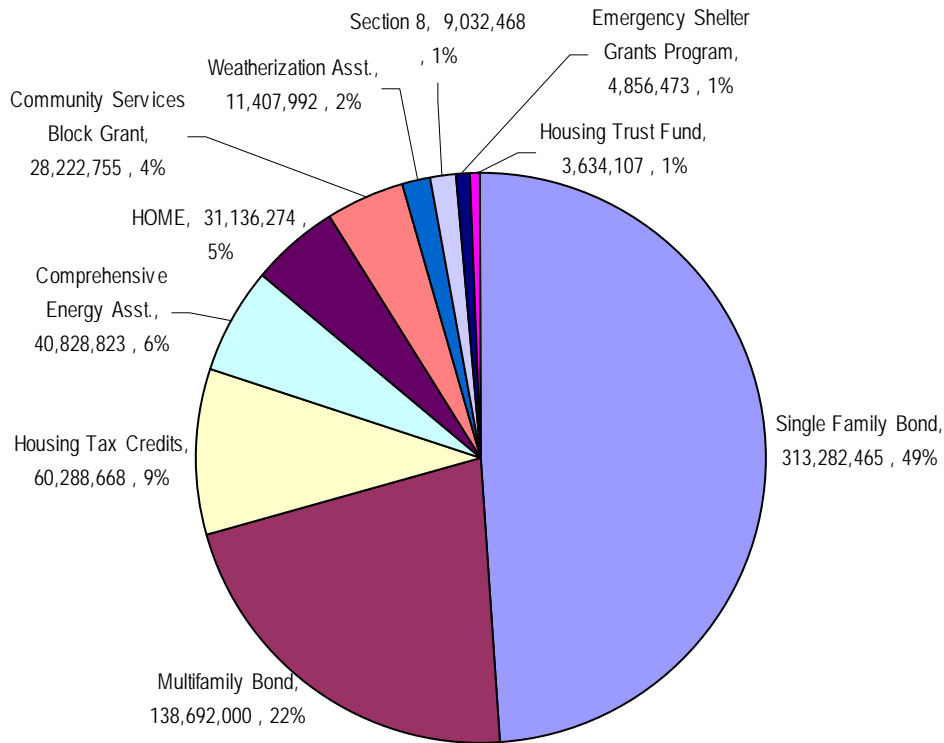
## FUNDING COMMITMENTS AND HOUSEHOLDS SERVED BY ACTIVITY AND PROGRAM

For the state and each region, a description of funding allocations, amounts committed, target numbers, and actual number of persons or households served for each program is provided. Along with the summary performance information, data on the following activity subcategories is provided.

- Renter
  - New Construction activities support multifamily development, such as the funding of developments and predevelopment funding.
  - Rehabilitation Construction activities support the acquisition, rehabilitation, and preservation of multifamily units.
  - Tenant Based Assistance is direct rental payment assistance.
- Owner
  - Single family development includes funding for housing developers, nonprofits, or other housing organizations to support the development of single family housing.
  - Single family financing and homebuyer assistance helps households purchase a home, through such activities as mortgage financing, and down payment assistance.
  - Single family owner-occupied assistance helps existing homeowners who need home rehabilitation and reconstruction assistance.
  - Community services includes supportive services, energy assistance, and homeless assistance activities.

In FY 2007, TDHCA committed \$641,337,025 in total funds. Almost all of this funding, over 99 percent of the total, came from federal sources. TDHCA committed funding for activities that predominantly benefited extremely low, very low, and low income individuals. The chart below displays the distribution of this funding by program activity.

**Total Funding By Program, FY 2007**  
**Total Funds Committed: \$641,337,025**



**Funding and Households/Persons Served by Activity, FY 2007, All Activities**

Household Type	Activity	Committed Funds	Number of Households/Individuals Served	% of Total Committed Funds	% of Total Households/Individuals Served
Renter	New Construction	\$168,850,824	9,081	26%	1%
	Rehab Construction	\$36,490,721	3,517	6%	1%
	Rental Assistance	\$9,032,468	1,153	1%	0%
Owner	Financing & Down Payment	\$319,519,278	2,896	50%	0%
	Rehabilitation Assistance	\$22,172,691	378	3%	0%
	Supportive Services	\$28,177,755	503,179	4%	72%
	Energy Related	\$52,236,815	73,151	8%	10%
	Homeless Services	\$4,856,473	104,414	1%	15%
<b>Total</b>		<b>\$641,337,025</b>	<b>460,196</b>	<b>100%</b>	<b>100%</b>

# Annual Report

## Statement of Activities

### Funding and Households/Persons Served by Housing Program, FY 2007

Household Type	Activity	SF Bond		HOME		HTF		HTC*		MF Bond		Section 8*	
		Committed Funds	# of Households Served	Committed Funds	# of Households Served	Committed Funds	# of Households Served	Committed Funds	# of Households Served	Committed Funds	# of Households Served	Committed Funds	# of Households Served
Renter	New Construction	\$0	-	\$4,718,752	102	\$0	-	\$47,100,072	6,989	\$117,032,000	1,990	\$0	-
	Rehab. Construction	\$0	-	\$1,642,125	65	\$0	-	\$13,188,596	2,905	\$21,660,000	547	\$0	-
	Rental Assistance	\$0	-	\$0	-	\$0	-	\$0	-	\$0	-	\$9,032,468	1,153
Owner	Financing & Down Pmt.	\$313,282,465	2,727	\$2,940,843	47	\$3,295,970	122	\$0	-	\$0	-	\$0	-
	Rehabilitation Asst.	\$0	-	\$21,834,554	366	\$338,137	12	\$0	-	\$0	-	\$0	-
Total		\$313,282,465	2,727	\$31,136,274	580	\$3,634,107	134	\$60,288,668	9,894	\$138,692,000	2,537	\$9,032,468	1,153

\*Includes \$2,009,754 awarded to several 2004 developments. The households served were reported in 2004, and are not reported for 2007.

### Funding and Households/Persons Served by Community Affairs Program, FY 2007

Activity	ESGP^		CSBG^*		CEAP		WAP*	
	Committed Funds	# of Individuals Served	Committed Funds	# of Individuals Served	Committed Funds	# of Households Served	Committed Funds	# of Households Served
Supportive Services	\$0	0	\$28,222,755	503,179	\$0	0	\$0	0
Energy Related	\$0	0	\$0	0	\$40,828,823	68,179	\$11,407,992	4,972
Homeless Services	\$4,856,473	104,414	\$0	0	\$0	0	\$0	0
Total	\$4,856,473	104,414	\$28,222,755	503,179	\$40,828,823	68,179	\$11,407,992	4,972

\*For these programs, funds and households served reflect different 12 month periods.

^ ESGP and CSBG programs represent individuals served, not households



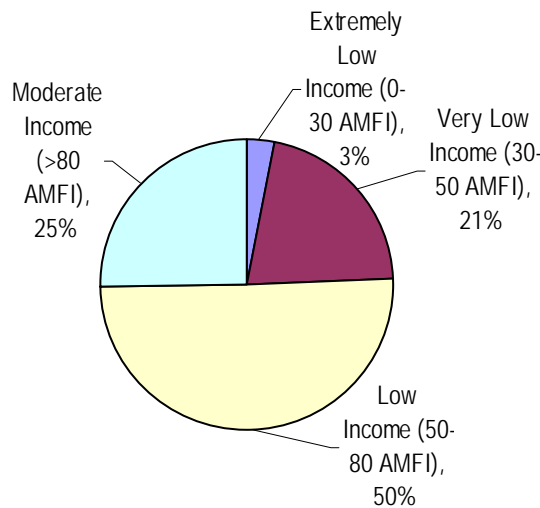
**FUNDING COMMITMENTS AND HOUSEHOLDS SERVED BY INCOME GROUP**

The SLIHP uses the following subcategories to refer to the needs of households or persons within specific income groups.

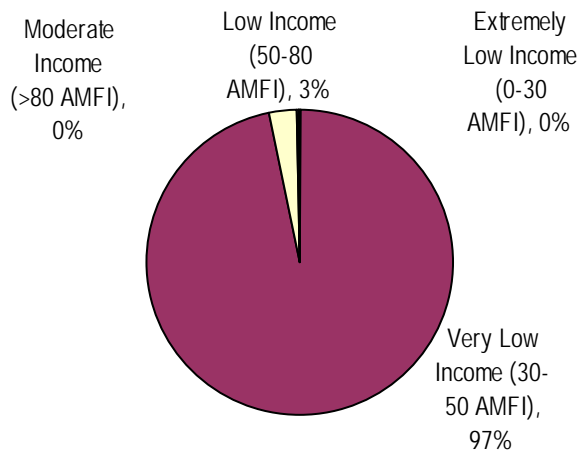
- Extremely Low Income (ELI): 0% to 30% area median family income (AMFI)
- Very Low Income (VLI): 31% to 50% (AMFI)
- Low Income (LI): 51% to 80% (AMFI)
- Moderate Income and Up (MI): >80% (AMFI)

The vast majority of households and individuals served through CEAP, WAP, and ESGP earn less than 30 percent area median family income. However, federal tracking of assistance from these programs is based on poverty guidelines, which do not translate easily to an AMFI equivalent. For conservative reporting purposes, assistance in these programs is reported in the VLI category.

**Total Funding by Income Level, FY 2007**



**Total Households Served by Income Level, FY 2007**



# Annual Report

## Statement of Activities

### Funding and Households/Persons Served by Income Category, FY 2007

<b>All Activities</b>				
Activity	Committed Funds*	Number of Households/ Individuals Served	% of Total Committed Funds	% of Total Households/ Individuals Served
Extremely Low Income (0-30 AMFI)	\$19,605,793	1,491	3%	0%
Very Low Income (30-50 AMFI)	\$136,010,258	682,277	21%	98%
Low Income (50-80 AMFI)	\$321,261,371	12,732	50%	2%
Moderate Income (>80 AMFI)	\$162,494,849	1269	25%	0%
<b>Total</b>	<b>\$639,372,271</b>	<b>697,769</b>	<b>100%</b>	<b>100%</b>

\*Does not include \$2,009,745 of HTC awarded to 2004 developments.

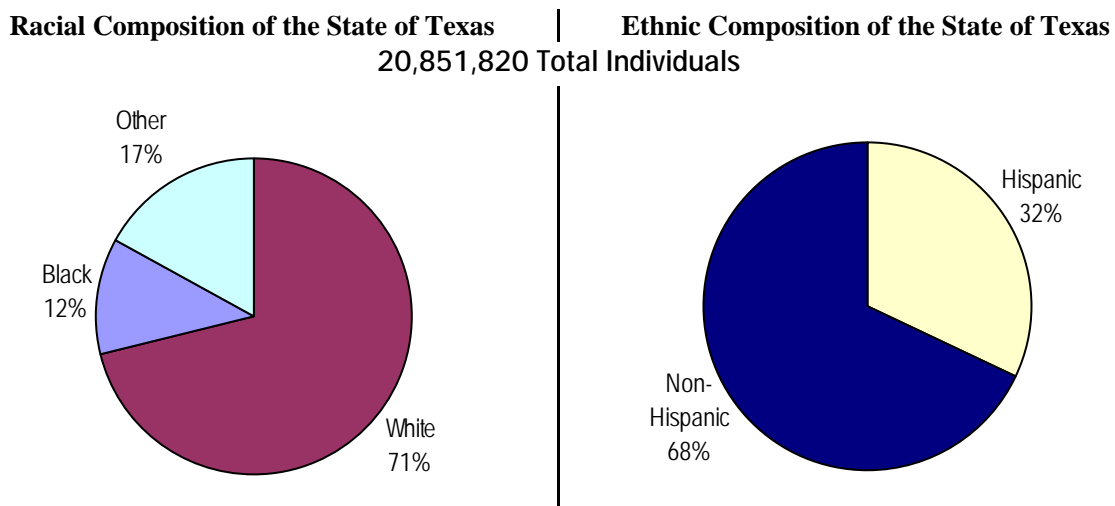
Activity	SF Bond		HOME		HTF		HTC*		MF Bond		Section 8	
	Committed Funds	# of Households Served	Committed Funds	# of Households Served	Committed Funds	# of Households Served	Committed Funds	# of Households Served	Committed Funds	# of Households Served	Committed Funds	# of Households Served
Extremely Low Income (0-30 AMFI)	\$1,816,037	33	\$4,120,150	72	\$1,197,000	42	4,215,969	485	\$462,857	9	\$7,793,780	850
Very Low Income (30-50 AMFI)	\$25,695,359	324	\$18,316,052	345	\$2,207,107	83	3,300,661	515	\$0	-	\$1,175,036	266
Low Income (50-80 AMFI)	\$125,474,856	1,157	\$8,700,072	163	\$170,000	7	50,762,284	8,894	\$136,090,507	2,474	\$63,652	37
Moderate Income (>80 AMFI)	\$160,296,213	1,213	\$0	-	\$60,000	2	-	0	\$2,138,636	54	\$0	-
<b>Total</b>	<b>\$313,282,465</b>	<b>2,727</b>	<b>\$31,136,274</b>	<b>580</b>	<b>\$3,634,107</b>	<b>134</b>	<b>\$58,278,914</b>	<b>9,894</b>	<b>\$138,692,000</b>	<b>2,537</b>	<b>\$9,032,468</b>	<b>1,153</b>

\*Does not include \$2,009,745 of HTC awarded to 2004 developments.

Activity	ESGP*		CSBG*		CEAP		WAP	
	Committed Funds	# of Individuals Served	Committed Funds	# of Individuals Served	Committed Funds	# of Households Served	Committed Funds	# of Households Served
Extremely Low Income (0-30 AMFI)	\$0	-	\$0	-	\$0	-	\$0	-
Very Low Income (30-50 AMFI)	\$4,856,473	104,414	\$28,222,755	503,179	\$40,828,823	68,179	\$11,407,992	4,972
Low Income (50-80 AMFI)	\$0	-	\$0	-	\$0	-	\$0	-
Moderate Income (>80 AMFI)	\$0	-	\$0	-	\$0	-	\$0	-
<b>Total</b>	<b>\$4,856,473</b>	<b>104,414</b>	<b>\$28,222,755</b>	<b>503,179</b>	<b>\$40,828,823</b>	<b>68,179</b>	<b>\$11,407,992</b>	<b>4,972</b>

**RACIAL AND ETHNIC COMPOSITION OF HOUSEHOLDS RECEIVING ASSISTANCE**

As required by legislation, TDHCA reports on the racial and ethnic composition of individuals and families receiving assistance. These demographic categories are delineated according to the standards set by the U.S. Census. Accordingly, “race” is broken down into three subclassifications: White, Black, and Other. “Other” includes races other than White and Black, as well as individuals with two or more races. As ethnic origin is considered to be a separate concept from racial identity, the Hispanic population is represented in a separate chart. Persons of Hispanic origin may fall under any of the racial classifications. Households assisted through each TDHCA program or activity have been delineated according to these categories. Regional analyses of this racial data are included in the Statement of Activities by Uniform State Service Region section that follows. Note that the state population racial composition charts examine individuals, while the many program racial composition charts examine households.



***Housing Programs***

Racial and ethnic data on housing programs is presented below using two general categories: Renter Programs and Homeowner Programs. Office of Colonia Initiatives programs are reported in the Homeowner Programs category under the following funding sources: HOME Program for Contract for Deed loans, Single Family Bond for some Contract for Deed loans and some Texas Bootstrap Program loans, and the Housing Trust Fund for some Texas Bootstrap loans.

***Renter Programs***

The following charts depict the racial and ethnic composition of households receiving assistance from all TDHCA renter programs. Included in this category are households participating in TDHCA’s Tenant Based Rental Assistance Program (TBRA) and Section 8 Housing Choice Voucher Program, as well as households residing in TDHCA-funded multifamily properties.

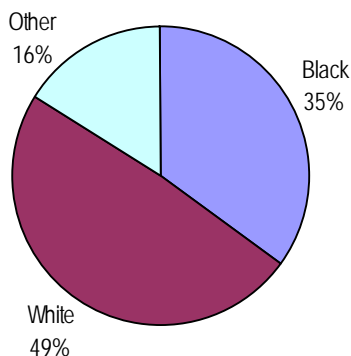
Multifamily properties receive funding through one or more of the following TDHCA programs: the Housing Tax Credit Program, Housing Trust Fund, HOME Investment Partnership Program, and Multifamily Bond Program. Data for these programs is collected from the Fair Housing Sponsor Report, which is gathered each year from TDHCA-funded housing developments. The report includes information about each property, including the racial composition of the tenant population as of December 31 of the given year. Accordingly, the 2007 report is a snapshot of property characteristics on December 31, 2006.

# Annual Report

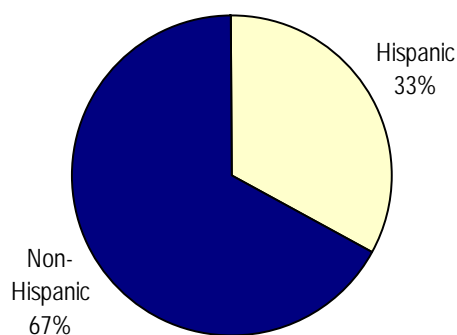
## Statement of Activities

It should be noted that the Housing Sponsor Report does not report on or represent all units financed by TDHCA. Some submitted reports describe properties under construction, which do not yet have occupied units. Some properties did not submit a report, and still others did not fill out the report accurately. Therefore, TDHCA is left with usable data for only a portion of existing multifamily units. For racial and ethnicity analysis, only 82% of the unit data received from the monitored properties could be used. As a result, the following charts present a picture of race and ethnicity based on samples, and may not represent actual percentages.

### Racial Composition of TDHCA-Assisted Renter Households



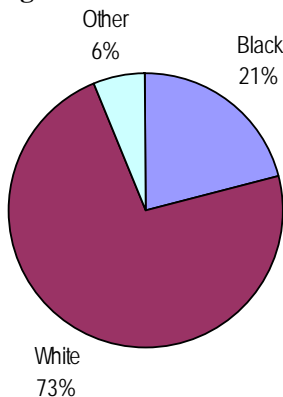
### Ethnic Composition of TDHCA-Assisted Renter Households



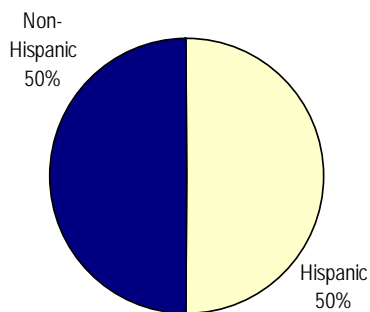
## Homeowner Programs

The following charts depict the racial and ethnic composition of households receiving assistance from all TDHCA homeowner programs. TDHCA homeowner assistance comes in the form of three programs: the Single Family Bond Program, HOME Owner-Occupied Home Repair Program, and HOME Homebuyer Assistance Program. Due to the data reporting techniques of the Single Family Bond Program, race and ethnicity are combined into one category.

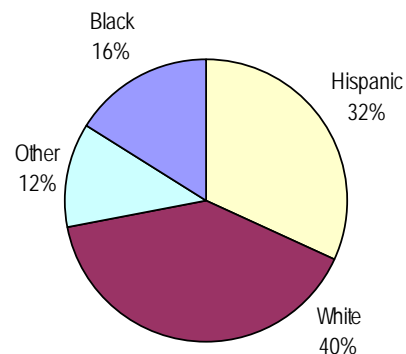
### Racial Composition of HOME Program Owner Households



### Ethnic Composition of HOME Program Owner Households



### Ethnic Composition of SF Bond Program Owner Households



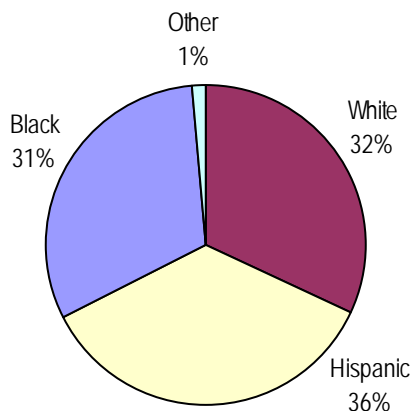
## Community Affairs Programs

The Community Affairs programs allocate funding to entities with service areas that span across two or more uniform state service regions, so racial data for these programs is reported by entity rather than region. Due to the data reporting techniques of the Weatherization Assistance Program (WAP), Energy Assistance Program (CEAP), and Community Services Block Grant (CSBG) Program race and ethnicity are combined into one category. The Emergency Shelter Grant Program (ESGP) reports race and ethnicity as two separate categories

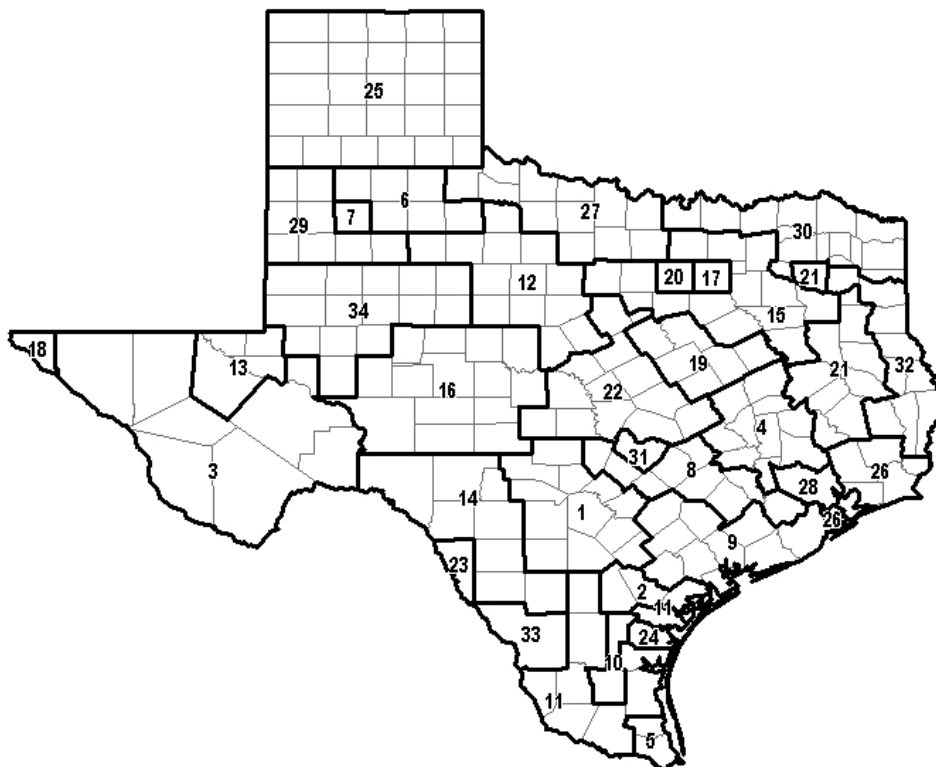
**Weatherization Assistance Program**

The Weatherization Assistance Program (WAP) funds a network of subcontractor organizations, some of which have a service area that spans across two or more regions. Because of this, WAP racial composition data for FY 2007 is listed according to subcontractor. A map is provided in order to locate subcontractor service areas. Racial and ethnic composition for the state is available, but because this data does not fit into regional boundaries, regional data is not available.

**Racial and Ethnic Composition of WAP Assisted Households, Statewide, 2007**



**WAP Subcontractor Service Areas, FY 2007**



**Racial and Ethnic Composition of Households Receiving WAP Assistance  
by Subcontractor, Statewide, PY 2007**

# on Map	Subcontractor	Counties Served	PY 2007 Allocations (4/07 - 3/08)	Households Served	White*	Hispanic*	Black*	Other*
1	Alamo Area Council of Governments	Atascosa, Bandera, Bexar, Comal, Frio, Gillespie, Guadalupe, Karnes, Kendall, Kerr, Medina, Wilson	\$912,393	440	172	179	23	6
2	Bee Community Action Agency	Bee, Live Oak, Refugio	\$47,417	9	1	6	2	0
3	Big Bend Community Action Committee, Inc.	Brewster, Crane, Culberson, Hudspeth, Jeff Davis, Pecos, Presidio, Terrell	\$142,797	26	4	20	2	0
4	Brazos Valley Community Action Agency	Brazos, Burleson, Grimes, Leon, Madison, Montgomery, Robertson, Walker, Waller, Washington	\$373,186	83	20	3	47	0
5	Cameron and Willacy Counties Community Projects, Inc.	Cameron, Willacy	\$325,106	112	2	110	0	0
6	Caprock Community Action Association, Inc.	Crosby, Dickens, Floyd, Hale, King, Motley	\$113,817	34	5	26	3	0
7	Combined Community Action, Inc.	Austin, Bastrop, Blanco, Caldwell, Colorado, Fayette, Fort Bend, Hays, Lee	\$211,561	51	26	20	1	4
8	Community Action Committee of Victoria	Aransas, Brazoria, Calhoun, DeWitt, Goliad, Gonzales, Jackson, Lavaca, Matagorda, Victoria, Wharton	\$294,262	112	48	27	17	0
9	Community Action Corporation of South Texas	Brooks, Jim Wells	\$55,584	13	0	13	0	0
10	Community Action Council of South Texas*	Duval, Hidalgo, Jim Hogg, Kenedy, Kleberg, McMullen, San Patricio, Starr, Zapata	\$773,835	224	14	210	0	0
11	Community Action Program, Inc.	Brown, Callahan, Comanche, Eastland, Haskell, Jones, Kent, Knox, Shackelford, Stephens, Stonewall, Taylor, Throckmorton	\$252,816	95	61	21	13	0
12	Community Council of Reeves County	Loving, Reeves, Ward, Winkler	\$42,878	36	6	28	2	0
13	Community Services Agency of South Texas	Dimmit, Edwards, Kinney, LaSalle, Real, Uvalde, Val Verde, Zavala	\$164,994	71	4	65	0	0
14	Community Services, Inc.	Anderson, Collin, Denton, Ellis, Henderson, Hood, Hunt, Johnson, Kaufman, Navarro, Palo Pinto, Parker, Rockwall, Smith, Van Zandt	\$611,904	262	167	13	66	2
15	Concho Valley Community Action Agency	Coke, Coleman, Concho, Crockett, Irion, Kimble, McCulloch, Menard, Reagan, Runnels, Schleicher, Sterling, Sutton, Tom Green	\$221,596	57	28	27	2	0
16	DALLAS COUNTY DEPT. OF HUMAN SERVICES	Dallas	\$846,245	288	38	50	177	23
17	Economic Opportunities Advancement Corporation of Planning Region XI	Bosque, Falls, Freestone, Hill, Limestone, McLennan	\$233,042	111	41	2	63	0

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## Statement of Activities

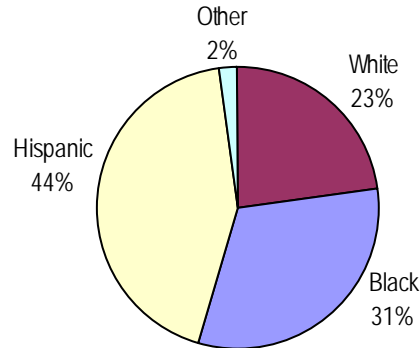
# on Map	Subcontractor	Counties Served	PY 2007 Allocations (4/07 – 3/08)	Households Served	White*	Hispanic*	Black*	Other*
18	El Paso Community Action Program-Project Bravo, Inc	El Paso	\$453,044	166	6	156	4	0
19	Fort Worth Housing Dept.	Tarrant	\$475,408	114	15	18	79	2
20	Greater East Texas Community Action Program (GETCAP)	Angelina, Cherokee, Gregg, Houston, Nacogdoches, Polk, Rusk, San Jacinto, Trinity, Wood	\$362,824	170	93	5	66	0
21	Hill Country Community Action Association, Inc.	Bell, Burnet, Coryell, Erath, Hamilton, Lampasas, Llano, Mason, Milam, Mills, San Saba, Somervell, Williamson	\$273,142	64	60	0	0	4
22	Lubbock, City of, Community Development Dpt.	Lubbock	\$153,425	42	10	19	13	0
23	Maverick County Human Services Department	Maverick	\$60,733	17	0	17	0	0
24	Nueces County Community Action Agency	Nueces	\$193,007	39	4	30	5	0
25	Panhandle Community Services	Armstrong, Briscoe, Carson, Castro, Childress, Collingsworth, Dallam, Deaf Smith, Donley, Gray, Hall, Hansford, Hartley, Hemphill, Hutchinson, Lipscomb, Moore, Ochiltree, Oldham, Parmer, Potter, Randall, Roberts, Sherman, Swisher, Wheeler	\$384,223	102	47	37	18	0
26	Programs for Human Services	Chambers, Galveston, Hardin, Jefferson, Liberty, Orange	\$397,630	146	75	2	67	2
27	Rolling Plains Management Corporation	Archer, Baylor, Clay, Cottle, Foard, Hardeman, Jack, Montague, Wichita, Wilbarger, Wise, Young	\$202,621	130	88	24	16	0
28	Sheltering Arms Senior Services, Inc.	Harris	\$1,408,776	409	16	46	345	2
29	South Plains Community Action Association, Inc.	Bailey, Cochran, Garza, Hockley, Lamb, Lynn, Terry, Yoakum	\$96,285	61	22	38	1	0
30	Texoma Council of Governments	Bowie, Camp, Cass, Cooke, Delta, Fannin, Franklin, Grayson, Hopkins, Lamar, Marion, Morris, Rains, Red River, Titus	\$370,100	191	100	4	87	0
31	Travis County HHS	Travis	\$285,129	137	40	55	38	4
32	Tri-County Community Action, Inc.	Harrison, Jasper, Newton, Panola, Sabine, San Augustine, Shelby, Tyler, Upshur	\$213,305	57	15	0	42	0
33	Webb County Community Action Agency	Webb	\$145,908	42	0	42	0	0
34	West Texas Opportunities	Andrews, Borden, Dawson, Ector, Fisher, Gaines, Glasscock, Howard, Martin, Midland, Mitchell, Nolan, Scurry, Upton	\$308,982	98	12	68	17	0
	<b>WAP TOTAL</b>	<b>STATE</b>	<b>\$11,407,992</b>	<b>4009</b>	<b>1240</b>	<b>1381</b>	<b>1216</b>	<b>49</b>



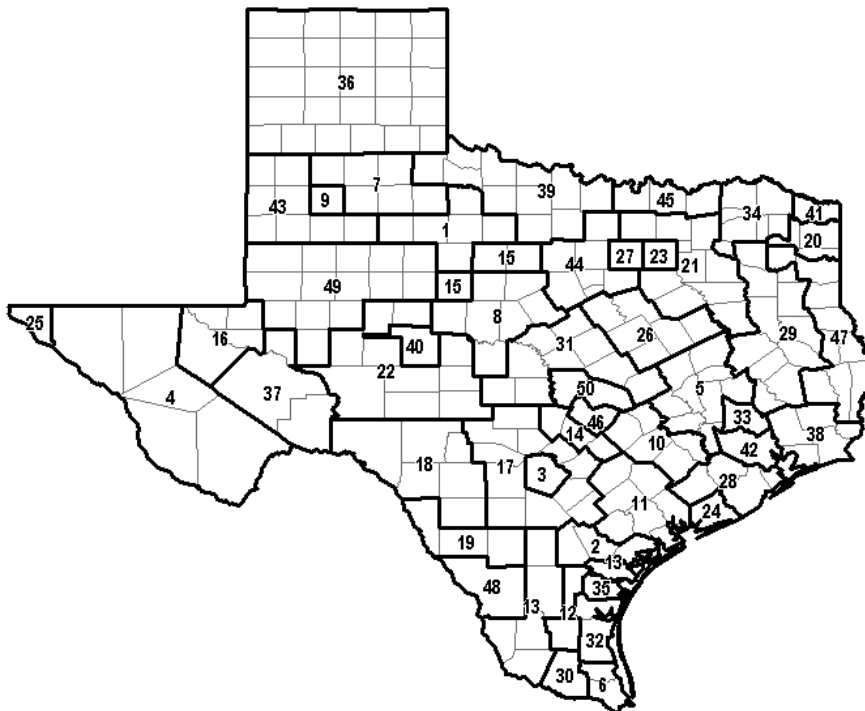
**Comprehensive Energy Assistance Program**

The Comprehensive Energy Assistance Program (CEAP) funds a network of subcontractor organizations, some of which have a service area that spans across two or more regions. Because of this, CEAP racial composition data for FY 2007 is listed according to subcontractor. A map is provided in order to locate subcontractor service areas. Racial composition for the state is available, but because this data does not fit into regional boundaries, regional data is not available.

**Racial and Ethnic Composition of CEAP Assisted Households, Statewide, PY 2007**



**CEAP Subcontractor Service Areas, FY 2007**



**Racial and Ethnic Composition of Households Receiving CEAP Assistance  
by Subcontractor, Statewide, FY 2007**

# Annual Report

## Statement of Activities

# on Map	Subcontractor	Counties Served	PY 2007 Allocation	Households Served	White*	Hispanic*	Black*	Other*
1	Aspermont Small Business Development Center, Inc.	Haskell, Jones, Kent, Knox, Stonewall, Throckmorton	\$307,154	446	205	68	171	2
2	Bee Community Action Agency	Bee, Live Oak, Refugio	\$169,705	313	55	20	234	4
3	Bexar County HHS	Bexar	\$2,457,675	3707	281	582	2827	25
4	Big Bend Community Action Committee, Inc.	Brewster, Culberson, Hudspeth, Jeff Davis, Presidio	\$336,349	841	85	1	752	3
5	Brazos Valley Community Action Agency	Brazos, Burleson, Grimes, Leon, Madison, Robertson, Walker, Waller, Washington	\$991,790	1521	375	1005	131	10
6	Cameron and Willacy Counties Community Projects, Inc.	Cameron, Willacy	\$1,163,543	3310	39	96	3175	0
7	Caprock Community Action Association, Inc.	Crosby, Dickens, Floyd, Hale, King, Motley	\$407,345	1140	238	133	766	3
8	Central Texas Opportunities, Inc.	Brown, Callahan, Coleman, Comanche, Eastland, McCulloch, Runnels	\$463,577	770	604	50	113	3
9	Combined Community Action, Inc.	Austin, Bastrop, Colorado, Fayette, Lee	\$325,556	458	145	271	42	0
10	Community Action Committee of Victoria	Aransas, Calhoun, DeWitt, Goliad, Gonzales, Jackson, Lavaca, Victoria	\$567,518	1131	323	332	472	4
11	Community Action Corporation of South Texas	Brooks, Jim Wells	\$198,934	630	29	11	590	0
12	Community Action Council of South Texas*	Duval, Jim Hogg, McMullen, San Patricio, Starr, Zapata	\$670,759	999	23	8	968	0
13	Community Action Inc., of Hays, Caldwell and Blanco Counties	Blanco, Caldwell, Hays	\$224,146	353	112	117	123	1
14	Community Action Program, Inc.	Shackelford, Stephens, Taylor	\$306,770	480	188	107	182	3
15	Community Council of Reeves County	Loving, Reeves, Ward, Winkler	\$153,461	349	48	18	282	1
16	Community Council of South Central Texas, Inc.	Atascosa, Bandera, Comal, Frio, Gillespie, Guadalupe, Karnes, Kendall, Kerr, Medina, Wilson	\$807,748	1723	557	75	1078	13
17	Community Council of Southwest Texas, Inc.	Edwards, Kinney, Real, Uvalde, Val Verde, Zavala	\$470,759	460	21	5	430	4
18	Community Services Agency of South Texas	Dimmit, La Salle, Maverick	\$337,112	477	7	0	470	0
19	Community Services of Northeast Texas	Camp, Cass, Marion, Morris	\$268,622	519	174	331	10	4
20	Community Services, Inc.	Anderson, Collin, Denton, Ellis, Henderson, Hunt, Kaufman, Navarro, Rockwall, Van Zandt	\$1,452,319	2042	1046	742	213	41
21	Concho Valley Community Action Agency	Coke, Concho, Crockett, Irion, Kimble, Menard, Reagan, Schleicher, Sterling, Sutton	\$395,237	594	219	4	367	4
22	DALLAS COUNTY DEPT. OF HUMAN SERVICES	Dallas	\$3,028,684	3093	362	2440	238	53
23	ECONOMIC ACTION COMMITTEE OF GULF COAST	Matagorda	\$103,281	155	25	100	30	0
24	Economic Opportunities Advancement Corporation of Planning Region XI	Bosque, Falls, Freestone, Hill, Limestone, McLennan	\$834,052	4695	154	130	4382	29
25	El Paso Community Action Program-Project Bravo, Inc	El Paso	\$1,621,431	1073	423	548	100	2
26	Fort Worth, City of, Parks & Community Services Department	Tarrant	\$1,701,470	2219	514	1286	396	23
27	Galveston County Community Action Council, Inc.	Brazoria, Fort Bend, Galveston, Wharton	\$1,005,146	1348	267	786	286	9

**Annual Report**

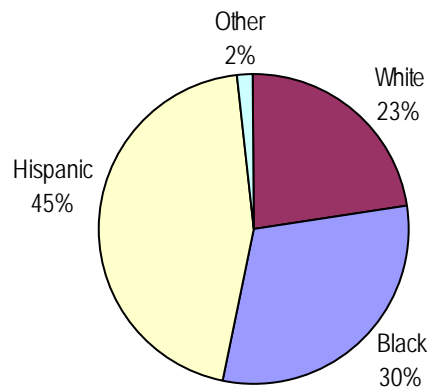
*Statement of Activities*

# on Map	Subcontractor	Counties Served	PY 2007 Allocation	Households Served	White*	Hispanic*	Black*	Other*
28	Greater East Texas Community Action Program (GETCAP)	Angelina, Cherokee, Gregg, Houston, Nacogdoches, Polk, Rusk, San Jacinto, Smith, Trinity, Wood	\$1,633,902	2996	1033	1806	146	11
29	Hidalgo County Community Services Agency	Hidalgo	\$1,762,226	3439	43	3	3386	7
30	Hill Country Community Action Association, Inc.	Bell, Coryell, Hamilton, Lampasas, Llano, Mason, Milam, Mills, San Saba	\$705,023	1217	704	303	188	22
31	KLEBERG COUNTY HUMAN SERVICES	Kenedy, Kleberg	\$336,545	387	30	43	313	1
32	Lubbock, City of, Community Development Dpt.	Lubbock	\$549,103	1017	252	327	427	11
33	MONTGOMERY COUNTY EMERGENCY ASSISTANCE	Montgomery	\$343,829	1362	874	408	63	17
34	NORTHEAST TEXAS OPPORTUNITIES, INC	Delta, Franklin, Hopkins, Lamar, Rains, Red River, Titus	\$461,686	790	411	371	8	0
35	Nueces County Community Action Agency	Nueces	\$690,768	878	75	178	621	4
36	Panhandle Community Services	Armstrong, Briscoe, Carson, Castro, Childress, Collingsworth, Dallam, Deaf Smith, Donley, Gray, Hall, Hansford, Hartley, Hemphill, Hutchinson, Lipscomb, Moore, Ochiltree, Oldham, Parmer, Potter, Randall, Roberts, Sherman, Swisher, Wheeler	\$1,375,124	2903	1327	425	1149	2
37	Pecos County Community Action Agency	Crane, Pecos, Terrell	\$174,717	396	48	0	348	0
38	PROGRAMS FOR HUMAN SERVICES	Chambers, Hardin, Jefferson, Liberty, Orange	\$1,007,783	1294	332	866	20	76
39	Rolling Plains Management Corporation	Archer, Baylor, Clay, Cottle, Foard, Hardeman, Jack, Montague, Wichita, Wilbarger, Young	\$660,170	908	545	211	134	18
40	SAN ANGELO/TOM GREEN COUNTY HEALTH DEPT	Tom Green	\$225,169	294	142	19	133	0
41	SENIOR CITIZENS SERVICES OF TEXARKANA	Bowie	\$216,821	382	116	263	3	0
42	SHELTERING ARMS SENIOR SVCS, INC, THE	Harris	\$5,041,964	7070	729	4735	805	801
43	South Plains Community Action Association, Inc.	Bailey, Cochran, Garza, Hockley, Lamb, Lynn, Terry, Yoakum	\$344,604	713	133	90	484	6
44	Texas Neighborhood Services	Erath, Hood, Johnson, Palo Pinto, Parker, Somervell, Wise	\$560,536	500	428	26	43	3
45	Texoma Council of Governments	Cooke, Fannin, Grayson	\$377,447	525	358	156	10	1
46	Travis County HHS	Travis	\$1,020,469	1608	347	741	484	36
47	Tri-County Community Action, Inc.	Harrison, Jasper, Newton, Panola, Sabine, San Augustine, Shelby, Tyler, Upshur	\$763,412	1180	455	712	11	2
48	Webb County Community Action Agency	Webb	\$522,201	1007	6	0	1001	0
49	West Texas Opportunities	Andrews, Borden, Dawson, Ector, Fisher, Gaines, Glasscock, Howard, Martin, Midland, Mitchell, Nolan, Scurry, Upton	\$1,105,839	2105	579	373	1144	9
50	Williamson-Burnet County Opportunities, Inc.	Burnet, Williamson	\$179,316	362	195	78	81	8
	<b>TOTAL</b>	<b>STATE</b>	<b>\$40,828,823</b>	<b>68,179</b>	<b>15,681</b>	<b>21,400</b>	<b>29,830</b>	<b>1,276</b>
					23%	31%	44%	2%

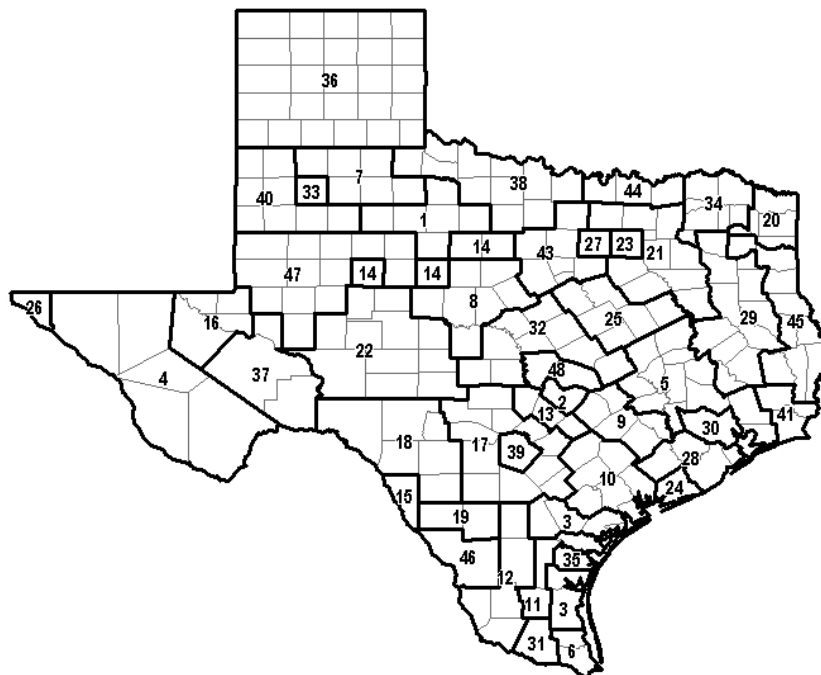
**Community Services Block Grant Program**

The Community Services Block Grant Program (CSBG) funds a network of subcontractor organizations, some of which have a service area that spans across two or more regions. In addition, some CSBG subcontractors have been awarded funding for special projects that overlap existing service areas. Because of this, CSBG racial composition data for FY 2007 is listed according to subcontractor. A map is provided in order to locate subcontractor service areas. Racial composition for the state is available, but because this data does not fit into regional boundaries, regional data is not available.

**Racial and Ethnic Composition of Individuals Receiving CSBG Assistance, Statewide, FY 2007**



**CSBG Subcontractor Service Areas, FY 2007**



**Racial Composition of Individuals Receiving CSBG Assistance  
by Subcontractor, Statewide, FY 2007**

# on Map	Contractor	County Served	FY 2007 Funding	Individuals Served	White	Hispanic	Black	Other
1	Alabama-Coushatta Indian Reservation	Polk, Tyler	\$60,834	157	2	0	1	154
2	Asociacion Pro Servicios Sociales	Jim Hogg, Starr, Webb, Zapata	\$105,538	945	0	945	0	0
3	Aspermont Small Business Development Center, Inc.	Haskell, Jones, Kent, Knox, Stonewall, Throckmorton	\$150,000	1289	517	563	171	38
4	Austin, City of, Health and Human Services Department	Travis	\$803,132	7056	781	3657	2443	175
5	Bee Community Action Agency	Aransas, Bee, Kenedy, Kleberg, Live Oak, Refugio	\$249,242	2595	672	1713	155	55
6	Big Bend Community Action Committee, Inc.	Brewster, Culberson, Hudspeith, Jeff Davis, Presidio	\$150,000	2812	208	2584	13	7
7	Brazos Valley Community Action Agency	Brazos, Burtleson, Chambers, Grimes, Leon, Liberty, Madison, Montgomery, Robertson, Walker, Waller, Washington	\$861,501	7210	1977	1586	3530	117
8	*Cameron and Willacy Counties Community Projects, Inc.	Cameron, Willacy	\$955,808	10944	106	10814	22	2
9	Caprock Community Action Association, Inc.	Crosby, Dickens, Floyd, Hale, King, Motley	\$167,590	3318	446	2576	287	9
10	Central Texas Opportunities, Inc.	Brown, Callahn, Coleman, Comanche, Eastland, McCulloch, Runnels	\$204,296	2312	1643	505	138	26
11	Combined Community Action, Inc.	Austin, Bastrop, Colorado, Fayette, Lee	\$186,713	1098	319	188	589	2
12	Community Action Committee of Victoria Texas	Calhoun, De Witt, Goliad, Gonzales, Jackson, Lavaca, Victoria	\$270,870	5414	1320	2767	1288	39
13	Community Action Corporation of South Texas	Brooks, Jim Wells, San Patricio	\$231,597	1369	76	1263	30	0
14	Community Action Council of South Texas	Duval, Jim Hogg, McMullen, Starr, Zapata	\$318,302	2858	33	2819	5	1
15	Community Action Inc., of Hays, Caldwell and Blanco Counties	Blanco, Caldwell, Hays	\$186,655	2146	682	1109	307	48
16	Community Action Program, Inc.	Mitchell, Shackelford, Stephens, Taylor	\$221,975	1521	470	664	366	21
17	*Community Action Social Services & Education	Maverick	\$229,176	1647	0	1647	0	0
18	Community Council of Reeves County	Loving, Reeves, Ward, Winkler	\$197,754	1203	159	980	57	7
19	*Community Council of South Central Texas, Inc.	Atascosa, Bandera, Comal, Frio, Gillespie, Guadalupe, Karnes, Kendall, Kerr, Medina, Wilson	\$566,643	7323	1920	5032	313	58

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## Statement of Activities

20	*Community Council of Southwest Texas, Inc.	Edwards, Kinney, Real, Uvalde, Val Verde, Zavala	\$328,579	1966	78	1849	20	19
21	*Community Services Agency of South Texas	Dimmit, La Salle	\$164,927	864	11	852	1	0
22	Community Services of Northeast Texas, Inc.	Bowie, Cass, Marion, Morris, Camp	\$255,259	1962	863	120	933	46
23	Community Services, Inc.	Anderson, Collin, Denton, Ellis, Henderson, Hunt, Kaufman, Navarro, Rockwall, Van Zandt	\$939,568	7776	3437	1180	2888	271
24	Concho Valley Community Action Agency	Coke, Concho, Crockett, Irion, Kimble, Menard, Reagan, Schleicher, Sterling, Sutton, Tom Green	\$254,407	1062	364	646	44	8
25	Dallas Inter-Tribal Center	Collin, Dallas, Denton, Ellis, Hood, Johnson, Kaufman, Parker, Rockwall	\$109,559	971	39	53	9	870
26	Dallas Urban League	Dallas	\$2,353,454	8028	709	1885	5270	164
27	Economic Action Committee of The Gulf Coast	Matagorda	\$150,000	698	107	253	330	8
28	Economic Opportunities Advancement Corporation of Planning Region XI	Bosque, Falls, Freestone, Hill, Limestone, McLennan	\$461,053	3817	877	466	2440	34
29	El Paso Community Action Program, Project BRAVO, Inc.	El Paso	\$1,272,051	17428	454	16467	393	114
30	Fort Worth, City of, Parks & Community Services Department	Tarrant	\$1,227,340	24460	2977	12906	8267	310
31	Galveston County Community Action Council, Inc.	Brazoria, Fort Bend, Galveston, Wharton	\$739,845	5100	865	1335	2781	119
32	Greater East Texas Community Action Program (GETCAP)	Angelina, Cherokee, Gregg, Houston, Nacogdoches, Polk, Rusk, San Jacinto, Smith, Trinity, Wood	\$845,636	14131	4924	1298	7711	198
33	Guadalupe Economic Services Corporation	Bailey, Briscoe, Castro, Cochran, Crosby, Deaf Smith, Dickens, Floyd, Garza, Hale, Hall, Hockley, Lamb, Lubbock, Lynn, Motley, Parmer, Swisher, Terry, Yoakum	\$180,405	13210	3989	8173	1039	9
34	Gulf Coast Community Services Association	Harris	\$3,934,736	12886	664	5514	6584	124
35	*Hidalgo County Community Services Agency	Hidalgo	\$1,608,880	19252	108	19085	18	41
36	Hill Country Community Action Association, Inc.	Bell, Coryell, Hamilton, Lampasas, Llano, Mason, Milam, Mills, San Saba	\$427,824	2787	1395	510	800	82
37	Kickapoo Traditional Tribe of Texas	Maverick	\$48,734	0	0	0	0	0
38	Lubbock, City of, Community Development Department	Lubbock	\$364,445	302	113	120	30	39
39	Northeast Texas Opportunities, Inc.	Delta, Franklin, Hopkins, Lamar, Rains, Red River, Titus	\$238,373	3114	1459	151	1366	138

**Annual Report**

**Statement of Activities**

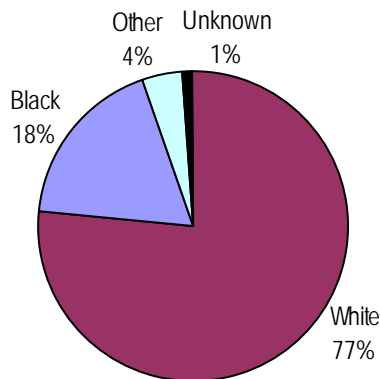
40	Nueces County Community Action Agency	Nueces	\$477,423	2501	159	1944	328	70
41	Panhandle Community Services	Armstrong, Briscoe, Carson, Castro, Childress, Collingsworth, Dallum, Deaf Smith, Donley, Gray, Hall, Hansford, Hartley, Hemphill, Hutchinson, Lipscomb, Moore, Ochiltree, Oldham, Parmer, Potter, Randall, Roberts, Sherman, Swisher, Wheeler	\$553,135	9601	4211	4121	1211	58
42	Pecos County Community Action Agency	Crane, Pecos, Terrell	\$150,000	1084	132	945	6	1
43	Rolling Plains Management Corporation	Archer, Baylor, Clay, Cottle, Foard, Hardeman, Jack, Montague, Wichita, Wilbarger, Young	\$295,387	2998	1635	577	612	174
44	San Antonio, City of, Community Action Division	Bexar	\$1,726,883	18290	1433	13759	2840	258
45	Sin Fronteras Organizing Project	El Paso	\$107,995	2034	0	2034	0	0
46	South Plains Community Action Association, Inc.	Bailey, Cochran, Garza, Hockley, Lamb, Lynn, Terry, Yoakum	\$183,055	3456	472	2455	479	50
47	Southeast Texas Regional Planning Commission	Hardin, Jefferson, Orange	\$488,798	2085	666	98	1271	50
48	Texas Neighborhood Services	Erath, Hood, Johnson, Palo Pinto, Parker, Somervell, Wise	\$344,270	5882	4873	637	313	59
49	Texoma Council of Governments	Cooke, Fannin, Grayson	\$215,994	1501	912	84	490	15
50	Tri-County Community Action, Inc.	Harrison, Jasper, Newton, Panola, Sabine, San Augustine, Shelby, Tyler, Upshur	\$357,066	8758	3612	229	4815	102
51	Webb County Community Action Agency	Webb	\$495,750	6946	3	6938	5	0
52	West Texas Opportunities, Inc.	Andrews, Borden, Dawson, Ector, Fisher, Gaines, Glasscock, Howard, Martin, Midland, Nolan, Scurry, Upton	\$582,835	7670	1720	4691	1194	65
53	Williamson-Burnet County Opportunities, Inc.	Burnet, Williamson	\$176,463	2293	1120	716	400	57
<b>TOTAL</b>		<b>State</b>	\$28,177,755	278,130	55,712	153,503	64,603	4,312
					23%	30%	45%	2%

\*These contractors receive some additional funding to fund specialized activities for a few counties that fall outside their service area.

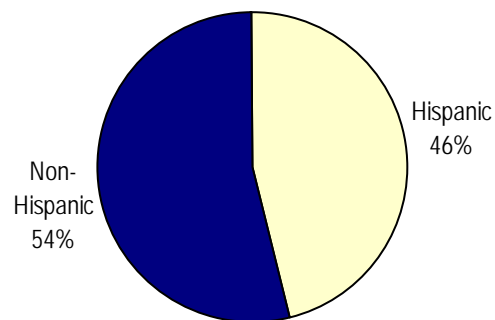
**Emergency Shelter Grants Program**

The Emergency Shelter Grants Program (ESGP) funds a network of subcontractor organizations, some of which have a service area that spans across two or more regions, or multiple subcontractors serve the same area. Because of this, ESGP racial composition data for FY 2007 is listed according to subcontractor. Racial composition for the state is available, but is unavailable at the regional level.

**Racial Composition of Individuals Receiving ESGP Assistance, Statewide, FY 2007**



**Ethnic Composition of Individuals Receiving ESGP Assistance, Statewide, FY 2007**



**Racial and Ethnic Composition of Individuals Receiving ESGP Assistance by Subcontractor, Statewide, FY 2007**

Contractor	County Served	FY 2007 Funding	Total Individuals	White	Black	Other	Hispanic	Non-Hispanic
Abilene Hope Haven, Inc.	Taylor	\$80,000	1063	904	127	4	28	207
Advocacy Outreach	Bastrop	\$85,210	1094	936	156	2	0	663
Advocacy Resource Center for Housing	Hidalgo	\$53,395	4364	4360	2	1	1	4361
Amistad Family Violence and Rape Crisis Center	Val Verde	\$63,700	1342	1310	9	23	0	1237
Bridge Over Troubled Waters, Inc., The	Harris	\$65,000	223	169	46	8	0	101
Brownsville, City of	Cameron	\$143,834	11764	11684	51	29	0	11200
Caprock Community Action Association, Inc.	Crosby	\$30,000	171	160	11	0	0	149
Catholic Charities, Archdiocese of San Antonio, Inc.	Bexar	\$56,725	338	271	63	4	0	232
Center Against Family Violence, Inc.	El Paso	\$46,097	773	735	21	17	0	688
Child Crisis Center of El Paso	El Paso	\$36,864	611	556	42	13	0	494
Childrens Center, Inc., The	Galveston	\$113,750	1189	435	498	89	165	184
Collin Intervention to Youth	Collin	\$65,000	170	84	50	36	0	11
Comal County Family Violence Shelter	Comal	\$52,000	1650	1482	23	119	26	697
Community Council of South Central Texas, Inc.	Guadalupe	\$65,000	216	215	0	1	0	194
Compassion Ministries of Waco, Inc.	McLennan	\$40,000	155	98	27	28	0	56
Connections Individual and Family Services	Comal	\$65,000	434	375	37	3	19	175
Corpus Christi Hope House	Nueces	\$42,107	1923	1844	79	0	0	1040
Corpus Christi Metro Ministries, Inc.	Nueces	\$65,000	4508	3720	685	100	0	1985
Covenant House Texas	Harris	\$65,000	2041	715	1285	41	0	283
Dallas Jewish Coalition, Inc.	Dallas	\$45,500	337	101	227	9	0	65
Denton, City of	Denton	\$137,393	1458	1103	300	54	0	261



# Annual Report

## Statement of Activities

Contractor	County Served	FY 2007 Funding	Total Individuals	White	Black	Other	Hispanic	Non-Hispanic
Driskell Halfway House, Inc.	Swisher	\$65,000	180	168	10	2	0	79
East Texas Crisis Center, Inc.	Smith	\$64,263	579	408	122	49	0	94
Faith Mission and Help Center, Inc.	Washington	\$64,997	407	204	201	2	0	57
Families In Crisis, Inc.	Bell	\$43,622	777	372	310	84	11	122
Family Crisis Center	Cameron	\$160,000	4018	3888	74	55	1	3335
Family Gateway, Inc.	Dallas	\$56,250	389	51	307	31	0	7
Family Place, The	Dallas	\$53,250	658	291	304	63	0	171
Family Services of Southeast Texas, Inc.	Jefferson	\$60,765	1061	514	502	45	0	88
Focusing Families	Waller	\$37,992	365	253	103	9	0	116
Fort Bend County Womens Center, Inc.	Fort Bend	\$56,200	515	264	202	48	1	183
Hale County Crisis Center	Hale	\$51,572	620	282	74	68	196	196
Harmony House, Inc.	Harris	\$69,853	18	6	10	2	0	4
Hays County Womens Center	Hays	\$61,561	477	388	47	42	0	267
Highland Lakes Family Crisis Center	Burnet	\$45,000	762	708	16	34	4	283
Hope Action Care	Bexar	\$65,000	144	78	66	0	0	49
Houston Area Womens Center	Harris	\$65,000	5146	3596	1333	180	37	2681
Institute of Cognitive Development	Tom Green	\$30,000	582	490	38	54	0	299
Johnson County Family Crisis Center	Johnson	\$65,000	206	188	9	9	0	71
Kilgore Community Crisis Center	Gregg	\$50,852	733	431	275	27	0	92
Mid-Coast Family Services	Victoria	\$50,262	384	100	49	30	205	207
Midland Fair Havens, Inc.	Midland	\$65,600	1185	804	368	13	0	448
Mission Granbury, Inc.	Hood	\$55,922	118	91	0	27	0	3
Montgomery County Emergency Assistance, Inc.	Montgomery	\$74,263	285	219	66	0	0	53
Montgomery County Womens Center	Montgomery	\$128,963	661	437	161	56	0	177
Opportunity Center for the Homeless	El Paso	\$65,000	2016	1745	211	58	0	1181
Panhandle Crisis Center, Inc.	Ochiltree	\$65,475	579	567	0	12	0	318
Pecan Valley Regional Domestic Violence Shelter	Brown	\$38,844	364	331	27	6	0	106
Port Cities Rescue Mission Ministries	Jefferson	\$67,265	450	166	257	4	23	10
Project Vida	El Paso	\$40,000	1131	1127	4	0	0	1109
Promise House, Inc.	Dallas	\$65,000	226	104	122	0	0	49
Providence Ministry Corporation	Cameron	\$47,320	216	183	30	3	0	194
Randy Sams Outreach Shelter	Bowie	\$65,000	3124	1447	1587	74	16	44
Sabine Valley Center	Gregg	\$52,800	38	28	10	0	0	0
Safe Haven of Tarrant County	Tarrant	\$80,000	2631	1508	864	250	9	789
Safe Place of the Permian Basin	Midland	\$60,450	1570	1345	163	62	0	770
Salvation Army of Abilene	Taylor	\$30,000	7486	5581	1417	403	85	1879
Salvation Army of Dallas	Dallas	\$60,779	194	99	85	10	0	79
Salvation Army of Fort Worth	Tarrant	\$62,052	139	77	61	1	0	17
Salvation Army of Galveston	Galveston	\$66,744	7669	5661	1930	78	0	0
Salvation Army of McAllen	Hidalgo	\$64,971	1431	1382	43	6	0	1263
Salvation Army of Sherman	Grayson	\$50,000	4162	2379	616	820	347	226
Salvation Army of Victoria	Victoria	\$45,000	299	248	51	0	0	115
San Antonio Metropolitan Ministry, Inc.	Bexar	\$65,000	4688	3436	678	573	1	2105
SEARCH	Harris	\$131,442	2642	1015	1573	53	1	270
Seton Home	Bexar	\$40,308	162	130	31	1	0	107
Sin Fronteras Organizing Project	El Paso	\$65,000	795	794	0	1	0	795
Texas Homeless Network	Travis	\$50,000	0	0	0	0	0	0
Travis County Domestic Violence and Sexual Assault Survival Center	Travis	\$46,352	896	589	193	92	22	432
Twin City Mission	Brazos	\$80,000	993	595	359	34	0	151
Westside Homeless Partnership	Harris	\$130,000	362	208	150	4	0	165
Williamson-Burnet County Opportunities, Inc.	Williamson	\$45,375	167	128	34	5	0	60
Wintergarden Women's Shelter, Inc.	Dimmit	\$65,000	1465	1430	0	35	0	1269

## Annual Report

### Statement of Activities

Contractor	County Served	FY 2007 Funding	Total Individuals	White	Black	Other	Hispanic	Non-Hispanic
Women's Shelter of East Texas, Inc.	Nacogdoches	\$56,679	548	309	186	53	0	113
Womens Shelter of South Texas	Nueces	\$30,000	1728	1475	11	206	36	1037
YMCA of Metropolitan Dallas	Dallas	\$66,855	149	82	62	5	0	31
<b>ESGP Total</b>	<b>State</b>	<b>\$4,856,473</b>	<b>104,414</b>	<b>79,657</b>	<b>19,141</b>	<b>4,360</b>	<b>1,234</b>	<b>48,049</b>
				77%	18%	4%	46%	54%

## **PROGRESS IN MEETING TDHCA HOUSING AND COMMUNITY SERVICES GOALS**

The goals, strategies, and objectives established in the Legislative Appropriations Act, the TDHCA *Strategic Plan*, and the *State of Texas Consolidated Plan*, guide TDHCA's annual activities through the establishment of objective performance measures. TDHCA's resulting goals are as follows:

- 1) Increase and preserve the availability of safe, decent, and affordable housing for very low, low, and moderate income persons and families
- 2) Promote improved housing conditions for extremely low, very low, and low income households by providing information and technical assistance.
- 3) Improve living conditions for the poor and homeless and reduce the cost of home energy for very low income Texans.
- 4) Ensure compliance with the TDHCA's federal and state program mandates.
- 5) Protect the public by regulating the manufactured housing industry in accordance with state and federal laws.
- 6) Target its housing finance programs resources for assistance to extremely low income households.
- 7) Target its housing finance resources for assistance to very low income households.
- 8) Provide contract for deed conversions for families who reside in a colonia and earn 60 percent or less of the applicable area median family income
- 9) Work to address the housing needs and increase the availability of affordable and accessible housing for persons with special needs through funding, research, and policy development efforts.

To avoid duplication of information, progress made towards meeting those goals, the upcoming year's goals, and information on TDHCA's actual performance in satisfying in FY 2007 goals and strategies is provided in Section 4: Action Plan.

## **STATEMENT OF ACTIVITIES BY UNIFORM STATE SERVICE REGION**

This section describes TDHCA's FY 2007 activities by Uniform State Service Region. The regional tables do not include information for WAP, CEAP, ESGP, CSBG, and CFNP because figures are not available for these programs at the regional level. Additionally, for purposes of reporting, Office of Colonia Initiatives figures do not appear as an independent category, but rather the figures are grouped under their respective funding sources. For example, most Contracts for Deed Conversion are reported under HOME Program Homebuyer Assistance.

As required by legislation, TDHCA reports on the racial composition of individuals and families receiving assistance. Regional information has been organized into two generalized categories of housing activity type.

### **Renter Programs**

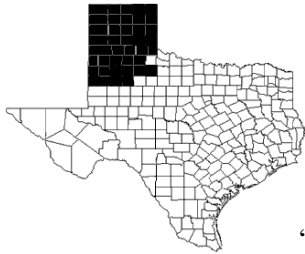
Includes the Housing Tax Credit Program, the Multifamily Bond Program, Housing Trust Fund multifamily activities, HOME multifamily activities, the Section 8 Program and HOME Tenant Based Rental Assistance program

### **Homeowner Programs**

Includes the First Time Homebuyer Program, HOME Owner-Occupied Housing Assistance, HOME Homebuyer Assistance, and Housing Trust Fund single family activities (Bootstrap Loan Program)

For more information on racial reporting and these categories, please see "Racial Composition of Households Receiving Assistance" under the Statement of Activities section.

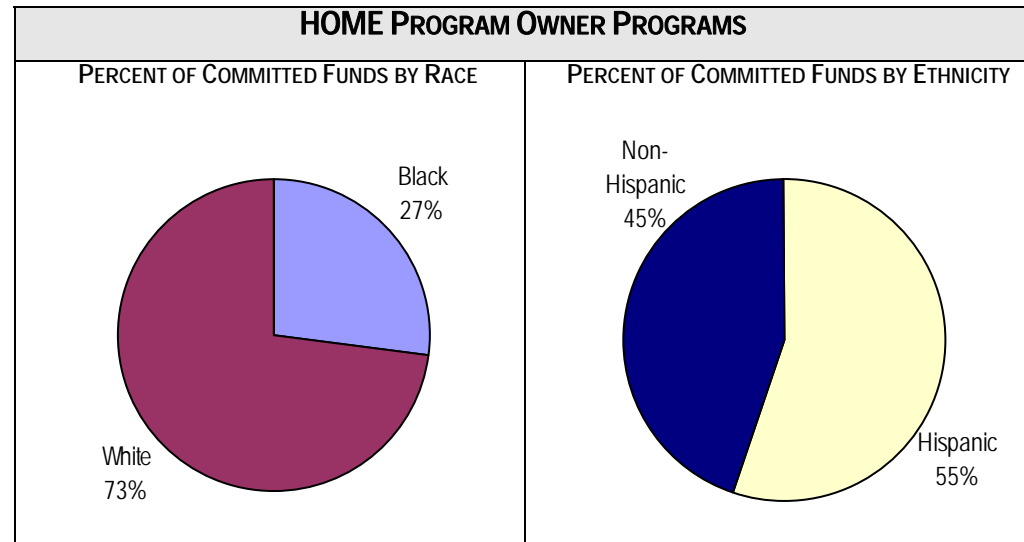
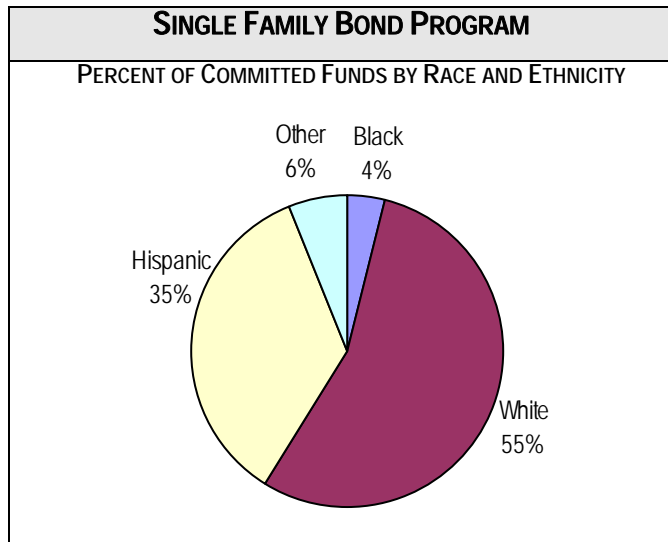
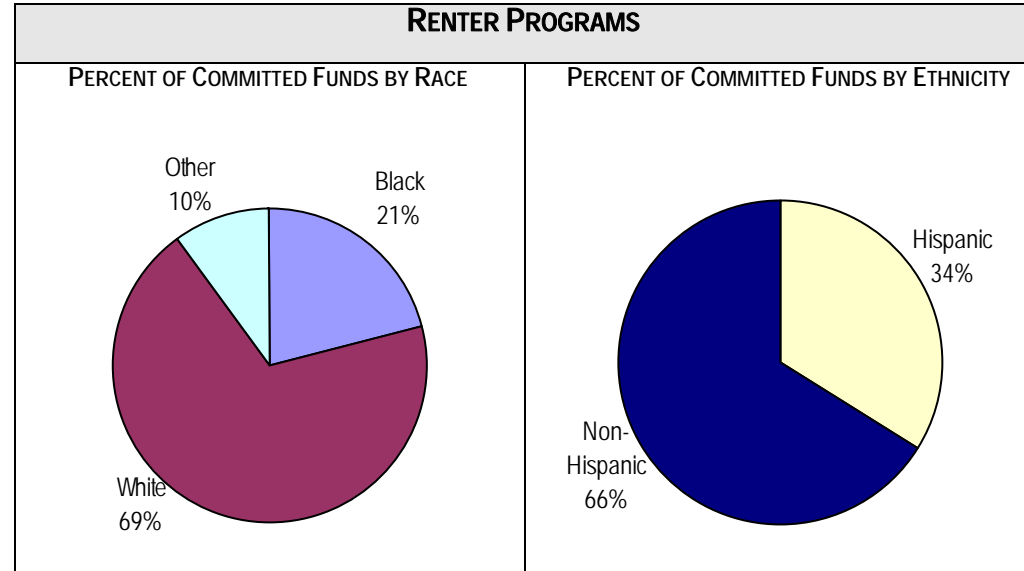
**REGION 1**



TDHCA allocated \$9,546,973 in the region in FY 2007.

Homeowner programs accounted for the largest segment of this total, while “Low Income” households (50-80% AMFI) was the most served income group.

Note: Because loan servicers do not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combined chart.



# Annual Report

## Participation in TDHCA Programs

### FUNDING AND HOUSEHOLDS SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 1

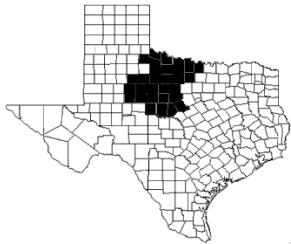
Activity	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
Homeowner Programs	\$3,323,285	51	\$2,698,554	47	\$0	0	\$0	0	\$0	0	\$0	0	\$6,021,839	98
Renter Programs	\$0	0	\$0	0	\$0	0	\$3,525,134	532	\$0	0	\$0	0	\$3,525,134	532
Total	\$3,323,285	51	\$2,698,554	47	\$0	0	\$3,525,134	532	\$0	0	\$0	0	\$9,546,973	630

### FUNDING AND HOUSEHOLDS SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 1

Income	SF Bond		HOME		HTF		HTC*		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
0-30% AMFI	\$261,050	6	\$1,788,554	32	\$0	0	\$339,246	35	\$0	0	\$0	0	\$2,388,850	73
30-50% AMFI	\$1,016,905	19	\$910,000	15	\$0	0	\$0	0	\$0	0	\$0	0	\$1,926,905	34
50-80% AMFI	\$1,292,924	19	\$0	0	\$0	0	\$3,160,212	497	\$0	0	\$0	0	\$4,453,136	516
>80% AMFI	\$752,406	7	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$752,406	7
Total	\$3,323,285	51	\$2,698,554	47	\$0	0	\$3,499,458	532	\$0	0	\$0	0	\$9,521,297	630

\*The HTC data by income category does not include the region's portion of \$2,009,745 allocated in FY 2007 to awardees from FY 2004.

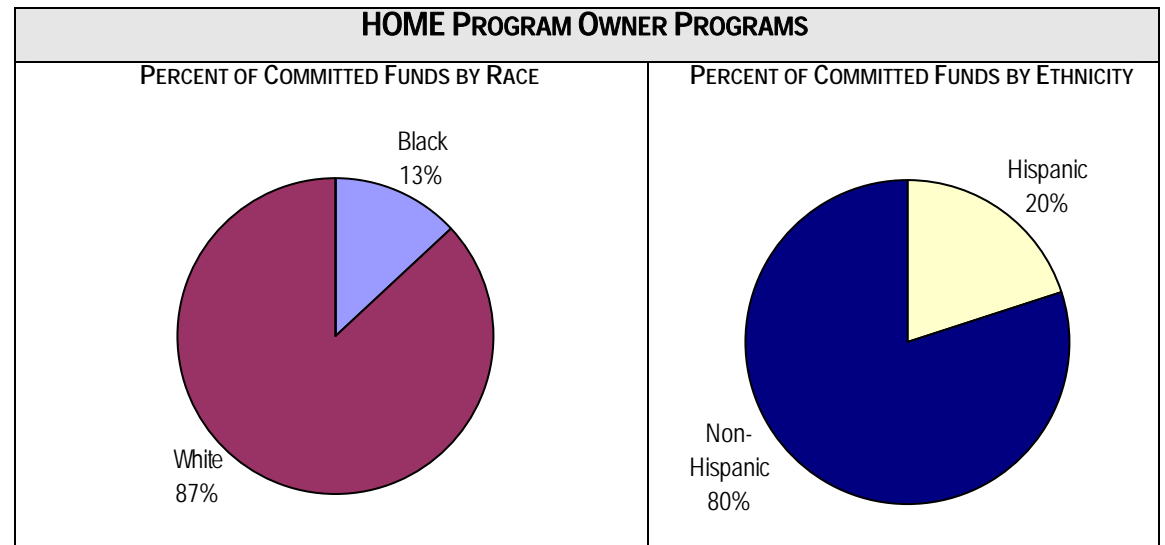
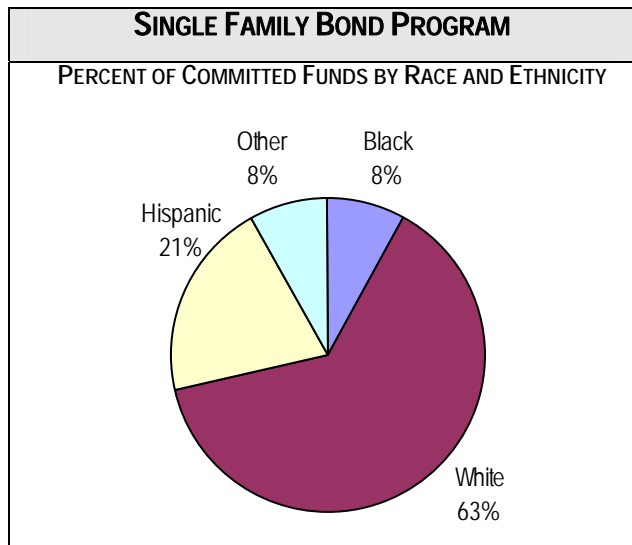
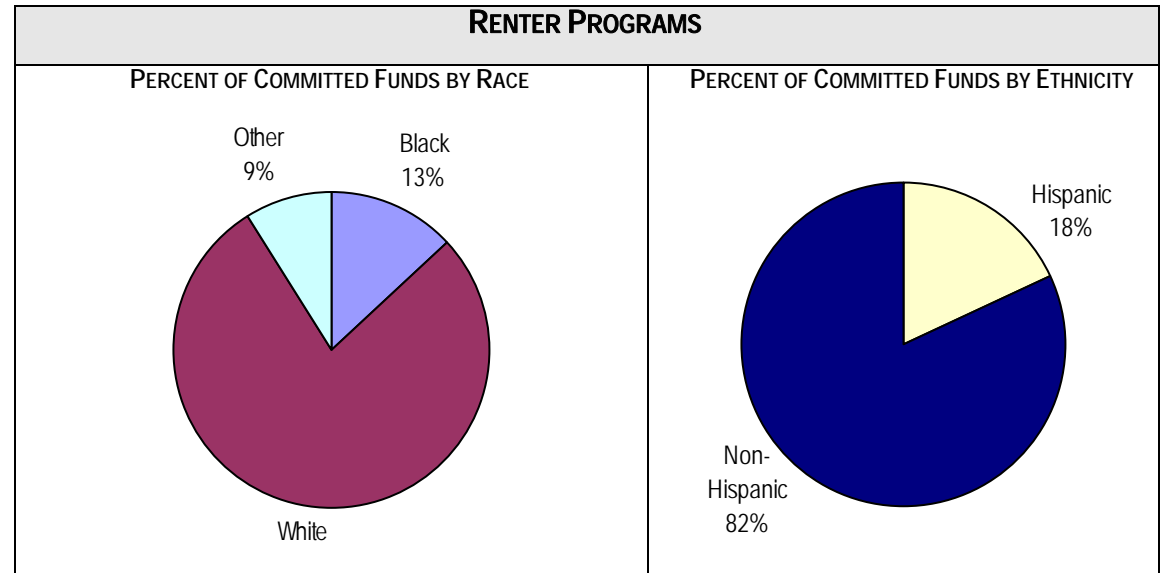
**REGION 2**



TDHCA allocated \$5,029,185 in the region in FY 2007.

Homeowner programs accounted for the largest segment of this total, while “Low Income” households (50-80% AMFI) was the most served income group.

Note: Because loan servicers do not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combined chart.



# Annual Report

## Statement of Activities by Region

### FUNDING AND HOUSEHOLDS SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 2

Activity	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
Homeowner Programs	\$2,197,523	39	\$572,000	10	\$0	0	\$0	0	\$0	0	\$0	0	\$2,769,523	49
Renter Programs	\$0	0	\$0	0	\$0	0	\$2,080,922	211	\$0	0	\$178,740	36	\$2,259,662	247
Total	\$2,197,523	39	\$572,000	10	\$0	0	\$2,080,922	211	\$0	0	\$178,740	36	\$5,029,185	296

### FUNDING AND HOUSEHOLDS SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 2

Income	SF Bond		HOME		HTF		HTC*		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
0-30% AMFI	\$198,114	4	\$0	0	\$0	0	\$226,942	23	\$0	0	\$140,684	24	\$565,740	51
30-50% AMFI	\$849,481	16	\$0	0	\$0	0	\$0	0	\$0	0	\$38,056	11	\$887,537	27
50-80% AMFI	\$1,149,928	19	\$572,000	10	\$0	0	\$1,843,641	188	\$0	0	\$0	1	\$3,565,569	218
>80% AMFI	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Total	\$2,197,523	39	\$572,000	10	\$0	0	\$2,070,583	211	\$0	0	\$178,740	36	\$5,018,846	296

\*The HTC data by income category does not include the region's portion of \$2,009,745 allocated in FY 2007 to awardees from FY 2004.



**REGION 3**

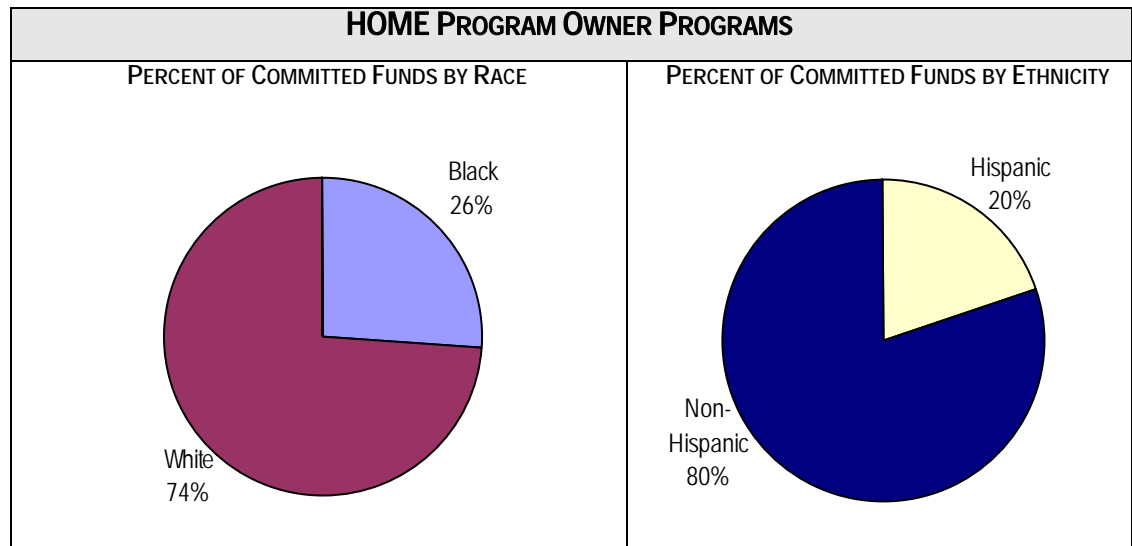
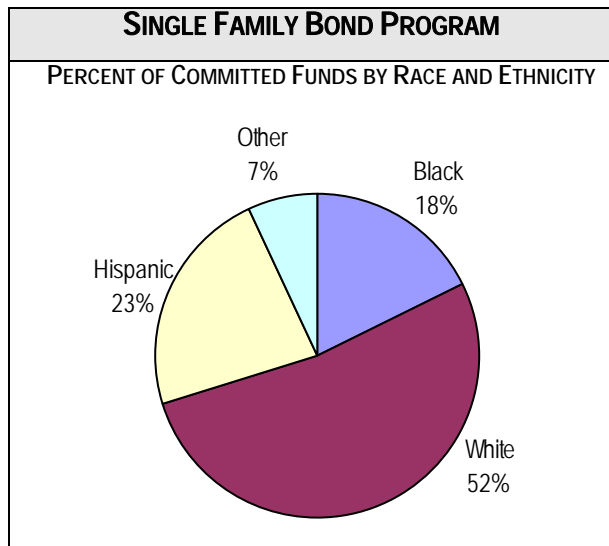
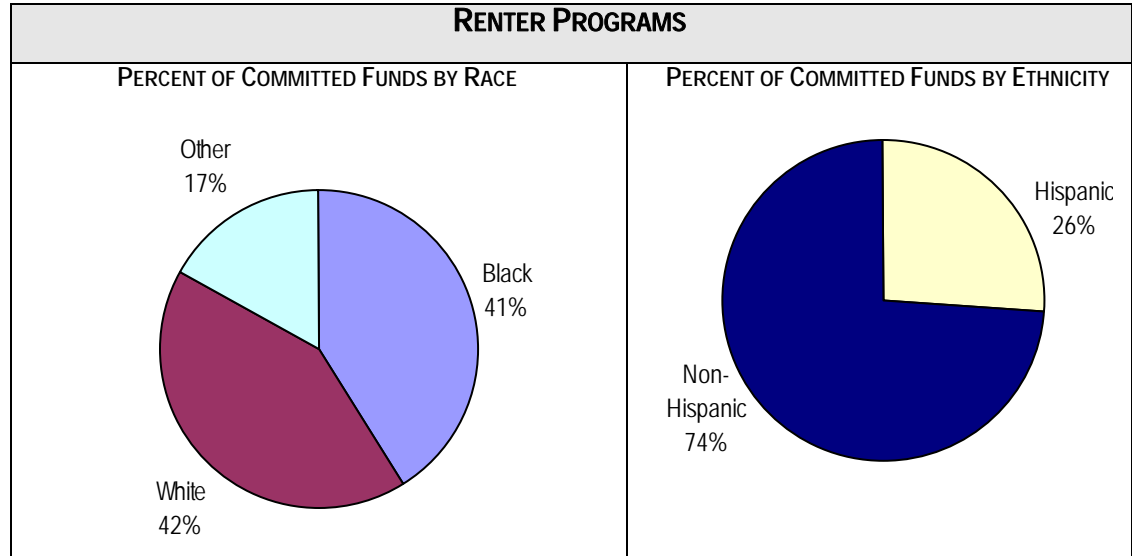


TDHCA allocated \$86,597,191 in the region in FY 2007.

Homeowner programs accounted for the largest segment of this total,

while “Low Income” households (50-80% AMFI) was the most served income group.

Note: Because loan servicers do not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combined chart.



# Annual Report

## Statement of Activities by Region

### FUNDING AND HOUSEHOLDS SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 3

Activity	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
Homeowner Programs	\$47,814,984	424	\$738,400	12	\$656,470	22	\$0	0	\$0	0	\$0	0	\$49,209,854	458
Renter Programs	\$0	0	\$2,338,752	22	\$0	0	\$7,264,675	1,243	\$24,410,000	392	\$3,373,910	355	\$37,387,337	2012
Total	\$47,814,984	424	\$3,077,152	34	\$656,470	22	\$7,264,675	1243	\$24,410,000	392	\$3,373,910	355	\$86,597,191	2470

### FUNDING AND HOUSEHOLDS SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 3

Income	SF Bond		HOME		HTF		HTC*		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
0-30% AMFI	\$162,622	3	\$0	0	\$120,000	4	\$463,550	52	\$462,857	9	\$2,853,780	249	\$4,062,809	317
30-50% AMFI	\$5,835,869	68	\$1,261,841	16	\$506,470	17	\$22,283	6	\$0	0	\$482,910	92	\$8,109,373	199
50-80% AMFI	\$22,638,394	207	\$1,815,311	18	\$0	0	\$6,350,893	1,185	\$23,947,143	383	\$37,220	14	\$54,788,961	1807
>80% AMFI	\$19,178,099	146	\$0	0	\$30,000	1	\$0	0	\$0	0	\$0	0	\$19,208,099	147
Total	\$47,814,984	424	\$3,077,152	34	\$656,470	22	\$6,836,726	1243	\$24,410,000	392	\$3,373,910	355	\$86,169,242	2470

\*The HTC data by income category does not include the region's portion of \$2,009,745 allocated in FY 2007 to awardees from FY 2004.

**REGION 4**

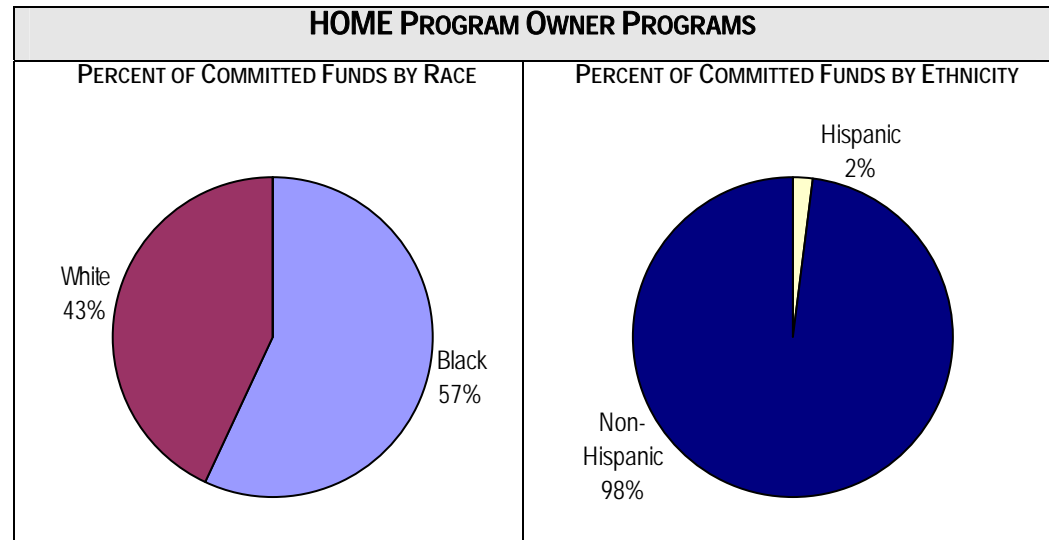
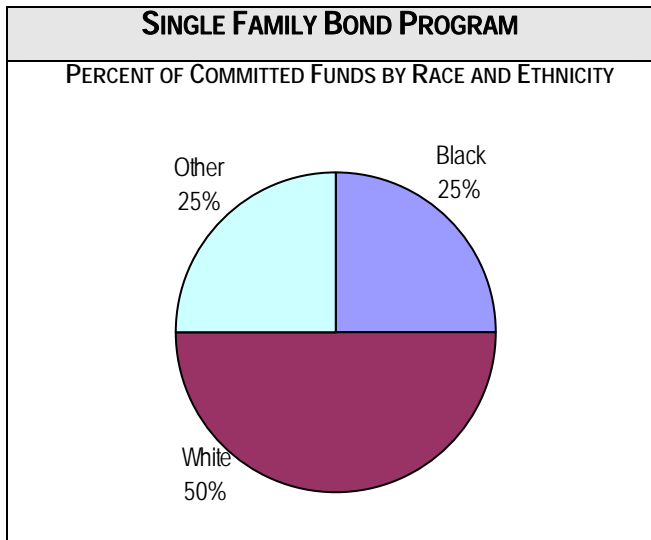
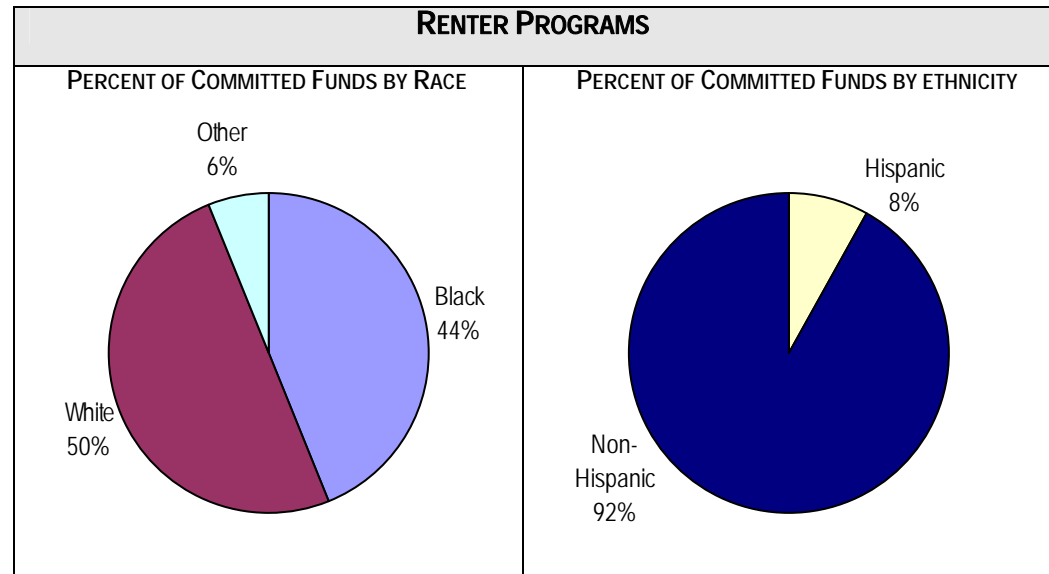


TDHCA allocated \$8,705,995 in the region in FY 2007.

Homeowner programs accounted for the largest segment of this total, while “Very Low Income”

households (30-50% AMFI) was the most served income group.

Note: Because loan servicers do not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combined chart.



# Annual Report

## Statement of Activities by Region

### FUNDING AND HOUSEHOLDS SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 4

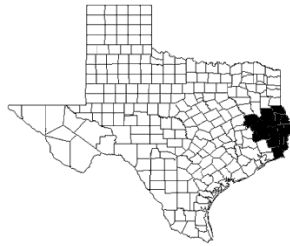
Activity	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
Homeowner Programs	\$304,327	4	\$7,098,000	125	\$0	0	\$0	\$0	\$0	0	\$0	0	\$7,402,327	129
Renter Programs	\$0	0	\$0	0	\$0	0	\$1,303,668	136	\$0	0	\$0	0	\$1,303,668	136
Total	\$304,327	4	\$7,098,000	125	\$0	0	\$1,303,668	136	\$0	0	\$0	0	\$8,705,995	265

### FUNDING AND HOUSEHOLDS SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 4

Income	SF Bond		HOME		HTF		HTC*		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
0-30% AMFI	\$0	0	\$884,000	15	\$0	0	\$140,923	15	\$0	0	\$0	0	\$1,024,923	30
30-50% AMFI	\$42,750	1	\$6,089,200	98	\$0	0	\$0	\$0	\$0	0	\$0	0	\$6,131,950	99
50-80% AMFI	\$114,594	1	\$124,800	12	\$0	0	\$1,137,773	121	\$0	0	\$0	0	\$1,377,167	134
>80% AMFI	\$146,983	2	\$0	0	\$0	0	\$0	\$0	\$0	0	\$0	0	\$146,983	2
Total	\$304,327	4	\$7,098,000	125	\$0	0	\$1,278,696	136	\$0	0	\$0	0	\$8,681,023	265

\*The HTC data by income category does not include the region's portion of \$2,009,745 allocated in FY 2007 to awardees from FY 2004.

**REGION 5**



TDHCA allocated \$14,465,206 in the region in FY 2007.

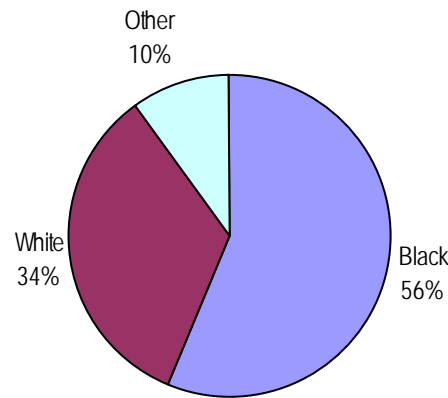
Homeowner programs accounted for the largest segment of this total, while “Moderate Income”

households (>80% AMFI) was the most served income group.

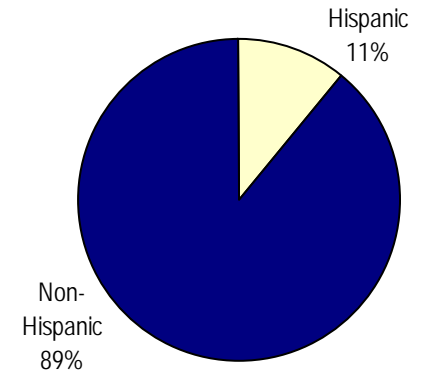
Note: Because loan servicers do not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combined chart.

**RENTER PROGRAMS**

PERCENT OF COMMITTED FUNDS BY RACE

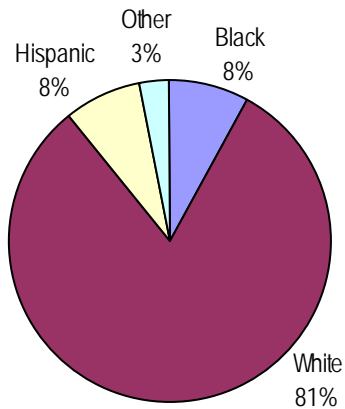


PERCENT OF COMMITTED FUNDS BY ETHNICITY



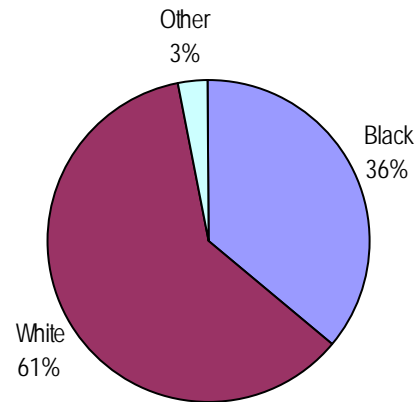
**SINGLE FAMILY BOND PROGRAM**

PERCENT OF COMMITTED FUNDS BY RACE AND ETHNICITY

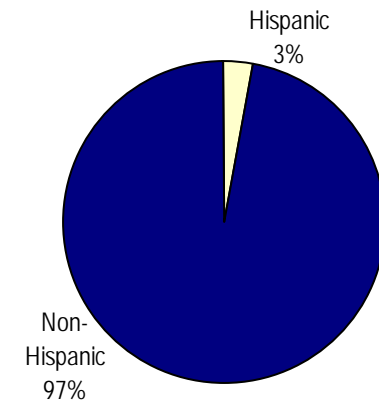


**HOME PROGRAM OWNER PROGRAMS**

PERCENT OF COMMITTED FUNDS BY RACE



PERCENT OF COMMITTED FUNDS BY ETHNICITY



# Annual Report

## Statement of Activities by Region

### FUNDING AND HOUSEHOLDS SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 5

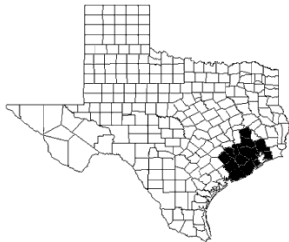
Activity	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
Homeowner Programs	\$10,059,932	120	\$3,432,000	60	\$70,000	7	\$0	0	\$0	0	\$0	0	\$13,561,932	187
Renter Programs	\$0	0	\$0	0	\$0	0	\$903,274	160	\$0	0	\$0	0	\$903,274	160
<b>Total</b>	<b>\$10,059,932</b>	<b>120</b>	<b>\$3,432,000</b>	<b>60</b>	<b>\$70,000</b>	<b>7</b>	<b>\$903,274</b>	<b>160</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$14,465,206</b>	<b>347</b>

### FUNDING AND HOUSEHOLDS SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 5

Income	SF Bond		HOME		HTF		HTC*		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
0-30% AMFI	\$34,803	1	\$822,545	14	\$0	0	\$0	0	\$0	0	\$0	0	\$857,348	15
30-50% AMFI	\$575,196	10	\$1,815,273	32	\$50,000	5	\$0	0	\$0	0	\$0	0	\$2,440,469	47
50-80% AMFI	\$2,521,744	36	\$794,182	14	\$20,000	2	\$810,175	160	\$0	0	\$0	0	\$4,146,101	212
>80% AMFI	\$6,928,189	73	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$6,928,189	73
<b>Total</b>	<b>\$10,059,932</b>	<b>120</b>	<b>\$3,432,000</b>	<b>60</b>	<b>\$70,000</b>	<b>7</b>	<b>\$810,175</b>	<b>160</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$14,372,107</b>	<b>347</b>

\*The HTC data by income category does not include the region's portion of \$2,009,745 allocated in FY 2007 to awardees from FY 2004.

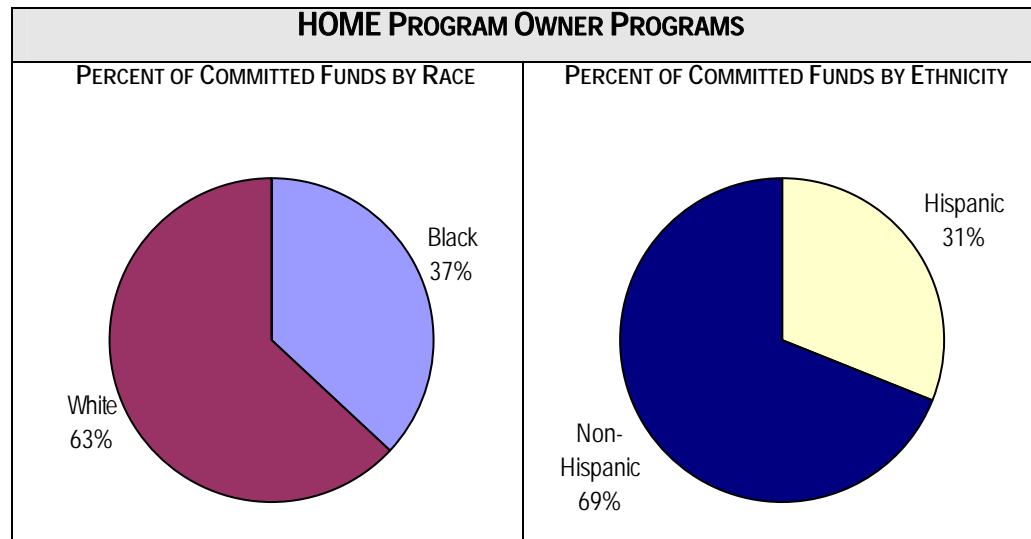
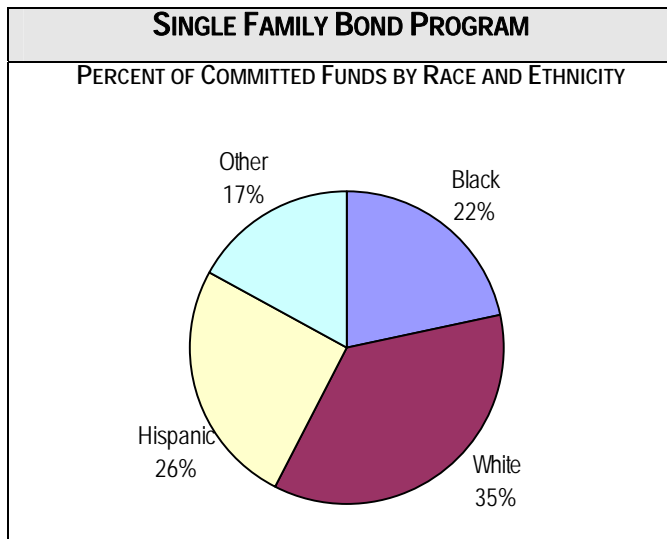
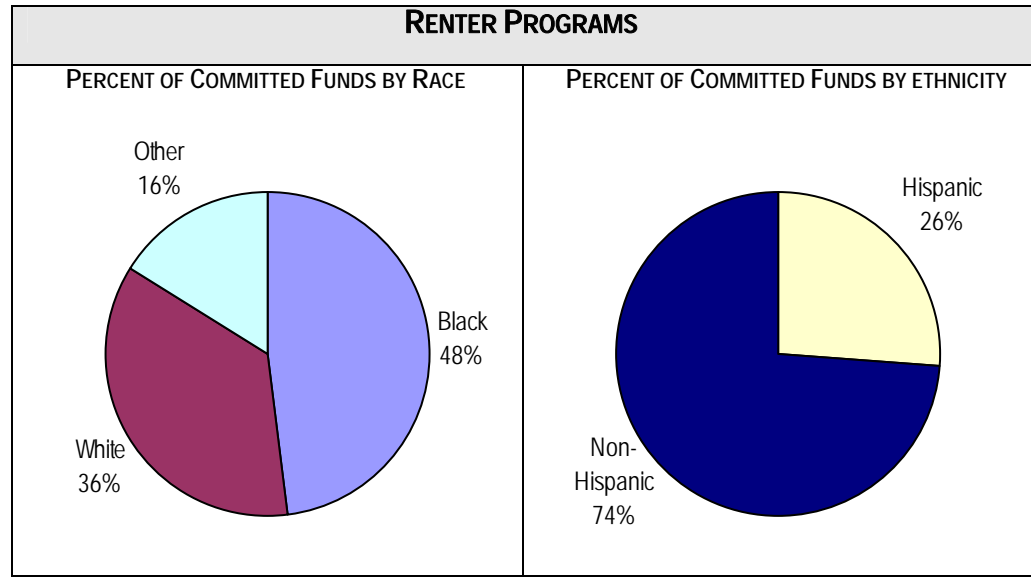
**REGION 6**



TDHCA allocated \$237,593,406 in the region in FY 2007.

Homeowner programs accounted for the largest segment of this total, while “Low Income” households (50-80% AMFI) was the most served income group.

Note: Because loan servicers do not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combined chart



# Annual Report

## Statement of Activities by Region

### FUNDING AND HOUSEHOLDS SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 6

Activity	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
Homeowner Programs	\$135,737,757	1104	\$2,184,000	37	\$0	0	\$0	\$0	\$0	0	\$0	0	\$137,921,757	1141
Renter Programs	\$0	0	\$0	0	\$0	0	\$17,547,427	\$2,779	\$78,210,000	1551	\$3,914,222	477	\$99,671,649	4807
<b>Total</b>	<b>\$135,737,757</b>	<b>1104</b>	<b>\$2,184,000</b>	<b>37</b>	<b>\$0</b>	<b>0</b>	<b>\$17,547,427</b>	<b>2779</b>	<b>\$78,210,000</b>	<b>1551</b>	<b>\$3,914,222</b>	<b>477</b>	<b>\$237,593,406</b>	<b>5948</b>

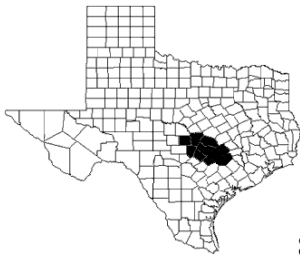
### FUNDING AND HOUSEHOLDS SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 6

Income	SF Bond		HOME		HTF		HTC*		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
0-30% AMFI	\$337,403	5	\$567,273	10	\$0	0	\$908,608	\$96	\$0	0	\$3,404,082	356	\$5,217,366	467
30-50% AMFI	\$4,971,525	57	\$1,389,818	23	\$0	0	\$1,957,099	\$303	\$0	0	\$490,722	105	\$8,809,164	488
50-80% AMFI	\$42,732,129	385	\$226,909	4	\$0	0	\$14,131,396	\$2,380	\$76,071,364	1497	\$19,418	16	\$133,181,216	4282
>80% AMFI	\$87,696,700	657	\$0	0	\$0	0	\$0	\$0	\$2,138,636	54	\$0	0	\$89,835,336	711
<b>Total</b>	<b>\$135,737,757</b>	<b>1104</b>	<b>\$2,184,000</b>	<b>37</b>	<b>\$0</b>	<b>0</b>	<b>\$16,997,103</b>	<b>2779</b>	<b>\$78,210,000</b>	<b>1551</b>	<b>\$3,914,222</b>	<b>477</b>	<b>\$237,043,082</b>	<b>5948</b>

\*The HTC data by income category does not include the region's portion of \$2,009,745 allocated in FY 2007 to awardees from FY 2004.



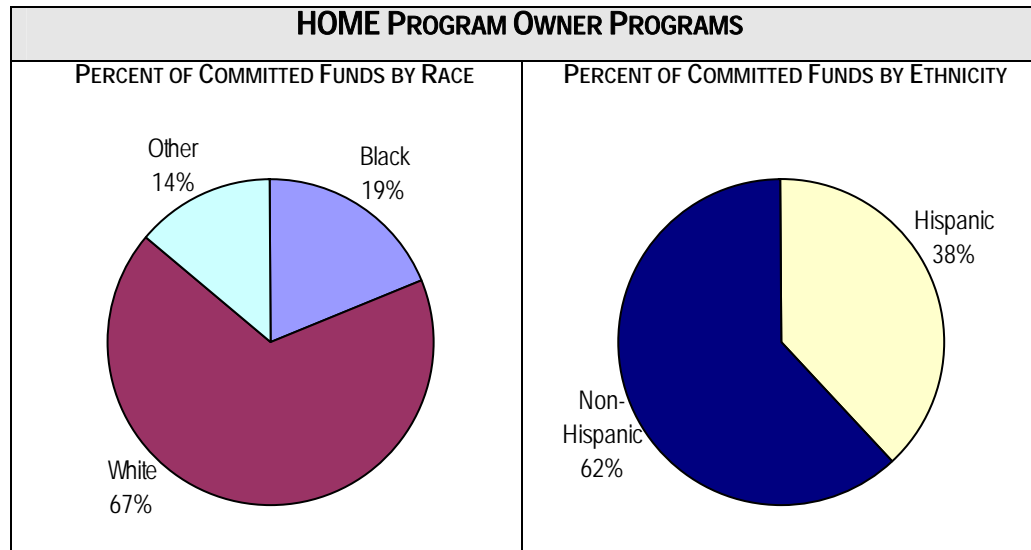
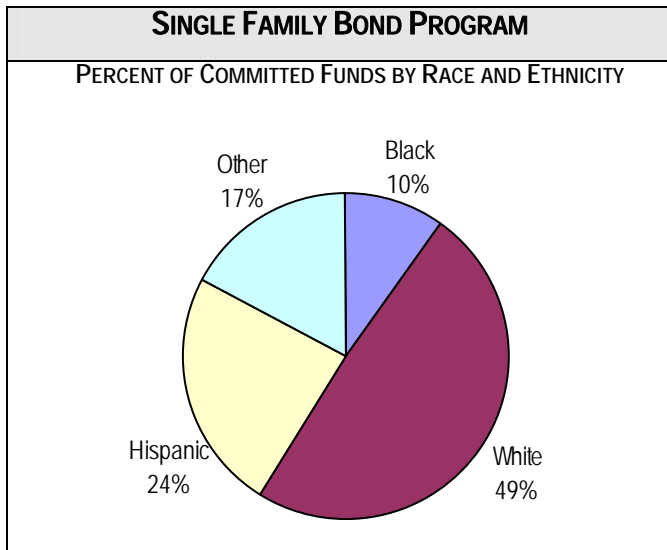
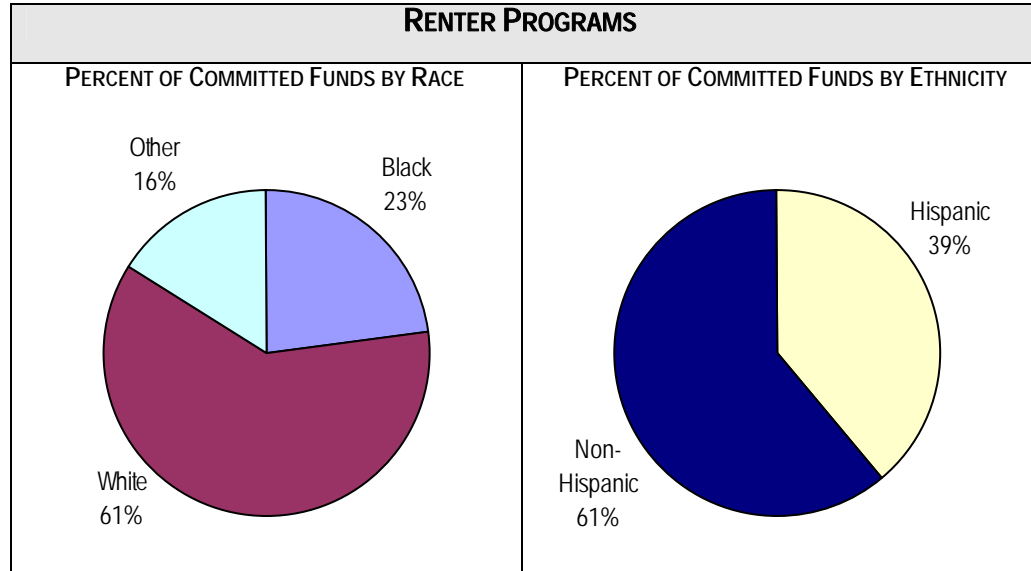
**REGION 7**



TDHCA allocated \$98,775,869 in the region in FY 2007.

Homeowner programs accounted for the largest segment of this total, while “Low Income” (50-80% AMFI) households was the most served income group.

Note: Because loan servicers do not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combined chart



# Annual Report

## Participation in TDHCA Programs

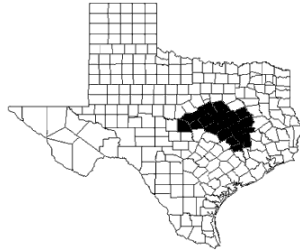
### FUNDING AND HOUSEHOLDS SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 7

Activity	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
Homeowner Programs	\$63,276,437	461	\$0	0	\$270,000	9	\$0	0	\$0	0	\$0	0	\$63,546,437	470
Renter Programs	\$0	0	\$2,025,000	68	\$0	0	\$4,467,409	891	\$28,072,000	444	\$665,023	87	\$35,229,432	1490
<b>Total</b>	<b>\$63,276,437</b>	<b>461</b>	<b>\$2,025,000</b>	<b>68</b>	<b>\$270,000</b>	<b>9</b>	<b>\$4,467,409</b>	<b>891</b>	<b>\$28,072,000</b>	<b>444</b>	<b>\$665,023</b>	<b>87</b>	<b>\$98,775,869</b>	<b>1960</b>

### FUNDING AND HOUSEHOLDS SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 7

Income	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
0-30% AMFI	\$381,909	3	\$0	0	\$120,000	4	\$351,679	47	\$0	0	\$619,060	71	\$1,472,648	125
30-50% AMFI	\$5,506,125	47	\$2,025,000	68	\$150,000	5	\$690,309	96	\$0	0	\$45,963	15	\$8,417,397	231
50-80% AMFI	\$32,903,087	249	\$0	0	\$0	0	\$3,425,421	748	\$28,072,000	444	\$0	1	\$64,400,508	1442
>80% AMFI	\$24,485,316	162	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$24,485,316	162
<b>Total</b>	<b>\$63,276,437</b>	<b>461</b>	<b>\$2,025,000</b>	<b>68</b>	<b>\$270,000</b>	<b>9</b>	<b>\$4,467,409</b>	<b>891</b>	<b>\$28,072,000</b>	<b>444</b>	<b>\$665,023</b>	<b>87</b>	<b>\$98,775,869</b>	<b>1960</b>

**REGION 8**



TDHCA allocated \$18,864,520 in the region in FY 2007.

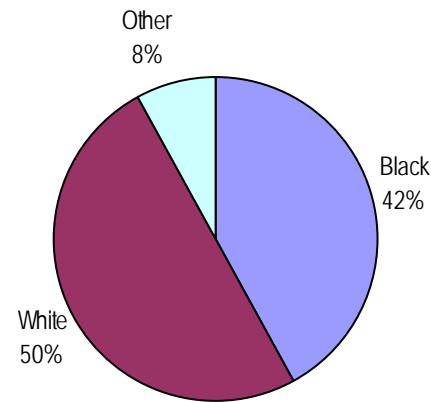
Homeowner programs accounted for the largest segment of this total, while “Moderate Income” households (>80% AMFI) was the most

served income group.

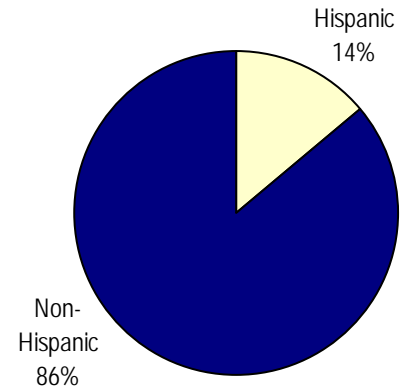
Note: Because loan servicers do not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combined chart.

**RENTER PROGRAMS**

PERCENT OF COMMITTED FUNDS BY RACE

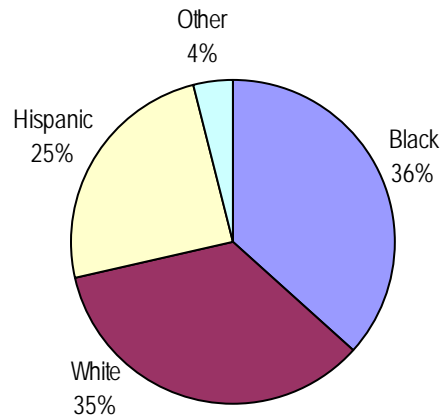


PERCENT OF COMMITTED FUNDS BY ETHNICITY



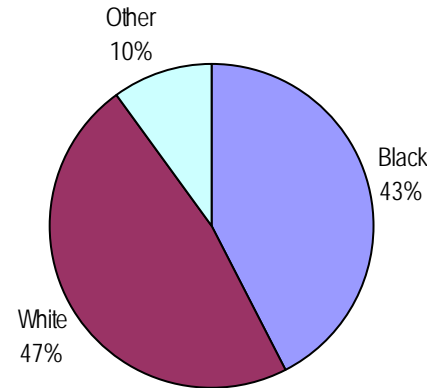
**SINGLE FAMILY BOND PROGRAM**

PERCENT OF COMMITTED FUNDS BY RACE AND ETHNICITY

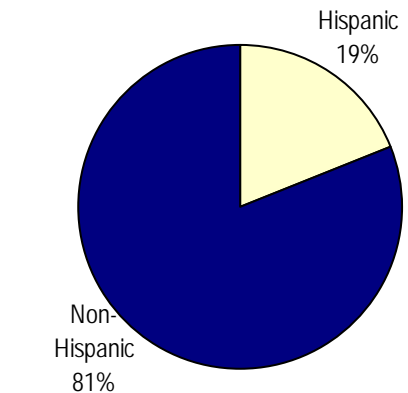


**HOME PROGRAM OWNER PROGRAMS**

PERCENT OF COMMITTED FUNDS BY RACE



PERCENT OF COMMITTED FUNDS BY ETHNICITY



# Annual Report

## Participation in TDHCA Programs

### FUNDING AND HOUSEHOLDS SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 8

Activity	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
Homeowner Programs	\$13,458,731	112	\$2,121,600	34	\$420,000	14	\$0	0	\$0	\$0	\$0	0	\$16,000,331	160
Renter Programs	\$0	0	\$225,000	6	\$0	0	\$2,170,875	324	\$0	\$0	\$468,314	104	\$2,864,189	434
Total	\$13,458,731	112	\$2,346,600	40	\$420,000	14	\$2,170,875	324	\$0	0	\$468,314	104	\$18,864,520	594

### FUNDING AND HOUSEHOLDS SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 8

Income	SF Bond		HOME		HTF		HTC*		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
0-30% AMFI	\$30,324	1	\$0	0	\$60,000	2	\$146,863	15	\$0	\$0	\$388,432	76	\$625,619	94
30-50% AMFI	\$382,032	6	\$2,271,600	38	\$360,000	12	\$128,671	7	\$0	\$0	\$75,024	24	\$3,217,327	87
50-80% AMFI	\$5,206,211	49	\$75,000	2	\$0	0	\$1,787,028	302	\$0	\$0	\$4,858	4	\$7,073,097	357
>80% AMFI	\$7,840,164	56	\$0	0	\$0	0	\$0	0	\$0	\$0	\$0	0	\$7,840,164	56
Total	\$13,458,731	112	\$2,346,600	40	\$420,000	14	\$2,062,562	324	\$0	0	\$468,314	104	\$18,756,207	594

\*The HTC data by income category does not include the region's portion of \$2,009,745 allocated in FY 2007 to awardees from FY 2004.

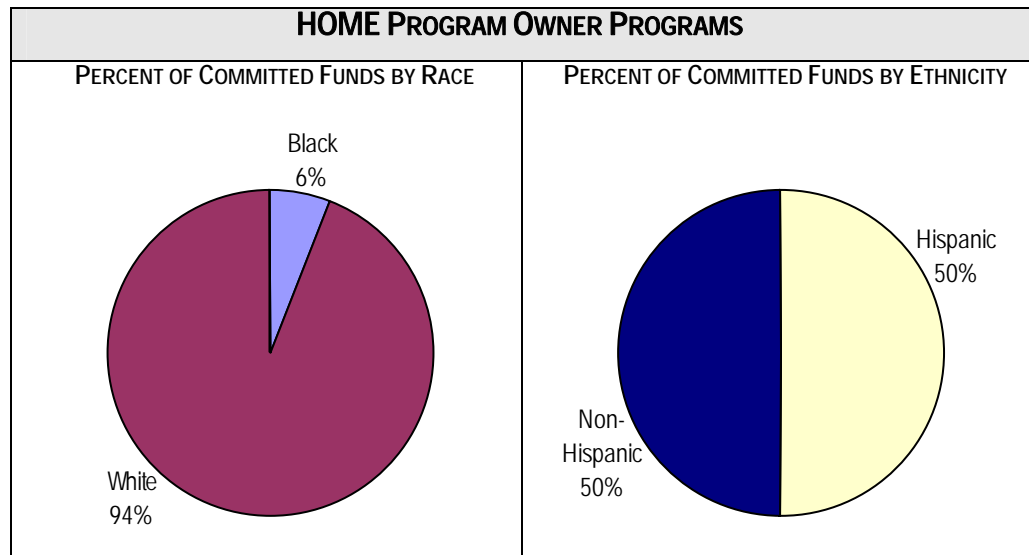
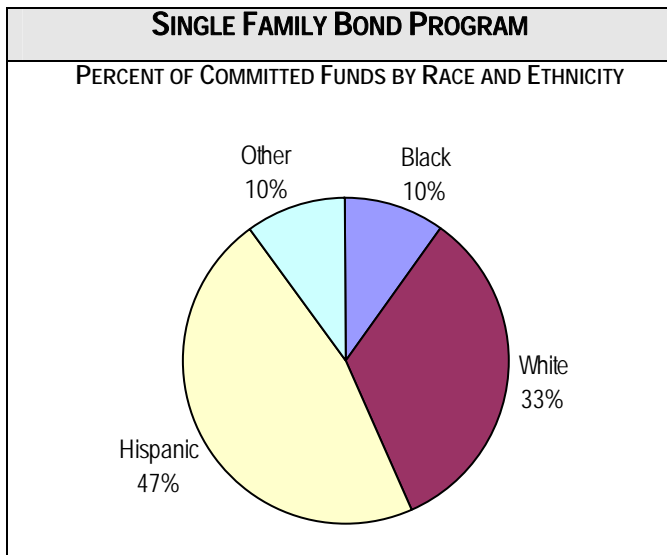
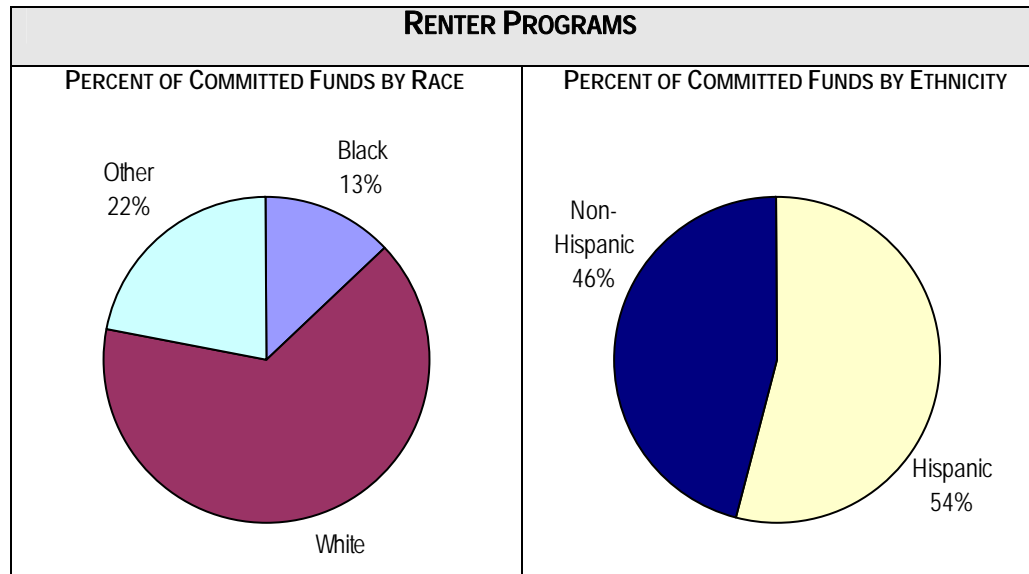
**REGION 9**



TDHCA allocated \$29,466,836 in the region in FY 2007.

Homeowner programs accounted for the largest segment of this total, while “Low Income” households (50-80% AMFI) was the most served income group.

Note: Because loan servicers do not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combined chart



# Annual Report

## Participation in TDHCA Programs

### FUNDING AND HOUSEHOLDS SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 9

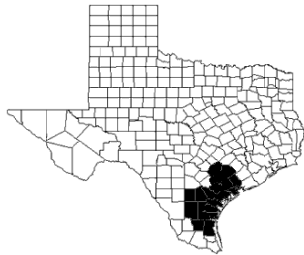
Activity	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
Homeowner Programs	\$14,491,251	127	\$0	0	\$300,000	10	\$0	0	\$0	0	\$0	0	\$14,791,251	137
Renter Programs	\$0	0	\$0	0	\$0	0	\$6,408,367	1279	\$8,000,000	150	\$267,218	64	\$14,675,585	1493
Total	\$14,491,251	127	\$0	0	\$300,000	10	\$6,408,367	1279	\$8,000,000	150	\$267,218	64	\$29,466,836	1630

### FUNDING AND HOUSEHOLDS SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 9

Income	SF Bond		HOME		HTF		HTC*		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
0-30% AMFI	\$91,547	2	\$0	0	\$90,000	3	\$321,063	40	\$0	0	\$229,134	48	\$731,744	93
30-50% AMFI	\$990,640	14	\$0	0	\$180,000	6	\$51,686	12	\$0	0	\$35,928	15	\$1,258,254	47
50-80% AMFI	\$5,937,401	56	\$0	0	\$30,000	1	\$5,774,379	1227	\$8,000,000	150	\$2,156	1	\$19,743,936	1435
>80% AMFI	\$7,471,663	55	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$7,471,663	55
Total	\$14,491,251	127	\$0	0	\$300,000	10	\$6,147,128	1279	\$8,000,000	150	\$267,218	64	\$29,205,597	1630

\*The HTC data by income category does not include the region's portion of \$2,009,745 allocated in FY 2007 to awardees from FY 2004.

**REGION 10**



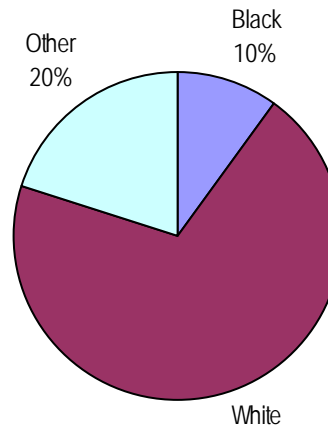
TDHCA allocated \$6,540,992 in the region in FY 2007.

Homeowner programs accounted for the largest segment of this total, while “Low Income” households (50-80% AMFI) was the most served income group.

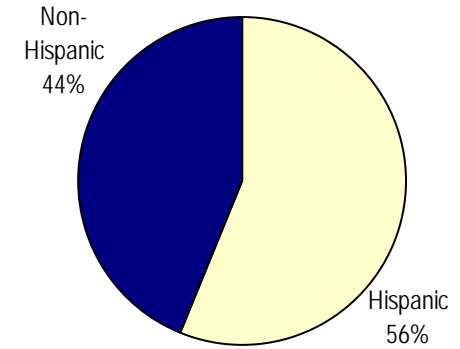
Note: Because loan servicers do not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combined chart.

**RENTER PROGRAMS**

PERCENT OF COMMITTED FUNDS BY RACE

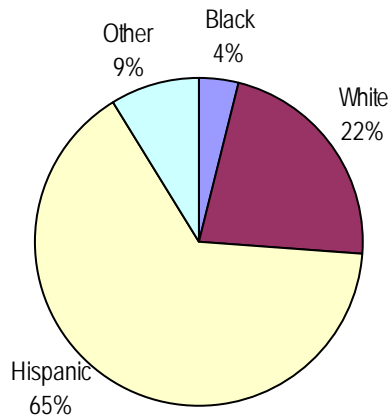


PERCENT OF COMMITTED FUNDS BY ETHNICITY



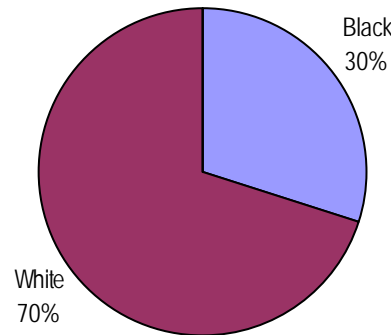
**SINGLE FAMILY BOND PROGRAM**

PERCENT OF COMMITTED FUNDS BY RACE AND ETHNICITY

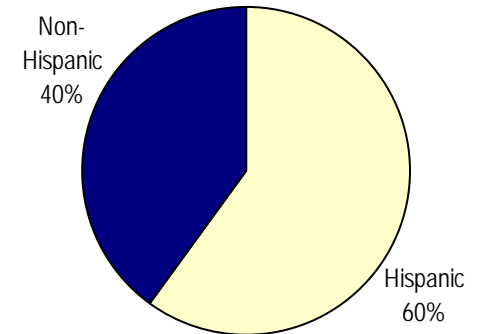


**HOME PROGRAM OWNER PROGRAMS**

PERCENT OF COMMITTED FUNDS BY RACE



PERCENT OF COMMITTED FUNDS BY ETHNICITY



# Annual Report

## Participation in TDHCA Programs

### FUNDING AND HOUSEHOLDS SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 10

Activity	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
Homeowner Programs	\$1,708,040	23	\$1,560,000	25	\$90,000	3	\$0	0	\$0	0	\$0	0	\$3,358,040	51
Renter Programs	\$0	0	\$1,042,125	34	\$0	0	\$2,070,873	469	\$0	0	\$69,954	12	\$3,182,952	515
Total	\$1,708,040	23	\$2,602,125	59	\$90,000	3	\$2,070,873	469	\$0	0	\$69,954	12	\$6,540,992	566

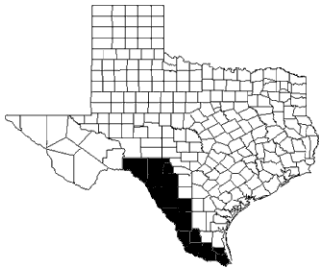
### FUNDING AND HOUSEHOLDS SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 10

Income	SF Bond		HOME		HTF		HTC*		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
0-30% AMFI	\$0	0	\$0	0	\$30,000	1	\$147,153	23	\$0	0	\$64,039	9	\$241,192	33
30-50% AMFI	\$308,153	5	\$2,022,526	40	\$60,000	2	\$0	0	\$0	0	\$5,915	3	\$2,396,594	50
50-80% AMFI	\$859,992	12	\$579,599	19	\$0	0	\$1,896,263	446	\$0	0	\$0	0	\$3,335,854	477
>80% AMFI	\$539,895	6	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$539,895	6
Total	\$1,708,040	23	\$2,602,125	59	\$90,000	3	\$2,043,416	469	\$0	0	\$69,954	12	\$6,513,535	566

\*The HTC data by income category does not include the region's portion of \$2,009,745 allocated in FY 2007 to awardees from FY 2004.



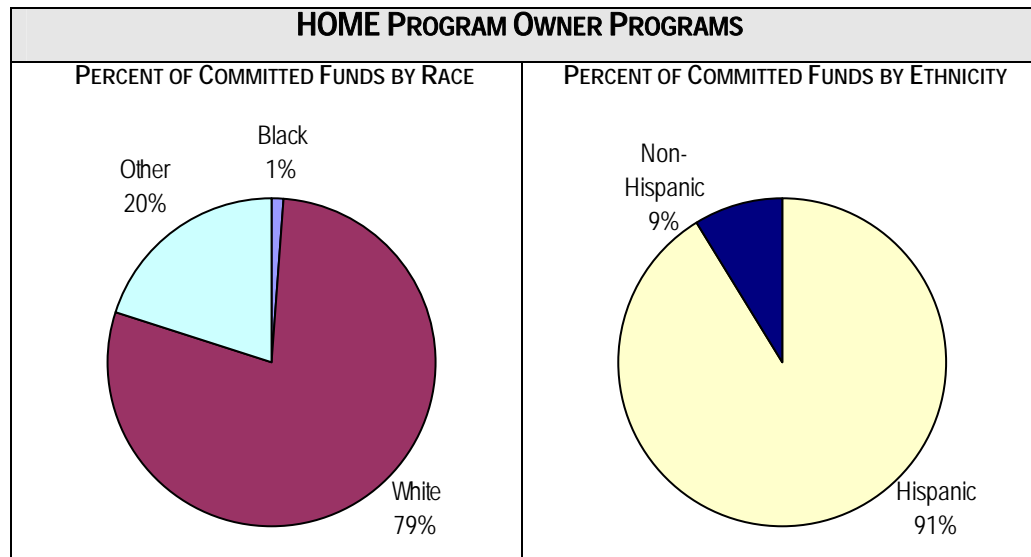
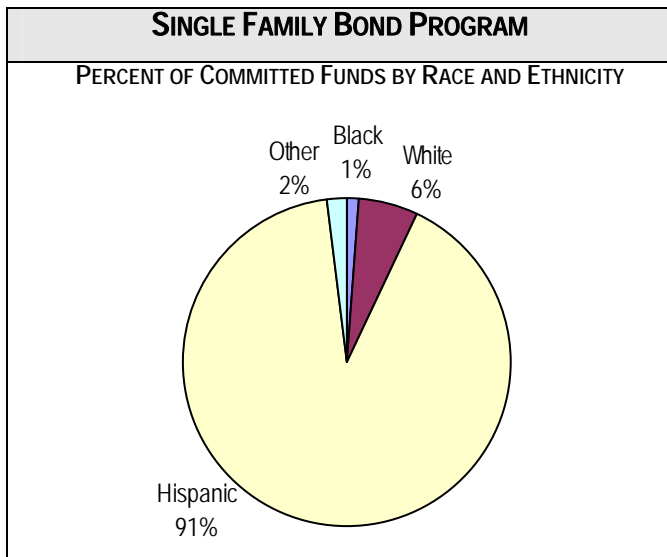
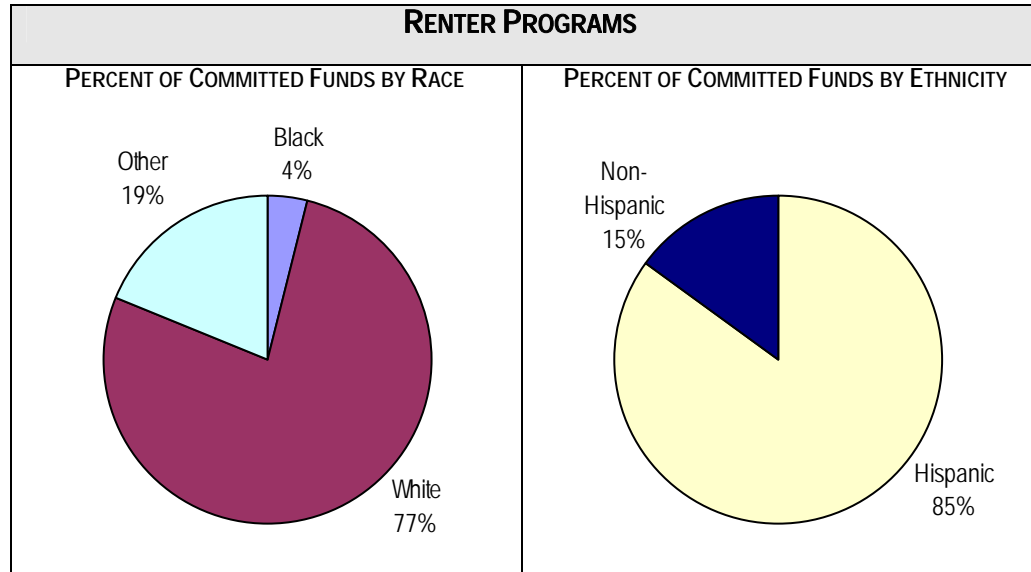
**REGION 11**



TDHCA allocated \$28,099,471 in the region in FY 2007.

Homeowner programs accounted for the largest segment of this total, while “Low Income” households (50-80%) was the most served income group.

Note: Because loan servicers do not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combined chart



# Annual Report

## Participation in TDHCA Programs

### FUNDING AND HOUSEHOLDS SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 11

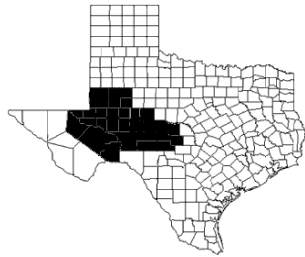
Activity	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
Homeowner Programs	\$15,374,586	199	\$4,370,843	63	\$1,058,137	36	\$0	0	\$0	0	\$0	0	\$20,803,566	298
Renter Programs	\$0	0	\$0	0	\$0	0	\$7,244,607	894	\$0	0	\$51,298	7	\$7,295,905	901
Total	\$15,374,586	199	\$4,370,843	63	\$1,058,137	36	\$7,244,607	894	\$0	0	\$51,298	7	\$28,099,471	1199

### FUNDING AND HOUSEHOLDS SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 11

Income	SF Bond		HOME		HTF		HTC*		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
0-30% AMFI	\$276,965	7	\$57,778	1	\$540,000	18	\$778,103	85	\$0	0	\$51,298	7	\$1,704,144	118
30-50% AMFI	\$3,696,938	60	\$372,956	7	\$398,137	14	\$0	0	\$0	0	\$0	0	\$4,468,031	81
50-80% AMFI	\$6,846,185	88	\$3,940,110	55	\$90,000	3	\$6,120,533	809	\$0	0	\$0	0	\$16,996,828	955
>80% AMFI	\$4,554,498	44	\$0	0	\$30,000	1	\$0	0	\$0	0	\$0	0	\$4,584,498	45
Total	\$15,374,586	199	\$4,370,844	63	\$1,058,137	36	\$6,898,636	894	\$0	0	\$51,298	7	\$27,753,501	1199

\*The HTC data by income category does not include the region's portion of \$2,009,745 allocated in FY 2007 to awardees from FY 2004.

**REGION 12**

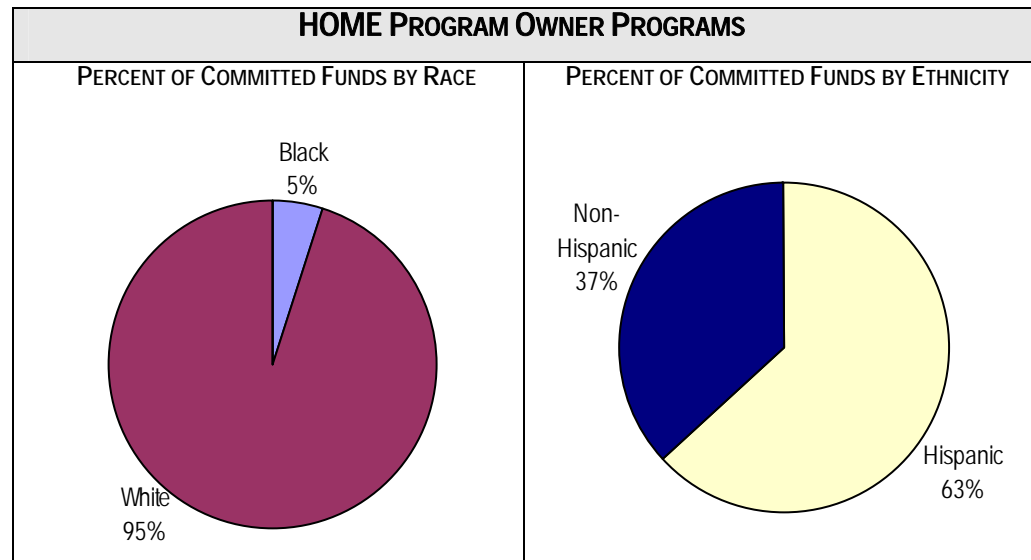
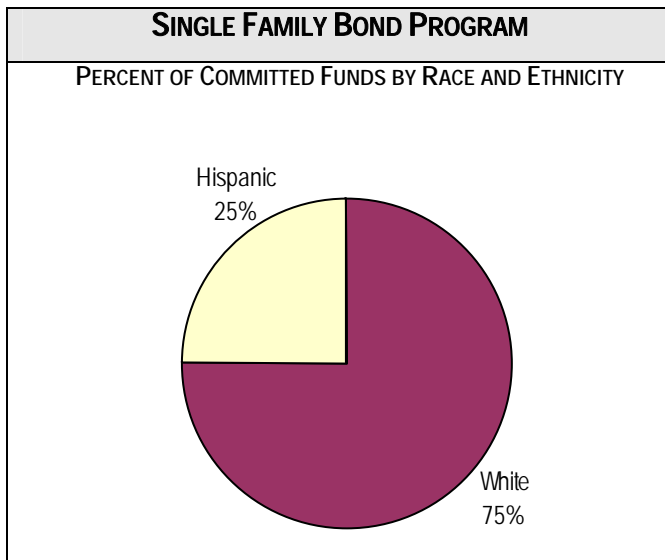
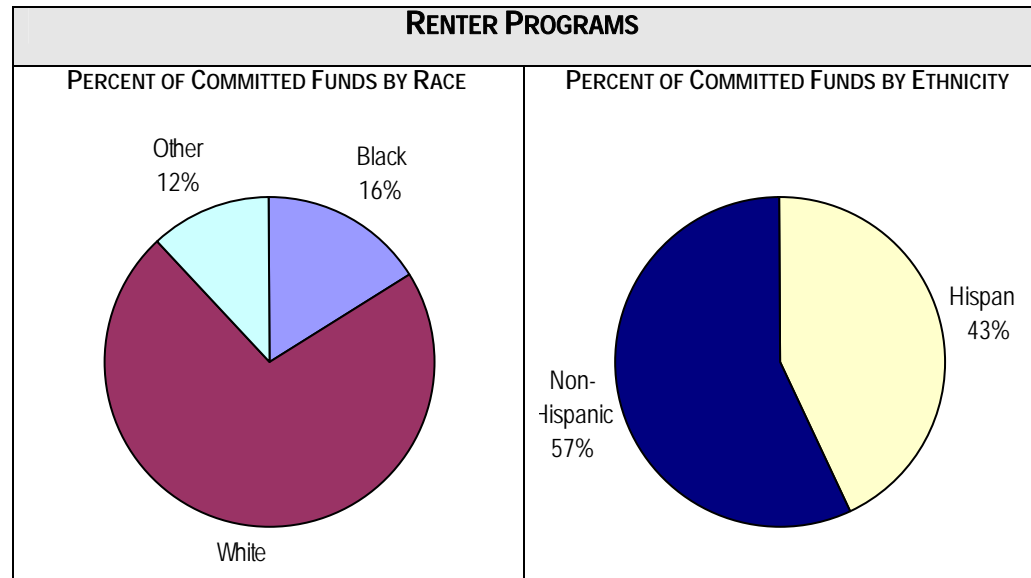


TDHCA allocated \$2,899,051 in the region in FY 2007.

Renter programs accounted for the largest segment of this total, while “Low Income” households (50-

80% AMFI) was the most served income group.

Note: Because loan servicers do not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combined chart.



# Annual Report

## Participation in TDHCA Programs

### FUNDING AND HOUSEHOLDS SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 12

Activity	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
Homeowner Programs	\$245,967	4	\$0	0	\$60,000	2	\$0	0	\$0	0	\$0	0	\$305,967	6
Renter Programs	\$0	0	\$730,000	37	\$0	0	\$1,819,295	294	\$0	0	\$43,789	11	\$2,593,084	342
Total	\$245,967	4	\$730,000	37	\$60,000	2	\$1,819,295	294	\$0	0	\$43,789	11	\$2,899,051	348

### FUNDING AND HOUSEHOLDS SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 12

Income	SF Bond		HOME		HTF		HTC*		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
0-30% AMFI	\$0	0	\$0	0	\$0	0	\$163,205	23	\$0	0	\$43,271	10	\$206,476	33
30-50% AMFI	\$177,967	3	\$157,838	8	\$60,000	2	\$104,362	15	\$0	0	\$518	1	\$500,685	29
50-80% AMFI	\$68,000	1	\$572,162	29	\$0	0	\$1,535,908	256	\$0	0	\$0	0	\$2,176,070	286
>80% AMFI	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Total	\$245,967	4	\$730,000	37	\$60,000	2	\$1,803,475	294	\$0	0	\$43,789	11	\$2,883,231	348

\*The HTC data by income category does not include the region's portion of \$2,009,745 allocated in FY 2007 to awardees from FY 2004.

**REGION 13**



TDHCA allocated \$9,481,287 in the region in FY 2007.

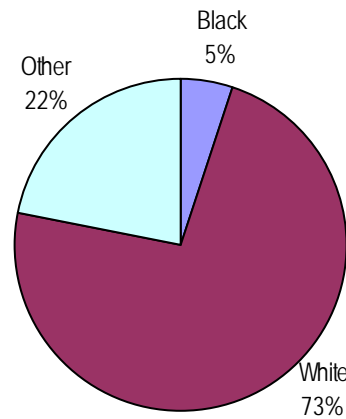
Homeowner programs accounted for the largest segment of this total, while “Low Income” households (50-

80% AMFI) was the most served income group.

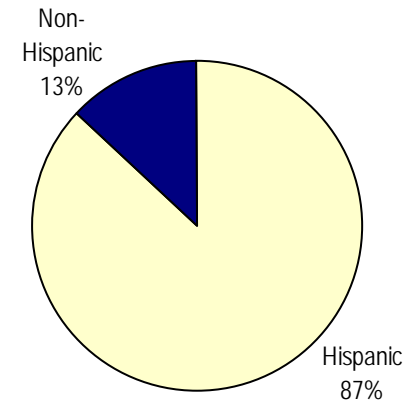
Note: Because loan servicers do not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combined chart.

**RENTER PROGRAMS**

PERCENT OF COMMITTED FUNDS BY RACE

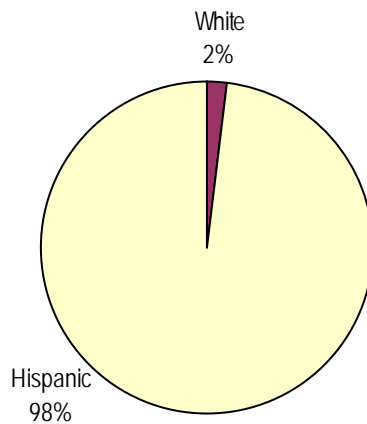


PERCENT OF COMMITTED FUNDS BY ETHNICITY



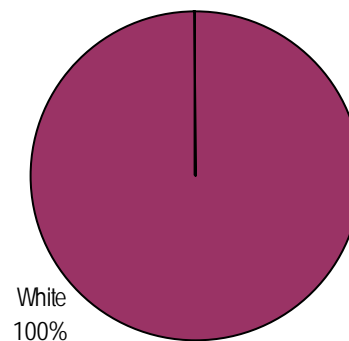
**SINGLE FAMILY BOND PROGRAM**

PERCENT OF COMMITTED FUNDS BY RACE AND ETHNICITY

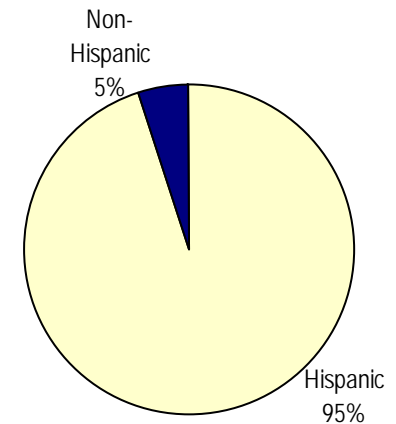


**HOME PROGRAM OWNER PROGRAMS**

PERCENT OF COMMITTED FUNDS BY RACE



PERCENT OF COMMITTED FUNDS BY ETHNICITY



# Annual Report

## Participation in TDHCA Programs

### FUNDING AND HOUSEHOLDS SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 13

Activity	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
Homeowner Programs	\$5,289,645	59	\$0	0	\$709,500	31	\$0	0	\$0	0	\$0	0	\$5,999,145	90
Renter Programs	\$0	0	\$0	0	\$0	0	\$3,482,142	682	\$0	0	\$0	0	\$3,482,142	682
Total	\$5,289,645	59	\$0	0	\$709,500	31	\$3,482,142	682	\$0	0	\$0	0	\$9,481,287	772

### FUNDING AND HOUSEHOLDS SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 13

Income	SF Bond		HOME		HTF		HTC*		MF Bond		Section 8		All Activities	
	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served	Committed Funds	Number of Households Served
0-30% AMFI	\$41,300	1	\$0	0	\$237,000	10	\$228,633	31	\$0	0	\$0	0	\$506,933	42
30-50% AMFI	\$1,341,778	18	\$0	0	\$442,500	20	\$346,251	76	\$0	0	\$0	0	\$2,130,529	114
50-80% AMFI	\$3,204,267	35	\$0	0	\$30,000	1	\$2,788,662	575	\$0	0	\$0	0	\$6,022,929	611
>80% AMFI	\$702,300	5	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$702,300	5
Total	\$5,289,645	59	\$0	0	\$709,500	31	\$3,363,546	682	\$0	0	\$0	0	\$9,362,691	772

\*The HTC data by income category does not include the region's portion of \$2,009,745 allocated in FY 2007 to awardees from FY 2004.

## **FAIR HOUSING SPONSOR REPORT ANALYSIS**

TDHCA requires that housing developments of 20 units or more that receive financial assistance from TDHCA submit an annual housing sponsor report. This report includes the contact information for each property, the total number of units, the number of accessible units, the rents for units by type, the racial composition information for the property, the number of units occupied by individuals receiving supported housing assistance, the number of units occupied delineated by income group, and a statement as to whether there have been fair housing violations at the property. This information depicts the property information as of a specific date, December 31, of each year.

Because of the extensive nature of the information, TDHCA has elected to provide this report under a separate cover: the TDHCA *Housing Sponsor Report* (HSR). The HSR includes an analysis of the collected information, as well as the information submitted by each property. In addition, in fulfillment of §2306.072(c)(8), the HSR contains a list of average rents by Texas county, based on housing sponsor report responses from TDHCA-funded properties.

For more information and a copy of this report, please contact the TDHCA Housing Resource Center at (512) 475-3976 or visit <http://www.tdhca.state.tx.us/ppa/housing-center/pubs.htm>.

## **GEOGRAPHIC DISTRIBUTION OF HOUSING TAX CREDITS**

Section 2306.111(d) of the Government Code requires that TDHCA use a Regional Allocation Formula (RAF) to allocate its 9% HTCs to the Uniform State Service Regions it uses for planning purposes. Because of the level of funding and the impact of this program in financing the multifamily development of affordable housing, this section of the Plan discusses the geographical distribution of HTCs.

For FY 2007, the Department had \$49,085,817 in housing tax credits to allocate through the Competitive Housing Tax Credit application process. This amount was comprised of the annual volume cap, recaptured and returned credits, and \$548,821 from the national pool of unused tax credits from other states. Over the course of the year, the total amount of Competitive and 4% tax credits approved by the Board, including binding agreements to 2004 applications using 2007 tax credits and forward commitments, was: \$80,786,887. In July 2007, the Department's Board approved 53 applications for Competitive HTCs, 8 forward commitments made out of the 2007 State Housing Credit Ceiling, and 52 binding agreements of housing tax credits to 2004 applications using the 2007 State Housing Credit Ceiling, totaling \$47,695,110. Any remaining 2007 credit authority will be allocated to applicants on the 2007 waiting list. Alternately, if the credit balance meets the IRS de minimus requirements, it may be rolled into the 2008 State Housing Credit Ceiling. Under either scenario, the Department will be eligible to receive credits from the national pool of unused credits. The 4% awards, which are approved by the Board throughout the year, totaled \$28,132,472 for FY 2007. Information on these awards, as well as the entire HTC inventory, can be found on the HTC Program's web page at <http://www.tdhca.state.tx.us/multifamily/htc/index.htm>. The map on the following page displays the geographic distribution of the FY 2007 9% and 4% awards

### **REGIONAL ALLOCATION FORMULA**

The table below shows the funding distribution of FY 2007 awards by region and includes the variations between the actual distribution and the 9% HTC RAF targets. The Department plans the credit distributions to match the HTC RAF targets as closely as possible; the RAF targets apply to the 9% HTC program. To that end, as many whole awards as possible are made in each Uniform State Service Region's urban and rural subregions, based on the RAF target for each. The total remainder in each region is then collapsed into 13 regional pools. The subregion with the highest original target percentage is determined within each region and, if possible, additional awards are made in these subregions out of the region's pool. If a region does not have enough qualified applications to meet its regional credit distribution target, then those credits will be apportioned to the other regions from a statewide pool of remaining credits.

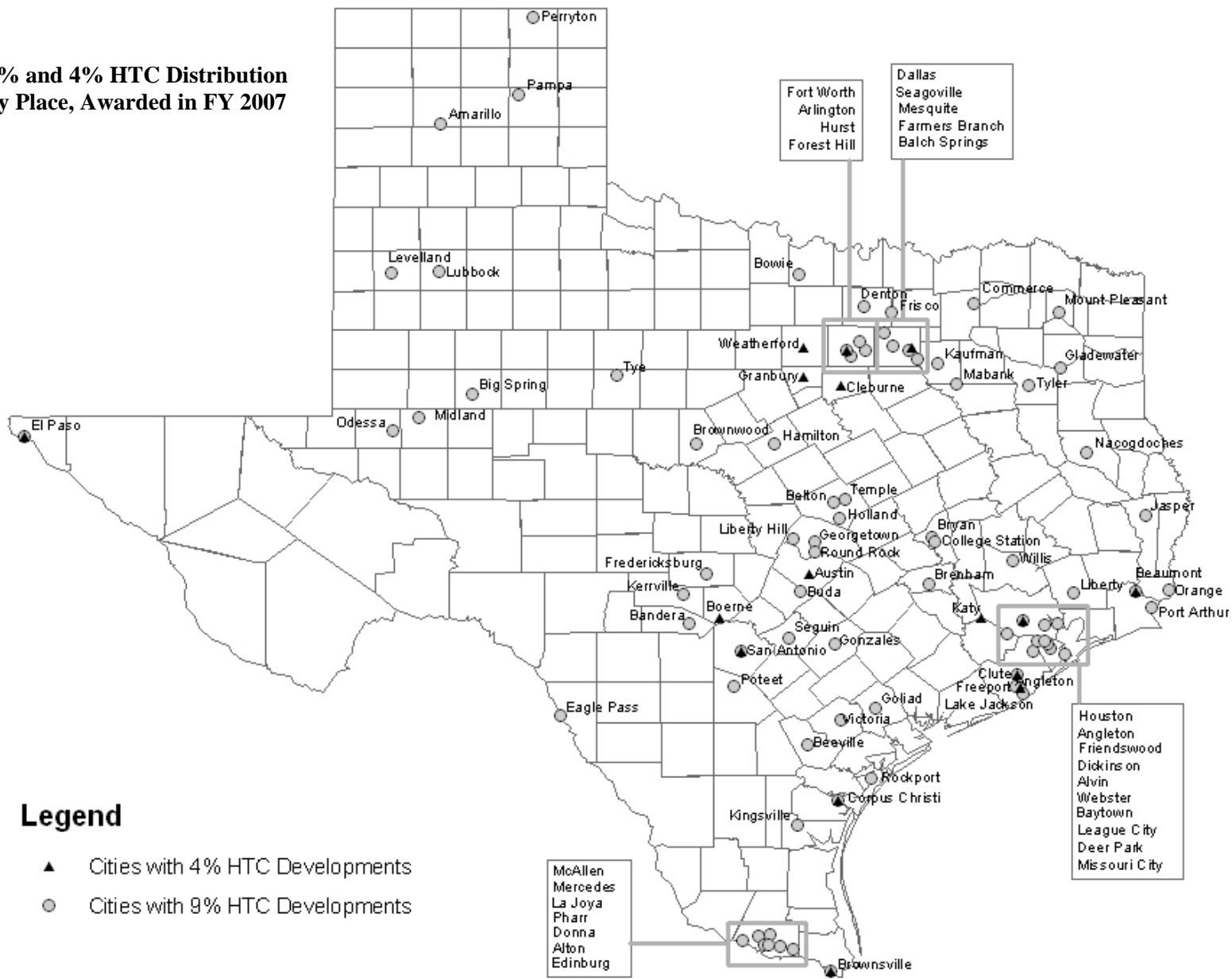


Region	All HTC's	% of All HTC's	4% HTC's	% of All 4% HTC's	9%HTC's	% of All 9% HTC's	Targeted 9% Dist. Under RAF	Difference between Actual and Targeted
1	\$2,654,085	3.3%	\$629,797	2.1%	\$2,024,288	3.9%	4.7%	-0.8%
2	\$1,203,315	1.5%	-	0.0%	\$1,203,315	2.3%	2.7%	-0.4%
3	\$17,653,106	21.7%	\$9,222,033	31.3%	\$8,431,073	16.2%	16.4%	-0.2%
4	\$2,587,426	3.2%	-	0.0%	\$2,587,426	5.0%	5.0%	0.0%
5	\$5,714,785	7.0%	-	0.0%	\$5,714,785	11.0%	3.5%	7.5%
6	\$18,276,776	22.5%	\$8,407,130	28.5%	\$9,869,646	19.0%	24.2%	-5.2%
7	\$6,879,634	8.5%	\$3,261,743	11.1%	\$3,617,891	7.0%	7.6%	-0.6%
8	\$3,785,088	4.7%	\$759,591	2.6%	\$3,025,497	5.8%	6.1%	-0.3%
9	\$8,229,736	10.1%	\$5,164,972	17.5%	\$3,064,764	5.9%	5.8%	0.1%
10	\$3,734,493	4.6%	\$1,512,904	5.1%	\$2,221,589	4.3%	4.1%	0.2%
11	\$5,672,006	7.0%	-	0.0%	\$5,672,006	10.9%	12.1%	-1.2%
12	\$1,459,808	1.8%	-	0.0%	\$1,459,808	2.8%	2.9%	-0.1%
13	\$3,512,286	4.3%	\$489,934	1.7%	\$3,022,352	5.8%	4.8%	1.0%
Total	\$81,362,544	100.0%	\$29,448,104	100.0%	\$51,914,440	100.0%	100.0%	-0.8%

# Annual Report

## Distribution of Housing Tax Credits

### 9% and 4% HTC Distribution by Place, Awarded in FY 2007



## **SECTION 3: HOUSING ANALYSIS**

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

### **DATA SOURCES AND LIMITATIONS**

The information provided in this section should be considered within the context of its limitations. The Department recognizes that an undistorted assessment of housing need can be found only at the local level based on the direct experience of local households. The following issues should be considered when reviewing the information contained in this report:

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

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

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

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

Unit affordability compares housing cost to local area HAMFI. Affordable units are defined as units for which a household would pay no more than 30 percent of its income for rent and no more than two and one-half times its annual income to purchase. Since HUD's adjusted median family incomes are estimated

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<sup>1</sup> The CHAS figures for moderate and higher income households in Region 11 indicate that there are only 199 persons with incomes between 80-95 percent of the AMFI. TDHCA has been unable to get more accurate information for this segment of the population. However, the planning impact for the SLIHP is relatively low because, except for the first time homebuyer program which is done through a network of participating lenders, TDHCA programs serve persons below 80 percent AMFI.

## *Housing Analysis*

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### *Data Sources and Limitations*

for a family of four, affordability levels are also adjusted to control for various-sized units based on the number of people that could occupy a unit without overcrowding. This adjustment is made by multiplying the threshold described above by 75 percent for a 0–1 bedroom unit, 90 percent for a two bedroom unit, and 104 percent for a 3+ bedroom unit.

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

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

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

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

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<sup>2</sup> Texas Interagency Council for the Homeless, “Key Facts,” <http://www.tich.state.tx.us/facts.htm> (accessed August 8, 2006).

## STATE OF TEXAS

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

### DEMOGRAPHIC CHARACTERISTICS

Texas is one of the fastest growing states in the nation. According to recent Census data, Texas population expanded by nearly a quarter (22.8 percent) between 1990 and 2000, far exceeding the national growth average of 13.2 percent for the same decade. The increase in state population by 3,865,310 persons was the largest of any decade in Texas history. More than one of every nine persons added to the population of the United States in the 1990s was added in Texas.<sup>3</sup>

#### *Projected Population Change and Implications for Housing Need*

- Looking at long-term demographic projections, it is clear that the demand for affordable and subsidized housing will increase in the coming years.
- The 2000 state population of 20.9 million is expected to surge to 50.4 million by 2040.
- The Anglo population will account for only 3.9 percent of net population growth from 2000 to 2040, meaning that more than 96 percent of the total net increase in Texas population between 2000 and 2040 will be due to the non-Anglo population.
- Anglo population is expected to grow by 10.4 percent between 2000 and 2040, while blacks are expected to increase by 65.0 percent and Hispanics by 348.7 percent.
- The population is becoming older: the median age will increase from 32.3 in 2000 to 38.3 in 2040. The percentage of the population that was 65 or older was 9.9 percent in 2000 but will increase to 20 percent by 2040.
- Growth in the number of households, projected at 162.1 percent over the period 2000-2040, will outstrip population growth: 142.6 percent during the same period.

Expected housing demand is directly linked to projected changes in population characteristics. The current ethnic shift is significant because of the substantial differences between the races in terms of income level. The absolute difference in median household income between Anglos and Blacks was \$13,602 in 1989, but \$17,857 in 1999; and the Anglo-Hispanic difference was \$12,242 in 1989, but \$17,289 in 1999. Similarly, the poverty rates of 23.4 percent for Blacks and 25.4 percent for Hispanics were still roughly three times as high as the 7.8 percent of persons in poverty among Anglos. Because of these disparities, households in Texas will become poorer over the coming decades unless the relationship between ethnicity and income somehow changes.<sup>4</sup>

A correlation also exists between income and age. According to the 2000 Census, 13.1 percent of Texans age 65 and older live below the poverty level. Lower incomes combined with rising healthcare costs contribute to the burden of paying for housing. Approximately 30 percent of all elderly households spend more than 30 percent of their income on housing, while 14 percent spend more than 50 percent of their income on housing. These statistics take on new urgency when considered alongside the anticipated upsurge in the state's elderly population.

<sup>3</sup> Information for the Housing Analysis comes from the 2000 US Census except where noted otherwise.

<sup>4</sup> Center for Demographic and Socioeconomic Research and Education, *Texas Challenge in the Twenty-First Century: Implications of Population Change for the Future of Texas*, by Steve H. Murdock et. al. (Texas A&M University System, December 2002), <http://txsdc.utsa.edu/download/pdf/TxChall2002.pdf> (accessed May 17, 2006).

## *Housing Analysis*

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### *State of Texas*

Not only will the demographics of the population be changing, but so will its needs. The faster growth in number of households than in total population is a reflection of the large number of non-Anglos who will enter household-formation ages during this time period. More young families mean an increased demand for housing.<sup>5</sup>

### *Poverty and Income*

According to the 2000 Census, Texas has the ninth highest overall poverty rate in the nation, with a rate of 15.4 percent compared to the national rate of 12.4 percent. Poverty conditions along the Texas-Mexico border warrant special attention. Parts of the region, like McAllen-Edinburg-Mission, suffer from an unemployment rate double that of the state's (12 percent vs. 6.1 percent) and less than half of state's per capita income average. Fifteen counties along the border have a poverty rate of at least 25 percent, almost double the national average. Conditions are particularly acute in the colonias, unincorporated areas along the Texas-Mexico border lacking infrastructure and decent housing. It is estimated that 43 percent of colonia residents live below the poverty level.

The poverty rate for all family households in Texas, different from the overall poverty rate, is expected to increase from the 2000 figure of 11.4 percent to 15.4 percent by 2040.<sup>6</sup> The primary reasons for this are the rapid growth of present minority populations and the dominance in the economy of low-paying, particularly service-industry, jobs.<sup>7</sup> While manufacturing and mining continue to decline, Texas ranked third in the nation in 2003 for service industry job creation. According to US Bureau of Labor Statistics data, eight of the top ten most common jobs in Texas earn incomes that fall at least \$10,000 below the state median income of \$33,770.

Many families who rely on these low-wage occupations for a living find it difficult to cover all essential expenses. According to a study by the Center for Public Policy Priorities, "a significant proportion of families throughout the state struggle paycheck-to-paycheck to make ends meet." The study examined a typical family's fundamental expenses, such as housing, food, child care, medical costs, transportation, taxes, etc., and compared the total bill to typical wages earned in the 27 Texas Metropolitan Statistical Areas. The study asserts that a family of four in Texas requires a household hourly income of \$18 to \$22 per hour (depending on the metro area in which the family lives) to simply meet its most basic needs. In a majority of Texas metro areas, however, half of the total employment is in occupations with a median wage under \$10 per hour.<sup>8</sup>

The Texas Comptroller's Economic Update predicts that the fastest growing sector of the state economy over the next decade will be largely in industries requiring specialized education and skills. These industries include high tech communications, engineering, and research.

To provide a more detailed breakdown of the population by income level, this report will use the five income groups designated by HUD. Households are classified into these groups by comparing reported household incomes to HUD-adjusted median family incomes (HAMFI). The income level definitions are as follows:

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

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<sup>5</sup> Center for Demographic and Socioeconomic Research and Education, *Texas Challenge in the Twenty-First Century*.

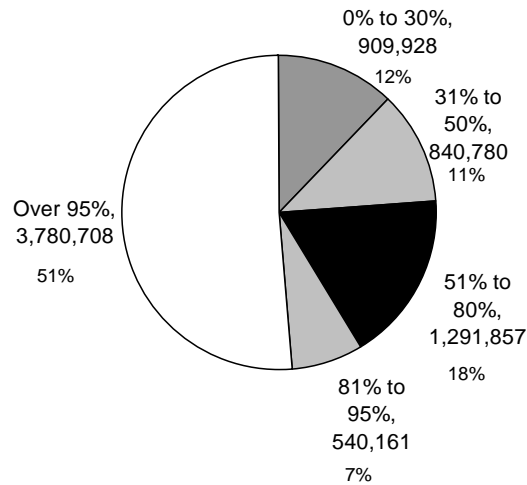
<sup>6</sup> Center for Demographic and Socioeconomic Research and Education, *Texas Challenge in the Twenty-First Century*.

<sup>7</sup> Center for Public Policy Priorities, *Making It: What it Really Takes to Live in Texas* (Austin, TX: Center for Public Policy Priorities, September 2002).

<sup>8</sup> Center for Public Policy Priorities, *Making It: What it Really Takes to Live in Texas*.

- Above 95 percent of HAMFI

**Households by Income Group in Texas, 2000**



Source: 2000 CHAS data

The chart above indicates the 2000 distribution of households by income group across Texas by number and percentage. A total of 41 percent of all households are in the low income range (0 to 80 percent of HAMFI). Meeting the needs of this large portion of the state’s households is TDHCA’s primary focus.

**AFFORDABLE HOUSING NEED**

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



Households with Housing Need by Income Group

		Renter Households			Owner Households		
		At Least One Problem	Total Households	Percent with At Least One Problem	At Least One Problem	Total Households	Percent with At Least One Problem
0-30% AMFI	Elderly Households	59,065	95,130	62.1%	100,876	151,597	66.5%
	Small Related	162,308	204,534	79.4%	76,492	102,443	74.7%
	Large Related	63,879	69,467	92.0%	39,256	44,325	88.6%
	Other Households	133,429	183,124	72.9%	39,368	59,120	66.6%
	<b>Total Households</b>	<b>418,681</b>	<b>552,255</b>	<b>75.8%</b>	<b>255,992</b>	<b>357,485</b>	<b>71.6%</b>
31-50% AMFI	Elderly Households	36,578	61,305	59.7%	62,920	168,088	37.4%
	Small Related	133,605	180,725	73.9%	79,006	240,138	32.9%
	Large Related	58,132	67,274	86.4%	53,907	104,329	51.7%
	Other Households	102,090	127,074	80.3%	24,401	68,290	35.7%
	<b>Total Households</b>	<b>330,405</b>	<b>436,378</b>	<b>75.7%</b>	<b>220,234</b>	<b>406,282</b>	<b>54.2%</b>
51-80% AMFI	Elderly Households	19,934	47,527	41.9%	41,173	210,720	19.5%
	Small Related	98,014	250,309	39.2%	121,204	282,336	42.9%
	Large Related	57,987	81,881	70.8%	81,842	132,264	61.9%
	Other Households	79,147	210,629	37.6%	35,978	79,867	45.0%
	<b>Total Households</b>	<b>255,082</b>	<b>590,346</b>	<b>43.2%</b>	<b>280,197</b>	<b>705,187</b>	<b>39.7%</b>
81-95% AMFI	Elderly Households	3,638	13,761	26.4%	9,883	78,918	12.5%
	Small Related	18,310	91,694	20.0%	40,150	147,881	27.2%
	Large Related	14,142	24,917	56.8%	25,542	53,828	47.5%
	Other Households	11,784	90,223	13.1%	14,049	40,543	34.7%
	<b>Total Households</b>	<b>47,874</b>	<b>220,595</b>	<b>21.7%</b>	<b>89,624</b>	<b>321,170</b>	<b>27.9%</b>
More Than 95% AMFI	Elderly Households	8,169	54,143	15.1%	23,454	497,428	4.7%
	Small Related	43,853	400,026	11.0%	131,939	1,749,473	7.5%
	Large Related	35,490	74,662	47.5%	92,229	360,855	25.6%
	Other Households	17,060	338,469	5.0%	34,919	303,446	11.5%
	<b>Total Households</b>	<b>104,572</b>	<b>867,300</b>	<b>12.1%</b>	<b>282,541</b>	<b>2,911,202</b>	<b>9.7%</b>
Total Households	Elderly Households	127,384	399,250	31.9%	238,306	1,345,057	17.7%
	Small Related	456,090	1,583,378	28.8%	448,791	2,971,062	15.1%
	Large Related	229,630	547,831	41.9%	292,776	988,377	29.6%
	Other Households	343,510	1,293,029	26.6%	148,715	699,981	21.2%
	<b>Total Households</b>	<b>1,156,614</b>	<b>3,823,488</b>	<b>30.3%</b>	<b>1,128,588</b>	<b>5,829,914</b>	<b>19.4%</b>

Source: 2000 CHAS data

*Physical Inadequacy (Lack of Kitchen and Plumbing Facilities)*

The measure of physical inadequacy available from the CHAS database tabulation of the 2000 Census is the number of units lacking complete kitchen and/or plumbing facilities. While this is not a complete measure of physical inadequacy, the lack of plumbing and/or kitchen facilities can serve as a strong indication of one type of housing inadequacy. The following figure demonstrates that among the



physically inadequate housing units for households under 80 percent of HAMFI, 44 percent are affordable to extremely low income households.

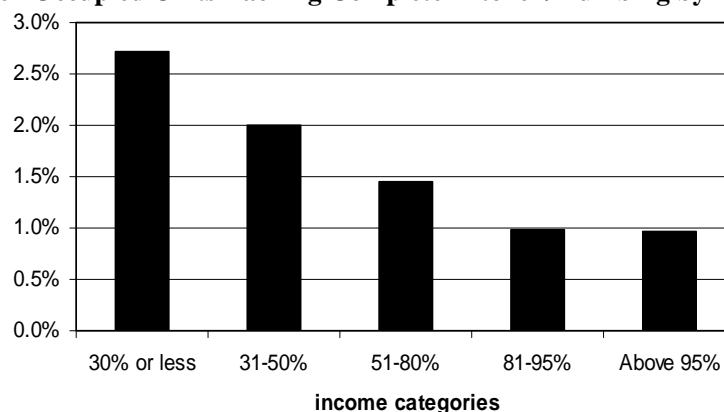
**Units Lacking Kitchen and/or Plumbing Facilities by Affordability Category, 2000**

	Number	Percent
0% to 30%	25,817	44%
31% to 50%	15,907	27%
51% to 80%	16,341	28%
Total	58,065	100%

Source: 2000 CHAS data

Slightly more than 1 percent of all renter households in Texas lack complete kitchen or plumbing facilities. The following table shows the distribution of this problem by income group. Households in the lowest income group, less than 30 percent HAMFI, have the highest incidence of physically inadequate housing.

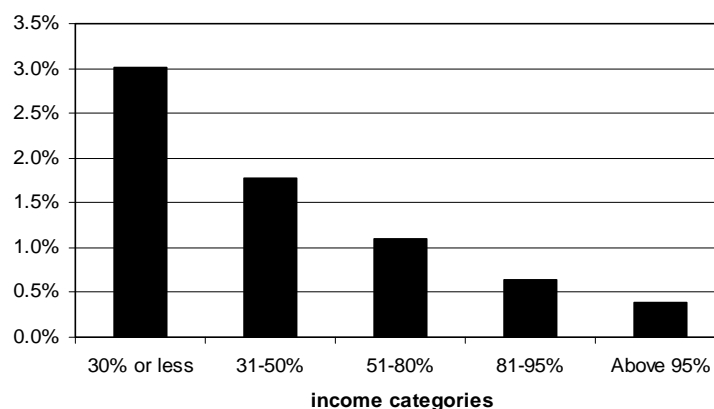
**Renter-Occupied Units Lacking Complete Kitchen/Plumbing by Percent**



Source: 2000 CHAS data

As is the case with renter households, inadequate kitchen and plumbing is a greater problem for the lowest income categories of owner households. A full 3 percent of owner households earning below 30 percent HAMFI lack full kitchen or plumbing facilities.

**Owner-Occupied Units Lacking Complete Plumbing/Kitchen by Percent**

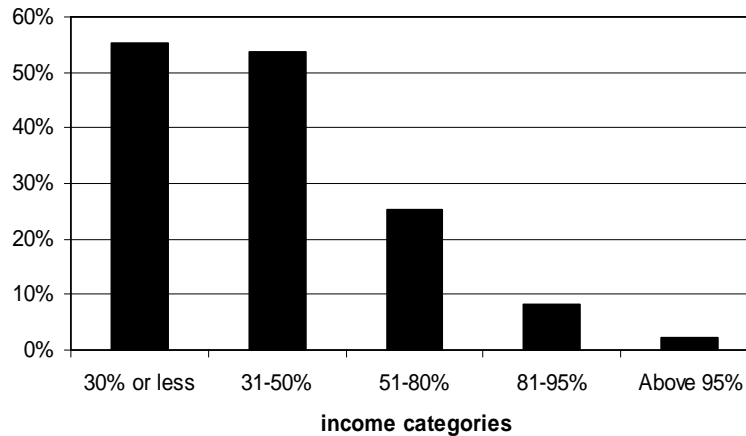


Source: 2000 CHAS data

## Excess Housing Cost Burden

An excess cost burden is identified when a household pays more than 30 percent of its gross income for housing costs. When so much is spent on housing, other basic household needs may suffer. As the following graph shows, a majority of renter households in the lowest two income categories, totaling more than 540,000 households, is burdened by paying an excess portion of income toward housing. This is much greater than in the highest income category, above 95 percent HAMFI, where only 2.2 percent of households experience the problem.

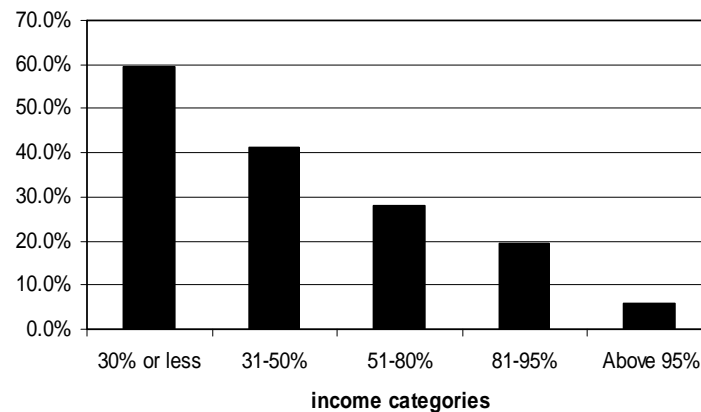
**Renter Households with Excess Housing Cost Burden (>30% of Income) by percent**



Source: 2000 CHAS data

As shown in the following graph, excess housing cost burden affects 59.3 percent of owner households in the lowest income category. This figure, representing a majority, is much higher than the 5.7 percent of households affected in the highest income category. The graph illustrates the direct correlation between owner income category and an owner household's likelihood of experiencing this problem.

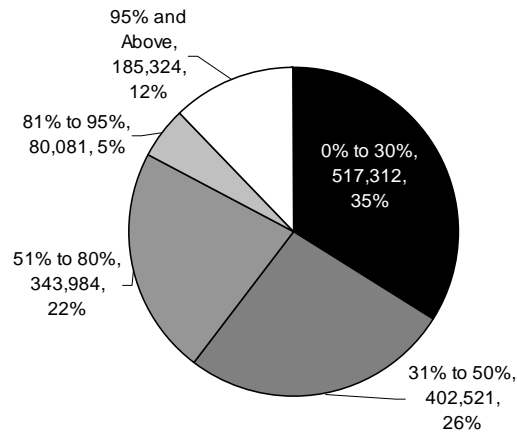
**Owner Households with Excess Housing Cost Burden (>30% of Income) by percent**



Source: 2000 CHAS data

The chart below shows the total number and percentage of households with excess housing cost burden by income group.

**Excess Housing Cost Burden by Income Group, 2000**



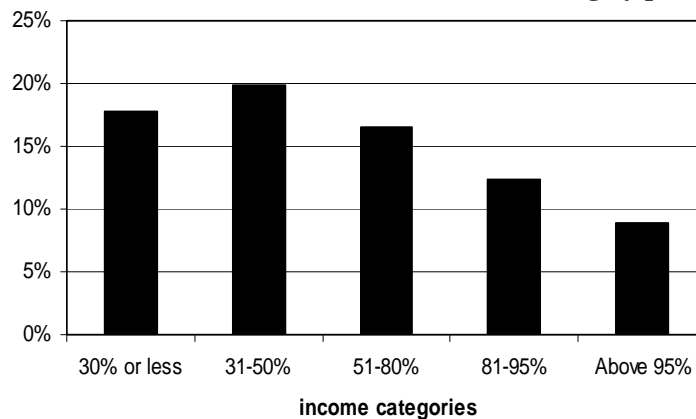
Source: 2000 CHAS Data

**Overcrowding**

Overcrowded housing conditions occur when a residence accommodates more than one person per each room in the dwelling. Overcrowding may indicate a general lack of affordable housing in a community where households have been forced to share space, either because other housing units are not available or because the units available are too expensive.

Lower income renter households experience overcrowded conditions more frequently than higher income households. Almost 18 percent of renter households in the extremely low income category and 19.9 percent of renter households in the low income category are afflicted by overcrowding.

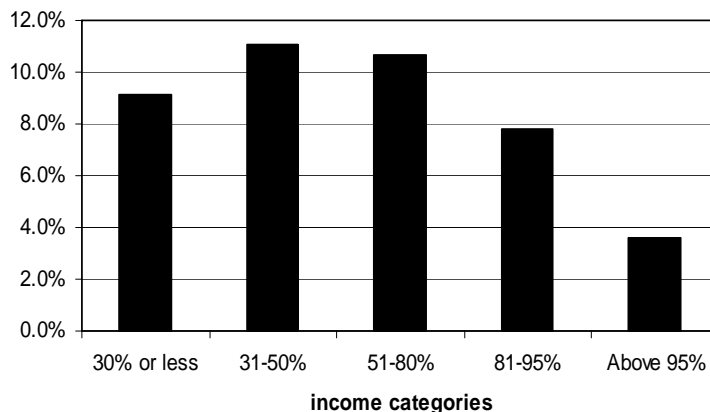
**Renter Households with Incidence of Overcrowding by percent**



Source: 2000 CHAS data

Lower income owner households also experience overcrowded conditions more frequently than higher income owner households. More than 21 percent of owner households earning less than 50 percent HAMFI live in overcrowded conditions compared to 11.4 percent of owner households over 80 percent HAMFI.

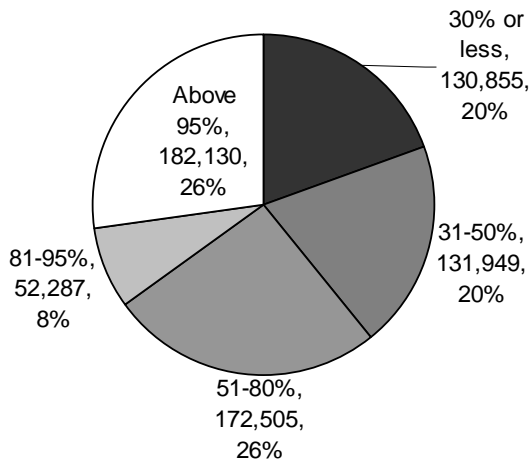
**Owner Households with Incidence of Overcrowding by percent**



Source: 2000 CHAS data

The chart below shows the total incidence of overcrowded households by income group.

**Overcrowded Households by Income Group, 2000**



Source: 2000 CHAS Database

## **HOUSING AVAILABILITY AND AFFORDABILITY**

The following figures compare demand and supply of affordable housing by looking at the number of households and housing units in different affordability categories. Because higher income households often reside in units that could be affordable to the lowest income households, there are fewer units available at a cost that is affordable to lower income households. For example, as shown in Figure 3.12, 1.4 million households that have incomes greater than 80 percent AMFI occupy units that would be affordable to households at 0-50 percent AMFI. Households in this category can afford units in any of the defined affordability categories. Therefore, non-low income households often limit the supply of affordable housing units available to low income households.

The table below describes the housing market interaction of various income groups and housing costs. The table shows the income classifications of the occupants of housing units. The table also illustrates the housing market mismatch between housing units and income groups. For example, very low income households (0-50 percent of HAMFI) account for only about one-third of all the occupants of housing that is affordable to them. All low income households (0-80 percent of HAMFI) make up only 48 percent of all households occupying housing affordable to them. This table illustrates housing market mismatches as well as an implicit excessive cost burden for those households that are residing in units beyond their affordability category.

**Occupied Affordable Housing Units by Income Group of Occupant, 2000,  
by percentage of HAMFI**

Number of Renter units	Total	50% or less	51-80%	Above 80%
Affordable to 0-50% HAMFI	1,112,083	588,198	246,476	277,409
Affordable to 51-80% HAMFI	1,245,842	346,703	301,491	597,648
Affordable to >80% HAMFI	305,135	52,391	41,485	211,259

Percent of Renter units	Total	50% or less	51-80%	Above 80%
Affordable to 0-50% HAMFI	100.0%	52.9%	22.2%	24.9%
Affordable to 51-80% HAMFI	100.0%	27.8%	24.2%	48.0%
Affordable to >80% HAMFI	100.0%	17.2%	13.6%	69.2%

Number of Owner units	Total	50% or less	51-80%	Above 80%
Affordable to 0-50% HAMFI	2,099,253	549,469	458,002	1,091,782
Affordable to 51-80% HAMFI	1,331,792	136,016	165,496	1,030,280
Affordable to >80% HAMFI	1,266,738	78,725	81,390	1,106,623

Percent of Owner units	Total	50% or less	51-80%	Above 80%
Affordable to 0-50% HAMFI	100.0%	26.2%	21.8%	52.0%
Affordable to 51-80% HAMFI	100.0%	10.2%	12.4%	77.4%
Affordable to >80% HAMFI	100.0%	6.2%	6.4%	87.4%

Number of Total units	Total	50% or less	51-80%	Above 80%
Affordable to 0-50% HAMFI	3,211,336	1,137,667	704,478	1,369,191
Affordable to 51-80% HAMFI	2,577,634	482,719	466,987	1,627,928
Affordable to >80% HAMFI	1,571,873	131,116	122,875	1,317,882

Percent of Total units	Total	50% or less	51-80%	Above 80%
Affordable to 0-50% HAMFI	100.0%	35.4%	21.9%	42.6%
Affordable to 51-80% HAMFI	100.0%	18.7%	18.1%	63.2%
Affordable to >80% HAMFI	100.0%	8.3%	7.8%	83.8%

Source: 2000 CHAS data

## **LOCAL PERCEPTION**

TDHCA acknowledges that the greatest understanding of housing needs is found at the local level. TDHCA continuously strives to improve the methods used to identify regional affordable housing needs.

### *State of Texas Community Needs Survey*

Beginning in March 2006 and ending May 2006, the Department conducted the 2006 Community Needs Survey (CNS) online to examine housing and community service needs at the local level. The survey contained 18 questions regarding housing, community affairs, and community development needs and was distributed to state representatives, state senators, mayors, county judges, city managers, housing/planning departments, USDA local offices, public housing authorities, councils of governments, community action agencies, and Housing Opportunities for Persons with AIDS (HOPWA) agencies—a total of 2,529 individuals and entities. There was a 17.2 percent response rate for the survey.

Analysis of the 2006 CNS demonstrates a strong need for housing and energy assistance. Of those respondents ranking their community's need for general assistance, approximately 31 percent indicated that housing assistance (including down payment assistance, home repair, and rental payment assistance) was their first or second priority need. Approximately 28 percent of question respondents ranked energy assistance activities as their first or second priority need. Approximately 18 percent of respondents indicated that the development of apartments was the priority need, 15 percent chose capacity building assistance, and 7 percent chose homeless assistance.

A significant 49 percent indicated that home repair assistance was the greatest need when compared to home purchase assistance and rental payment assistance. Only 8 percent stated that there was a minimal need for these housing activities in their communities. Regarding rental development activities, 35 percent indicated that their community's greatest need was the construction of new rental units, while approximately 33 percent indicated that both rental construction and rehabilitation activities were the same priority. Only 13 percent identified rehabilitation of existing units as their priority need, which is the same percentage of respondents who stated that there was a minimal need for rental development in their areas.

When considering energy assistance activities, 43 percent indicated that utility payment assistance was the greatest need followed by weatherization and minor home repairs. For homeless assistance activities, a majority 48 percent indicated that there was a minimal need for this type of assistance in their communities and 16 percent did not have an opinion on the subject. Of respondents indicated a needed activity, homeless prevention services received the highest response with 12 percent indicating that it was their priority need.

The regional results from the CNS are incorporated into the regional plans in the next section of this report. A final report on the survey, the “Report on the 2006 State of Texas Community Needs Survey,” is available online from the TDHCA Housing Resource Center at <http://www.tdhca.state.tx.us/ppa/housing-center/pubs.htm#reports>.

## **STATE HOUSING SUPPLY**

The 2000 US Census reported 8.2 million housing units in Texas, of which 90.6 percent are occupied. The number of housing units increased 16 percent from 7.0 million units that were on the ground in 1990. The breakdown of occupied units by type is 4.7 million owner occupied (a 28 percent increase over 1990) and 2.8 million renter occupied (a 13 percent increase over 1990). The average household size for owner-occupied units increased to 2.87 persons per unit in 2000 as compared to 2.85 units in 1990. The average household size for renter units decreased slightly to 2.53 persons per unit in 2000 as compared to 2.55 units in 1990.

## Housing Analysis

### State of Texas

Almost 67 percent of the housing units in Texas are single family units, 14 percent are multifamily up to 19 units, and 10 percent are within multifamily structures with 20 units or more. An additional 9.4 percent are mobile homes, RVs, or boats.

	<b>Total</b>	<b>Percent</b>
Housing Units	8,157,575	
One Unit	5,420,910	66.50%
2 to 19 Units	1,151,599	14.10%
Over 20 Units	819,101	10.00%
Mobile Homes	731,652	9.00%
Boats, RVs	34,313	0.40%

Source: 2000 US Census

### ASSISTED HOUSING INVENTORY

The following table shows the number of multifamily units in the state financed through state and federal sources, including TDHCA, the US Department of Housing and Urban Development (HUD), public housing authorities (PHAs), Section 8 Housing Choice Vouchers, and the United States Department of Agriculture (USDA). The table also includes local housing finance corporations (HFCs), a category which encompasses the Texas State Affordable Housing Corporation. Please note that because some developments layer funding from multiple sources, there may be double counting.

TDHCA data includes multifamily developments awarded up until the end of FY 2007, so not all units included in the total had been built at the time of this document's publication. Additionally, the TDHCA unit total only includes those units that have income restrictions, and does not include market-rate units that are available in some developments.

HUD unit data was obtained from HUD's April 2007 report, "Multifamily Housing Inventory Survey of Units for the Elderly and Disabled," available at <http://www.hud.gov/offices/hsg/mfh/hto/state/tx.pdf>. Though the report title specifically references units available to the elderly and persons with disabilities, the report also contains information on family properties, and therefore encompasses the full scope of HUD properties. Please note, however, that there may be double counting with units financed through other programs, including public housing.

Numbers for current PHA units and Section 8 Housing Choice Vouchers were obtained from HUD's "Housing Authority Profiles" data at <https://pic.hud.gov/pic/haprofiles/haprofilelist.asp>. TDHCA Section 8 vouchers are also included in this figure. USDA unit data was obtained directly from USDA staff in October 2007.

HFC data, including Texas State Affordable Housing Corporation data, was obtained from the Housing Finance Corporation Annual Report that HFCs are required to submit to TDHCA annually. The figure describes the total units financed by the HFCs through June 2007, and does not specify assisted units, so these unit totals will also include market-rate units in the area. Because the majority of HFC-financed developments also receive housing tax credits from TDHCA, these units are not included in the final state total.



**State Assisted Multifamily Units**

	<b>State Total</b>	<b>Percent of State Inventory</b>
TDHCA Units	188,107	36.4%
HUD Units	102,349	19.8%
PHA Units	55,098	10.6%
Section 8 Vouchers	145,416	28.1%
USDA Units	26,435	5.1%
HFC Units*	96,001	N/A
Total	517,405	100%

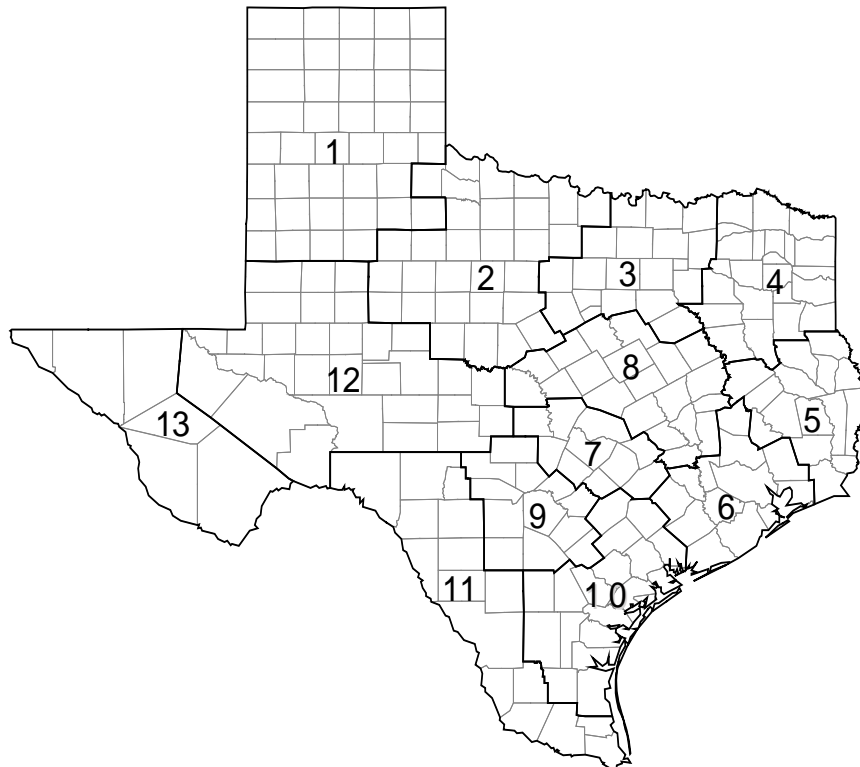
\*Because HFC developments report total units and do not specify assisted units, and that the majority of HFC-financed developments also receive housing tax credits from TDHCA, these units are not included in the final total.

## **UNIFORM STATE SERVICE REGIONS**

The Department uses 13 Uniform State Service Regions for research and planning purposes. These regions follow the Texas Comptroller of Public Accounts' grouping that creates 13 regions to better identify the unique characteristics of the border counties and to treat larger metropolitan areas as distinct regions. The Uniform State Service Regions are shown below.

### **Map of the Uniform State Service Regions**

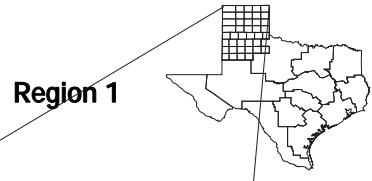
The size and diversity of the state of Texas necessitates tailored regional sections. Each of the following



Uniform State Service Region plans includes a general demographic description, which uses US Census housing data; a needs assessment, which examines housing problems in the area; an estimate of the existing housing supply; local input into the housing needs of the region; an estimate of the number of assisted multifamily units available, and the Department's resource allocation plans for the year.

## REGION 1

This 41-county region in the northwest corner of Texas encompasses over 39,500 square miles of the Panhandle. According to the 2000 Census, the total population in Region 1 is 780,733, which represents 3.7 percent of the state’s total population.



**Region 1 Population Figures**

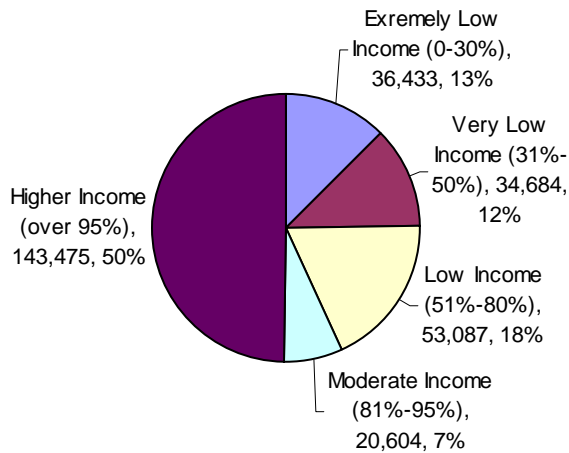
	Region Total	Percent in Region	Percent of State Total
Total Population	780,733		3.7%
Persons with Disabilities	138,520	17.7%	3.8%
Elderly Persons (without disabilities)	50,862	6.5%	4.7%
Individuals in Poverty	122,991	15.8%	3.9%

Source: 2000 Census

Dallam	Sherman	Hansford	Ochiltree	Lipscomb	
Hartley	Moore	Hutchinson	Roberts	Hemphill	
Oldham	Potter <b>Amarillo</b>	Carson	Gray	Wheeler	
Deaf Smith	Randall	Armstrong	Donley	Collingsworth	
Parmer	Castro	Swisher	Briscoe	Hall	Childress
Bailey	Lamb	Hale	Floyd	Motley	
Cochran	Hockley	Lubbock <b>Lubbock</b>	Crosby	Dickens	King
Yoakum	Terry	Lynn	Garza		

Approximately 57 percent of the population lives in the urban areas, including Amarillo and Lubbock, and the rest live in rural areas of the region.

### Region 1 Household Incomes



The pie chart to the left depicts the income breakdown of the 288,273 households in the region. Approximately 43 percent of households are low income. There are 122,991, or 15.8 percent, individuals living in poverty in the region. 2007 Multiple Listing Service data records the median home prices for Amarillo and Lubbock as \$133,100 and \$104,900, respectively.<sup>9</sup>

### SPECIAL NEEDS POPULATIONS

According to 2000 Census data, there are 128,520 persons with disabilities residing in the region, which is 16.5 percent of the total region population. In addition, there are 50,862 elderly individuals

without disabilities in the region, which is 6.5 percent of the region.

Data on the number of homeless individuals in the region is difficult to collect because of the migratory nature of this population. The Texas Interagency Council for the Homeless estimates that there are 200,000 homeless individuals in Texas,<sup>10</sup> but figures vary. According to the 2000 Census, there are 1,068 people in noninstitutional group homes, which include shelters, in the region. In its special tabulation on emergency and transitional shelters, the Census counted 167 homeless persons in Amarillo.

<sup>9</sup> Real Estate Center at Texas A&M University, "Texas Residential MLS Activity," <http://recenter.tamu.edu/data/hs/trends4.html> (accessed October 16, 2007).

<sup>10</sup> Texas Interagency Council for the Homeless, "Key Facts."

## Housing Analysis

### Uniform State Service Regions

#### HOUSING SUPPLY

According to 2000 Census data, of the 322,045 housing units in the region, 288,175 are occupied, which is an 89.5 percent occupancy rate. Of the total housing stock, almost 75 percent are one unit; 15.9 percent are over two units; and the rest are mobile homes, boats, and RVs. Approximately 66.3 percent are owner occupied and 33.7 percent are occupied by renters.

##### Region 1 Housing Units by Occupation

	Region Total	Percent in Region	Region Percent of State
Total Housing Units	322,045		3.9%
Total Occupied Housing Units	288,175	89.5%	3.9%
Owner-Occupied Units	191,161	66.3%	4.1%
Renter-Occupied Units	97,014	33.7%	3.6%

Source: 2000 Census

#### HOUSING NEED

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions, and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database. Of the total 288,273 households in the region, 79,798 owners and renters have housing problems; this represents 27.7 percent of all households.

##### Region 1 Households with Housing Problems

	Region Total	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
<b>Renter Households</b>					
Extreme Cost Burden	29,555	14,026	9,256	5,092	1,181
Lacking Kitchen and/or Plumbing	1,638	553	322	301	88
Overcrowding	9,294	2,037	2,029	2,602	2,626
<b>Owner Households</b>					
Extreme Cost Burden	28,912	8,542	7,021	6,944	6,405
Lacking Kitchen and/or Plumbing	1,154	228	163	224	85
Overcrowding	9,245	897	1,223	2,399	4,726
<b>Total</b>	<b>79,798</b>	<b>26,283</b>	<b>20,014</b>	<b>17,562</b>	<b>15,111</b>

Source: 2000 CHAS

**REGIONAL INPUT ON HOUSING NEEDS**

Of respondents ranking their community's need for general assistance in the 2006 CNS, approximately 35 percent indicated that energy assistance was their first priority need, with 23 percent ranking housing assistance as their priority need. Approximately 21 percent of respondents indicated that the development of apartments was the first priority need, 15 percent indicated that capacity building assistance was their top need, and only 6 percent indicated that homeless assistance was the top need.

In terms of housing assistance, 39 percent indicated that home repair assistance was the greatest need. Regarding rental development activities, 43 percent indicated that their community's greatest need was the construction of new rental units, while 5 percent indicated that there was a minimal need for rental development in their areas and 11 percent had no opinion on the subject. When considering energy assistance activities, 41 percent indicated that weatherization and minor home repairs was the greatest need followed by utility assistance with 39 percent.

**ASSISTED HOUSING INVENTORY**

The following table shows the number of total multifamily units in the region financed through state and federal sources, including TDHCA; HUD; PHAs; Section 8 Housing Choice Vouchers; USDA; and local HFCs, which includes the Texas State Affordable Housing Corporation. For information on the data sources, see “Assisted Housing Inventory” under “State of Texas” in this section. Please note that because some developments layer funding from multiple sources, there may be double counting.

**Region 1 Assisted Multifamily Units**

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	4,834	28.5%	2.6%
HUD Units	3,451	20.4%	3.4%
PHA Units	1,304	7.7%	2.4%
Section 8 Vouchers	5,679	33.5%	3.9%
USDA Units	1,676	9.9%	6.3%
HFC Units*	1,577		
Total	16,944	100%	3.1%

\*HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units, and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

# Housing Analysis

## Uniform State Service Regions

### REGION 2

Region 2 surrounds the metropolitan areas of Wichita Falls and Abilene, shaded in the figure to the right. According to the 2000 Census, the total population in Region 2 is 549,267, which represents 2.6 percent of the state's total population.

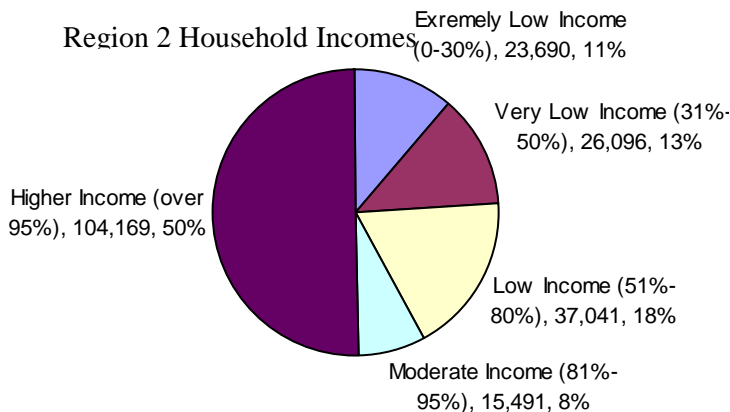
**Region 2 Population Figures**

	Region Total	Percent in Region	Region Percent of State
Total Population	549,267		2.6%
Persons with Disabilities	105,325	19.2%	2.9%
Elderly Persons (without disabilities)	42,485	7.7%	3.9%
Individuals in Poverty	77,647	14.1%	2.5%

Source: 2000 Census

Approximately 52 percent of the population lives in urban areas of the region.

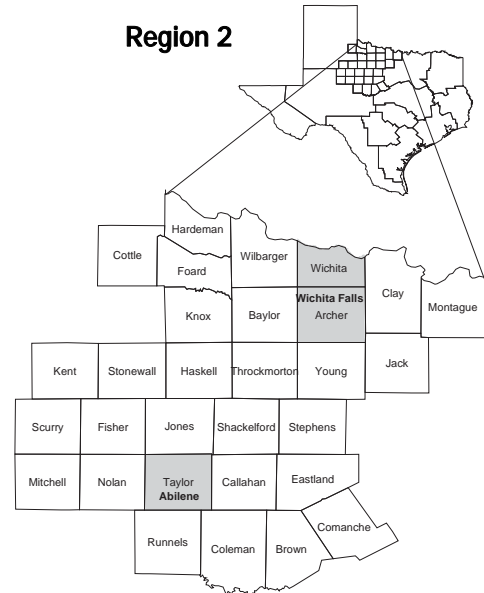
### Region 2 Household Incomes



are 105,325 persons with disabilities residing in the region, which is 19.2 percent of the total region population. In addition, there are 42,485 elderly individuals without disabilities in the region, which is 7.7 percent of the region.

Data on the number of homeless individuals in the region is difficult to collect because of the migratory nature of this population. The Texas Interagency Council for the Homeless estimates that there are 200,000 homeless individuals in Texas,<sup>12</sup> but figures vary. According to the 2000 Census, there are 609 people in noninstitutional group homes, which include shelters, in the region. In a special tabulation on emergency and transitional shelters, the Census did not count any homeless persons in metro areas.

### Region 2



The pie chart to the left depicts the income breakdown of the 206,459 households in the region. Approximately 42 percent of households are low income. There are 77,647, or 14.1 percent, individuals living in poverty in the region. 2007 Multiple Listing Service data records the median home prices for Wichita Falls and Abilene as \$109,300 and \$113,700, respectively.<sup>11</sup>

### SPECIAL NEEDS POPULATIONS

According to 2000 Census data, there

<sup>11</sup> Real Estate Center at Texas A&M University, "Texas Residential MLS Activity," <http://recenter.tamu.edu/data/hs/trends4.html> (accessed October 16, 2007).

<sup>12</sup> Texas Interagency Council for the Homeless, "Key Facts."

**HOUSING SUPPLY**

According to 2000 Census data, of the 243,506 housing units in the region, 206,388 are occupied, which is an 84.8 percent occupancy rate. Of the total housing stock, almost 77 percent are one unit; 12 percent are over two units; and the rest are mobile homes, boats, and RVs. Approximately 69.1 percent are owner occupied and 30.9 percent are occupied by renters.

**Region 2 Housing Units by Occupation**

	Region Total	Percent in Region	Region Percent of State
Total Housing Units	243,506		3.0%
Total Occupied Housing Units	206,388	84.8%	2.8%
Owner-Occupied Units	142,603	69.1%	3.0%
Renter-Occupied Units	63,785	30.9%	2.4%

Source: 2000 Census

**HOUSING NEED**

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions, and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database. Of the total 206,459 households in the region, 49,146 owners and renters have housing problems; this represents 23.8 percent of all households.

**Region 2 Households with Housing Problems**

	Region Total	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
<b>Renter Households</b>					
Extreme Cost Burden	16,557	7,546	5,733	2,699	559
Lacking Kitchen and/or Plumbing	968	330	161	237	71
Overcrowding	3,906	867	694	1,181	1,164
<b>Owner Households</b>					
Extreme Cost Burden	22,471	6,744	5,894	4,902	4,931
Lacking Kitchen and/or Plumbing	919	253	158	170	60
Overcrowding	4,325	411	558	1,159	2,197
<b>Total</b>	<b>49,146</b>	<b>16,151</b>	<b>13,198</b>	<b>10,348</b>	<b>8,982</b>

Source: 2000 CHAS

### REGIONAL INPUT ON HOUSING NEEDS

Of respondents ranking their community's need for general assistance in the 2006 CNS, approximately 32 percent indicated that energy assistance was their first priority need, with 21 percent ranking housing assistance as their priority need. Approximately 18 percent of respondents indicated that the development of apartments was the first priority need, 18 percent indicated that capacity building assistance was their top need, and 12 percent indicated that homeless assistance was the top need.

In terms of housing assistance, 54 percent indicated that home repair assistance was the greatest need. Regarding rental development activities, 40 percent indicated that their community's greatest need was the construction of new rental units, while 7 percent indicated that there was a minimal need for rental development in their areas and 9 percent had no opinion on the subject. When considering energy assistance activities, 47 percent indicated that weatherization and minor home repairs was the greatest need, as 47 percent indicated that utility assistance was the greatest need.

### ASSISTED HOUSING INVENTORY

The following table shows the number of total multifamily units in the region financed through state and federal sources, including TDHCA; HUD; PHAs; Section 8 Housing Choice Vouchers; USDA; and local HFCs, which includes the Texas State Affordable Housing Corporation. For information on the data sources, see "Assisted Housing Inventory" under "State of Texas" in this section. Please note that because some developments layer funding from multiple sources, there may be double counting.

**Region 2 Assisted Multifamily Units**

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	3,039	23.4%	1.6%
HUD Units	1,979	15.2%	1.9%
PHA Units	3,026	23.3%	5.5%
Section 8 Vouchers	3,009	23.2%	2.1%
USDA Units	1,925	14.8%	7.3%
HFC Units*	280		
Total	12,978	100.0%	2.5%

\*HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units, and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.



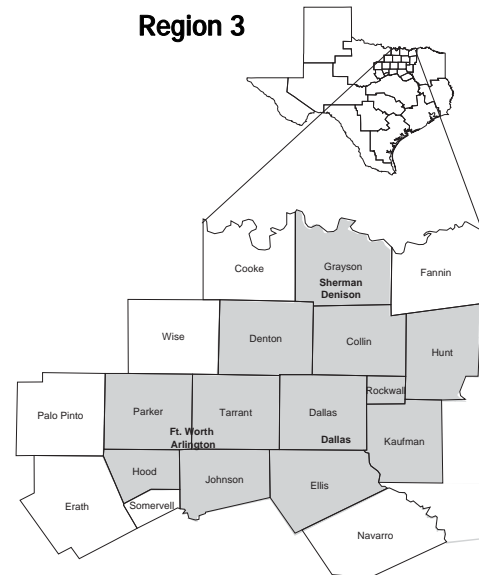
### REGION 3

Region 3, including the metropolitan areas of Dallas, Fort Worth, Arlington, Sherman, and Denison, is the state's most populous region. According to the 2000 Census, the total population in Region 3 is 5,487,477, which represents 26.3 percent of the state's total population.

**Region 3 Population Figures**

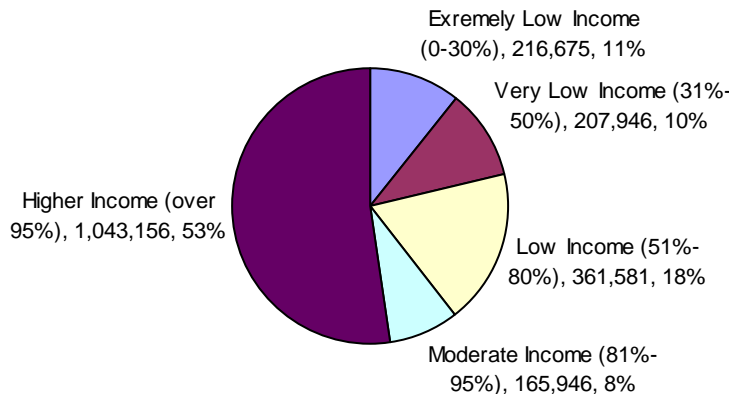
	Region Total	Percent in Region	Region Percent of State
Total Population	5,487,477		26.3%
Persons with Disabilities	888,217	16.2%	24.6%
Elderly Persons (without disabilities)	245,186	4.5%	22.6%
Individuals in Poverty	588,688	10.7%	18.9%

Source: 2000 Census



Approximately 93 percent of the population resides in urban areas.

### Region 3 Household Incomes



The pie chart to the left depicts the income breakdown of the 1,988,135 households in the region. Approximately 39 percent of households are low income. There are 588,688, or 10.7 percent, individuals living in poverty in the region.

According to 2007 Multiple Listing Service data, the highest median home price is in Collin County at \$211,600, while the lowest is in Sherman-Denison at \$112,200.<sup>13</sup>

### SPECIAL NEEDS POPULATIONS

According to 2000 Census data, there are 888,217 persons with disabilities residing in the region, which is 16.2 percent of the total region population. In addition, there are 245,186 elderly individuals without disabilities in the region, which is 4.5 percent of the region.

Data on the number of homeless individuals in the region is difficult to collect because of the migratory nature of this population. The Texas Interagency Council for the Homeless estimates that there are 200,000 homeless individuals in Texas,<sup>14</sup> but figures vary. According to the 2000 Census, there are 6,548 people in noninstitutional group homes, which include shelters, in the region. In its special tabulation on emergency and transitional shelters, the Census counted 1,923 homeless persons in Tarrant and Dallas counties.

<sup>13</sup> Real Estate Center at Texas A&M University, "Texas Residential MLS Activity," <http://recenter.tamu.edu/data/hs/trends4.html> (accessed October 16, 2007).

<sup>14</sup> Texas Interagency Council for the Homeless, "Key Facts."

## Housing Analysis

### Uniform State Service Regions

#### HOUSING SUPPLY

According to 2000 Census data, of the 2,140,641 housing units in the region, 2,004,826 are occupied, which is a 93.7 percent occupancy rate. Of the total housing stock, almost 64 percent are one unit; 30 percent are over two units; and the rest are mobile homes, boats, and RVs. Approximately 60.9 percent are owner occupied and 39.1 percent are occupied by renters.

#### Region 3 Housing Units by Occupation

	Region Total	Percent in Region	Region Percent of State
Total Housing Units	2,140,641		26.2%
Total Occupied Housing Units	2,004,826	93.7%	27.1%
Owner-Occupied Units	1,220,939	60.9%	25.9%
Renter-Occupied Units	783,887	39.1%	29.3%

Source: 2000 Census

#### HOUSING NEED

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions, and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database. Of the total 1,988,135 households in the region, 610,655 owners and renters have housing problems; this represents 30.7 percent of all households.

#### Region 3 Households with Housing Problems

	Region Total	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
<b>Renter Households</b>					
Extreme Cost Burden	206,011	78,911	67,156	48,746	11,198
Lacking Kitchen and/or Plumbing	10,144	2,968	2,087	2,247	675
Overcrowding	114,914	26,062	25,691	30,470	32,691
<b>Owner Households</b>					
Extreme Cost Burden	216,038	50,064	41,410	55,310	69,254
Lacking Kitchen and/or Plumbing	6,044	1,373	850	1,214	487
Overcrowding	57,504	5,876	9,070	16,460	26,098
<b>Total</b>	<b>610,655</b>	<b>165,254</b>	<b>146,264</b>	<b>154,447</b>	<b>140,403</b>

Source: 2000 CHAS

## REGIONAL INPUT ON HOUSING NEEDS

Of respondents ranking their community's need for general assistance in the 2006 CNS, 50 percent indicated that housing assistance was their first priority need, followed by energy assistance with 35 percent. Approximately 5 percent of respondents indicated that the development of apartments was the first priority need, 8 percent indicated that capacity building assistance was their top need, and only 3 percent indicated that homeless assistance was the top need.

In terms of housing assistance, 52 percent indicated that home repair assistance was the greatest need. Regarding rental development activities, 26 percent indicated that the need for construction and rehabilitation was approximately the same, while 19 percent indicated that there was a minimal need for rental development in their areas and 9 percent had no opinion on the subject. When considering energy assistance activities, 39 percent indicated that utility assistance was the greatest need followed by weatherization and minor home repairs with 37 percent.

## ASSISTED HOUSING INVENTORY

The following table shows the number of total multifamily units in the region financed through state and federal sources, including TDHCA; HUD; PHAs; Section 8 Housing Choice Vouchers; USDA; and local HFCs, which includes the Texas State Affordable Housing Corporation. For information on the data sources, see "Assisted Housing Inventory" under "State of Texas" in this section. Please note that because some developments layer funding from multiple sources, there may be double counting.

**Region 3 Multifamily Assisted Units**

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	58,600	41.0%	31.2%
HUD Units	28,032	19.6%	27.4%
PHA Units	8,485	5.9%	15.4%
Section 8 Vouchers	43,833	30.6%	30.1%
USDA Units	4,076	2.8%	15.4%
HFC Units*	20,744		
Total	143,026		27.6%

\*HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units, and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

## REGION 4

Region 4, located in the northeast corner of the state, surrounds the urban areas of Texarkana, Longview-Marshall, and Tyler. According to the 2000 Census, the total population in Region 4 is 1,015,648, which represents 4.9 percent of the state's total population.

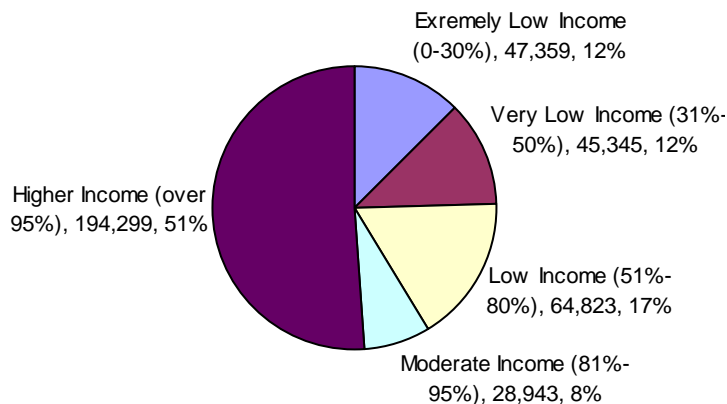
**Region 4 Population Figures**

	Region Total	Percent in Region	Region Percent of State
Total Population	1,015,648		4.9%
Persons with Disabilities	213,753	21.0%	5.9%
Elderly Persons (without disabilities)	77,528	7.6%	7.1%
Individuals in Poverty	152,036	15.0%	4.9%

Source: 2000 Census

Region 4 has the highest percentage of rural population in the state at 61 percent.

### Region 4 Household Incomes



The pie chart to the left depicts the income breakdown of the 380,765 households in the region. Approximately 41 percent of households are low income. There are 152,036, or 15.0 percent, individuals living in poverty in the region. 2007 Multiple Listing Service data records the median home prices for Tyler and Longview-Marshall as \$132,800 and \$119,700, respectively.<sup>15</sup>

### SPECIAL NEEDS POPULATIONS

According to 2000 Census data, there are 213,753 persons with disabilities residing in the region, which is 21.0 percent of the total region population. In addition, there are 77,528 elderly individuals without disabilities in the region, which is 7.6 percent of the region.

Data on the number of homeless individuals in the region is difficult to collect because of the migratory nature of this population. The Texas Interagency Council for the Homeless estimates that there are 200,000 homeless individuals in Texas,<sup>16</sup> but figures vary. According to the 2000 Census, there are 1,309 people in noninstitutional group homes, which include shelters, in the region. In its special tabulation on emergency and transitional shelters, the Census counted 110 homeless persons in Tyler. Region 4 also experienced damage from Hurricane Rita, which hit the southeast Texas area in September 2005.

<sup>15</sup> Real Estate Center at Texas A&M University, "Texas Residential MLS Activity," <http://recenter.tamu.edu/data/hs/trends4.html> (accessed October 16, 2007).

<sup>16</sup> Texas Interagency Council for the Homeless, "Key Facts."

According to FEMA, \$1,037,418.22 worth of damage was reported. Households affected by the hurricane have unexpected needs.

**HOUSING SUPPLY**

According to 2000 Census data, of the 434,792 housing units in the region, 380,468 are occupied, which is an 87.5 percent occupancy rate. Of the total housing stock, almost 71 percent are one unit; 11 percent are over two units; and the rest are mobile homes, boats, and RVs. Approximately 73.8 percent are owner occupied and 26.2 percent are occupied by renters.

**Region 4 Housing Units by Occupation**

	Region Total	Percent in Region	Region Percent of State
Total Housing Units	434,792		5.3%
Total Occupied Housing Units	380,468	87.5%	5.1%
Owner-Occupied Units	280,896	73.8%	6.0%
Renter-Occupied Units	99,572	26.2%	3.7%

Source: 2000 Census

**HOUSING NEED**

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions, and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database. Of the total 380,765 households in the region, 100,479 owners and renters have housing problems; this represents 26.4 percent of all households.

**Region 4 Households with Housing Problems**

	Region Total	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
<b>Renter Households</b>					
Extreme Cost Burden	27,100	12,500	9,142	4,443	1,015
Lacking Kitchen and/or Plumbing	2,108	724	425	363	135
Overcrowding	8,851	1,951	1,688	2,215	2,997
<b>Owner Households</b>					
Extreme Cost Burden	49,419	15,258	11,379	11,530	11,152
Lacking Kitchen and/or Plumbing	2,742	775	429	508	187
Overcrowding	10,259	1,233	1,477	2,496	5,053
<b>Total</b>	<b>100,479</b>	<b>32,441</b>	<b>24,540</b>	<b>21,555</b>	<b>20,539</b>

Source: 2000 CHAS

### REGIONAL INPUT ON HOUSING NEEDS

Of respondents ranking their community's need for general assistance in the 2006 CNS, approximately 43 percent indicated that housing assistance was their first priority need, with 29 percent ranking energy assistance as their priority need. Approximately 17 percent of respondents indicated that the development of apartments was the first priority need, 11 percent indicated that capacity building assistance was their top need, and 0 percent indicated that homeless assistance was the top need.

In terms of housing assistance, 53 percent indicated that home repair assistance was the greatest need. Regarding rental development activities, 34 percent indicated that the need for construction and rehabilitation was the same, while 11 percent indicated that there was a minimal need for rental development in their areas and 11 percent had no opinion on the subject. When considering energy assistance activities, 41 percent indicated that utility assistance was the greatest need followed by weatherization and minor home repairs with 40 percent.

### ASSISTED HOUSING INVENTORY

The following table shows the number of total multifamily units in the region financed through state and federal sources, including TDHCA; HUD; PHAs; Section 8 Housing Choice Vouchers; USDA; and local HFCs, which includes the Texas State Affordable Housing Corporation. For information on the data sources, see "Assisted Housing Inventory" under "State of Texas" in this section. Please note that because some developments layer funding from multiple sources, there may be double counting.

**Region 4 Assisted Multifamily Units**

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	5,367	25.5%	2.9%
HUD Units	3,577	17.0%	3.5%
PHA Units	2,252	10.7%	4.1%
Section 8 Vouchers	5,988	28.4%	4.1%
USDA Units	3,872	18.4%	14.6%
HFC Units*	1,160		
Total	21,056		4.1%

\*HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units, and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

## REGION 5

Region 5 encompasses a 15-county area in east Texas including the urban areas of Beaumont and Port Arthur. According to the 2000 Census, the total population in Region 5 is 740,952, which represents 3.6 percent of the state's total population.

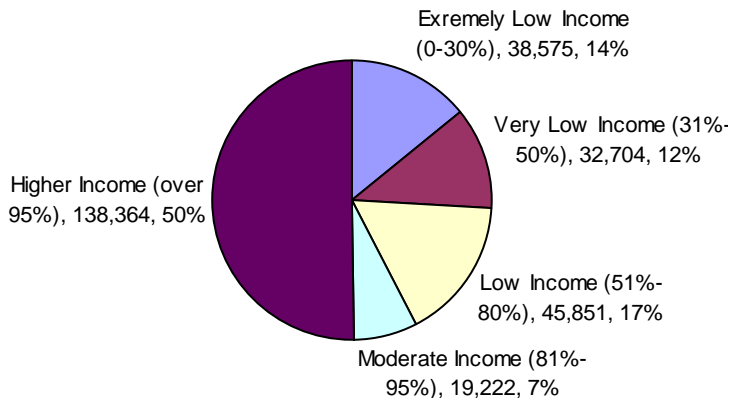
**Region 5 Population Figures**

	Region Total	Percent in Region	Region Percent of State
Total Population	740,952		3.6%
Persons with Disabilities	150,529	20.3%	4.2%
Elderly Persons (without disabilities)	53,148	7.2%	4.9%
Individuals in Poverty	120,585	16.3%	3.9%

Source: 2000 Census

The population in Region 5 is split, with 50 percent living in urban and 50 percent living in rural areas.

### Region 5 Household Incomes

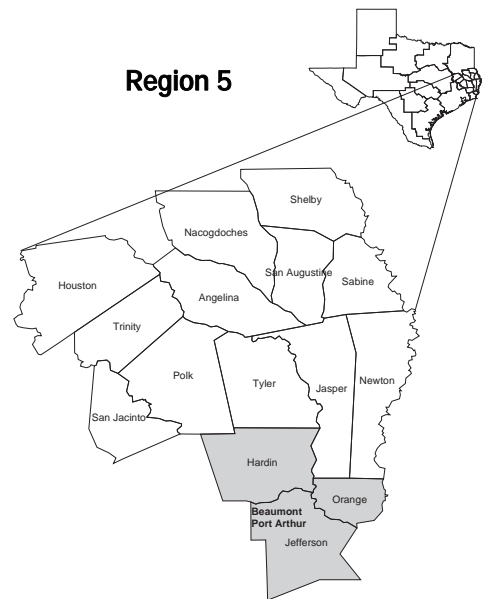


The pie chart to the left depicts the income breakdown of the 274,543 households in the region. Approximately 43 percent of households are low income. There are 120,585, or 16.3 percent, individuals living in poverty in the region. 2007 Multiple Listing Service data records the median home prices for Beaumont and Port Arthur as \$130,900 and \$112,700, respectively.<sup>17</sup>

### SPECIAL NEEDS POPULATIONS

According to 2000 Census data, there are 150,529 persons with disabilities residing in the region, which is 20.3 percent of the total region population. In addition, there are 53,148 elderly individuals without disabilities in the region, which is 7.2 percent of the region.

Data on the number of homeless individuals in the region is difficult to collect because of the migratory nature of this population. The Texas Interagency Council for the Homeless estimates that there are 200,000 homeless individuals in Texas,<sup>18</sup> but figures vary. According to the 2000 Census, there are 672 people in noninstitutional group homes, which include shelters, in the region. In its tabulation on emergency and transitional shelters, the Census did not count homeless persons in metropolitan areas. Region 5 also experienced significant damage from Hurricane Rita, which hit the southeast Texas area in



<sup>17</sup> Real Estate Center at Texas A&M University, "Texas Residential MLS Activity," <http://recenter.tamu.edu/data/hs/trends4.html> (accessed October 16, 2007).

<sup>18</sup> Texas Interagency Council for the Homeless, "Key Facts."

## Housing Analysis

### Uniform State Service Regions

September 2005. According to FEMA, \$190,251,194.22 worth of damage was reported. Households affected by the hurricane have unexpected needs.

### HOUSING SUPPLY

According to 2000 Census data, of the 325,047 housing units in the region, 275,233 are occupied, which is an 84.7 percent occupancy rate. Of the total housing stock, 69.3 percent are one unit; 11 percent are over two units; and the rest are mobile homes, boats, and RVs. Approximately 73.4 percent are owner occupied and 26.6 percent are occupied by renters.

#### Region 5 Housing Units by Occupation

	Region Total	Percent in Region	Region Percent of State
Total Housing Units	325,047		4.0%
Total Occupied Housing Units	275,233	84.7%	3.7%
Owner-Occupied Units	201,971	73.4%	4.3%
Renter-Occupied Units	73,262	26.6%	2.7%

Source: 2000 Census

### HOUSING NEED

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions, and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database. Of the total 274,543 households in the region, 72,650 owners and renters have housing problems; this represents 26.5 percent of all households.

#### Region 5 Households with Housing Problems

	Region Total	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
<b>Renter Households</b>					
Extreme Cost Burden	21,116	10,733	6,894	2,890	599
Lacking Kitchen and/or Plumbing	1,450	549	300	270	76
Overcrowding	6,868	1,988	1,246	1,477	2,157
<b>Owner Households</b>					
Extreme Cost Burden	32,849	11,845	7,609	7,044	6,351
Lacking Kitchen and/or Plumbing	1,876	555	250	367	90
Overcrowding	8,491	925	970	1,991	4,605
<b>Total</b>	<b>72,650</b>	<b>26,595</b>	<b>17,269</b>	<b>14,039</b>	<b>13,878</b>

Source: 2000 CHAS



**REGIONAL INPUT ON HOUSING NEEDS**

Of respondents ranking their community's need for general assistance in the 2006 CNS, approximately 59 percent indicated that housing assistance was their first priority need, and 10 percent ranking energy assistance as their priority need. Approximately 14 percent of respondents indicated that the development of apartments was the first priority need, 10 percent indicated that capacity building assistance was their top need, and 7 percent indicated that homeless assistance was the top need.

In terms of housing assistance, 49 percent indicated that home repair assistance was the greatest need. Regarding rental development activities, 54 percent indicated that the need for construction and rehabilitation is the same, while 3 percent indicated that there was a minimal need for rental development in their areas. When considering energy assistance activities, 44 percent indicated that utility assistance was the greatest need followed

**ASSISTED HOUSING INVENTORY**

The following table shows the number of total multifamily units in the region financed through state and federal sources, including TDHCA; HUD; PHAs; Section 8 Housing Choice Vouchers; USDA; and local HFCs, which includes the Texas State Affordable Housing Corporation. For information on the data sources, see “Assisted Housing Inventory” under “State of Texas” in this section. Please note that because some developments layer funding from multiple sources, there may be double counting.

**Region 5 Assisted Multifamily Units**

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	5,289	25.4%	2.8%
HUD Units	4,134	19.8%	4.0%
PHA Units	2,368	11.4%	4.3%
Section 8 Vouchers	7,598	36.5%	5.2%
USDA Units	1,443	6.9%	5.5%
HFC Units*	1,160		
Total	20,832	100.0%	4.0%

\*HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units, and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

# Housing Analysis

## Uniform State Service Regions

### REGION 6

Region 6 includes the urban areas of Houston, Brazoria, and Galveston. According to the 2000 Census, the total population in Region 6 is 4,854,454, which represents 23.3 percent of the state's total population.

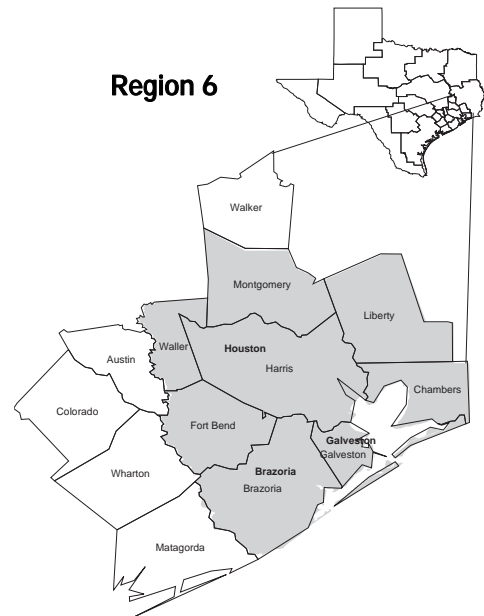
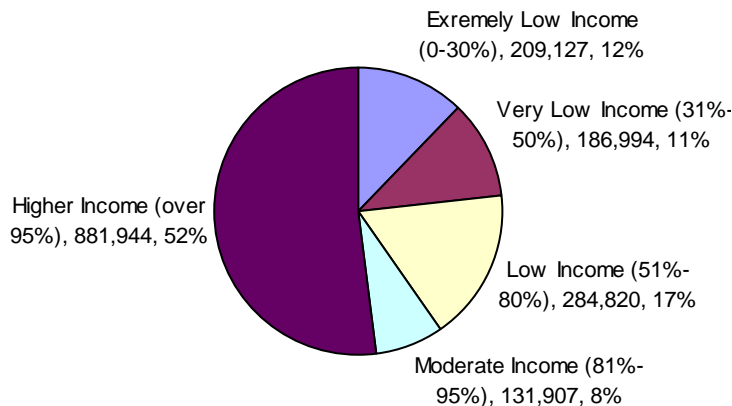
**Region 6 Population Figures**

	Region Total	Percent in Region	Region Percent of State
Total Population	4,854,454		23.3%
Persons with Disabilities	801,436	16.5%	22.2%
Elderly Persons (without disabilities)	206,438	4.3%	19.0%
Individuals in Poverty	656,239	13.5%	21.0%

Source: 2000 Census

Approximately 92 percent of the populations lives in the urban areas of Region 6.

### Region 6 Household Income



The pie chart to the left depicts the income breakdown of the 1,691,811 households in the region. Approximately 40 percent of households are low income. There are 656,239, or 13.5 percent, individuals living in poverty in the region. 2007 Multiple Listing Service data records the median home prices for Houston and Galveston as \$157,000 and \$182,200, respectively.<sup>19</sup>

### SPECIAL NEEDS POPULATIONS

According to 2000 Census data, there are 801,436 persons with disabilities residing in the region, which is 16.3 percent of the total region population. In addition, there are 206,438 elderly individuals without disabilities in the region, which is 4.3 percent of the region.

Data on the number of homeless individuals in the region is difficult to collect because of the migratory nature of this population. The Texas Interagency Council for the Homeless estimates that there are 200,000 homeless individuals in Texas,<sup>20</sup> but figures vary. According to the 2000 Census, there are 7,792 people in noninstitutional group homes, which include shelters, in the region. In its special tabulation on emergency and transitional shelters, the Census counted 1,756 homeless persons in the Houston area. Region 6 also experienced damage from Hurricane Rita, which hit the southeast Texas area in September

<sup>19</sup> Real Estate Center at Texas A&M University, "Texas Residential MLS Activity," <http://recenter.tamu.edu/data/hs/trends4.html> (accessed October 16, 2007).

<sup>20</sup> Texas Interagency Council for the Homeless, "Key Facts."

2005. According to FEMA, \$28,325,647.98 worth of damage was reported. Households affected by the hurricane have unexpected needs.

### HOUSING SUPPLY

According to 2000 Census data, of the 1,853,854 housing units in the region, 1,702,792 are occupied, which is a 91.9 percent occupancy rate. Of the total housing stock, 71 percent are one unit; 18 percent are over two units; and the rest are mobile homes, boats, and RVs. Approximately 60.9 percent are owner occupied and 39.1 percent are occupied by renters.

#### Region 6 Housing Units by Occupation

	Region Total	Percent in Region	Region Percent of State
Total Housing Units	1,853,854		22.7%
Total Occupied Housing Units	1,702,792	91.9%	23.0%
Owner-Occupied Units	1,037,371	60.9%	22.0%
Renter-Occupied Units	665,421	39.1%	24.9%

Source: 2000 Census

### HOUSING NEED

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions, and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database. Of the total 1,691,811 households in the region, 541,869 owners and renters have housing problems; this represents 32.0 percent of all households.

#### Region 6 Households with Housing Problems

	Region Total	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
<b>Renter Households</b>					
Extreme Cost Burden	168,355	71,699	55,967	31,103	9,586
Lacking Kitchen and/or Plumbing	9,614	3,228	1,892	2,034	492
Overcrowding	117,586	29,482	27,886	30,141	30,077
<b>Owner Households</b>					
Extreme Cost Burden	173,411	44,640	34,996	42,008	51,767
Lacking Kitchen and/or Plumbing	6,691	1,650	983	1,279	410
Overcrowding	66,212	7,391	10,243	18,303	23,006
<b>Total</b>	<b>541,869</b>	<b>158,090</b>	<b>131,967</b>	<b>124,868</b>	<b>115,338</b>

Source: 2000 CHAS

### REGIONAL INPUT ON HOUSING NEEDS

Of respondents ranking their community's need for general assistance in the 2006 CNS, approximately 70 percent indicated that housing assistance was their first priority need, with 9 percent ranking energy assistance as their priority need. Approximately 14 percent of respondents indicated that the development of apartments was the first priority need, 9 percent indicated that capacity building assistance was their top need, and 0 percent indicated that homeless assistance was the top need.

In terms of housing assistance, 46 percent indicated that home repair assistance was the greatest need. Regarding rental development activities, 31 percent indicated that the need for construction and rehabilitation was the same, while 21 percent indicated that there was a minimal need for rental development in their areas and 12 percent had no opinion on the subject. When considering energy assistance activities, 49 percent indicated that utility assistance was the greatest need followed by weatherization and minor home repairs with 36 percent.

### ASSISTED HOUSING INVENTORY

The following table shows the number of total multifamily units in the region financed through state and federal sources, including TDHCA; HUD; PHAs; Section 8 Housing Choice Vouchers; USDA; and local HFCs, which includes the Texas State Affordable Housing Corporation. For information on the data sources, see "Assisted Housing Inventory" under "State of Texas" in this section. Please note that because some developments layer funding from multiple sources, there may be double counting.

**Region 6 Assisted Multifamily Units**

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	51,528	47.1%	27.4%
HUD Units	27,284	25.0%	26.7%
PHA Units	5,138	4.7%	9.3%
Section 8 Vouchers	21,884	20.0%	15.0%
USDA Units	3,484	3.2%	13.2%
HFC Units*	38,122		
Total	109,318	100.0%	21.1%

\*HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units, and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

## REGION 7

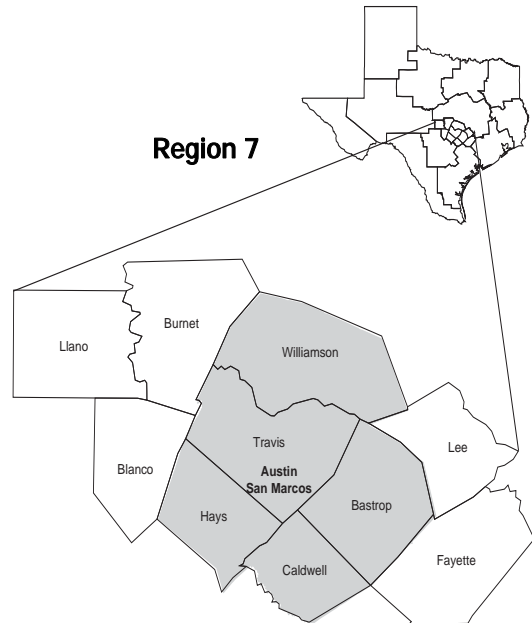
The urban area of Austin-San Marcos is at the center of Region 7. According to the 2000 Census, the total population in Region 7 is 1,346,833, which represents 6.5 percent of the state's total population.

### Region 7 Population Figures

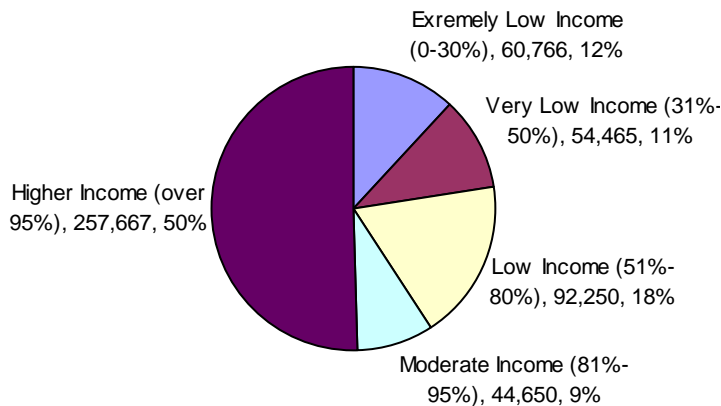
	Region Total	Percent in Region	Region Percent of State
Total Population	1,346,833		6.5%
Persons with Disabilities	190,226	14.1%	5.3%
Elderly Persons (without disabilities)	61,229	4.5%	5.6%
Individuals in Poverty	145,060	10.8%	4.7%

Source: 2000 Census

Approximately 86 percent of the population lives in urban areas.



### Region 7 Household Income



The pie chart to the left depicts the income breakdown of the 509,798 households in the region. Approximately 41 percent of households are low income. There are 145,060, or 10.8 percent, individuals living in poverty in the region. The 2007 Multiple Listing Service median home price for Austin is \$190,800.<sup>21</sup>

### SPECIAL NEEDS POPULATIONS

According to 2000 Census data, there are 190,226 persons with disabilities residing in the region, which is 14.1 percent of the total region population.

In addition, there are 61,229 elderly individuals without disabilities in the region, which is 4.5 percent of the region.

Data on the number of homeless individuals in the region is difficult to collect because of the migratory nature of this population. The Texas Interagency Council for the Homeless estimates that there are 200,000 homeless individuals in Texas,<sup>22</sup> but figures vary. According to the 2000 Census, there are 2,354 people in noninstitutional group homes, which include shelters, in the region. In its special tabulation on emergency and transitional shelters, the Census counted 481 homeless persons in Austin.

<sup>21</sup> Real Estate Center at Texas A&M University, "Texas Residential MLS Activity," <http://recenter.tamu.edu/data/hs/trends4.html> (accessed October 16, 2007).

<sup>22</sup> Texas Interagency Council for the Homeless, "Key Facts."

## Housing Analysis

### Uniform State Service Regions

#### HOUSING SUPPLY

According to 2000 Census data, of the 545,761 housing units in the region, 510,555 are occupied, which is a 93.5 percent occupancy rate. Of the total housing stock, 62 percent are one unit; 30 percent are over two units; and the rest are mobile homes, boats, and RVs. Approximately 59.8 percent are owner occupied and 40.2 percent are occupied by renters.

#### Region 7 Housing Units by Occupation

	Region Total	Percent in Region	Region Percent of State
Total Housing Units	545,761		6.7%
Total Occupied Housing Units	510,555	93.5%	6.9%
Owner-Occupied Units	305,294	59.8%	6.5%
Renter-Occupied Units	205,261	40.2%	7.7%

Source: 2000 Census

#### HOUSING NEED

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions, and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database. Of the total 509,798 households in the region, 164,537 owners and renters have housing problems; this represents 32.3 percent of all households.

#### Region 7 Households with Housing Problems

	Region Total	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
<b>Renter Households</b>					
Extreme Cost Burden	68,118	27,648	21,497	15,700	3,273
Lacking Kitchen and/or Plumbing	2,869	1,170	562	565	185
Overcrowding	22,581	5,433	5,070	5,645	6,433
<b>Owner Households</b>					
Extreme Cost Burden	56,638	11,452	10,018	16,282	18,884
Lacking Kitchen and/or Plumbing	2,013	519	291	423	110
Overcrowding	12,318	1,023	2,055	3,503	5,719
<b>Total</b>	<b>164,537</b>	<b>47,245</b>	<b>39,493</b>	<b>42,118</b>	<b>34,604</b>

Source: 2000 CHAS

**REGIONAL INPUT ON HOUSING NEEDS**

Of respondents ranking their community's need for general assistance in the 2006 CNS, approximately 32 percent indicated that the development of apartments was their first priority need, with 27 percent ranking housing assistance as their priority need. Approximately 14 percent of respondents indicated that energy assistance was the first priority need, 27 percent indicated that capacity building assistance was their top need, and 0 percent indicated that homeless assistance was the top need.

In terms of housing assistance, 34 percent indicated that home repair assistance was the greatest need. Regarding rental development activities, 45 percent indicated that their community's greatest need was the construction of new rental units, while 14 percent indicated that there was a minimal need for rental development in their areas. When considering energy assistance activities, 38 percent indicated that utility assistance was the greatest need followed by weatherization and minor home repairs with 34 percent.

**ASSISTED HOUSING INVENTORY**

The following table shows the number of total multifamily units in the region financed through state and federal sources, including TDHCA; HUD; PHAs; Section 8 Housing Choice Vouchers; USDA; and local HFCs, which includes the Texas State Affordable Housing Corporation. For information on the data sources, see “Assisted Housing Inventory” under “State of Texas” in this section. Please note that because some developments layer funding from multiple sources, there may be double counting.

**Region 7 Assisted Multifamily Units**

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	16,398	47.6%	8.7%
HUD Units	5,032	14.6%	4.9%
PHA Units	3,506	10.2%	6.4%
Section 8 Vouchers	8,053	23.4%	5.5%
USDA Units	1,477	4.3%	5.6%
HFC Units*	8,276		
Total	34,466	100.0%	6.7%

\*HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units, and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

## Housing Analysis

### Uniform State Service Regions

## REGION 8

Region 8, located in the center of the state, surrounds the urban areas of Waco, Bryan, College Station, Killeen, and Temple. According to the 2000 Census, the total population in Region 8 is 963,139 which represents 4.6 percent of the state's total population.

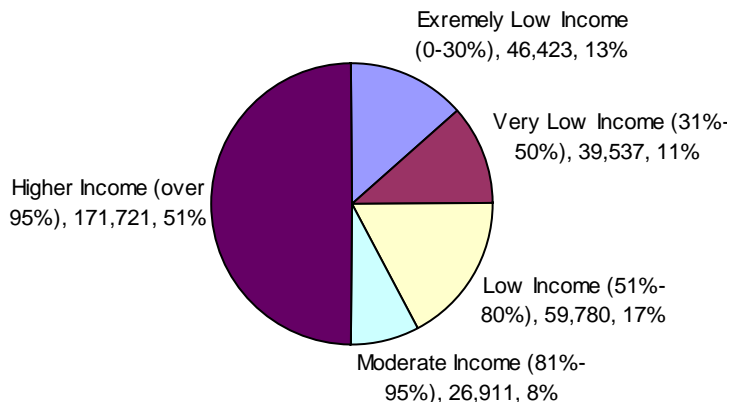
### Region 8 Population Figures

	Region Total	Percent in Region	Region Percent of State
Total Population	963,139		4.6%
Persons with Disabilities	160,743	16.7%	4.5%
Elderly Persons (without disabilities)	55,854	5.8%	5.1%
Individuals in Poverty	149,480	15.5%	4.8%

Source: 2000 Census

Approximately 75 percent of the population lives in the urban areas of Region 8.

### Region 8 Household Income



The pie chart to the left depicts the income breakdown of the 343,856 households in the region. Approximately 41 percent of households are low income. There are 149,480, or 15.5 percent, individuals living in poverty in the region. 2007 Multiple Listing Service data records the median home price for Bryan-College Station as \$144,800.<sup>23</sup>

### SPECIAL NEEDS POPULATIONS

According to 2000 Census data, there are 160,743 persons with disabilities residing in the region, which is 16.7 percent of the total region population. In addition, there are 55,854 elderly individuals without disabilities in the region, which is 5.8 percent of the region. Data on the number of homeless individuals in the region is difficult to collect because of the migratory nature of this population. The Texas Interagency Council for the Homeless estimates that there are 200,000 homeless individuals in Texas,<sup>24</sup> but figures vary. According to the 2000 Census, there are 1,003 people in noninstitutional group homes, which include shelters, in the region. In its special tabulation on emergency and transitional shelters, the Census counted 129 homeless persons in the Killeen area.

### HOUSING SUPPLY

<sup>23</sup> Real Estate Center at Texas A&M University, "Texas Residential MLS Activity," <http://recenter.tamu.edu/data/hs/trends4.html> (accessed October 16, 2007).

<sup>24</sup> Texas Interagency Council for the Homeless, "Key Facts."



According to 2000 Census data, of the 387,627 housing units in the region, 344,575 are occupied, which is an 88.9 percent occupancy rate. Of the total housing stock, 67 percent are one unit; 20 percent are over two units; and the rest are mobile homes, boats, and RVs. Approximately 61.2 percent are owner occupied and 38.8 percent are occupied by renters.

**Region 8 Housing Units by Occupation**

	Region Total	Percent in Region	Region Percent of State
Total Housing Units	387,627		4.8%
Total Occupied Housing Units	344,575	88.9%	4.7%
Owner-Occupied Units	210,882	61.2%	4.5%
Renter-Occupied Units	133,693	38.8%	5.0%

Source: 2000 Census

**HOUSING NEED**

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions, and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database. Of the total 343,856 households in the region, 103,864 owners and renters have housing problems; this represents 30.2 percent of all households.

**Region 8 Households with Housing Problems**

	Region Total	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
<b>Renter Households</b>					
Extreme Cost Burden	42,797	20,028	12,657	8,285	1,826
Lacking Kitchen and/or Plumbing	1,831	601	354	355	92
Overcrowding	12,409	2,903	2,232	3,502	3,772
<b>Owner Households</b>					
Extreme Cost Burden	36,129	9,754	7,763	9,069	9,543
Lacking Kitchen and/or Plumbing	1,798	477	346	331	112
Overcrowding	8,900	741	1,055	2,293	4,811
<b>Total</b>	<b>103,864</b>	<b>34,504</b>	<b>24,407</b>	<b>23,835</b>	<b>20,156</b>

Source: 2000 CHAS

### REGIONAL INPUT ON HOUSING NEEDS

Of respondents ranking their community's need for general assistance in the 2006 CNS, approximately 26 percent indicated that housing assistance was their first priority need, with 22 percent ranking energy assistance as their priority need. Approximately 19 percent of respondents indicated that the development of apartments was the first priority need, 22 percent indicated that capacity building assistance was their top need, and 11 percent indicated that homeless assistance was the top need.

In terms of housing assistance, 48 percent indicated that home repair assistance was the greatest need. Regarding rental development activities, 40 percent indicated that their community's greatest need was the construction of new rental units, while 20 percent indicated that there was a minimal need for rental development in their areas and 9 percent had no opinion on the subject. When considering energy assistance activities, 60 percent indicated that utility assistance was the greatest need followed by weatherization and minor home repairs with 34 percent.

### ASSISTED HOUSING INVENTORY

The following table shows the number of total multifamily units in the region financed through state and federal sources, including TDHCA; HUD; PHAs; Section 8 Housing Choice Vouchers; USDA; and local HFCs, which includes the Texas State Affordable Housing Corporation. For information on the data sources, see "Assisted Housing Inventory" under "State of Texas" in this section. Please note that because some developments layer funding from multiple sources, there may be double counting.

**Region 8 Assisted Multifamily Units**

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	5,906	25.3%	3.1%
HUD Units	4,178	17.9%	4.1%
PHA Units	2,780	11.9%	5.0%
Section 8 Vouchers	7,621	32.7%	5.2%
USDA Units	2,820	12.1%	10.7%
HFC Units*	304		
Total	23,305		4.5%

\*HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units, and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

## REGION 9

San Antonio is the main metropolitan area in Region 9. According to the 2000 Census, the total population in Region 9 is 1,807,868, which represents 8.7 percent of the state's total population.

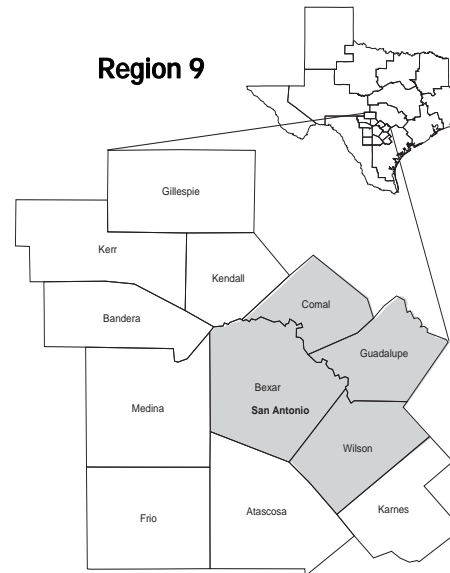
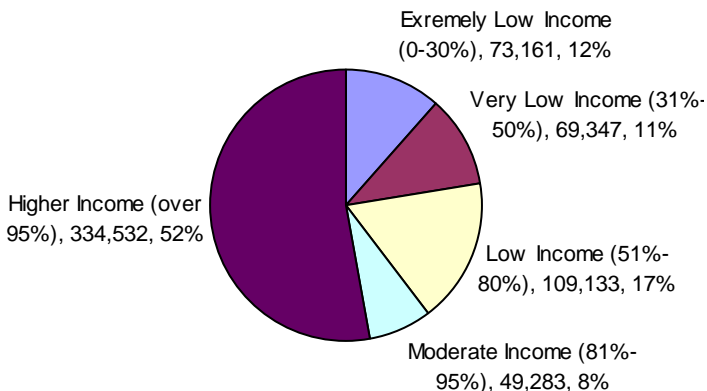
**Region 9 Population Figures**

	Region Total	Percent in Region	Region Percent of State
Total Population	1,807,868		8.7%
Persons with Disabilities	337,541	18.7%	9.4%
Elderly Persons (without disabilities)	107,974	6.0%	9.9%
Individuals in Poverty	267,118	14.8%	8.6%

Source: 2000 Census

Approximately 89 percent of the population lives in urban areas.

### Region 9 Household Income



The pie chart to the left depicts the income breakdown of the 635,280 households in the region. Approximately 40 percent of households are low income. There are 267,118, or 14.8 percent, individuals living in poverty in the region. The 2007 Multiple Listing Service records the median home price for San Antonio as \$154,200.<sup>25</sup>

### SPECIAL NEEDS POPULATIONS

According to 2000 Census data, there are 337,541 persons with disabilities residing in the region, which is 18.7 percent of the total region population. In addition, there are 107,974 elderly individuals without disabilities in the region, which is 6.0 percent of the region.

Data on the number of homeless individuals in the region is difficult to collect because of the migratory nature of this population. The Texas Interagency Council for the Homeless estimates that there are 200,000 homeless individuals in Texas,<sup>26</sup> but figures vary. According to the 2000 Census, there are 2,919 people in noninstitutional group homes, which include shelters, in the region. In its special tabulation on emergency and transitional shelters, the Census counted 850 homeless persons in San Antonio.

<sup>25</sup> Real Estate Center at Texas A&M University, "Texas Residential MLS Activity," <http://recenter.tamu.edu/data/hs/trends4.html> (accessed October 31, 2006).

<sup>26</sup> Texas Interagency Council for the Homeless, "Key Facts."

## Housing Analysis

### Uniform State Service Regions

#### HOUSING SUPPLY

According to 2000 Census data, of the 689,862 housing units in the region, 636,796 are occupied, which is a 92.3 percent occupancy rate. Of the total housing stock, 69 percent are one unit; 22 percent are over two units; 8 percent are mobile homes; and the rest are boats and RVs. Approximately 65.0 percent are owner occupied and 35.0 percent are occupied by renters.

#### Region 9 Housing Units by Occupation

	Region Total	Percent in Region	Region Percent of State
Total Housing Units	689,862		8.5%
Total Occupied Housing Units	636,796	92.3%	8.6%
Owner-Occupied Units	414,009	65.0%	8.8%
Renter-Occupied Units	222,787	35.0%	8.3%

Source: 2000 Census

#### HOUSING NEED

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions, and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database. Of the total 635,280 households in the region, 194,512 owners and renters have housing problems; this represents 30.6 percent of all households.

#### Region 9 Households with Housing Problems

	Region Total	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
<b>Renter Households</b>					
Extreme Cost Burden	62,012	24,095	19,495	14,458	3,964
Lacking Kitchen and/or Plumbing	3,284	1,137	484	751	241
Overcrowding	28,877	7,296	6,160	7,359	8,062
<b>Owner Households</b>					
Extreme Cost Burden	71,630	17,316	14,240	17,201	22,873
Lacking Kitchen and/or Plumbing	3,270	713	667	624	297
Overcrowding	25,439	2,644	4,107	6,555	12,133
<b>Total</b>	<b>194,512</b>	<b>53,201</b>	<b>45,153</b>	<b>46,948</b>	<b>47,570</b>

Source: 2000 CHAS

**REGIONAL INPUT ON HOUSING NEEDS**

Of respondents ranking their community's need for general assistance in the 2006 CNS, approximately 67 percent indicated that housing assistance was their first priority need, with 20 percent ranking energy assistance as their top need. Approximately 7 percent of respondents indicated that the development of apartments was the first priority need, 0 percent indicated that capacity building assistance was their top need, and 7 percent indicated that homeless assistance was the top need.

In terms of housing assistance, 53 percent indicated that home repair assistance was the greatest need. Regarding rental development activities, 34 percent indicated that the need for construction and rehabilitation was the same, while 18 percent indicated that there was a minimal need for rental development in their areas and 18 percent had no opinion on the subject. When considering energy assistance activities, 41 percent indicated that weatherization and minor home repairs was the greatest need followed by utility assistance with 29 percent.

**ASSISTED HOUSING INVENTORY**

The following table shows the number of total multifamily units in the region financed through state and federal sources, including TDHCA; HUD; PHAs; Section 8 Housing Choice Vouchers; USDA; and local HFCs, which includes the Texas State Affordable Housing Corporation. For information on the data sources, see “Assisted Housing Inventory” under “State of Texas” in this section. Please note that because some developments layer funding from multiple sources, there may be double counting.

**Region 9 Assisted Multifamily Units**

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	15,455	30.3%	8.2%
HUD Units	12,080	23.7%	11.8%
PHA Units	7,458	14.6%	13.5%
Section 8 Vouchers	15,046	29.5%	10.3%
USDA Units	1,007	2.0%	3.8%
HFC Units*	22,382		
Total	51,046	100.0%	9.9%

\*HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units, and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

## REGION 10

Region 10, including the urban areas of Corpus Christi and Victoria, is located in the south eastern part of the state on the Gulf of Mexico. According to the 2000 Census, the total population in Region 10 is 732,917, which represents 3.5 percent of the state's total population.

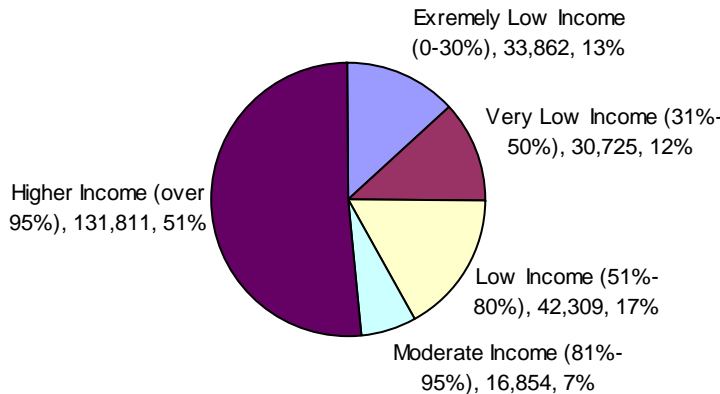
**Region 10 Population Figures**

	Region Total	Percent in Region	Region Percent of State
Total Population	732,917		3.5%
Persons with Disabilities	141,592	19.3%	3.9%
Elderly Persons (without disabilities)	46,900	6.4%	4.3%
Individuals in Poverty	132,214	18.0%	4.2%

Source: 2000 Census

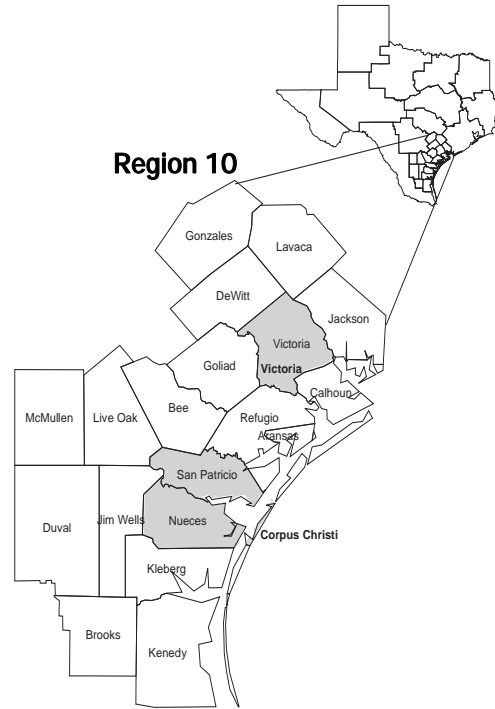
In Region 10, 62 percent live in urban areas.

### Region 10 Household Income



percent of the total region population. In addition, there are 46,900 elderly individuals without disabilities in the region, which is 6.4 percent of the region.

Data on the number of homeless individuals in the region is difficult to collect because of the migratory nature of this population. The Texas Interagency Council for the Homeless estimates that there are 200,000 homeless individuals in Texas,<sup>28</sup> but figures vary. According to the 2000 Census, there are 1,456 people in noninstitutional group homes, which include shelters, in the region. In its special tabulation on emergency and transitional shelters, the Census counted 272 homeless persons in Corpus Christi.



The pie chart to the left depicts the income breakdown of the 255,493 households in the region. Approximately 42 percent of households are low income. There are 132,214, or 18.0 percent, individuals living in poverty in the region. The 2007 Multiple Listing Service records the median home price for Corpus Christi as \$147,800.<sup>27</sup>

### SPECIAL NEEDS POPULATIONS

According to 2000 Census data, there are 141,592 persons with disabilities residing in the region, which is 19.3

<sup>27</sup> Real Estate Center at Texas A&M University, "Texas Residential MLS Activity," <http://recenter.tamu.edu/data/hs/trends4.html> (accessed October 16, 2007).

<sup>28</sup> Texas Interagency Council for the Homeless, "Key Facts."

**HOUSING SUPPLY**

According to 2000 Census data, of the 298,494 housing units in the region, 256,428 are occupied, which is an 85.9 percent occupancy rate. Of the total housing stock, 71 percent are one unit; 18 percent are over two units; 10 percent are mobile homes; and the rest are boats and RVs. Approximately 66.8 percent are owner occupied and 33.2 percent are occupied by renters.

**Region 10 Housing Units by Occupation**

	Region Total	Percent in Region	Region Percent of State
Total Housing Units	298,494		3.7%
Total Occupied Housing Units	256,428	85.9%	3.5%
Owner-Occupied Units	171,319	66.8%	3.6%
Renter-Occupied Units	85,109	33.2%	3.2%

Source: 2000 Census

**HOUSING NEED**

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions, and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database. Of the total 255,493 households in the region, 76,196 owners and renters have housing problems; this represents 29.8 percent of all households.

**Region 10 Households with Housing Problems**

	Region Total	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
<b>Renter Households</b>					
Extreme Cost Burden	23,006	9,258	7,433	4,896	1,419
Lacking Kitchen and/or Plumbing	1,497	513	234	355	62
Overcrowding	10,429	3,082	2,112	2,289	2,946
<b>Owner Households</b>					
Extreme Cost Burden	28,552	8,706	6,387	6,181	7,278
Lacking Kitchen and/or Plumbing	1,783	588	407	323	66
Overcrowding	10,929	1,235	1,563	2,421	5,710
<b>Total</b>	<b>76,196</b>	<b>23,382</b>	<b>18,136</b>	<b>16,465</b>	<b>17,481</b>

Source: 2000 CHAS

### REGIONAL INPUT ON HOUSING NEEDS

Of respondents ranking their community's need for general assistance in the 2006 CNS, approximately 40 percent indicated that housing assistance was their first priority need, with 15 percent ranking energy assistance as their priority need. Approximately 15 percent of respondents indicated that the development of apartments was the first priority need, 30 percent indicated that capacity building assistance was their top need, and 0 percent indicated that homeless assistance was the top need.

In terms of housing assistance, 81 percent indicated that home repair assistance was the greatest need. Regarding rental development activities, 41 percent indicated that their community's greatest need was the construction of new rental units, while 18 percent indicated that there was a minimal need for rental development in their areas. When considering energy assistance activities, 54 percent indicated that weatherization and minor home repairs was the greatest need followed by utility assistance with 36 percent.

### ASSISTED HOUSING INVENTORY

The following table shows the number of total multifamily units in the region financed through state and federal sources, including TDHCA; HUD; PHAs; Section 8 Housing Choice Vouchers; USDA; and local HFCs, which includes the Texas State Affordable Housing Corporation. For information on the data sources, see "Assisted Housing Inventory" under "State of Texas" in this section. Please note that because some developments layer funding from multiple sources, there may be double counting.

**Region 10 Assisted Multifamily Units**

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	4,718	24.8%	2.5%
HUD Units	4,236	22.3%	4.1%
PHA Units	4,459	23.5%	8.1%
Section 8 Vouchers	3,977	20.9%	2.7%
USDA Units	1,619	8.5%	6.1%
HFC Units*	968		
Total	19,009	100.0%	3.7%

\*HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units, and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.



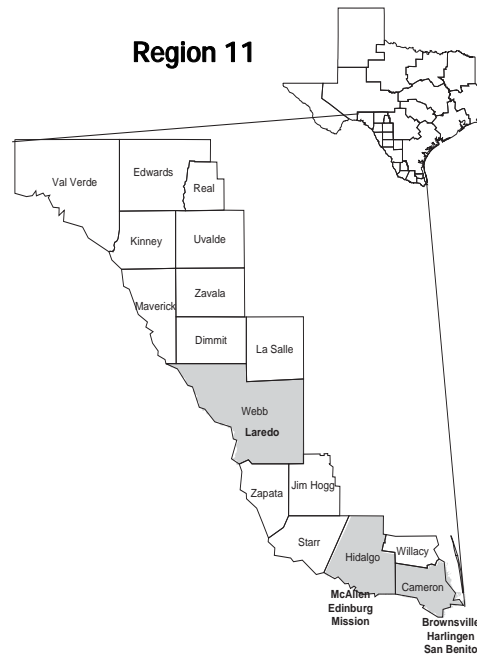
## REGION 11

Region 11 is a 16-county area along the border of Mexico. The main urban areas in the region are Brownsville-Harlingen, McAllen-Edinburg, Del Rio, and Laredo. According to the 2000 Census, the total population in Region 11 is 1,343,330, which represents 6.4 percent of the state's total population.

**Region 11 Population Figures**

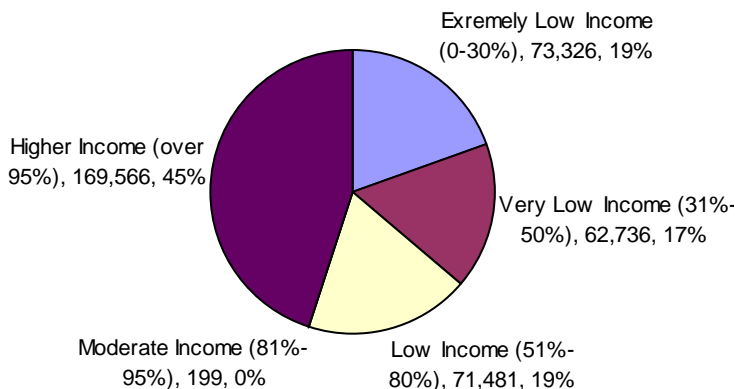
	Region Total	Percent in Region	Region Percent of State
Total Population	1,343,330		6.4%
Persons with Disabilities	257,838	19.2%	7.2%
Elderly Persons (without disabilities)	67,505	5.0%	6.2%
Individuals in Poverty	455,366	33.9%	14.6%

Source: 2000 Census



About 68 percent of the population lives in urban areas.

### Region 11 Household Income



The pie chart to the left depicts the income breakdown of the 377,276 households in the region. Approximately 55 percent of households are low income.<sup>29</sup> There are 455,366, or 33.9 percent, individuals living in poverty in the region. 2007 Multiple Listing Service data records the median home prices for Brownsville as \$131,400 and McAllen as \$124,200.<sup>30</sup>

### SPECIAL NEEDS POPULATIONS

According to 2000 Census data, there are 257,838 persons with disabilities residing in the region, which is 19.2 percent of the total region population. In addition, there are 67,505 elderly individuals without disabilities in the region, which is 5.0 percent of the region.

Data on the number of homeless individuals in the region is difficult to collect because of the migratory nature of this population. The Texas Interagency Council for the Homeless estimates that there are 200,000 homeless individuals in Texas,<sup>31</sup> but figures vary. According to the 2000 Census, there are 1,211

<sup>29</sup> The CHAS figures for moderate and higher income households in Region 11 indicate that there are only 199 persons with incomes between 80-95 percent of the AMFI. TDHCA has been unable to get more accurate information for this segment of the population. However, the planning impact for the SLIHP is relatively low because, except for the first time homebuyer program which is done through a network of participating lenders, TDHCA programs serve persons below 80 percent AMFI.

<sup>30</sup> Real Estate Center at Texas A&M University, "Texas Residential MLS Activity," <http://recenter.tamu.edu/data/hs/trends4.html> (accessed October 16, 2007).

<sup>31</sup> Texas Interagency Council for the Homeless, "Key Facts."

## Housing Analysis

### Uniform State Service Regions

people in noninstitutional group homes, which include shelters, in the region. In its special tabulation on emergency and transitional shelters, the Census counted 193 homeless persons in Laredo.

### HOUSING SUPPLY

According to 2000 Census data, of the 457,406 housing units in the region, 378,275 are occupied, which is an 82.7 percent occupancy rate. Of the total housing stock, 66 percent are one unit; 14 percent are over two units; 18 percent are mobile homes; and the rest are boats and RVs. Approximately 70.8 percent are owner occupied and 29.2 percent are occupied by renters.

**Region 11 Housing Units by Occupation**

	Region Total	Percent in Region	Region Percent of State
Total Housing Units	457,406		5.6%
Total Occupied Housing Units	378,275	82.7%	5.1%
Owner-Occupied Units	267,716	70.8%	5.7%
Renter-Occupied Units	110,559	29.2%	4.1%

Source: 2000 Census

### HOUSING NEED

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions, and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database. Of the total 377,276 households in the region, 161,609 owners and renters have housing problems; this represents 42.8 percent of all households.

**Region 11 Households with Housing Problems**

	Region Total	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
<b>Renter Households</b>					
Extreme Cost Burden	25,023	13,381	7,343	3,335	964
Lacking Kitchen and/or Plumbing	4,751	2,474	1,099	636	0
Overcrowding	31,457	11,542	7,321	6,233	6,361
<b>Owner Households</b>					
Extreme Cost Burden	43,599	15,558	10,747	8,961	8,333
Lacking Kitchen and/or Plumbing	8,043	3,043	2,045	1,585	0
Overcrowding	48,736	8,375	9,672	12,299	18,390
<b>Total</b>	<b>161,609</b>	<b>54,373</b>	<b>38,227</b>	<b>33,049</b>	<b>34,048</b>

Source: 2000 CHAS

**REGIONAL INPUT ON HOUSING NEEDS**

Of respondents ranking their community's need for general assistance in the 2006 CNS, approximately 40 percent indicated that housing assistance was their first priority need, with 10 percent ranking energy assistance as their priority need. Approximately 20 percent of respondents indicated that the development of apartments was the first priority need, 20 percent indicated that capacity building assistance was their top need, and 10 percent indicated that homeless assistance was the top need.

In terms of housing assistance, 46 percent indicated that home repair assistance was the greatest need. Regarding rental development activities, 50 percent indicated that the need for construction and rehabilitation was the same, while 0 percent indicated that there was a minimal need for rental development in their areas. When considering energy assistance activities, 59 percent indicated that utility assistance was the greatest need followed by weatherization and minor home repairs with 29 percent.

**ASSISTED HOUSING INVENTORY**

The following table shows the number of total multifamily units in the region financed through state and federal sources, including TDHCA; HUD; PHAs; Section 8 Housing Choice Vouchers; USDA; and local HFCs, which includes the Texas State Affordable Housing Corporation. For information on the data sources, see “Assisted Housing Inventory” under “State of Texas” in this section. Please note that because some developments layer funding from multiple sources, there may be double counting.

**Region 11 Assisted Multifamily Units**

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	9,202	25.6%	4.9%
HUD Units	4,208	11.7%	4.1%
PHA Units	6,949	19.3%	12.6%
Section 8 Vouchers	13,553	37.7%	9.3%
USDA Units	2,003	5.6%	7.6%
HFC Units*	312		
Total	35,915		6.9%

\*HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units, and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

## REGION 12

Region 12 in west Texas surrounds the urban areas of Odessa-Midland and San Angelo. According to the 2000 Census, the total population in Region 12 is 524,884, which represents 2.5 percent of the state's total population.

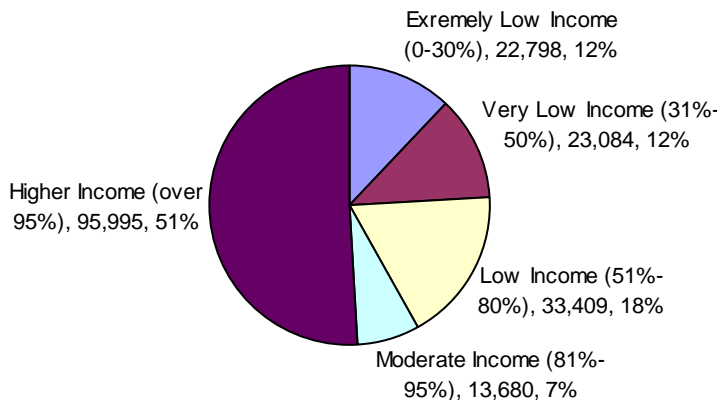
**Region 12 Population Figures**

	Region Total	Percent in Region	Region Percent of State
Total Population	524,884		2.5%
Persons with Disabilities	91,822	17.5%	2.5%
Elderly Persons (without disabilities)	35,764	6.8%	3.3%
Individuals in Poverty	85,063	16.2%	2.7%

Source: 2000 Census

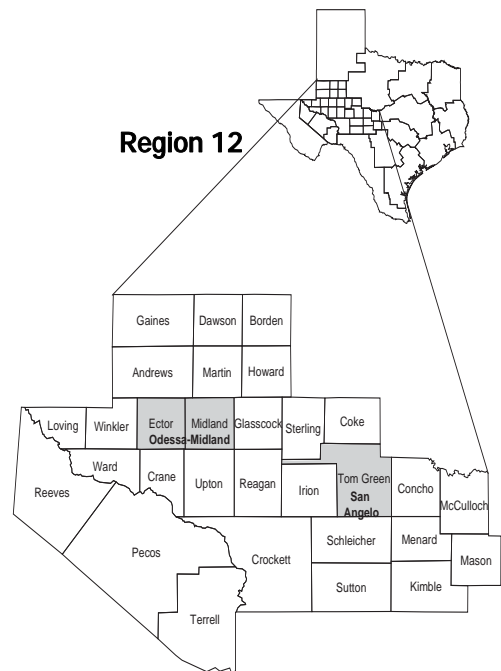
Approximately 68 percent of the population lives in urban areas.

### Region 12 Household Income



which is 17.5 percent of the total region population. In addition, there are 35,764 elderly individuals without disabilities in the region, which is 6.8 percent of the region.

Data on the number of homeless individuals in the region is difficult to collect because of the migratory nature of this population. The Texas Interagency Council for the Homeless estimates that there are 200,000 homeless individuals in Texas,<sup>33</sup> but figures vary. According to the 2000 Census, there are 414 people in noninstitutional group homes, which include shelters, in the region. In its special tabulation on emergency and transitional shelters, the Census did not count any homeless people in metropolitan areas.



The pie chart to the left depicts the income breakdown of the 188,921 households in the region. Approximately 42 percent of households are low income. There are 85,063, or 16.2 percent, individuals living in poverty in the region. Multiple Listing Service data records the median home prices for Odessa-Midland as \$145,000.<sup>32</sup>

### SPECIAL NEEDS POPULATIONS

According to 2000 Census data, there are 91,822 persons with disabilities residing in the region,

<sup>32</sup> Real Estate Center at Texas A&M University, "Texas Residential MLS Activity," <http://recenter.tamu.edu/data/hs/trends4.html> (accessed October 16, 2007).

<sup>33</sup> Texas Interagency Council for the Homeless, "Key Facts."

## HOUSING SUPPLY

According to 2000 Census data, of the 221,968 housing units in the region, 189,582 are occupied, which is an 85.4 percent occupancy rate. Of the total housing stock, 72 percent are one unit; 16 percent are over two units; 12 percent are mobile homes; and the rest are boats and RVs. Approximately 70.1 percent are owner occupied and 29.9 percent are occupied by renters.

### Region 12 Housing Units by Occupation

	Region Total	Percent in Region	Region Percent of State
Total Housing Units	221,968		2.7%
Total Occupied Housing Units	189,582	85.4%	2.6%
Owner-Occupied Units	132,956	70.1%	2.8%
Renter-Occupied Units	56,626	29.9%	2.1%

Source: 2000 Census

## HOUSING NEED

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions, and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database. Of the total 188,921 households in the region, 49,895 owners and renters have housing problems; this represents 26.4 percent of all households.

### Region 12 Households with Housing Problems

	Region Total	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
<b>Renter Households</b>					
Extreme Cost Burden	14,243	6,874	4,782	2,151	436
Lacking Kitchen and/or Plumbing	1,103	355	253	204	24
Overcrowding	5,372	1,392	983	1,364	1,633
<b>Owner Households</b>					
Extreme Cost Burden	20,719	6,228	5,142	4,727	4,622
Lacking Kitchen and/or Plumbing	1,138	265	223	264	64
Overcrowding	7,320	752	1,186	2,243	3,139
<b>Total</b>	<b>49,895</b>	<b>15,866</b>	<b>12,569</b>	<b>10,953</b>	<b>9,918</b>

Source: 2000 CHAS

### REGIONAL INPUT ON HOUSING NEEDS

Of respondents ranking their community's need for general assistance in the 2006 CNS, approximately 45 percent indicated that housing assistance was their first priority need, with 9 percent ranking energy assistance as their priority need. Approximately 27 percent of respondents indicated that the development of apartments was the first priority need, 9 percent indicated that capacity building assistance was their top need, and 9 percent indicated that homeless assistance was the top need.

In terms of housing assistance, 50 percent indicated that home repair assistance was the greatest need. Regarding rental development activities, 42 percent indicated that their community's greatest need was the construction of new rental units, while 17 percent indicated that there was a minimal need for rental development in their areas and 4 percent had no opinion on the subject. When considering energy assistance activities, 46 percent indicated that utility assistance was the greatest need followed by weatherization and minor home repairs with 42 percent.

### ASSISTED HOUSING INVENTORY

The following table shows the number of total multifamily units in the region financed through state and federal sources, including TDHCA; HUD; PHAs; Section 8 Housing Choice Vouchers; USDA; and local HFCs, which includes the Texas State Affordable Housing Corporation. For information on the data sources, see "Assisted Housing Inventory" under "State of Texas" in this section. Please note that because some developments layer funding from multiple sources, there may be double counting.

**Region 12 Assisted Multifamily Units**

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	3,269	32.8%	1.7%
HUD Units	1,763	17.7%	1.7%
PHA Units	1,145	11.5%	2.1%
Section 8 Vouchers	3,058	30.7%	2.1%
USDA Units	735	7.4%	2.8%
HFC Units*	24		
Total	9,970	100.0%	1.9%

\*HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units, and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

## REGION 13

El Paso is the main urban area in Region 13. The region spreads along the Texas-Mexico border in the southwestern tip of the state. According to the 2000 Census, the total population in Region 13 is 524,884, which represents 2.5 percent of the state's total population.

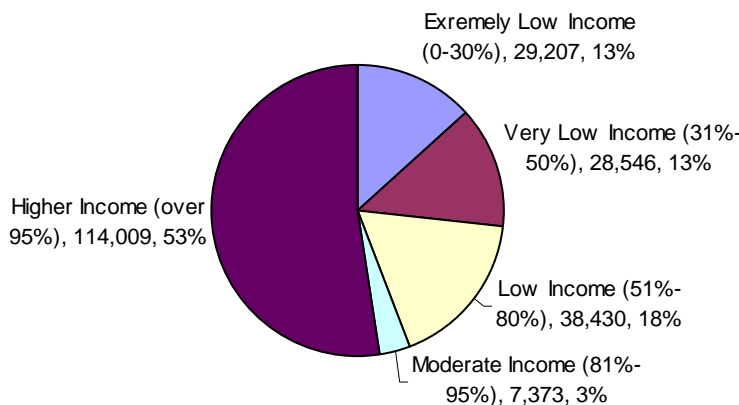
**Region 13 Population Figures**

	Region Total	Percent in Region	Region Percent of State
Total Population	704,318		3.4%
Persons with Disabilities	128,000	18.2%	3.6%
Elderly Persons (without disabilities)	35,421	5.0%	3.3%
Individuals in Poverty	165,122	23.4%	5.3%

Source: 2000 Census

Approximately 92 percent of the region population lives in the urban area of El Paso.

### Region 13 Household Income



The pie chart to the left depicts the income breakdown of the 216,861 households in the region. Approximately 44 percent of households are low income. There are 165,122, or 23.4 percent, individuals living in poverty in the region. The 2007 Multiple Listing Service data records the median home price for El Paso as \$138,900.<sup>34</sup>

### SPECIAL NEEDS POPULATIONS

According to 2000 Census data, there are 128,000 persons with disabilities residing in the region, which is 18.2 percent of the total region population. In addition, there are 35,421 elderly individuals without disabilities in the region, which is 5.0 percent of the region.

Data on the number of homeless individuals in the region is difficult to collect because of the migratory nature of this population. The Texas Interagency Council for the Homeless estimates that there are 200,000 homeless individuals in Texas,<sup>35</sup> but figures vary. According to the 2000 Census, there are 1,022 people in noninstitutional group homes, which include shelters, in the region. In its special tabulation on emergency and transitional shelters, the Census counted 356 homeless people in El Paso.

<sup>34</sup> Real Estate Center at Texas A&M University, "Texas Residential MLS Activity," <http://recenter.tamu.edu/data/hs/trends4.html> (accessed October 16, 2007).

<sup>35</sup> Texas Interagency Council for the Homeless, "Key Facts."

## Housing Analysis

### Uniform State Service Regions

#### HOUSING SUPPLY

According to 2000 Census data, of the 236,572 housing units in the region, 219,261 are occupied, which is a 92.7 percent occupancy rate. Of the total housing stock, 68 percent are one unit; 23 percent are over two units; 8 percent are mobile homes; and the rest are boats and RVs. Approximately 63.8 percent are owner occupied and 36.2 percent are occupied by renters.

##### Region 13 Housing Units by Occupation

	Region Total	Percent in Region	Region Percent of State
Total Housing Units	236,572		2.9%
Total Occupied Housing Units	219,261	92.7%	3.0%
Owner-Occupied Units	139,842	63.8%	3.0%
Renter-Occupied Units	79,419	36.2%	3.0%

Source: 2000 Census

#### HOUSING NEED

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions, and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database. Of the total 216,861 households in the region, 81,248 owners and renters have housing problems; this represents 37.5 percent of all households.

##### Region 13 Households with Housing Problems

	Region Total	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
<b>Renter Households</b>					
Extreme Cost Burden	22,151	8,941	7,159	4,652	1,399
Lacking Kitchen and/or Plumbing	1,679	470	539	297	24
Overcrowding	15,170	4,214	3,728	3,575	3,653
<b>Owner Households</b>					
Extreme Cost Burden	26,451	6,254	5,872	7,268	7,057
Lacking Kitchen and/or Plumbing	1,879	366	411	523	84
Overcrowding	13,918	1,296	2,037	3,263	7,322
<b>Total</b>	<b>81,248</b>	<b>32,497</b>	<b>19,746</b>	<b>19,578</b>	<b>19,539</b>

Source: 2000 CHAS



**REGIONAL INPUT ON HOUSING NEEDS**

Of respondents ranking their community's need for general assistance in the 2006 CNS, approximately 47 percent indicated that housing assistance was their first priority need, with 0 percent ranking energy assistance as their priority need. Approximately 20 percent of respondents indicated that the development of apartments was the first priority need, 13 percent indicated that capacity building assistance was their top need, and 20 percent indicated that homeless assistance was the top need.

In terms of housing assistance, 41 percent indicated that home repair assistance was the greatest need. Regarding rental development activities, 46 percent indicated that their community's greatest need was the construction of new rental units, while 12 percent indicated that there was a minimal need for rental development in their areas. When considering energy assistance activities, 52 percent indicated that weatherization and minor home repairs was the greatest need followed by utility assistance with 24 percent.

**ASSISTED HOUSING INVENTORY**

The following table shows the number of total multifamily units in the region financed through state and federal sources, including TDHCA; HUD; PHAs; Section 8 Housing Choice Vouchers; USDA; and local HFCs, which includes the Texas State Affordable Housing Corporation. For information on the data sources, see “Assisted Housing Inventory” under “State of Texas” in this section. Please note that because some developments layer funding from multiple sources, there may be double counting.

**Region 13 Assisted Multifamily Units**

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	4,502	23.0%	2.4%
HUD Units	2,395	12.3%	2.3%
PHA Units	6,228	31.9%	11.3%
Section 8 Vouchers	6,117	31.3%	4.2%
USDA Units	298	1.5%	1.1%
HFC Units*	689		
Total	19,540	100.0%	3.8%

\*HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units, and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

## REGIONAL PLANS SUMMARY

This section summarizes the information from the regional plans in the previous section.

### POPULATION CHARACTERISTICS

The most populous regions of the state according to the 2000 Census are Regions 3 and 6, together representing almost 50 percent of the state. Regions 3, 6, 7, and 11 are the fastest growing regions.

**Population and Poverty, 2000**

Service Region	Population 2000 Census	Percent of State's Population	Population Estimate Jan 1, 2007	Percent Change 2000 to 2007	Persons in Poverty	Percent of State Poverty Total	Population for whom Poverty Status is Determined	Percent of Regional Population in Poverty
1	780,733	3.7%	803,319	2.9%	122,991	3.9%	748,227	16.4%
2	549,267	2.6%	548,496	-0.1%	77,647	2.5%	514,399	15.1%
3	5,487,477	26.3%	6,451,517	17.6%	588,688	18.9%	5,389,443	10.9%
4	1,015,648	4.9%	1,084,491	6.8%	152,036	4.9%	971,222	15.7%
5	740,952	3.6%	750,261	1.3%	120,585	3.9%	705,774	17.1%
6	4,854,454	23.3%	5,734,497	18.1%	656,239	21.0%	4,763,150	13.8%
7	1,346,833	6.5%	1,660,876	23.3%	145,060	4.7%	1,310,221	11.1%
8	963,139	4.6%	1,046,000	8.6%	149,480	4.8%	897,160	16.7%
9	1,807,868	8.7%	2,070,722	14.5%	267,118	8.6%	1,759,653	15.2%
10	732,917	3.5%	748,032	2.1%	132,214	4.2%	708,646	18.7%
11	1,343,330	6.4%	1,620,621	20.6%	455,366	14.6%	1,324,854	34.4%
12	524,884	2.5%	537,846	2.5%	85,063	2.7%	503,813	16.9%
13	704,318	3.4%	777,528	10.4%	165,122	5.3%	690,738	23.9%
State	20,851,820	100%	23,834,206	12.5%	3,117,609	100.0%	20,287,300	15.4%

Source: 2000 US Census and Texas State Data Center

The table below provides information on the income breakdowns of households in each region.

**Households and Income, 2000**

Service Region	Total Households	Extremely Low Income (0% to 30% AMFI)	Very Low Income (31% to 50% AMFI)	Low Income (51% to 80% AMFI)	Moderate Income (81% to 95% AMFI)	Higher Income (over 95% AMFI)
1	288,273	36,433	34,684	53,087	20,604	143,475
2	206,459	23,690	26,096	37,041	15,491	104,169
3	1,988,135	216,675	207,946	361,581	165,946	1,043,156
4	380,765	47,359	45,345	64,823	28,943	194,299
5	274,543	38,575	32,704	45,851	19,222	138,364
6	1,691,811	209,127	186,994	284,820	131,907	881,944
7	509,798	60,766	54,465	92,250	44,650	257,667
8	343,856	46,423	39,537	59,780	26,911	171,721
9	635,280	73,161	69,347	109,133	49,283	334,532
10	255,493	33,862	30,725	42,309	16,854	131,811
11	377,276	73,326	62,736	71,481	199	169,566
12	188,921	22,798	23,084	33,409	13,680	95,995
13	216,861	29,207	28,546	38,430	7,373	114,009
State	7,357,471	911,402	842,209	1,293,995	541,063	3,780,708

Source: CHAS Database

**HOUSING SUPPLY**

Of the state’s housing stock, regions 1 and 2 have the highest percentage of one-unit housing; Regions 3, 6, and 7 have the highest levels of multifamily housing.

**Housing Stock by Region, 2000**

Service Region	Housing Units	One Unit	2 to 19 Units	Over 20 Units	Mobile Homes	Boats, RVs
1	322,045	240,418 74.7%	30,163 9.4%	20,997 6.5%	29,683 9.2%	784 0.2%
2	243,506	186,932 76.8%	21,599 8.9%	7,974 3.3%	25,365 10.4%	1,636 0.7%
3	2,140,641	1,373,780 64.2%	385,269 18.0%	259,402 12.1%	118,078 5.5%	4,112 0.2%
4	434,792	307,802 70.8%	32,153 7.4%	13,754 3.2%	78,312 18.0%	2,771 0.6%
5	325,047	225,213 69.3%	23,868 7.3%	12,709 3.9%	60,328 18.6%	2,929 0.9%
6	1,853,854	1,175,460 63.4%	265,188 14.3%	293,889 15.9%	115,535 6.2%	3,782 0.2%
7	545,761	339,272 62.2%	96,402 17.7%	66,390 12.2%	41,991 7.7%	1,706 0.3%
8	387,627	259,909 67.1%	58,646 15.1%	19,960 5.1%	47,492 12.3%	1,620 0.4%
9	689,862	476,751 69.1%	101,504 14.7%	52,139 7.6%	57,339 8.3%	2,129 0.3%
10	298,494	212,067 71.0%	36,198 12.1%	17,165 5.8%	30,936 10.4%	2,128 0.7%
11	457,406	303,046 66.3%	45,937 10.0%	18,112 4.0%	80,947 17.7%	9,364 2.0%
12	221,968	159,092 71.7%	21,931 9.9%	13,796 6.2%	26,240 11.8%	909 0.4%
13	236,572	161,168 68.1%	32,741 13.8%	22,814 9.6%	19,406 8.2%	443 0.2%
State	8,157,575	5,420,910 66.5%	1,151,599 14.1%	819,101 10.0%	731,652 9.0%	34,313 0.4%

Source: 2000 US Census

## Housing Analysis

### Regional Plans Summary

The homeownership rate for the State is 63.8 percent. The region with the lowest percentage of homeowners is Region 7 with 59.8 percent. The region with the highest percentage of homeowners is Region 4 with 73.8 percent.

**Housing Units by Occupancy, 2000**

Service Region	Total Tenure	Owner Occupied		Renter Occupied	
		Number	Percent	Number	Percent
1	288,175	191,161	66.3%	97,014	33.7%
2	206,388	142,603	69.1%	63,785	30.9%
3	2,004,826	1,220,939	60.9%	783,887	39.1%
4	380,468	280,896	73.8%	99,572	26.2%
5	275,233	201,971	73.4%	73,262	26.6%
6	1,702,792	1,037,371	60.9%	665,421	39.1%
7	510,555	305,294	59.8%	205,261	40.2%
8	344,575	210,882	61.2%	133,693	38.8%
9	636,796	414,009	65.0%	222,787	35.0%
10	256,428	171,319	66.8%	85,109	33.2%
11	378,275	267,716	70.8%	110,559	29.2%
12	189,582	132,956	70.1%	56,626	29.9%
13	219,261	139,842	63.8%	79,419	36.2%
State	7,393,354	4,716,959	63.8%	2,676,395	36.2%

Source: 2000 US Census

## NEED INDICATORS

The chart below shows the number of renter households with cost burden greater than 30 percent by income group. The highest numbers of very low income households with extreme cost burden are found in Region 3 with a total of 206,011 households and Region 6 with 168,355 households.

**Number of Renter Households with Extreme Cost Burden by Income Group, 2000**

Service Region	All Incomes	0% to 30%	31% to 50%	51% to 80%	81% to 95%	95% and Above
1	29,555	14,026	9,256	5,092	636	545
2	16,557	7,546	5,753	2,699	263	296
3	206,011	78,911	67,156	48,746	5,773	5,425
4	27,100	12,500	9,142	4,443	606	409
5	21,116	10,733	6,894	2,890	254	345
6	168,355	71,699	55,967	31,103	4,751	4,835
7	68,118	27,648	21,497	15,700	1,808	1,465
8	42,797	20,028	12,657	8,285	1,123	704
9	62,012	24,095	19,495	14,458	1,834	2,130
10	23,006	9,258	7,433	4,896	744	675
11	25,023	13,381	7,343	3,335	0	964
12	14,243	6,874	4,782	2,151	223	213
13	22,151	8,941	7,159	4,652	270	1,129
State	726,044	305,640	234,534	148,450	18,285	19,135

Source: CHAS Database

The number of rental units lacking complete plumbing and/or kitchen facilities is one of the indicators of housing need that does not follow the pattern of population. Regions 3 and 6 have the highest number of units lacking facilities and are also the regions with the highest number of renter households. Region 11, however, is ranked sixth in terms of renter population and third in number of renter units lacking kitchen and/or plumbing facilities.

**Number of Renter Units Lacking Kitchen and/or Plumbing by Affordability Category, 2000**

Service Region	All Incomes	0% to 30%	31% to 50%	51% to 80%	80% and Above
1	1,264	553	322	301	88
2	799	330	161	237	71
3	7,977	2,968	2,087	2,247	675
4	1,647	724	425	363	135
5	1,195	549	300	270	76
6	7,646	3,228	1,892	2,034	492
7	2,482	1,170	562	565	185
8	1,402	601	354	355	92
9	2,613	1,137	484	751	241
10	1,164	513	234	355	62
11	4,209	2,474	1,099	636	0
12	836	355	253	204	24
13	1,330	470	539	297	24
State	34,564	15,072	8,712	8,615	2,165

Source: CHAS Database

The table below shows the number of overcrowded owner households by income group. Regions 3 and 6, the most populous regions in the state, have the highest number of overcrowded households. Region 11, sixth in population, ranks third in number of overcrowded renter households.

**Number of Overcrowded Renter Households by Income Group, 2000**

Service Region	All Incomes	0% to 30%	31% to 50%	51% to 80%	81% to 95%	95% and Above
1	9,294	2,037	2,029	2,602	639	1,987
2	3,906	867	694	1,181	283	881
3	114,914	26,062	25,691	30,470	9,536	23,155
4	8,851	1,951	1,688	2,215	874	2,123
5	6,868	1,988	1,246	1,477	534	1,623
6	117,586	29,482	27,886	30,141	8,837	21,240
7	22,581	5,433	5,070	5,645	1,895	4,538
8	12,409	2,903	2,232	3,502	1,089	2,683
9	28,877	7,296	6,160	7,359	2,039	6,023
10	10,429	3,082	2,112	2,289	643	2,303
11	31,457	11,542	7,321	6,233	0	6,361
12	5,372	1,392	983	1,364	566	1,067
13	15,170	4,214	3,728	3,575	511	3,142
State	387,714	98,249	86,840	98,053	27,446	77,126

Source: CHAS Database

## Housing Analysis

### Regional Plans Summary

The table below shows the number of owner households with housing cost burden of over 30 percent of income. Regions 3 and 6, the most populous regions, have the highest number of very low income households with extreme cost burden.

**Number of Owner Households with Extreme Housing Cost Burden by Income Group, 2000**

Service Region	All Incomes	0% to 30%	31% to 50%	51% to 80%	81% to 95%	95% and Above
1	28,912	8,542	7,021	6,944	1,748	4,657
2	22,471	6,744	5,894	4,902	1,555	3,376
3	216,038	50,064	41,410	55,310	19,764	49,490
4	49,419	15,358	11,379	11,530	3,628	7,524
5	32,849	11,845	7,609	7,044	1,990	4,361
6	173,411	44,640	34,996	42,008	13,606	38,161
7	56,638	11,452	10,018	16,282	6,004	12,882
8	36,129	9,754	7,763	9,069	3,088	6,455
9	71,630	17,316	14,240	17,201	6,436	16,437
10	28,552	8,706	6,387	6,181	1,854	5,424
11	43,599	15,558	10,747	8,961	63	8,270
12	20,719	6,228	5,142	4,727	1,407	3,215
13	26,451	6,254	5,872	7,268	1,120	5,937
State	806,818	212,461	168,478	197,427	62,263	166,189

Source: CHAS Database

The table below shows the number of owner units that are lacking kitchen and/or plumbing facilities. Region 11, with the sixth highest number of owner households, has the highest number of physically inadequate owner housing units. Region 6, the second most populous region, has the second highest number of units lacking kitchen and/or plumbing facilities.

**Number of Owner Units Lacking Kitchen and/or Plumbing, 2000**

Service Region	All Incomes	0% to 30%	31% to 50%	51% to 80%	80% and Above
1	1,154	228	163	224	85
2	919	253	158	170	60
3	6,044	1,373	850	1,214	487
4	2,742	775	439	508	187
5	1,876	555	250	367	90
6	6,691	1,650	983	1,279	410
7	2,013	519	291	423	110
8	1,798	477	346	331	112
9	3,270	713	667	624	297
10	1,783	588	407	323	66
11	8,043	3,043	2,045	1,585	0
12	1,138	265	223	264	64
13	1,879	366	411	523	84
State	39,350	10,805	7,233	7,835	2,052

Source: CHAS Database

The table below shows that Region 6 has the highest number of overcrowded owner households.

**Number of Overcrowded Owner Households by Income Group, 2000**

Service Region	All Incomes	0% to 30%	31% to 50%	51% to 80%	81% to 95%	95% and Above
1	9,245	897	1,223	2,399	966	3,760
2	4,325	411	558	1,159	443	1,754
3	57,504	5,876	9,070	16,460	6527	19,571
4	10,259	1,233	1,477	2,496	1116	3,937
5	8,491	925	970	1,991	949	3,656
6	66,212	7,391	10,243	18,303	7269	23,006
7	12,315	1,038	2,055	3,503	1459	4,260
8	8,900	741	1,055	2,293	942	3,869
9	25,439	2,644	4,107	6,555	3171	8,962
10	10,929	1,235	1,563	2,421	1000	4,710
11	48,736	8,375	9,672	12,299	20	18,370
12	7,320	752	1,186	2,243	605	2,534
13	13,918	1,296	2,037	3,263	707	6,615
State	283,593	32,814	45,216	75,385	25,174	105,004

Source: CHAS Database

The total number of households in poverty, elderly and non-elderly, is one of the need indicators for some of the Department's community service activities. Regions 3, 6, and 11 have the highest numbers of poverty households.

**Number of Households in Poverty, 2000**

Service Region	Number of Elderly Poverty Households	Percent of State's Elderly Poverty Households	Number of Non-Elderly Poverty Households	% of State's Non-Elderly Poverty Households	Total Number of Poverty Households	Percent of State's Poverty Households
1	8,897	4.6%	37,710	4.5%	46,607	4.5%
2	8,100	4.2%	23,414	2.8%	31,514	3.0%
3	32,129	16.6%	165,495	19.7%	197,624	19.1%
4	15,592	8.1%	43,499	5.2%	59,091	5.7%
5	11,148	5.8%	36,076	4.3%	47,224	4.6%
6	32,192	16.7%	179,586	21.4%	211,778	20.5%
7	6,601	3.4%	46,549	5.5%	53,150	5.1%
8	10,531	5.4%	47,640	5.7%	58,171	5.6%
9	17,887	9.3%	70,207	8.4%	88,094	8.5%
10	10,783	5.6%	34,422	4.1%	45,205	4.4%
11	23,614	12.2%	93,382	11.1%	116,996	11.3%
12	6,744	3.5%	24,217	2.9%	30,961	3.0%
13	9,083	4.7%	38,561	4.6%	47,644	4.6%
State	193,301	100.0%	840,758	100.0%	1,034,059	100.0%

Source: 2000 Census

#### ASSISTED HOUSING INVENTORY

The following table shows the number of multifamily units in the state financed through state and federal sources according to region. Please see the “Assisted Housing Inventory” under “State of Texas” for data explanations.

**Assisted Multifamily Units**

Region	TDHCA Units	HUD Units	PHA Units	Section 8 Vouchers	USDA Units	HFC units*	Total Assisted Units
1	4,834	3,451	1,304	5,679	1,676	1,577	16,944
2	3,039	1,979	3,026	3,009	1,925	280	12,978
3	58,600	28,032	8,485	43,833	4,076	20,744	143,026
4	5,367	3,577	2,252	5,988	3,872	1,160	21,056
5	5,289	4,134	2,368	7,598	1,443	1,160	20,832
6	51,528	27,284	5,138	21,884	3,484	38,125	109,318
7	16,398	5,032	3,506	8,053	1,477	8,276	34,466
8	5,906	4,178	2,780	7,621	2,820	304	23,305
9	15,455	12,080	7,458	15,046	1,007	22,382	51,046
10	4,718	4,236	4,459	3,977	1,619	968	19,009
11	9,202	4,208	6,949	13,553	2,003	312	35,915
12	3,269	1,763	1,145	3,058	735	24	9,970
13	4,502	2,395	6,228	6,117	298	689	19,540
State	188,107	102,349	55,098	145,416	26,435	96,001	517,405

\*Because HFC developments report total units and do not specify assisted units, and that the majority of HFC-financed developments also receive housing tax credits from TDHCA, these units are not included in the final total.



## **SECTION 4: ACTION PLAN**

In response to the housing needs identified in the previous section, this plan outlines TDHCA's course of action designed to meet those underserved housing needs. This section discusses the following:

- Policy Focuses
- Program Plans
- TDHCA Allocation Plans
- TDHCA Goals and Objectives

## **FAIR HOUSING**

Through program requirements and compliance monitoring, TDHCA works to ensure that housing programs benefit individuals without regard to race, ethnicity, sex, or national origin, as outlined in 10 TAC 1.60. Complaints involving all forms of housing discrimination are also referred to the Texas Workforce Commission Human Rights Division, which oversees the Texas Fair Housing Act. Additionally, it is the policy of TDHCA to not require its nonprofit recipients of funds to verify, as a condition of receiving federal funds, the citizenship or immigration status of applicants for funds. This policy is subject to change if the US Department of Housing and Urban Development revises its policy. This policy does not apply to the Section 8 Housing Choice Voucher Program.

The Texas Fair Housing Act of 1989 enables the State to remedy discriminatory public policies affecting housing affordability and access. The Act prohibits discrimination against individuals in their pursuit of homeownership or rental housing opportunities based on race, color, national origin, sex, religion, familial status, and physical or mental handicaps. Recent state activities or current objectives relating to fair housing are discussed below:

- Comply with the Texas Fair Housing Act in TDHCA administered programs.
- Coordinate fair housing efforts with the Texas Workforce Commission, Human Rights Division, which was created under the Texas Fair Housing Act to directly address public grievances related to fair housing.
- Section 8 Admittance Policy: The policy adopted by the TDHCA Board is as follows:
  - Managers and owners of HTC properties are prohibited from having policies, practices, procedures and/or screening criteria that have the effect of excluding applicants because they have a Section 8 voucher or certificate.
  - The verification of such an exclusionary practice on the part of the owner or the manager by TDHCA will be considered a violation and will result in the issuance of a Notice of Violation and, if appropriate, issuance of a Form 8823 to the Internal Revenue Service.
  - Any violation of program requirements relative to this policy will also impact the Owner's ability to participate in future TDHCA programs.

## POLICY PRIORITIES

This section describes policies TDHCA will use to address specific types of housing need in each uniform state service region, including meeting the underserved needs of extremely low income households, the homeless, persons with disabilities, and other special needs populations. This section also discusses rural needs, energy efficiency, and lead-based paint.

### EXTREMELY LOW INCOME INDIVIDUALS AND HOUSEHOLDS

While one of the Department's charges is to serve the State's populations from extremely low income to moderate income, funding priority is given to those populations that are most in need of services: low, very low, and extremely low income individuals and households. Additionally, the Texas Legislature, through 2006-2007 Appropriations Act Rider 4 (Rider 5 in the 2008-2009 Appropriations Act), specifically calls upon TDHCA to focus funding toward individuals and families that are earning less than 60 percent of the area median family income. This rider directs TDHCA to apply \$30,000,000 annually towards assisting extremely low income households; and no less than 20 percent of the Department's total housing funds towards assisting very low income households. TDHCA works to meet these goals, by providing incentives for applicants to set aside units for very low and extremely low income households.

The data presented in the Housing Analysis section of this report shows that households with lower incomes have higher incidences of housing problems. There are minimal differences between the incidences of housing problems between the two lowest income groups (0-30 percent and 31-50 percent of median income). While incidences of housing problems for these two groups are significantly higher than those of the other low income group, households with incomes at 51-80 percent of median income have significant needs as well. Therefore, households at 0-80 percent of median income have been given higher priority than households above 80 percent of median income. This prioritization will allow the State to target resources to those households most in need, regardless of household type.

### *Poverty*

According to the 2000 US Census, Texas has the ninth highest poverty rate among the states: 15.4 percent compared to the national rate of 12.4 percent. The US Department of Health and Human Services defines the 2007 poverty guideline as \$20,650 in income for a family of four,<sup>36</sup> and many poor families make substantially less than this. Poverty can be self-perpetuating, creating barriers to education, health, and the financial stability provided by homeownership.

TDHCA has an important role in addressing Texas poverty. The Department seeks to reduce the number of Texans living in poverty, thereby providing a better future for all Texans. This means (1) trying to provide long-term solutions to the problems facing people in poverty and (2) targeting resources to those with the greatest need. The Department provides low income persons with energy, emergency, and housing assistance to meet the basic necessities.

An asset development approach to addressing poverty emphasizes the use of public assistance to facilitate long-term investments rather than incremental increases in income. In housing, this can mean gaining equity through homeownership. Several of TDHCA programs introduce the option of homeownership to lower income populations: the HOME Program offers down payment assistance and closing cost assistance, and the Single Family Bond Program offers below-market-rate loans.

Programs administered through TDHCA's Office of Colonia Initiatives (OCI) can be instrumental in creating self sufficiency in the colonias. OCI coordinates programs that improve the living conditions of

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<sup>36</sup> US Department of Health and Human Services, "The 2005 HHS Poverty Guidelines," <http://aspe.hhs.gov/poverty/05poverty.shtml> (accessed July 28, 2006).

## **Action Plan**

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### **Policy Priorities**

the state's colonias. The Texas Bootstrap Loan program provides loans for self-help housing initiatives; the Contract for Deed Conversion Initiative facilitates homeownership by converting contracts for deed into traditional mortgages; the Colonia Model Subdivision Program provides loans to develop residential subdivisions as alternatives to colonias; and the Colonia Self-Help Centers provide outreach, education, and technical assistance to colonia residents.

### **SPECIAL NEEDS POPULATIONS**

According to HUD, in addition to the homeless, special needs populations include persons with disabilities, the elderly, persons with alcohol and/or drug addictions, persons with HIV/AIDS, and public housing residents. TDHCA also considers colonia residents and migrant farmworkers as special needs populations.

The following sections describe each type of special need and actions taken by TDHCA to try to address the specific issues of the different special needs groups.

### **HOMELESS POPULATIONS**

The Stewart B. McKinney Homeless Assistance Act of 1987, the legislation that created a series of homeless assistance programs, defined the term "homeless." The following definition is used by the US Department of Housing and Urban Development (HUD) and all other federal agencies responsible for administering McKinney programs:

The term "homeless" or "homeless individual" includes

- an individual who lacks a fixed, regular, and adequate night time residence; or
- an individual who has a primary nighttime residency that is
  - a supervised publicly or privately-operated shelter designed to provide temporary living accommodations;
  - an institution that provides a temporary residence for individuals intended to be institutionalized; or
  - a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

Estimates of homeless populations vary widely. The migratory nature of the homeless population, the stigma associated with homelessness, and the fact that many homeless individuals lack basic documentation all contribute to the difficulty of making an accurate count. Most homeless counts are "point in time" estimates, which do not capture the revolving-door phenomenon of persons moving in and out of shelters over time. Furthermore, the homeless population can be classified into three categories: literally homeless, which describes those who have no permanent residence and stay in shelters or public places; marginally homeless, which includes those who live temporarily with other people and have no prospects for housing; and people at risk of homelessness. People at risk of homelessness generally have incomes below the poverty level, rely on utility and rental assistance, and may be unable to absorb unexpected events such as the loss of a job or serious illness.

### *Specific Strategies for Meeting Homeless Needs*

The following TDCHA activities are targeted to meet the needs of homeless populations.

#### ***Emergency Shelter Grants Program***

Through the Emergency Shelter Grants Program (ESGP), TDHCA funds organizations that provide shelter and related services for homeless persons, as well as intervention services to persons threatened with homelessness. Activities include renovating buildings for use as shelters; medical and psychological counseling; assistance in obtaining permanent housing; and homeless prevention services, such as rent and utility assistance. For 2007, TDHCA anticipates that it will receive \$5,076,683 in funding to address homelessness, and disperses those funds according to a regional allocation formula based on the poverty percentage of each uniform state service region. Demonstrating the need for homeless shelter and services, for the 2006 ESGP application cycle, the Department received 123 applications and was able to fund only 76.

#### ***Community Services Block Grant Program***

TDHCA provides administrative support funds to community action agencies (CAAs) that offer emergency and poverty-related programs to lower income persons. CAA services include child care, health and human services, job training, migrant farmworker assistance, nutrition services, and emergency assistance. These services can be instrumental in preventing homelessness in the lowest income populations.

#### ***HTC Program***

The HTC Program (HTC) is a multifamily program that encourages the development of affordable multifamily housing. In addition to the construction, acquisition, and/or rehabilitation of new, existing, at-risk, and rural housing, this program can also be used to develop transitional housing. TDHCA gives scoring preferences for special needs activities, including transitional housing.

#### ***Texas Interagency Council for the Homeless***

The Texas Interagency Council for the Homeless (TICH) was created in 1989 to coordinate the State's homeless resources and services. TICH consists of representatives from all state agencies that serve the homeless. The council receives no funding and has no full-time staff, but receives clerical and advisory support from TDHCA. The council holds public hearings in various parts of the state to gather information useful to its members in administering programs. The Council's major functions include:

- evaluating and helping coordinate the delivery of services for the homeless in Texas;
- increasing the flow of information among separate providers and appropriate authorities;
- providing technical assistance to TDHCA in assessing the need for housing for people with special needs;
- developing, in coordination with TDHCA and the Health and Human Services Commission, a strategic plan to address the needs of the homeless;
- maintaining a central resource and information center for the homeless.

### **PERSONS WITH DISABILITIES**

According to the 2000 US Census, there are approximately 3,605,542 disabled, civilian, non-institutionalized persons over the age of five (or approximately 19 percent of total population) in Texas. Of this figure, 663,300 have a sensory disability (severe vision or hearing impairment), 1,428,580 have a physical disability (condition that substantially limits a physical activity such as walking or carrying), 816,185 have a mental disability (learning or remembering impairment), 487,120 have a self-care

## **Action Plan**

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### **Policy Priorities**

disability (dressing, bathing, or getting around inside the home), 1,359,848 have a “going outside the home disability,” and 1,651,821 have an employment disability.

Housing opportunities for people with disabilities may be complicated by low incomes. The 2000 census estimates that 553,934 disabled individuals over age five live below the poverty level in Texas. Many people with disabilities may be unable to work, and receive Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI) benefits as their principal source of income. According to *Priced Out* in 2004, an SSI recipient would have to pay an average of 102.7 percent (calculated as \$569) of his or her \$564 monthly payment to rent a one-bedroom apartment in Texas.<sup>37</sup> According to the HUD definition of affordability that estimates that a household should pay no more than 30 percent of its income on housing expenses, an SSI recipient can afford a monthly rent of no more than \$169.

The *Olmstead* Supreme Court decision maintained that unnecessary segregation and institutionalization of people with disabilities is unlawful discrimination under the Americans with Disabilities Act (ADA). Furthermore, the Fair Housing Act, Section 504 of the Rehabilitation Act, ADA, and Section 2306.514 of the Texas Government Code all provide mandates for accessible residential housing for persons with disabilities. Housing developers may choose to provide “adaptive design” or “universal access” housing, which promotes basic, uniform standards in the design, construction, and alteration of structures that include accessibility or simple modification for disabled individuals. While an “adaptable” unit may not be fully accessible at time of occupancy, it can easily and inexpensively be modified to meet the needs of any resident. Another option is to equip homes with special features designed for persons with disabilities, including ramps, extra-wide doors and hallways, hand rails and grab bars, raised toilets, and special door levers.

Advocates for the elderly and persons with disabilities continue to stress that the primary goal of these populations is to live independently and remain in their own homes. Access to rehabilitation funds for single family housing—to perform minor physical modifications such as extra handrails, grab bars, wheelchair-accessible bathrooms, and ramps, thus making existing units livable and providing a cost-effective and consumer-driven alternative to institutionalization—was considered as a priority. Likewise, the availability of rental vouchers that provide options beyond institutional settings was found to be a high priority.

The following TDHCA activities are targeted to meeting the needs of persons with disabilities.

#### ***Disability Advisory Workgroup***

TDHCA has found that directly involving program beneficiary representatives, community advocates, and potential applicants for funding in the process of crafting its policies and rules is extremely helpful. This process is often done through a “working group” format. The working groups provide an opportunity for staff to interact with various program stakeholders in a more informal environment than that provided by the formal public comment process. TDHCA has actively maintained a “Disability Advisory Workgroup” which provides ongoing guidance to the Executive Director on how TDHCA’s programs can most effectively serve persons with disabilities.

#### ***Promoting Independence Advisory Committee***

With the advent of the *Olmstead* decision, the Health and Human Services Commission (HHSC) initiated the Promoting Independence Initiative and appointed the Promoting Independence Advisory Board, as directed by then-Governor George Bush’s Executive Order GWB 99-2. Governor Rick Perry’s Executive Order RP 13 complements GWB 99-2. Now known as the Promoting Independence Advisory Committee,

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<sup>37</sup> Technical Assistance Collaborative Inc. and Consortium for Citizens with Disabilities Housing Task Force, *Priced Out in 2004*, by Ann O’Hara and Emily Cooper (Boston, MA: Technical Assistance Collaborative Inc., August 2005), 37, <http://www.c-c-d.org/pricedout04.pdf> (accessed July 28, 2006).

the PIAC assists the Health and Human Services Commission in creating the State's response to the *Olmstead* decision through the biannual Promoting Independence Plan. This plan highlights the State's efforts to assist those individuals desirous of community placement, appropriate for community placement as determined by the state's treatment professionals, and who do not constitute a fundamental alteration in the state's services, to live in the community. TDHCA participates in PIAC meetings and is a member of the Housing subcommittee.

### ***Project Access***

TDHCA has taken a leadership role in the provision of funding for rental assistance to address the housing needs of persons seeking community-based alternatives to institutionalization. In 2002, TDHCA received 35 Section 8 Housing Choice rental vouchers to administer to the Olmstead population as part of a national pilot called "Project Access."

### ***Integrated Housing Rule***

An issue of particular concern for advocates for persons with disabilities involved the Department's policies related to integrated housing. Integrated housing, as defined by SB 367 and passed by the 77th Texas Legislature, is "housing in which a person with a disability resides or may reside that is found in the community but that is not exclusively occupied by persons with disabilities and their care providers." The Department, with the assistance of the TDHCA Disability Advisory Workgroup, developed an integrated housing rule to address this concern. The Integrated Housing Rule for use by all Department housing programs, is found at 10 TAC 1.15 and is summarized as follows

- A housing development may not restrict occupancy solely to people with disabilities or people with disabilities in combination with other special needs populations.
- Large housing developments (50 units or more) shall provide no more than 18 percent of the units of the development set aside exclusively for people with disabilities. The units must be dispersed throughout the development.
- Small housing developments (less than 50 units) shall provide no more than 36 percent of the units of the development set aside exclusively for people with disabilities. These units must be dispersed throughout the development.
- Set-aside percentages outlined above refer only to the units that are to be solely restricted for persons with disabilities. This section does not prohibit a property from having a higher percentage of occupants that are disabled.
- Property owners may not market a housing development entirely, nor limit occupancy to, persons with disabilities.

Exceptions to the above rule include (1) scattered site development and tenant-based rental assistance is exempt from the requirements of this section; (2) transitional housing that is time-limited with a clear and convincing plan for permanent integrated housing upon exit from the transitional situation; (3) housing developments designed exclusively for the elderly; (4) housing developments designed for other special needs populations; and (5) Board waivers of this rule to further the purposes or policies of Chapter 2306, Texas Government Code, or for other good cause.

### ***HOME Program***

As established in Section 2306.111(c) of the Texas Government Code shown below and subject to the submission of qualified applications, 5 percent of the annual HOME Program allocation shall be allocated for applications serving persons with disabilities living in any part of the state.



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Additionally, in accordance with 10 TAC 53, applicants applying for HOME funds under the Tenant-Based Rental Assistance programs should propose targeting at least 5 percent of the number of units proposed in the application, to persons who meet the definition of persons with disabilities.

### **HTC, HTF and Multifamily Bond Programs**

HTC, HTF and Multifamily Bond developments that are new construction must conform to Section 504 standards, which require that at least 5 percent of the development's units be accessible for persons with physical disabilities and at least 2 percent of the units be accessible for persons with hearing and visual impairments.

### **Comprehensive Energy Assistance and Weatherization Assistance Programs**

Priority for assistance through these programs is given to the elderly, persons with disabilities, and families with young children; households with the highest energy costs in relation to income; and households with high energy consumption. Local providers must implement special outreach efforts for these special needs populations.

## **ELDERLY POPULATIONS**

According to the 2000 US Census, 9.9 percent (approximately 2 million) of people in Texas are 65 years of age or older. The State of Texas Senior Housing Assessment found that 91 percent of survey respondents expressed a desire to stay in their own homes as long as possible, and two-thirds believed that they would always live in their homes.<sup>38</sup> Of all elderly households nationwide, 73 percent owned their own homes free and clear.<sup>39</sup> However, elderly homeowners generally live in older homes than the majority of the population; the median year of construction for homes owned by elderly households was 1965 and 5.3 percent had physical problems.<sup>40</sup> Due to their age, homes owned by the elderly are often in need of repair and weatherization.

Owner-occupied housing assistance through the HOME Program provides funds for the repair and rehabilitation of homes owned by very low income households in mainly rural areas of the state, many of the assisted households are elderly. The Department's weatherization and utility assistance programs give preference to the elderly, persons with disabilities, and families with young children.

## **ALCOHOL AND DRUG ADDICTION**

The Texas Commission on Alcohol and Drug Abuse (TCADA), now part of the Texas Department of State Health Services (DSHS), estimated that approximately 1.8 million, or 12 percent, of adults in Texas have an alcohol-related problem, another 227,000 have drug-related problems, and an additional 495,000 have both alcohol and drug-related problems.<sup>41</sup> Of the 56,858 total admissions to DSHS-funded treatment programs during 2005, admitted individuals were 58.3 percent male with an average age of 31.6, an

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<sup>38</sup> Texas Department of Aging and Disability Services, *The State of Our State on Aging 2005* (Austin, TX: Texas Department of Aging and Disability Services, May 2005), 27, [http://www.dads.state.tx.us/news\\_info/publications/studies/2005\\_sos\\_exec\\_summary.pdf](http://www.dads.state.tx.us/news_info/publications/studies/2005_sos_exec_summary.pdf) (accessed July 28, 2006).

<sup>39</sup> US Department of Health and Human Services, *A Profile on Older Americans: 2005*, 11.

<sup>40</sup> US Department of Health and Human Services, *A Profile on Older Americans: 2005*, 11.

<sup>41</sup> Texas Commission on Alcohol and Drug Abuse, *2000 Texas Survey of Substance Use Among Adults*, by Lynn Wallisch (Austin, TX: Texas Commission on Alcohol and Drug Abuse, July 2001), 29, <http://www.tcada.state.tx.us/research/AdultHousehold.pdf> (accessed July 28, 2006).



average 11th grade education, and an average annual income of \$5,753.<sup>42</sup> Furthermore, 22.4 percent were employed, 9.7 percent were homeless, 52.4 had family or marital problems, and 45 percent reported psychological and emotional problems. The population of persons with alcohol or other drug addiction is diverse and often overlaps with the mentally disabled or homeless populations.

Supportive housing programs needed for persons with alcohol and/or other drug addiction problems range from short-term, in-patient services to long-term, drug-free residential housing environments for recovering addicts. Better recovery results may be obtained by placing individuals in stable living environments.

## **PERSONS WITH HIV/AIDS**

Human Immunodeficiency Virus, or HIV, is the virus that causes AIDS (Acquired Immunodeficiency Syndrome). HIV infects cells and attacks the immune system, which weakens the body and makes it especially susceptible to other infections and diseases. According to DSHS, in 2005, there were 56,012 reported persons living with HIV/AIDS in Texas.<sup>43</sup> The majority of these cases were located in Bexar, Dallas, Harris, Tarrant, and Travis Counties. Because of increased medical costs or the loss of the ability to work, people with HIV/AIDS may be at risk of losing their housing arrangements.

DSHS addresses the housing needs of AIDS patients through the Housing Opportunities for Persons with AIDS Program (HOPWA), which is a federal program funded by HUD. In Texas, HOPWA funds provide emergency housing assistance, which funds short-term rent, mortgage, and utility payments to prevent homelessness; and tenant-based rental assistance, which enables low income individuals to pay rent and utilities until there is no longer a need or until they are able to secure other housing. In addition to the TDH statewide program, the cities of Austin, Dallas, Fort Worth, Houston, and San Antonio receive HOPWA funds directly from HUD.

## **PUBLIC HOUSING RESIDENTS**

According to HUD data, there are 55,098 units of public housing and 145,416 Section 8 Housing Choice Vouchers in Texas.<sup>44</sup>

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

TDHCA has developed a strong relationship with the Texas Housing Association and the Texas chapter of the National Association of Housing and Redevelopment Officials, which represent the public housing authorities of Texas. TDHCA has worked to promote programs that will repair substandard housing and develop additional affordable housing units.

## **COLONIA RESIDENTS**

According to Section 2306.581 of the Texas Government Code:

“Colonia” means a geographic area located in a county some part of which is within 150 miles of the international border of this state, that consists of 11 or more dwellings that are located in close

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<sup>42</sup> Jane Carlisle Maxwell, Substance Abuse Trends in Texas: June 2006 (Austin, TX: Gulf Coast Addition Technology Transfer Center, June 2006), 21, <http://www.utexas.edu/research/cswr/gcattc/Trends/trends606.pdf> (accessed August 2, 2006).

<sup>43</sup> Texas Department of State Health Services, HIV/STD Epidemiology and Surveillance Branch, *Texas HIV/STD Surveillance Report: 2005 Annual Report* (Austin, TX: Texas Department of State Health Services), 3, [http://www.dshs.state.tx.us/hivstd/stats/pdf/surv\\_2005.pdf](http://www.dshs.state.tx.us/hivstd/stats/pdf/surv_2005.pdf) (accessed August 2, 2006).

<sup>44</sup> HUD, “Public Housing Agency (HA) Profiles” <http://www.hud.gov/offices/pih/systems/pic/haprofiles/index.cfm> (accessed November 1, 2007).

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proximity to each other in an area that may be described as a community or neighborhood, and that

- has a majority population composed of individuals and families of low income and very low income, based on the federal Office of Management and Budget poverty index, and meets the qualifications of an economically distressed area under Section 17.921, Water Code; or
- has the physical and economic characteristics of a colonia, as determined by the department.

The Texas Secretary of State reports that there are more than 2,294 Texas colonias with 400,000 residents.<sup>45</sup> Colonia residents are generally unskilled, lack a formal education, and do not have stable employment. The majority of colonia residents do fieldwork, construction work, or factory work, and the unemployment rate ranges from 20 to 60 percent.<sup>46</sup>

According to 2000 US Census data, colonias have a 75 percent homeownership rate. Despite this rate, however, colonia homes are inadequate; 4.9 percent of colonia dwellings lack kitchen facilities and 5.3 percent lack plumbing facilities. Some of these properties may have been purchased with contracts for deed, which are seller-financed transactions that do not transfer the title and ownership of the property to the buyer until the purchase price is paid in full.

The Office of Colonia Initiatives at TDHCA provides programs that assist colonia residents with their housing needs, including increased affordable housing opportunities, such as down payment assistance and low-interest-rate loans, homeowner education, construction education and assistance, owner-occupied home repair, access to adequate infrastructure, and the conversion of remaining contracts for deed to conventional mortgages.

### MIGRANT FARMWORKERS

According to the US Department of Health and Human Services *Migrant and Seasonal Farmworker Enumeration Profiles Study*, a seasonal farmworker describes an individual whose principal employment (at least 51 percent of time) is in agriculture on a seasonal basis and who has been so employed within the preceding twenty-four months; a migrant farmworker meets the same definition, but establishes temporary housing for purposes of employment.<sup>47</sup> The US Department of Health and Human Services estimates that there are 362,724 migrant and seasonal farm workers and families residing in Texas.<sup>48</sup>

Farmworkers have a particularly difficult time finding available, affordable housing because of extremely low and sporadic incomes and frequent mobility. Many of the small, rural communities where migrant workers may seek employment do not have the rental units available for the seasonal influx. Overcrowding and substandard housing are significant housing problems for farmworkers.<sup>49</sup> In addition, migrant workers may not be able to afford security deposits, pass credit checks, or commit to long-term leases.

In HB 1099, the 79th Texas Legislative Session transferred the license and inspection of migrant farmworker housing facilities from the Texas Health and Human Services Commission to TDHCA. Additionally, the bill directed TDHCA to complete a study on quantity, availability, need, and quality of

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<sup>45</sup> Texas Secretary of State, "Colonia FAQ's," <http://www.sos.state.tx.us/border/colonias/faqs.shtml> (accessed August 10, 2006).

<sup>46</sup> Texas Secretary of State, "Colonia FAQ's."

<sup>47</sup> US Department of Health and Human Services, Health Resources and Services Administration, Bureau of Primary Health Care, *Migrant and Seasonal Farmworker Enumeration Profiles Study: Texas*, by Alice Larson, Larson Assistance Services (Vashon Island, WA: Larson Assistance Services, September 2000), 2, <http://bphc.hrsa.gov/migrant/Enumeration/final-tx.pdf> (accessed August 09, 2006).

<sup>48</sup> US Department of Health and Human Services, *Migrant and Seasonal Farmworker Enumeration Profiles Study*, 13–18.

<sup>49</sup> Christopher Holden. "Monograph no. 8: Housing" in *Migrant Health Issues* (Buda, TX: National Center for Farmworker Health Inc., October 2001), 40, <http://www.ncfh.org/docs/08%20-%20housing.pdf> (accessed August 9, 2006).

migrant farm labor housing facilities in Texas, see <http://www.tdhca.state.tx.us/ppa/housing-center/pubs.htm#reports> for a copy of the report.

## **RURAL NEEDS**

As the migration of populations and industries continues to urban and suburban areas, the less-populous areas of the state are left with a dilapidated housing stock and households with lower incomes than their urban or suburban counterparts. According to HUD, for FY 2007, the median income for Texas metropolitan statistical areas is \$54,800 compared to \$41,800 for non-metro households.<sup>50</sup>

The Department works closely with several rural-based affordable housing organizations, private lenders, nonprofits, and units of local government in order to give funding priority to rural areas. It requires more effort to generate affordable housing activity in rural areas as the number of organizations available to assist with these activities is significantly fewer. With this in mind, the Department has developed specific strategies to address the needs of the rural populations of the state, which include rural allocations for housing program funds, prioritization of activities that are most needed in rural areas, and increasing awareness of TDHCA programs in rural areas.

With the exception of the 5 percent of the annual HOME Program allocation which shall be allocated for applicants serving persons with disabilities in any area of the state (as required by Section 2306.111(c) of the Texas Government Code), the TDHCA HOME funds primarily serve persons in rural areas. Participating jurisdictions are those large metropolitan counties and places that receive their HOME funds directly from HUD.

Section 2306.111(d) of the Texas Government Code requires that the TDHCA Regional Allocation Formula consider rural and urban areas in its distribution of program funding. Because of this, allocations for the HTC and HOME programs in allocated by rural and urban areas within each region. Additionally, the HTC Regional Allocation Formula provides for a minimum of \$500,000 rural allocation in each uniform state service region and a minimum of 20 percent of the state's tax credit amount is reserved for rural areas.

TDHCA and the Office of Rural Community Affairs (ORCA) administer the HTC Program rural regional allocation. ORCA assists in developing all thresholds, scoring, and underwriting criteria for rural regional allocation, and must approve the criteria. ORCA also participates in the evaluation and site inspection of rural developments proposed under the rural allocation.

The TDHCA Section 8 Housing Choice Voucher Program specifically serves households in small cities and rural communities that are not served by similar local or regional housing voucher programs.

## **ENERGY EFFICIENCY**

Energy and water costs are often the largest single housing expense after food and shelter for lower income families. Utility costs typically represent 13 to 44 percent of lower income annual gross incomes and can account for nearly one-fourth of total housing costs. Proper use of existing technologies and management practices can reduce these utility costs significantly at a relatively low initial cost, thereby greatly increasing housing affordability for low and moderate income families.

The Department encourages, in each uniform state service region, energy efficiency in the construction of affordable housing by offering training, workshops, conferences, and other opportunities to learn about energy efficiency construction, and by encouraging applicants for Department programs to consider energy efficiency in their developments.

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<sup>50</sup> HUD, "Estimated Median Family Incomes for FY 2006," [http://www.huduser.org/datasets/il/il06/MedianNotice\\_2006.pdf](http://www.huduser.org/datasets/il/il06/MedianNotice_2006.pdf) (accessed July 28, 2006).

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The HTC and HOME Programs require applicants for multifamily developments to adhere to the statewide energy code and provide Energy Star Rated appliance. The HTC Program also gives points for the use of energy-efficient alternative construction materials including R-15 wall and R-30 ceiling insulation, structurally insulated panels, and 14 SEER (seasonal energy efficiency ratio) cooling units.

The Weatherization Assistance Program allocates funding regionally, to help households in each region control energy costs through the installation on weatherization measures and energy conservation education. Weatherization services include the installation of storm windows, attic and wall insulation, and weather-stripping and sealing.

### **LEAD-BASED PAINT**

The Consumer Product Safety Commission banned the use of lead-based paint in housing in 1978. According to the 2000 Census, there are 3,344,406 housing units in Texas that were built before 1979, many of which potentially contain lead-based paint. Of these homes, 2,764,745 are occupied by low income households and 579,661 are occupied by moderate income households. According to the National Safety Council, approximately 38 million US homes contain lead paint.<sup>51</sup>

The HOME Program, administered by TDHCA, requires lead screening in housing built before 1978. Requirements for acquisition and tenant-based rental assistance activities are distribution of the pamphlet “Protect Your Family from Lead in Your Home” prior to receipt of assistance; notification to property owners within 15 days if a visual assessment observes chipping, peeling or flaking paint; and, if detected, the paint must be stabilized using safe work practices and clearance must be provided. Requirements for rehabilitation activities fall into three categories based on the amount of federal assistance.

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<sup>51</sup> National Safety Council, “Lead Poisoning,” (December 2004) <http://www.nsc.org/library/facts/lead.htm> (accessed August 9, 2006).

## DISASTER INITIATIVES

In the event of disasters TDHCA is committed to quickly, efficiently, and responsibly locating funds and developing programs and initiatives to assist affected households and communities. Below are descriptions of the disaster recovery initiatives the Department has developed.

### *Community Development Block Grant Disaster Recovery Funds*

In August 2005, Hurricane Katrina made landfall in Louisiana, and then in September 2005, Hurricane Rita made landfall near Sabine Pass on the southeast Texas Gulf coast. Texas experienced an influx of evacuees from Louisiana escaping Hurricane Katrina, and over 75,000 homes in southeast Texas were severely damaged or destroyed as a result of Rita. According to the Federal Emergency Management Agency (FEMA), 640,968 Katrina and Rita applicants for assistance were residing in Texas as of February 1, 2006.

As the lead agency in partnership with ORCA, the city of Houston, Harris County, and southeast Texas, TDHCA is the administrator of two Community Development Block Grants (CDBG) for disaster recovery funding in Texas under the Department of Defense Appropriations Act, 2006, Public Laws 109-148 and 109-234.

Under Public Law 109-148, a total of \$74.5 million was awarded to Texas to rebuild the southeast Texas region devastated by Hurricane Rita. In July 2006, the TDHCA Board approved awards to three councils of governments (COGs) in the region to rebuild damaged homes, and in August 2006 funds were awarded to four COGs that applied for the CDBG funds on behalf of cities, counties, and Indian tribes for infrastructure repairs. Of all funds awarded, 56.8 percent is dedicated to housing activities including home rehabilitation, reconstruction, and other eligible activities to help the residents of southeast Texas recover from this disaster.

In August 2006, under Public Law 109-234, HUD announced that Texas would receive an additional \$428 million in CDBG disaster funding to promote long-term recovery in the areas affected by the disaster. The action plan for the second round of CDBG funding was approved by HUD on April 13, 2007. The funds of the second round will be used to provide assistance to homeowners of low to moderate income whose houses were damaged by Hurricane Rita, restore and protect owner occupied housing stock in the community of Sabine Pass which was severely damaged by the storm, to repair, rehabilitate and reconstruct affordable rental housing stock in the impacted areas, to restore critical infrastructure damaged by the hurricane where no other funds were available, and to provide assistance to the City of Houston and Harris County for increased demands in public services, law enforcement and judicial services, and community development in areas that have experienced a dramatic population increase due to an influx of Katrina activities.

### *HOME Program*

In the unfortunate event of a natural disaster, the Department may use deobligated HOME funds for disaster relief awards to communities in Texas that are non-Participating Jurisdictions. A Participating Jurisdiction receives HOME funds directly from the federal government and, therefore, would be ineligible for this assistance.

In accordance with Texas Administrative Code, Title 10, Part 1 Chapter 1, subchapter A §1.19, and TAC Section 2306.111, the Department may use HOME deobligated funds for disaster relief through its HOME Owner Occupied Housing Assistance Program. HOME disaster funds are designed specifically to assist eligible homeowners in the repair, rehabilitation and reconstruction of their existing home affected by the natural disaster, with emphasis on assisting those who have no other means of assistance, or as gap financing after any federal assistance. Assisted homeowners must have an income that is below 80% of

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the Area Median Family Income (AMFI), as defined by HUD, must occupy the property as their principal residence and must have been directly affected by the disaster.

There are two types of disaster declarations, a Federal declared disaster and a State declared disaster. Communities in federally declared disaster areas must first apply to the federal government in order to allow counties to access any available federal funds to provide assistance to eligible victims of the disaster. After 90 days, the Department's HOME deobligated funds may be made available to these areas. For State declared disasters, the Department receives a State disaster declaration from the Governor's Office. The Department will notify county officials in the affected areas of the availability of disaster relief funds for which they may apply.

### *Housing Trust Fund*

In September 2007, the TDHCA Governing Board approved the allocation of \$1 million in the 2008 Housing Trust Fund Plan toward the Disaster Recovery Homeowner Repair Gap Financing Program. The purpose of the program is to assist otherwise qualified households, who are lacking only a small portion of funds to fulfill their full cost of construction to participate in the Community Development Block Grant (CDBG) Disaster Recovery Program, to reconstruct or complete their home from damages sustained during Hurricane Rita.

### *Single Family Bond*

In June 2007, TDHCA announced the release of \$15.6 million in home loans made available to qualified homebuyers wishing to purchase a home within the 22 East Texas counties designated under the Gulf Opportunity Zone Act of 2005. In September 2007, an additional \$32 million in First Time Homebuyer Program funds were released for use within targeted areas including the 22-county area known as the Rita Go Zone.

### *Office of Colonia Initiatives*

TDHCA released a NOFA in December 2005 for approximately \$1,800,000 of State of Texas Housing Trust Funds to organizations assisting individuals or families that were victims of Hurricane Rita. The funds were intended to help very low and extremely low income individuals and/or families (owner-builders), including persons with special needs purchase or refinance real property on which to build new residential or improve existing residential housing through self-help construction. Office of Colonia Initiatives staff continues to work with the nonprofit organizations awarded contracts to assist victims of Hurricane Rita.

### *Community Affairs Division*

The Department reserves a portion of the State's Community Services Block Grant (CSBG) funds to provide emergency disaster relief to assist low-income persons at 125% and below of the Federal Poverty Income Guidelines that live in communities impacted by a natural or man-made disaster. The CSBG emergency disaster relief funds are distributed to CSBG eligible entities and are to be utilized to provide persons with emergency shelter, food, clothing, pharmaceutical supplies, bedding, cleaning supplies, personal hygiene items, and replacement of essential appliances including stoves, refrigerators and water heaters. In the event of a disaster, persons should contact the local CSBG eligible entity in the affected area.



## **TDHCA PROGRAM PLANS**

The following TDHCA programs govern the use of available housing resources in meeting the housing needs of low income Texans. Program descriptions include information on the funding source, type of assistance, recipients, targeted beneficiaries, program activities, set-asides, and special initiatives.

### **HOME INVESTMENT PARTNERSHIPS PROGRAM**

The HOME Investment Partnerships (HOME) Program is authorized under the Cranston-Gonzalez National Affordable Housing Act (42 USC Section 12701 et. seq.) and receives funding from the US Department of Housing and Urban Development (HUD).

The purpose of the HOME Program is to expand the supply of decent, safe, and affordable housing for extremely low, very low, and low income households, and to alleviate the problems of excessive rent burdens, homelessness, and deteriorating housing stock. HOME strives to meet both the short-term goal of increasing the supply and the availability of affordable housing and the long-term goal of building partnerships between state and local governments and private and nonprofit organizations in order to strengthen their capacity to meet the housing needs of lower income Texans. To achieve this purpose, the HOME Program provides loans and grants to units of local government, public housing authorities (PHAs), community housing development organizations (CHDOs), nonprofit organizations, and for-profit entities. TDHCA provides technical assistance to all recipients of the HOME Program to ensure that all participants meet and follow state implementation guidelines and federal regulations.

According to §2306.111, Texas Government Code, in administering federal housing funds provided to the state under the Cranston-Gonzalez National Affordable Housing Act (Act), the Department shall expend 95 percent of these funds for the benefit of non-participating areas that do not qualify to receive funds under the Act directly from the United States Department of Housing and Urban Development. The remaining 5 percent of HOME funds may be expended in any area of the state, but only if the funding serves persons with disabilities. Additionally, this section mandates the allocation of HOME funds to each Uniform State Service Region using a regional allocation formula.

#### *Description of Activities*

There are four major activities in the HOME program including: Owner-Occupied (OCC) Rehabilitation Housing Assistance, Tenant-Based Rental Assistance (TBRA), Homebuyer Assistance (HBA), and Rental Housing Development (RHD).

#### ***Owner-Occupied Rehabilitation (OCC)***

OCC Rehabilitation or reconstruction cost assistance is provided to homeowners for the repair or reconstruction of their existing home, which must be the principal residence of the homeowner. At the completion of the assistance, all properties must meet the Texas Minimum Construction Standards, the International Residential Code (IRC) and local building codes. If a home is reconstructed, the applicant must also ensure compliance with the universal design features in new construction, established by §2306.514, Texas Government Code.

#### ***Tenant Based Rental Assistance (TBRA)***

TBRA provides rental subsidy, security, and utility deposit assistance. TBRA allows the assisted tenant to live in and move to any dwelling unit with a right to continued assistance, in accordance with written tenant selection policies, for a period not to exceed 24 months. The tenant should also participate in a self-sufficiency program while receiving TBRA assistance.

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#### Homebuyer Assistance (HBA)

HBA includes down payment and closing cost assistance and is provided to homebuyers for the acquisition of affordable single family housing. This activity may also be used for the following:

- Construction costs associated with architectural barrier removal in assisting homebuyers with disabilities by modifying a home purchased with HOME assistance to meet their accessibility needs.
- Acquisition costs associated with Contract for Deed conversions to serve colonia residents.
- Acquisition or new construction costs for the replacement of manufactured housing.

#### Rental Housing Development (RHD)

RHD funds are awarded to eligible applicants for the development of affordable rental housing. Owners are required to make the units available to extremely low, very low, and low income families, and must meet long-term rent restrictions as defined by HUD. *Regional Allocation Formula*

All HOME funding awards under this plan are subject to Texas Government Code §2306.111 and as such will be distributed according to the established Regional Allocation Formula (RAF). The 2008 RAF distributes funding for all HOME-funded activities except federal and state mandates for set-asides for Community Housing Development Organizations (CHDO), Housing Programs for Persons with Disabilities, Contract for Deed Conversion, and Colonia Model Subdivision Loan Programs. The following table demonstrates the combined regional funding distribution for all of the HOME activities distributed under the RAF.

**Targeted Distribution of Funds under the RAF**

Region	Large MSA within Region for Geographical Reference	Regional Funding Amount	Regional Funding %	Rural Funding Amount	Rural Funding %	Urban Funding Amount	Urban Funding %
1	Lubbock	\$1,806,138	5.6%	\$1,805,803	100.0%	\$335	0.0%
2	Abilene	\$1,185,677	3.7%	\$1,160,586	97.9%	\$25,091	2.1%
3	Dallas/Fort Worth	\$5,659,827	17.7%	\$1,737,644	30.7%	\$3,922,182	69.3%
4	Tyler	\$4,068,199	12.7%	\$3,172,779	78.0%	\$895,420	22.0%
5	Beaumont	\$1,880,350	5.9%	\$1,702,882	90.6%	\$177,468	9.4%
6	Houston	\$2,272,433	7.1%	\$932,492	41.0%	\$1,339,941	59.0%
7	Austin/Round Rock	\$1,361,443	4.3%	\$766,555	56.3%	\$594,888	43.7%
8	Waco	\$1,501,825	4.7%	\$798,792	53.2%	\$703,033	46.8%
9	San Antonio	\$1,633,550	5.1%	\$1,025,036	62.7%	\$608,514	37.3%
10	Corpus Christi	\$2,314,752	7.2%	\$1,917,919	82.9%	\$396,832	17.1%
11	Brownsville/Harlingen	\$5,624,379	17.6%	\$4,078,419	72.5%	\$1,545,960	27.5%
12	San Angelo	\$1,624,679	5.1%	\$1,133,886	69.8%	\$490,793	30.2%
13	El Paso	\$1,066,747	3.3%	\$592,177	55.5%	\$474,570	44.5%
	Total	\$32,000,000	100.0%	\$20,824,970	65.1%	\$11,175,030	34.9%

See the *State of Texas Consolidated Plan: One Year Action Plan* at <http://www.tdhca.state.tx.us/ppa/housing-center/pubs.htm#consolidated> for further details on the HOME Program. The HOME Program rules may be accessed from the TDHCA website at <http://www.tdhca.state.tx.us/home-division/index.htm>. For more information regarding HOME single family activities, contact Sandy Garcia, Production Manager, at (512) 475-1391 or [sandy.garcia@tdhca.state.tx.us](mailto:sandy.garcia@tdhca.state.tx.us). For HOME multifamily activity information, contact Barbara Skinner, Multifamily Program Specialist, at (512) 475-1643 or [barbara.skinner@tdhca.state.tx.us](mailto:barbara.skinner@tdhca.state.tx.us).



## HOUSING TRUST FUND

The Housing Trust Fund (HTF) receives several sources of funding from the State of Texas including: multifamily bond issuance fees, loan repayments and other funds that are received and appropriated by the Department or Legislature. HTF is the only State-authorized program for affordable housing development. Funding is awarded as loans and grants to nonprofits; units of local government; public housing agencies; and for-profit entities. The targeted beneficiaries of the program are low, very low, and extremely low income households. Eligible program activities for the Housing Trust Fund include, but are not limited to the following:

- The acquisition, rehabilitation, and new construction of affordable rental housing. Housing Trust Funds have typically been used as gap financing in developments and combined with other Department programs, like the HOME Program and Housing Tax Credit Program. Refinancing or rehabilitation of properties constructed within the past 5 years and previously funded by the Department are not eligible;
- The acquisition, rehabilitation, and new construction of affordable homeownership developments. Developments may be completed by a contracted developer or through Self-Help Construction; and
- Tenant-based rental assistance in which the assisted tenant may move from a dwelling unit with a right to continued assistance. Tenant-based rental assistance also includes security and utility deposits for rental of dwelling units.

While all of these are eligible activities under the program's rule, not all of these activities will occur each year and Notices of Funding Availability (NOFAs) will be released identifying the activities for which funds can actually be applied.

Pursuant to §2306.111(d-1) of the Texas Government Code, HTF 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 HTF; or serves people with disabilities; or do not exceed \$3 million.

**Housing Trust Fund Program RAF**

Region	Large MSA within Region for Geographical Reference	Regional Funding Amount	Regional Funding %	Rural Funding Amount	Rural Funding %	Urban Funding Amount	Urban Funding %
1	Lubbock	\$47,052	4.7%	\$19,531	41.5%	\$27,520	58.5%
2	Abilene	\$20,175	2.0%	\$12,087	59.9%	\$8,089	40.1%
3	Dallas/Fort Worth	\$222,580	22.3%	\$15,039	6.8%	\$207,541	93.2%
4	Tyler	\$65,181	6.5%	\$34,450	52.9%	\$30,731	47.1%
5	Beaumont	\$26,664	2.7%	\$16,327	61.2%	\$10,337	38.8%
6	Houston	\$185,413	18.5%	\$13,634	7.4%	\$171,779	92.6%
7	Austin/Round Rock	\$35,475	3.5%	\$3,116	8.8%	\$32,358	91.2%
8	Waco	\$55,523	5.6%	\$13,932	25.1%	\$41,591	74.9%
9	San Antonio	\$73,831	7.4%	\$9,422	12.8%	\$64,409	87.2%
10	Corpus Christi	\$49,076	4.9%	\$21,585	44.0%	\$27,491	56.0%
11	Brownsville/Harlingen	\$146,542	14.7%	\$57,775	39.4%	\$88,767	60.6%
12	San Angelo	\$33,137	3.3%	\$13,255	40.0%	\$19,882	60.0%
13	El Paso	\$39,352	3.9%	\$5,713	14.5%	\$33,639	85.5%
	Total	\$1,000,000	100.0%	\$235,867	23.6%	\$764,133	76.4%

## *Action Plan*

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### *TDHCA Program Plans*

Note: At the time of publishing this document there were not sufficient funds in the Housing Trust Fund to require allocation under the formula. This formula and estimate of \$1,000,000 is merely a model of what the RAF would be for Housing Trust Fund dollars if the program funds were increased.

The HTF Rule and Funding Plan may be accessed from the TDHCA website at <http://www.tdhca.state.tx.us/home-division/htf/index.htm>. For more information on the HTF program, contact the HOME division at (512) 463-8921.

### **HOUSING TAX CREDIT PROGRAM**

The Housing Tax Credit (HTC) Program receives authority from the US Treasury Department to provide tax credits to nonprofits, for-profit developers, and syndicators or investors. The targeted beneficiaries of the program are very low and extremely low income families at or below 60 percent Area Median Family Income (AMFI). The program's purpose is to encourage the development and preservation of rental housing for low income families, provide for the participation of for-profit and nonprofit organizations in the program, maximize the number of units added to the state's housing supply, and prevent losses in the state's supply of affordable housing.

The HTC Program was created by the Tax Reform Act of 1986 and is governed by the Internal Revenue Code of 1986 (the "Code"), as amended, 26 USC Section 42. It authorizes tax credits in the amount of \$1.95 per capita of the state population. Tax credits are also awarded to developments with tax-exempt bond financing and are made independent of the state annual tax credit allocation. TDHCA is the only entity in the state with the authority to allocate housing tax credits under this program. The State's distribution of the credits is administered by TDHCA's *Qualified Allocation Plan and Rules* (QAP), as required by the Code. Per Section 2306.67022, the Governor shall approve, reject, or modify and approve the Board-approved QAP not later than December 1 of each year.

To qualify for tax credits, the proposed development must involve new construction or undergo substantial rehabilitation of residential units, which is defined as at least \$12,000 per rental unit of construction hard costs, unless financed with TX-USDA-RHS, in which case the minimum is \$6,000. The credit amount for which a development may be eligible depends on the total amount of depreciable capital improvements, the percentage of units set aside for qualified tenants, and the funding sources available to finance the total development cost. Pursuant to the Code, a low income housing development qualifies for residential rental occupancy if it meets one of the following two criteria: (1) 20 percent or more of the residential units in the development are both rent-restricted and occupied by individuals whose income is 50 percent or less of AMFI; or (2) 40 percent or more of the residential units in the development are both rent-restricted and occupied by individuals whose income is 60 percent or less of AMFI. Typically, 60 to 100 percent of a development's units will be set aside for qualified tenants in order to maximize the amount of tax credits the development may claim.

Credits from the state annual tax credit allocation are awarded through a competitive application process. Each application must satisfy a set of threshold criteria and is scored based on selection criteria. The selection criteria referenced in the QAP is approved by the TDHCA Board each year. The board considers the recommendations of the TDHCA staff and determines a final award list. Tax credits to developments with tax-exempt bond financing are awarded through a similar application review process, but because these credits are not awarded from a limited credit pool, the process is noncompetitive and the selection criteria are not part of the application.

The Department requires recipients of tax credits to document the participation of minority-owned businesses in the development and management of tax credit developments, and has established a minimum goal of 30 percent participation. The selection criteria awards extra points to developments owned by historically underutilized businesses (HUBs) or that have a plan in place for utilizing HUBs, and also development location criteria including areas located in colonias. Efforts are made in the

planning process and allocation of funds to ensure the involvement of housing advocates, community-based institutions, developers, and local municipalities. The Department also encourages the participation of community development corporations and other neighborhood-based groups.

### **Regional Allocation Formula**

In accordance with Senate Bill 264, TDHCA allocates HTC Program funds to each region using a need-based formula developed by the Department. Please see “2007 Regional Allocation Formula” in this section for further explanation. Using the 2007 Regional Allocation Formula, each region will receive the following amount of funding for use with activities subject to the formula. Funding figures will be included in the final document.

#### **HTC Program RAF**

Region	Large MSA within Region for Geographical Reference	Regional Funding Amount	Regional Funding %	Rural Funding Amount	Rural Funding %	Urban Funding Amount	Urban Funding %
1	Lubbock	\$1,747,065	4.4%	\$613,023	35.1%	\$1,134,042	64.9%
2	Abilene	\$924,236	2.3%	\$512,937	55.5%	\$411,299	44.5%
3	Dallas/Fort Worth	\$8,702,058	21.8%	\$615,708	7.1%	\$8,086,350	92.9%
4	Tyler	\$2,087,620	5.2%	\$1,204,415	57.7%	\$883,205	42.3%
5	Beaumont	\$966,742	2.4%	\$577,144	59.7%	\$389,598	40.3%
6	Houston	\$8,582,808	21.5%	\$712,927	8.3%	\$7,869,882	91.7%
7	Austin/Round Rock	\$2,187,352	5.5%	\$525,404	24.0%	\$1,661,948	76.0%
8	Waco	\$2,512,174	6.3%	\$534,363	21.3%	\$1,977,811	78.7%
9	San Antonio	\$2,940,389	7.4%	\$532,411	18.1%	\$2,407,978	81.9%
10	Corpus Christi	\$1,701,220	4.3%	\$737,767	43.4%	\$963,454	56.6%
11	Brownsville/Harlingen	\$4,980,069	12.5%	\$1,792,170	36.0%	\$3,187,899	64.0%
12	San Angelo	\$1,051,645	2.6%	\$515,859	49.1%	\$535,786	50.9%
13	El Paso	\$1,566,623	3.9%	\$525,873	33.6%	\$1,040,749	66.4%
	Total	\$39,950,000	100.0%	\$9,400,000	23.5%	\$30,550,000	76.5%

The estimated total tax credit ceiling for this table is \$43 million. As required by state statute, 15% (\$6,450,000) of that ceiling is deducted for the At-Risk Set-Aside, which is not awarded regionally. The balance of the estimated ceiling, \$36,550,000 is regionally allocated using this formula.

Projected HTC Program Funding for FY 2008: \$46,000,000

The Qualified Allocation Plan and Rules may be accessed from the TDHCA website at <http://www.tdhca.state.tx.us/multifamily/htc/index.htm>. For more information, contact the Multifamily Finance Production Division at (512) 475-3340.

### **MULTIFAMILY BOND PROGRAM**

The Multifamily Bond Program issues tax-exempt and taxable housing mortgage revenue bonds (MRBs) under the Private Activity Bond Program (PAB) to fund loans to nonprofit and for-profit developers. The proceeds of the bonds are used to finance the construction, acquisition, or rehabilitation of multifamily properties with the targeted beneficiaries being very low, low, and moderate income households. Owners elect to set aside units in each development according to §1372, Texas Government Code. Rental developments must comply with Section 504 unit standards. Property owners are also required to offer a variety of services to benefit the residents of the development. Specific tenant programs must be designed to meet the needs of the current tenant profile and must be approved annually by TDHCA.

TDHCA issues tax-exempt, multifamily MRBs through two different authorities defined by the Internal Revenue Code. Under one authority, tax-exempt bonds used to create housing developments are subject

## **Action Plan**

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### *TDHCA Program Plans*

to the State's private activity volume cap. The State will set aside 22 percent of the annual private activity volume cap for multifamily developments. Approximately \$440 million in issuance authority will be made available to various issuers to finance multifamily developments, of which 20 percent, or approximately \$88 million, will be made available exclusively to TDHCA. On August 15th of each year, any allocations in the subcategories of the bond program that have not been reserved pool into one allocation fund. This is an opportunity for TDHCA to apply for additional allocation and which allows TDHCA to issue more bonds than the set-aside of \$88 million. PAB Issuance authority per individual development is allocated and administered by the Texas Bond Review Board (BRB). Initially, applications submitted to the BRB are allocated by a lottery. TDHCA, local issuers, local housing authorities, and other eligible bond issuers submit applications for specific developments on behalf of development owners. Applications submitted to TDHCA for the private activity bond program will be scored and ranked by priority and highest score. TDHCA will be accepting applications throughout the 2008 program year. Developments that receive 50 percent or more of their funding from the proceeds of tax-exempt bonds under the private activity volume cap are also eligible to apply for Housing Tax Credits.

Under the second authority, TDHCA may issue tax-exempt MRBs to finance properties that are owned entirely by nonprofit organizations. Bonds issued under this authority are exempt from the private activity volume cap. This is a noncompetitive application process and applications may be received at any time throughout the year. In addition to the set-asides above, 75 percent of development units financed under the 501(c)(3) authority must be occupied by households earning 80 percent or less of the area median income.

Projected Multifamily Bond Program Funding for FY 2007: \$140,000,000

The Multifamily Housing Revenue Bond Rules may be accessed from the TDHCA website at <http://www.tdhca.state.tx.us/multifamily/bond/index.htm>. For more information, contact the Multifamily Finance Production Division at (512) 475-3340.

### **FIRST TIME HOMEBUYER PROGRAM**

The First Time Homebuyer Program receives funding from tax-exempt and taxable mortgage revenue bonds. The program offers 30-year fixed-rate mortgage financing at below-market rates for very low, low, and moderate income residents purchasing their first home or residents who have not owned a home within the preceding three years. Qualified applicants access First Time Homebuyer Program funds by contacting any participating lender, which is then responsible for the loan application process and subsequent loan approval. After closing, the lender transfers the mortgage loan to a Master Servicer designated by TDHCA.

The First Time Homebuyer Program provides homeownership opportunities for qualified individuals and families whose gross annual household income does not exceed 115 percent of AMFI (area median family income) limitations, based on IRS adjusted income limits, and the purchase price of the home must not exceed stipulated maximum purchase price limits. A minimum of 30 percent of program funds will be set aside to assist Texans earning 60 percent or less of program income limits. A portion of the funds will also be set-aside for borrowers earning between 61% and 80% of the program income limits.

Income limits for the program are set by the IRS Tax Code (1986) based on income figures determined by the US Department of Housing and Urban Development. The first time homebuyer restriction is established by federal Internal Revenue Service regulations, which also require that program recipients may be subject to a recapture tax on any capital gain realized from a sale of the home during the first nine years of ownership. Certain exceptions to the first time homebuyer restriction, income ceiling, and maximum purchase price limitation apply in targeted areas. Such targeted areas are qualified census tracts in which 70 percent or more of the families have an income of 80 percent or less of the statewide median

income and/or are areas of chronic economic distress as designated by the state and approved by the Secretaries of Treasury and Housing and Urban Development, respectively.

Projected Texas First Time Homebuyer Program funding for FY 2007: \$125,000,000

For more information, contact Eric Pike, Texas Homeownership Division, at (512) 475-3356 or [eric.pike@tdhca.state.tx.us](mailto:eric.pike@tdhca.state.tx.us). To request a First Time Homebuyer information packet, please call 1-800-792-1119.

### **GRANT ASSISTANCE PROGRAM**

The Texas Department of Housing and Community Affairs offers grant funds for down payment and closing cost assistance on a first-come, first-served basis for mortgage loans originated through the First Time Homebuyer Program. The Grant Assistance Program (GAP) currently provides up to 5 percent of the amount of the mortgage loan, but may vary depending on the program. Assistance is available to eligible borrowers whose incomes do not exceed 80 percent of the program income limits.

Projected Grant Assistance Program funding for FY 2007: Varies by bond issuance.

The Texas First Time Homebuyer Program Rules may be accessed from the TDHCA website at <http://www.tdhca.state.tx.us/homeownership/index.htm>. For more information, contact Eric Pike, Texas Homeownership Division, at (512) 475-3356 or [eric.pike@tdhca.state.tx.us](mailto:eric.pike@tdhca.state.tx.us). To request a First Time Homebuyer information packet, please call 1-800-792-1119.

### **MORTGAGE CREDIT CERTIFICATE PROGRAM**

A mortgage credit certificate (MCC) provides a tax credit that will reduce the federal income taxes, dollar-for-dollar, of qualified buyers purchasing a qualified residence. As a result, the MCC effectively reduces the monthly mortgage payment and increases the buyer's disposable income by reducing his or her federal income tax obligation. This tax savings provides a family with more available income to qualify for a loan and meet mortgage payment requirements.

The amount of the annual tax credit may equal 35 percent of the annual interest paid on a mortgage loan; however, the maximum amount of the credit cannot exceed \$2,000 per year. The credit cannot be greater than the annual federal income tax liability, after all other credits and deductions have been taken into account. MCC tax credits in excess of a borrower's current year tax liability may, however, be carried forward for use during the subsequent three years.

The MCC Program provides homeownership opportunities for qualified individuals and families whose gross annual household income does not exceed 115 percent of AMFI limitations, based on IRS adjusted income limits. In order to participate in the MCC Program, homebuyers must meet certain eligibility requirements and obtain a mortgage loan through a participating lender. The mortgage loan must be financed from sources other than tax-exempt revenue bonds. The mortgage may be a conventional, FHA, VA, or RHS loan at prevailing market rates, but may not be used in connection with the refinancing of an existing loan.

Projected Mortgage Credit Certificate Program funding for FY 2008: \$0

The Texas First Time Homebuyer Program Rules may be accessed from the TDHCA website at <http://www.tdhca.state.tx.us/homeownership/index.htm>. For more information, contact Eric Pike, Texas Homeownership Division, at (512) 475-3356 or [eric.pike@tdhca.state.tx.us](mailto:eric.pike@tdhca.state.tx.us).

### **LOAN STAR LOAN PROGRAM**



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### *TDHCA Program Plans*

The Loan Star Mortgage Program offers conventional, conforming first lien purchase mortgage loans, at market level interest rates, with second lien amortizing loans providing 8 percent down payment assistance. Target populations include low and moderate income households who may or may not have previously owned a home and require down payment assistance and seek minimal paperwork. Participating lenders statewide originate the mortgage loans.

The program is offered in conjunction with CitiMortgage Inc. using external market sources, and is intended to serve segments of the Texas homebuyer market not currently served by TDHCA's present tax-exempt bond program. An essential component of the Loan Star Mortgage Program is the down payment assistance achieved through a Fannie Mae MyCommunity second lien mortgage.

Projected Loan Star Lone Program funding for FY 2008: \$20,000,000

The Texas First Time Homebuyer Program Rules may be accessed from the TDHCA website at <http://www.tdhca.state.tx.us/homeownership/index.htm>. For more information, contact Martha Sudderth, Texas Homeownership Division, at (512) 475-3444 or [martha.sudderth@tdhca.state.tx.us](mailto:martha.sudderth@tdhca.state.tx.us).

### **TEXAS STATEWIDE HOMEBUYER EDUCATION PROGRAM**

The Texas Statewide Homebuyer Education Program (TSHEP) offers provider certification training to nonprofit organizations including Texas Agriculture Extension Agents, units of local government, faith-based organizations, CHDOs, community development corporations, community-based organizations, and other organizations with a proven interest in community building. In addition, a referral service for individuals interested in taking a homebuyer education class is available through TDHCA. The targeted beneficiaries of the program include extremely low, very low, low, and moderate income individuals; minority populations; and persons with disabilities.

To ensure uniform quality of the homebuyer education provided throughout the state, TDHCA contracts with training professionals to teach local nonprofit organizations the principles and applications of comprehensive pre- and post-purchase homebuyer education. The training professionals and TDHCA also certify the participants as homebuyer education providers.

Projected Texas Statewide Homebuyer Education Program funding for FY 2008: \$70,000.

For more information, contact Dina Gonzalez, Texas Homeownership Division at (512) 475-3993 or [dina.gonzalez@tdhca.state.tx.us](mailto:dina.gonzalez@tdhca.state.tx.us).

### **OFFICE OF COLONIA INITIATIVES**

In 1996, in an effort to place more emphasis on addressing the needs of colonias, the Office of Colonia Initiatives (OCI) was created and charged with the responsibility of coordinating all Department and legislative initiatives involving border and colonia issues and managing a portion of the Department's existing programs targeted at colonias. The fundamental goal of the OCI is to improve the living conditions and lives of border and colonia residents, and to educate the public regarding the services that the Department has to offer.

Projected Office of Colonia Initiatives funding for FY 2007: \$7,200,000.

See the 2008-2009 Colonia Action Plan in Section 6 of this document for more information on the specific programs and activities of the Office of Colonia Initiatives. For additional information, contact Homero V. Cabello, Office of Colonia Initiatives, at 1-800-462-4251 or [homero.cabello@tdhca.state.tx.us](mailto:homero.cabello@tdhca.state.tx.us).

### **COMPREHENSIVE ENERGY ASSISTANCE PROGRAM**

The Comprehensive Energy Assistance Program (CEAP) is funded by the U.S. Department of Health and Human Services' Low Income Home Energy Assistance Program (LIHEAP). TDHCA administers the program through a network of 49 CEAP Subrecipients. The Subrecipients consist of community action agencies, nonprofit entities, and units of local government. The targeted beneficiaries of the CEAP in Texas are households with an income at or below 125 percent of federal poverty guidelines, with priority given to the elderly; persons with disabilities; families with young children; households with the highest energy costs or needs in relation to income (highest home energy burden); and households with high energy consumption. Subrecipients must conduct outreach activities for these special needs populations.

The purpose of the CEAP is to provide utility assistance to eligible households. Additionally, some households qualify for repair, replacement, or retrofit of inefficient heating and cooling appliances. An applicant seeking utility assistance applies to the local CEAP subrecipient for assistance. The subrecipient determines income-eligibility, prioritizes status (this includes a review of billing history to determine energy burden and consumption), and determines which CEAP component is most appropriate for the eligible applicant. If the CEAP applicant is eligible and meets program priorities, the CEAP subrecipient makes a utility payment to a utility company through a vendor agreement with utility providers.

#### *Services to Clients*

There are four CEAP components:

- The Elderly and/or Disabled Component is designed to assist households with at least one member who is elderly and/or disabled. Households can receive up to four utility payments in a program year. Assistance is based on energy consumption in the previous 12 months, energy burden (percentage of income used for energy), and the income category for which the household qualifies.
- The Co-Payment Component is designed to assist households by providing client education, budget counseling, and assisting households with utility payments for six to twelve months.
- The Heating and Cooling Component is designed to address inefficient heating and cooling appliances through repair, replacement, or retrofit for households that have high energy consumption
- The Energy Crisis Component is designed to provide one-time utility assistance to households during a period of extreme temperatures or an energy supply shortage. In some instances, Energy Crisis funds can be used to address natural disasters.

The allocation formula for the Comprehensive Energy Assistance program uses the following five factors and corresponding weights to distribute its funds by county: county non-elderly poverty household factor (40 percent); county elderly poverty household factor (40 percent); county inverse poverty household density factor (5 percent); county median income variance factor (5 percent); and county weather factor (10 percent).

Comprehensive Energy Assistance Program funding for FY 2008: \$38,700,738.

## *Action Plan*

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### *TDHCA Program Plans*

The Energy Assistance plans and rules may be accessed from the TDHCA website at <http://www.tdhca.state.tx.us/ea/index.htm>. For more information contact the Energy Assistance Section at (512) 475-3951. To apply for CEAP, call 1-877-399-8939, toll free, using a land phone.

### **WEATHERIZATION ASSISTANCE PROGRAM**

The Weatherization Assistance Program (WAP) is funded by the U.S. Department of Energy and the U.S. Department of Health and Human Services' Low Income Home Energy Assistance Program (LIHEAP). The Texas Department of Housing and Community Affairs (the Department) administers the WAP through a network of 33 WAP Subrecipients. The Subrecipients consist of community action agencies, nonprofit entities, and units of local government. The targeted beneficiaries of the CEAP in Texas are households with an income at or below 125 percent of federal poverty

The purpose of the WAP is to provide cost effective weatherization measures to improve the energy efficiency of eligible client households. Typical weatherization measures include attic and wall insulation, weather-stripping and air sealing measures, heating and cooling unit repair and/or replacement, refrigerator replacement, and minor roof repair.

Partnerships between the Department and the following Investor Owned Utility companies: Entergy, El Paso Electric, Southwest Electric Power Company, Southwest Public Service provide weatherization measures to low income utility customers. These partnerships increase the total number of low-income households that receive weatherization services and allow the Department to leverage the federal weatherization funds with the utility company funds.

### *Services to Clients*

To help consumers control energy costs, WAP funds the installation of weatherization measures such as attic and wall insulation, energy efficient appliances, weather-stripping, caulking, and replacement of inefficient heating and cooling units. WAP also provides energy conservation education. In order to provide weatherization measures for a dwelling, the household must meet income-eligibility criteria and the measures must meet specific energy-savings goals.

The allocation formula for the Weatherization Assistance program uses the following five factors and corresponding weights to distribute its funds by county: county non-elderly poverty household factor (40 percent); county elderly poverty household factor (40 percent); county inverse poverty household density factor (5 percent); county median income variance factor (5 percent); and county weather factor (10 percent).

Projected Weatherization Assistance Program funding for FY 2007: \$13,484,871.

The Energy Assistance plans and rules may be accessed from the TDHCA website at <http://www.tdhca.state.tx.us/ea/index.htm>. For more information, contact the Energy Assistance Section at (512) 475-3951. To apply for weatherization, call 1-888-606-8889, toll free, using a land phone.



**EMERGENCY SHELTER GRANTS PROGRAM**

The Emergency Shelter Grants Program (ESGP) receives funding from the US Department of Housing and Urban Development and awards grants to units of local government and private nonprofit entities that provide shelter and related services to homeless persons and/or intervention services to persons at risk of homelessness. Activities eligible for ESGP funding include the rehabilitation or conversion of buildings for use as emergency shelters for the homeless; the provision of essential services to the homeless; costs related to the development and implementation of homeless prevention activities; costs related to operation administration; and costs related to maintenance, operation, rent, repairs, security, fuel, equipment, insurance, utilities, food and furnishings.

ESGP funds are reserved according to the percentage of poverty population identified in each of the 13 state service regions. The top scoring applications in each region are recommended for funding, based on the amount of funds available for that region. Any application that receives a score below 70 percent of the highest raw score from the region is not considered for funding.

Projected Emergency Shelter Grants Program funding for FY 2008: TBD.

See the *State of Texas Consolidated Plan: One Year Action Plan* at <http://www.tdhca.state.tx.us/ppa/housing-center/pubs.htm#consolidated> for further details on the ESG Program. For more information, contact the Community Services Section at (512) 475-3905.

**COMMUNITY SERVICES BLOCK GRANT PROGRAM**

The Community Services Block Grant Program (CSBG), received from the U.S. Department of Health and Human Services (USHHS), is utilized to fund CSBG-eligible entities and to fund activities that support the intent of the CSBG Act. Ninety-percent of the funds are targeted to low income individuals and funds are also utilized to provide assistance to Native Americans and migrant and seasonal farmworkers. Income eligibility is for persons at or below 125 percent of the current federal income poverty guidelines issued by USHHS.

CSBG provides administrative support to 46 CSBG-eligible entities. The funding assists in providing essential services, including access to child care, health and human services, nutrition, transportation, job training and employment services, education services, activities designed to make better use of available income, housing services, emergency assistance, activities to achieve greater participation in the affairs of the community, youth development programs, information and referral services, activities to promote self-sufficiency; and other related services.

Five percent of the State's CSBG allocation is used to fund innovative projects that address the causes of poverty, promote client self-sufficiency, or promote community revitalization; to provide emergency disaster relief assistance to persons impacted by a natural or man-made disaster; to provide funding to organizations serving Native Americans and migrant or seasonal farm workers; and to provide funding for other eligible discretionary activities as authorized by the Department's Board.

Allocations to the 46 CSBG-eligible entities are based on two factors: (1) the number of persons living in poverty within the designated service delivery area for each organization and (2) a calculation of population density. Poverty population is given 98 percent weight, and the ratio of inverse population density is given 2 percent weight. The formula also includes a base award for each organization before the factors are applied, as well as a floor, or minimum award. In FY 2008, the Department will utilize the 2000 Census population figures at 125 percent of poverty, a base of \$50,000, and a floor at \$150,000.

Community Services Block Grant Program funding for FY 2008: TBD.

## **Action Plan**

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### *TDHCA Program Plans*

Additional documentation, including the CSBG Plan, may be accessed at the TDHCA website at <http://www.tdhca.state.tx.us/pubs.htm#cs>. For more information, contact the Community Services Section at (512) 475-3905.

### **SECTION 8 HOUSING CHOICE VOUCHER PROGRAM**

The Section 8 Housing Choice Voucher Program provides rental assistance payments on behalf of low income individuals and families, including the elderly and persons with disabilities. The program provides financial assistance for decent, safe and sanitary housing to eligible households whose gross income does not exceed 50% of HUD's median income guidelines. HUD requires 75% of all new households admitted to the program be at or below 30% of the area median income. Eligibility is based on several factors, including the household's income, size and composition, citizenship status, assets, medical and childcare expenses. Qualified households may select the best available housing through direct negotiations with landlords to ensure accommodations that meet their needs. TDHCA pays approved rent amounts directly to property owners.

The Section 8 Housing Choice Voucher Program currently contracts with units of local governments, community action agencies and public housing authorities to assist with the administration of approximately 1,000 housing choice vouchers. The Department administers vouchers in 28 counties.

Projected Section 8 Program funding for FY 2008: *The dollar amount will be included in the final version of this document*

Additional documentation, including the Section 8 Plan, may be accessed at the TDHCA website at <http://www.tdhca.state.tx.us/pubs.htm#sec8>. For more information, contact the Section 8 Program at (512) 475-3892.

### **MANUFACTURED HOUSING DIVISION**

The Manufactured Housing Division regulates the manufactured housing industry in Texas by ensuring that manufactured homes are well constructed, safe, and correctly installed; by providing consumers with fair and effective remedies; and by providing economic stability to manufacturers, retailers, installers, and brokers. The Division licenses manufactured housing professionals and maintains records of the ownership, location, real or personal property status, and lien status (on personal property homes) on manufactured homes. It also records tax liens on manufactured homes. Because of its regulatory nature, the Division has its own governing board and executive director.

Relying on a team of trained inspectors operating from eight locations around the state, the Division inspects manufactured homes throughout the state. Those inspectors also assist TDHCA by inspecting properties for the Portfolio Management and Compliance Division and by inspecting and processing license applications for migrant farm worker housing facilities. The Division also handles approximately 1,200 consumer complaints a year, many of those requiring investigation and enforcement action.

For more information, contact the Manufactured Housing Division at 1-800-500-7074.

## **TDHCA ALLOCATION PLANS**

The Department has developed allocation formulas for many TDHCA programs in order to target available housing resources to the neediest households in each uniform state service region. These formulas are based on objective measures of need in order to ensure an equitable distribution of funding.

### **2008 REGIONAL ALLOCATION FORMULA**

Sections 2306.111(d) and 2306.1115 of the Government Code require that TDHCA use a Regional Allocation Formula (RAF) to allocate its HOME, HTC, and HTF funding. This RAF objectively measures the affordable housing need and available resources in 13 State Service Regions used for planning purposes. Within each region, the RAF further targets funding to rural and urban areas.

As a dynamic measure of need, the RAF is revised annually to reflect updated demographic and resource data; respond to public comment; and better assess regional housing needs and available resources. The RAF is submitted annually for public comment.

Slightly modified versions of the RAF are used for HOME, HTC, and HTF because the programs have different eligible activities, households, and geographical service areas. For example, because 95 percent of HOME funding must be set aside for non-PJs, the HOME RAF only uses need and available resource data for non-PJs.

For the 2008 fiscal year, the RAF uses the following 2000 US Census data to calculate this regional need distribution:

- **Poverty:** Number of persons in the region who live in poverty.
- **Cost Burden:** Number of households with a monthly gross rent or mortgage payment to monthly household income ratio that exceeds 30 percent.
- **Overcrowded Units:** Number of occupied units with more than one person per room.
- **Units with Incomplete Kitchen or Plumbing:** Number of occupied units that do not have all of the following: sink with piped water; range or cook top and oven; refrigerator, hot and cold piped water, flush toilet, and bathtub or shower.

There are a number of other funding sources that can be used to address affordable housing needs. To mitigate any inherent inequities in the regional allocation of these funds, the RAF compares each region's level of need to its level of resources. In the 2007 fiscal year, resources from the following sources were used in the RAF: HTC, HTF, HUD (HOME, Housing Opportunities for Persons with AIDS (HOPWA), public housing authority (PHA) capital funding, and Section 8 funding), Bond Financing, and United States Department of Agriculture (USDA) housing programs.

Please see the HOME, HTC, and HTF program sections for distribution figures. For more information on the RAF and further description of the formula, please contact the Housing Resource Center, at (512) 475-3976.

## **TDHCA GOALS AND OBJECTIVES**

The Strategic Plan goals reflect program performance based upon measures developed with the State's Legislative Budget Board and Governor's Office of Budget and Planning. The goals are also based upon Riders attached to the Department's Appropriations. The Department believes that the goals and objectives for the various TDHCA programs should be consistent with its mandated performance requirements.

The State's Strategic Planning and Performance Budgeting System (SPPB) is a goal-driven, results-oriented system. The system has three major components including strategic planning, performance budgeting, and performance monitoring. As an essential part of the system, performance measures are part of TDHCA's strategic plan, are used by decision makers in allocating resources, are intended to focus the Department's efforts on achieving goals and objectives, and are used as monitoring tools providing information on accountability. Performance measures are reported quarterly to the Legislative Budget Board.

The State's Strategic Planning and Performance Budgeting System is based on a two-year cycle; goals and targets are revisited each biennium. The targets reflected in this document are based on the Department's requests for 2006–2007.

Because all applicants for funding are encouraged to apply for and leverage funds from multiple agency programs, HUD funds are frequently leveraged along with funds from other federal and State sources. TDHCA HOME Program funds may be used in conjunction with other TDHCA programs, however, each program area reports its performance separately.

### **AFFORDABLE HOUSING GOALS AND OBJECTIVES**

The following goals address performance measures established by the 79th Legislature. Refer to program-specific statements outlined in the Action Plan portion of this document for strategies that will be used to accomplish the goals and objectives listed below. Included for each strategy are the target numbers for the 2007 goal, the 2007 actual performance, and the goal for 2008.

Goals one through five are established through interactions between TDHCA, the Legislative Budget Board, and the Legislature. They are referenced in the General Appropriations Act enacted during the most recent legislative session.

**GOAL 1:** TDHCA will increase and preserve the availability of safe, decent and affordable housing for very low, low, and moderate income persons and families.

**Strategy 1.1**  
Provide mortgage financing and homebuyer assistance through the Single Family Mortgage Revenue Bond Program

Strategy Measure	2007 Target	2007 Actual	% of Goal	2008 Target
Number of single family households assisted through the First Time Homebuyer Program	1,727	2,727	158%	2,016

**Explanation of Variance:** Loan originations were higher in 2007 than anticipated due to the receipt of additional volume cap. Additionally, increased market interest rates generated higher demand for the Department's lower interest rate products.

**Strategy 1.2**  
Provide funding through the HOME Program for affordable single family housing

Strategy Measure	2007 Target	2007 Actual	% of Goal	2008 Target
Number of single family households assisted with HOME funds	1,834	413	22.5%	1,255

**Explanation of Variance:** The total number of assisted units was lower than anticipated in 2007 due to a biennial funding cycle for 2006-2007 which resulted in fewer applications for the homebuyer assistance and tenant-based rental assistance activities.

**Strategy 1.3**  
Provide funding through the HTF program for affordable single family housing

Strategy Measure	2007 Target	2007 Actual	% of Goal	2008 Target
Number of single family households assisted through the Housing Trust Fund	100	115	115%	228

**Explanation of Variance:** Performance was higher than anticipated in 2007 due to the closing out of previous fiscal year contracts and an elevated amount of technical assistance provided by the Department to ensure that the nonprofit organizations are meeting their performance benchmarks.

**Strategy 1.4**  
Provide tenant-based rental assistance through Section 8 certificates

Strategy Measure	2007 Target	2007 Actual	% of Goal	2008 Target
Number of multifamily households assisted with tenant-based rental assistance	2,100	1,064	51%	1,494

**Explanation of Variance:** The targeted number was developed prior to a change in how the U.S. Department of Housing and Urban Development provides Section 8 Housing Assistance Program (HAP) funds. Provided funds are no longer based on the number of Housing Choice Vouchers available. In addition, the target was developed prior to the transfer of 560 vouchers to a local public housing authority.

## Action Plan

### Goals and Objectives

Strategy 1.5 Provide federal tax credits to develop rental housing				
Strategy Measure	2007 Target	2007 Actual	% of Goal	2008 Target
Number of multifamily households assisted with HTCs	18,832	12,998	69%	12,291

**Explanation of Variance:** Approximately \$3.7 million credits out of the 2007 credit allocation were awarded to developments that had previously received credits in 2004. These additional credits were due to substantial increases in construction costs associated with hurricane disasters. Because of the increase in construction costs, fewer units are produced on an annual basis.

Strategy 1.6 Provide funding through the HOME Program for affordable multifamily housing				
Strategy Measure	2007 Target	2007 Actual	% of Goal	2008 Target
Number of multifamily households assisted with HOME funds	647	144	22.3%	500

**Explanation of Variance:** The HOME and Housing Tax Credit programs operated concurrent application cycles. Due to the competitiveness of the cycle, not all applicants that applied for both sources of funds were competitive in the Housing Tax Credit round and eligible for an award. Therefore, the awarding of HOME funds was limited to those applications that were competitive and received a Housing Tax Credit award.

Strategy 1.7 Provide funding through the Housing Trust Fund for affordable multifamily housing				
Strategy Measure	2007 Target	2007 Actual	% of Goal	2008 Target
Number of multifamily households assisted through the Housing Trust Fund	255	0	0%	784

**Explanation of Variance:** The 2007 funding for the HTF was utilized to meet the statutorily required minimum of \$3,000,000 funding for the Bootstrap Loan Program.

Strategy 1.8 Provide funding through the Mortgage Revenue Bond Program for affordable multifamily housing				
Strategy Measure	2007 Target	2007 Actual	% of Goal	2008 Target
Number of households assisted through the Mortgage Revenue Bond Program	3,500	2,997	86%	2,393

**Explanation of Variance:** Due to overall market and economic conditions, the bond program has not been as attractive as it has been in the past. This led to a reduction in the applications submitted. In the past, the Department has received several applications towards the end of the year which enable the Department to CarryForward additional allocation into the following year. In 2006, the Department did not receive additional applications at the end of the year and therefore did not have the additional allocation to CarryForward into 2007. This reduced the total amount of bond allocation issued by the Department. The increase in construction costs also affected the bond program, by reducing the number of units produced due to higher costs.

**GOAL 2:** TDHCA will promote improved housing conditions for extremely low, very low, and low income households by providing information and technical assistance.

**Strategy 2.1**  
Provide information and technical assistance to the public through the Public Affairs Division and the Housing Resource Center

Strategy Measure	2007 Target	2007 Actual	% of Goal	2008 Target
Number of information and technical assistance requests completed	5,400	3,824	70.8%	4,900

**Explanation of Variance:** A new toll free number for the entire agency has resulted in more calls being directly routed to the appropriate division instead of being forwarded to the Housing Resource Center. The Department has also continued to improve its website so that potential requests can be resolved via the internet instead of through the Housing Resource Center.

**Strategy 2.2**  
To provide technical assistance to colonias through field offices

Strategy Measure (A)	2007 Target	2007 Actual	% of Goal	2008 Target
Number of on-site technical assistance visits conducted annually from the field offices	600	963	160.5%	800

**Explanation of Variance:** Technical assistance visits to units of local government and nonprofit organizations continued to increase due to various changes to the programs administered through the field offices.

Strategy Measure (B)	2007 Target	2007 Actual	% of Goal	2008 Target*
Number of colonia residents receiving assistance	1,700	827	48.6%	7,650

**Explanation of Variance:** The Border Field Offices focus on empowering the non-profit organizations to work with the colonia residents on a one-on-one basis. The units of local government and non-profit organizations provide the direct assistance to colonia residents on behalf of the Department. Therefore, the number of direct contacts between the Department and the colonia residents has decreased.

\*Note that the definition of the measure has changed for 2008 and now includes assistance provided through the Colonia Self-Help Centers as well as the Colonia field offices.

Strategy Measure (C)	2007 Target	2007 Actual	% of Goal	2008 Target
Number of entities and/or individuals receiving informational resources	1,200	631	52.5%	1,000

**Explanation of Variance:** Marketing of Colonia Initiatives, including the number of entities and/or individuals requesting and receiving information resources is a key performance goal. These figures were expected to increase upon the release of the Texas Bootstrap Loan Program NOFA in 2007. However, the new Texas Bootstrap Reservation System has delayed the release of the NOFA.



## Action Plan

### Goals and Objectives

**GOAL 3:** TDHCA will improve living conditions for the poor and homeless and reduce the cost of home energy for very low income Texans.

#### Strategy 3.1

Administer homeless and poverty-related funds through a network of community action agencies and other local organizations so that poverty-related services are available to very low income persons throughout the state.

Strategy Measure (A)	2007 Target	2007 Actual	% of Goal	2008 Target
Number of persons assisted through homeless and poverty related funds.	440,000	565,822	128.6%	512,244

**Explanation of Variance:** This measure is impacted by the number of persons assisted through the Community Services Block Grant (CSBG) and Emergency Shelter Grants Program (ESGP). The Department revised the reporting procedures for CSBG subrecipients allowing subrecipients to report all individuals assisted by all programs operated by the CSBG subrecipient. As a result of this change, CSBG subrecipients reported a higher number of persons assisted through homeless and poverty related funds.

Strategy Measure (B)	2007 Target	2007 Actual	% of Goal	2008 Target
Number of persons assisted that achieve incomes above poverty level.	2,000	3,087	154.4%	2,200

**Explanation of Variance:** Each year, CSBG subrecipients make improvements in the self-sufficiency case management programs they operate and this enables them to be able to transition a larger number of persons out of poverty. The Department expects that annually, CSBG contractors will assist more persons to transition out of poverty. However, it is difficult to estimate several years in advance how many persons CSBG subrecipients will enroll in self-sufficiency case management programs and how many of them will complete the program and finally transition out of poverty.

Strategy Measure (C)	2007 Target	2007 Actual	% of Goal	2008 Target
Number of shelters assisted through the Emergency Shelter Grant Program.	70	76	108.5%	73

**Explanation of Variance:** This measure represents the number of contracts issued under the Emergency Shelter Grants Program (ESGP). At the time the measure was established, the Department anticipated funding fewer subrecipients than the number actually funded. It is difficult to determine how many contracts will be awarded. The number of contracts awarded varies by the amount of funds requested and awarded and the ranking of the applications based upon their score.

#### Strategy 3.2

Administer the state energy assistance programs by providing grants to local organizations for energy related improvements to dwellings occupied by very low income persons and for assistance to very low income households for heating and cooling expenses and energy related emergencies.

Strategy Measure (A)	2007 Target	2007 Actual	% of Goal	2008 Target
Number of households assisted through the Comprehensive Energy Assistance Program.	63,200	83,529	132%	51,502

**Explanation of Variance:** High home energy prices contributed to higher demand for energy assistance.



Strategy Measure (B)	2007 Target	2007 Actual	% of Goal	2008 Target
Number of dwelling units weatherized through the Weatherization Assistance Program.	4,800	5,404	112%	3,004

**Explanation of Variance:** The Department is above target for the year as a result of advantageous weather enabling higher weatherization production.

**GOAL 4:** TDHCA will ensure compliance with the Texas Department of Housing and Community Affairs' federal and state program mandates.

**Strategy 4.1**

The Portfolio Management and Compliance Division will monitor and inspect for Federal and State housing program requirements.

Strategy Measure (A)	2007 Target	2007 Actual	% of Goal	2008 Target
Total number of monitoring reviews conducted.	4,554	5,555	122%	5,072

**Explanation of Variance:** More onsite monitoring reviews were scheduled than were anticipated.

Strategy Measure (B)	2007 Target	2007 Actual	% of Goal	2008 Target
Total number of units administered	237,195	229,744	96.9%	242,766

**Strategy 4.2**

The Portfolio Management and Compliance Division will administer and monitor federal and state subrecipient contracts for programmatic and fiscal requirements.

Strategy Measure (A)	2007 Target	2007 Actual	% of Goal	2008 Target
Total number of monitoring reviews conducted	9,220	11,474	124.5%	12,715

**Explanation of Variance:** All monitoring requests received by the Department require a review. Monitoring reviews include set up and draw reviews. As contracts near their expiration date, contractors submit more set up and draw reviews in order to complete them before contract expiration. Because several contracts expired during the quarter, the Department received a larger number of draw requests than projected.

Strategy Measure (B)	2007 Target	2007 Actual	% of Goal	2008 Target
Number of contracts administered	350	358	102.3%	430

## Action Plan

### Goals and Objectives

**GOAL 5:** To protect the public by regulating the manufactured housing industry in accordance with state and federal laws.

<b>Strategy 5.1</b>				
Provide titling and licensing services in a timely and efficient manner.				
<b>Strategy Measure (A)</b>	<b>2007 Target</b>	<b>2007 Actual</b>	<b>% of Goal</b>	<b>2008 Target</b>
Number of manufactured housing statements of ownership and location issued.	89,000	86,035	96.7%	90,000
<b>Strategy Measure (B)</b>	<b>2007 Target</b>	<b>2007 Actual</b>	<b>% of Goal</b>	<b>2008 Target</b>
Number of licenses issued	4,435	2,602	58.7%	4,000

**Explanation of Variance:** Performance is under the targeted projection due to receiving fewer applications for new and renewed licenses.

<b>Strategy 5.2</b>				
Conduct inspections of manufactured homes in a timely manner.				
<b>Strategy Measure (A)</b>	<b>2007 Target</b>	<b>2007 Actual</b>	<b>% of Goal</b>	<b>2008 Target</b>
Number of routine installation inspections conducted	8,000	4,603	57.5%	6,000
<b>Strategy Measure (B)</b>	<b>2007 Target</b>	<b>2007 Actual</b>	<b>% of Goal</b>	<b>2008 Target</b>
Number of non-routine installation inspections conducted	2,500	2,100	84%	2,200

**Explanation of Variance:** The Department has experienced a higher level of non-routine inspection activity including an increased amount of affordable housing property inspections and complaint/investigative inspections. In addition, there have been several inspectors out on extended leave due to injuries. Although the measure is below the targeted number, the Department is meeting the program's statutory requirement to inspect at least 25% of installation inspections received. The actual year-to-date inspection rate is 30.76%.

**Explanation of Variance:** Education and enforcement keep the number of inspections with deviations low, which is desirable.

<b>Strategy 5.3</b>				
To process consumer complaints, conduct investigations, and take administrative actions to protect the general public and consumers.				
<b>Strategy Measure</b>	<b>2007 Target</b>	<b>2007 Actual</b>	<b>% of Goal</b>	<b>2008 Target</b>
Number of complaints resolved	1,700	1,052	61.9%	1,250

**Explanation of Variance:** The Department has made an effort to encourage the informal resolution of customer concerns prior to their issues becoming official complaints. The effort has helped to reduce the number of complaints officially received, which reduces the number of complaints resolved.

Goals Six through Eight are established in legislation as riders to TDHCA's appropriations, as found in the General Appropriations Act.

**GOAL 6:** TDHCA will target its housing finance programs resources for assistance to extremely low income households.\*

<b>Strategy 6.1</b> The housing finance divisions shall adopt an annual goal to apply \$30,000,000 of the division's total housing funds toward housing assistance for individuals and families earning less than 30 percent of median family income.				
Strategy Measure	2007 Target	2007 Actual	% of Goal	2008 Target
Amount of housing finance division funds applied towards housing assistance for individuals and families earning less than 30 percent of median family income.	\$30,000,000	\$19,535,526	65.12%	\$30,000,000

**Explanation of Variance:** Fewer Section 8 vouchers and a lower than anticipated number of units assisted by the HOME program contributed to the 2007 performance for this target. HUD transferred a large number of Section 8 vouchers to a large consortium and also adjusted the methodology for distributing Section 8 funds. Both of these contributed to the lower than anticipated assistance for households earning less than 30 percent of median family income. In addition, a double funding cycle for the HOME single family funds resulted in fewer applications for 2007, the second year of the double year cycle.

Note: For more information, see Rider 4 of TDHCA's Appropriations as found in HB 1 (General Appropriations Act), 79th Legislature, Regular Session.

**GOAL 7:** TDHCA will target its housing finance resources for assistance to very low income households.\*

<b>Strategy 7.1</b> The housing finance divisions shall adopt an annual goal to apply no less than 20% of the division's total housing funds toward housing assistance for individuals and families earning between 31% and 60% of median family income.				
Strategy Measure	2007 Target	2007 Actual	% of Goal	2008 Target
Percent of housing finance division funds applied towards housing assistance for individuals and families earning between 31% and 60% of median family income.	20%	50.5%	253%	20%

**Explanation of Variance:** The majority of TDHCA housing programs serve households under 60% of median family income.

**GOAL 8:** TDHCA will provide contract for deed conversions for families who reside in a colonia and earn 60 percent or less of the applicable area median family income

<b>Strategy 8.1</b> Help colonia residents become property owners by converting their contracts for deed into traditional mortgages.				
Strategy Measure	2007 Target	2007 Actual	% of Goal	2008 Target
Amount of TDHCA funds applied towards contract for deed conversions for colonia families earning less than 60% of median	\$2,000,000	\$0	0%	\$2,000,000

## Action Plan

### Goals and Objectives

family income.				
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**Explanation of Variance:** TDHCA has delayed the release of additional funds pending changes to encourage the efficient allocation of program funds. TDHCA has updated the program rules and anticipates the release of a NOFA for the 2006 and 2007 funding in FY 2008.

Note: For more information, see Rider 11 of TDHCA's Appropriations as found in HB 1 (General Appropriations Act), 79th Legislature, Regular Session.

The following TDHCA-designated goal addresses the housing needs of persons with special needs.

**GOAL 9:** TDHCA will work to address the housing needs and increase the availability of affordable and accessible housing for persons with special needs.

<b>Strategy 9.1</b>				
Dedicate no less than 20% of the HOME project allocation for applicants that target persons with special needs.				
Strategy Measure	2007 Target	2007 Actual	% of Goal	2008 Target
Percent of the HOME project allocation awarded to applicants that target persons with special needs.	20%	24%	122%	20%

#### Strategy 9.2:

Compile information and accurately assess the housing needs of and the housing resources available to persons with special needs.

##### Strategy Activities:

- Assist counties and local governments in assessing local needs for persons with special needs.
- Work with State and local providers to compile a statewide database of available affordable and accessible housing.
- Set up a referral service to provide this information at no cost to the consumer.
- Promote awareness of the database to providers and potential clients throughout the State through public hearings, the TDHCA web site as well as other provider web sites, TDHCA newsletter, and local informational workshops.

#### Strategy 9.3:

Increase collaboration between organizations that provide services to special needs populations and organizations that provide housing.

##### Strategy Activities:

- Promote the coordination of housing resources available among State and federal agencies and consumer groups that serve the needs of special needs populations.
- Continue working with agencies, advocates, and other interested parties in the development of programs that will address the needs of persons with special needs.
- Increase the awareness of potential funding sources for organizations to access, to serve special needs populations, through the use of TDHCA planning documents, web site, and newsletter.

#### Strategy 9.4:

Discourage the segregation of persons with special needs from the general public.

##### Strategy Activities:

- Increase the awareness of the availability of conventional housing programs for persons with special needs.
- Support the development of housing options and programs, which enable persons with special needs to reside in noninstitutional settings.

## **SECTION 5: PUBLIC PARTICIPATION**

TDHCA strives to include the public in policy, program, and resource allocation decisions that concern the Department. This section outlines how the public is involved with the preparation of the plan and includes a summary of public comment.

- *Participation in TDHCA Programs*: Discusses efforts to ensure that individuals of low income and their community-based institutions participate in TDHCA programs
- *Citizen Participation in Program Planning*: Discusses affirmative efforts to ensure the involvement of individuals of low income and their community-based institutions in the allocation of funds and the planning process

### **PARTICIPATION IN TDHCA PROGRAMS**

Texas is an economically, regionally, and demographically diverse state. The Department recognizes this by establishing criteria to distribute funds based on the priorities established in TDHCA's governing statute. It is incumbent upon TDHCA to increase the public's awareness of available funding opportunities so that its funds will reach those in need across the state.

Below are the approaches taken by TDHCA to achieve this end:

- Throughout the year, the TDHCA staff reaches out to interested parties at informational workshops and conferences across the state to share information about TDHCA programs. Organizations interested in becoming affordable housing providers are actively encouraged to contact TDHCA for further technical assistance in accessing TDHCA programs.
- The Department's Division of Public Affairs is responsible for media releases, attends conferences and maintains conference information booths on behalf of TDHCA, as well as coordinates media interviews and speaking events.
- The TDHCA *Program Guide* provides a comprehensive, statewide housing resource guide for both individuals and organizations across the state. The *Program Guide* provides a list of housing and housing-related programs operated by TDHCA, HUD, and other federal and state agencies.
- The TDHCA website, through its provision of timely information to consumers, is one of TDHCA's most successful marketing tools and affordable housing resources.
- TDHCA also operates a listserv e-mail service, where subscribed individuals and entities can receive email updated on TDHCA information, announcements, and trainings.
- TDHCA is involved with a wide variety of committees and workgroups, which serve as valuable resources to gather input from people working at the local level. These groups share information on affordable housing needs and available resources and help TDHCA to prioritize these needs.

## **CITIZEN PARTICIPATION IN PROGRAM PLANNING**

The Department values and relies on community input to direct resources to meet its goals and objectives. In an effort to provide the public with an opportunity to more effectively give input on The Department's policies, rules, planning documents, and programs, the Department has consolidated its public hearings. In addition to these annual public hearings, individual program sections hold various hearings and program workshops throughout the year. Furthermore, the TDHCA Board accepts extensive public comment on programmatic and related policy agenda items at monthly board meetings.

The Department ensures that all programs follow the citizen participation and public hearing requirements as outlined in the Texas Government Code. Hearing locations are accessible to all who choose to attend and are held at times accessible to both working and non-working persons. The Department maintains a voluntary membership e-mail list which it uses to notify all interested parties of public hearings and public comment periods. Additionally, pertinent information is posted as an announcement in the *Texas Register*, in *Breaking Ground* (the TDHCA newsletter), and on TDHCA's website. Participation and comments are encouraged and can be submitted either at a public hearing or in writing via mail, fax, or email.

## **PREPARATION OF THE PLAN**

Section 2306.0722 of the Texas Government Code mandates that the Department meet with various organizations concerning the prioritization and allocation of the Department's housing resources prior to preparation of the Plan. As this is a working document, there is no time at which the Plan is static. Throughout the year, research was performed to analyze housing needs across the state, focus meetings were held to discuss ways to prioritize funds to meet specific needs, and public comment was received at program-level public hearings as well as at every Governing Board meeting.

The Department met with various organizations concerning the prioritization and allocation of the Department's resources, and all forms of public input were taken into account in its preparation. Several program areas conducted workgroups and public hearings in order to receive input that impacted policy and shaped the direction of TDHCA programs.

Communication between TDHCA and numerous organizations results in a participatory approach towards defining strategies to meet the diverse affordable housing needs of Texans. In March 2006, TDHCA mailed out the 2006 Community Needs Survey to approximately 2,500 state representatives and senators, mayors, county judges, city managers, housing/planning departments, USDA local offices, public housing authorities, councils of governments, community action agencies, and Housing Opportunities for Persons with AIDS (HOPWA) agencies to gather preliminary input on local perceptions of housing, community affairs, and community development needs. TDHCA uses this input when preparing the Plan and in program planning and development.

## **PUBLIC HEARING**

From October to December 2007, TDHCA worked on the draft version of the *2008 State of Texas Low Income Housing Plan and Annual Report*. The draft was submitted to the TDHCA Board of Directors for approval at the December 2007 Board meeting, and was then released for public comment in accordance with §2306.0732 and §2306.0661. The hearing notice was published in the January 4, 2008, edition of the *Texas Register*. The formal citizen participation process for the *2008 State of Texas Low Income Housing Plan and Annual Report* began January 4, 2008, and ended February 6, 2008. During the comment period, the public was encouraged to submit input toward the Plan in writing via mail, fax, or e-mail or in person at the public hearing held in Austin. The hearing was attended by staff from the TDHCA Housing Resource Center, as well as representatives from the Texas State Affordable Housing Corporation. The time and location was as follows:

Tuesday, January 8, 2008  
10:00am  
Rusk Building  
208 E. 10<sup>th</sup> St.  
Austin, TX 78701

## **PUBLIC COMMENT**

The Department received no comment from the public regarding the SLIHP during the designated comment period.

## **SECTION 6: 2008-2009 COLONIA ACTION PLAN**

### **POLICY GOALS**

In 1996, in an effort to place more emphasis on addressing the needs of colonias, the TDHCA Office of Colonia Initiatives (OCI) was established to administer and coordinate efforts to enhance living conditions in colonias along the Texas-Mexico border region. OCI's fundamental goal is to improve the living conditions of colonia residents, and to educate the public regarding the services that TDHCA has to offer.

The OCI Division was created to do the following:

- Expand housing opportunities to colonia and border residents living along the Texas-Mexico border.
- Increase knowledge and awareness of programs and services available through the Department.
- Implement initiatives that promote improving the quality of life of colonia residents and border communities.
- Empower and enhance organizations that serve the targeted colonia population.
- Provide consumer education to colonia and border residents.
- Develop cooperative working relationships between other state, federal, and local organizations to leverage resources and exchange information.
- Promote comprehensive planning of communities along the Texas-Mexico border to meet current and future community needs.
- Solicit input from colonia residents on major funding decisions that will affect border communities.

### **OVERVIEW**

The US-Mexico border region is dotted with hundreds of rural subdivisions called colonias, which are characterized by high levels of poverty and substandard living conditions. Several different definitions of colonias are used by various funding sources and agencies due to differing mandates. Generally, these definitions include the concepts that colonias are rural and lacking services such as public water and wastewater systems, paved streets, drainage, and safe and sanitary housing. Colonias are mostly unincorporated communities located along the US-Mexico border in the states of California, Arizona, New Mexico, and Texas, with the vast majority located in Texas

While new colonias continue to develop, many have been in existence for over 40 years. A few colonia developments began as small communities of farm laborers employed by a single rancher or farmer while others originated as town sites established by land speculators as early as the 1900s. A majority of the colonias, however, emerged in the 1950s as developers discovered a large market of aspiring homebuyers who could not afford to purchase in cities or who did not have access to conventional financing mechanisms.

### **POPULATION AND POVERTY**

Data updated in 2006 by the Texas Office of the Attorney General recorded 2,060 colonias in 30 counties within 150 miles of the Texas-Mexico border. However, approximately 1,700 of those colonias are concentrated in just seven counties directly abutting the international boundary. It should be noted that these figures represent only the documented colonias. There may be many small, rural colonias that have gone unidentified. Currently, Hidalgo County has the largest number of colonias, with 847 counted in



2006. The 13 counties running along the Texas-Mexico border have an average Hispanic or Latino population of 74.2 percent, as compared to the statewide average of 34.6 percent.

Between 2000 and 2005 many Texas border counties experienced rapid population growth. El Paso, Maverick, Webb, Zapata, Starr, Hidalgo, and Cameron counties have shown an average increase in population of 12.3 percent, surpassing the state average increase of 9.6 percent. Simultaneously, a 5.4 percent average decrease in population has actually occurred in several counties that are adjacent to the border counties over the same time period. Counties experiencing large decreases include Hudspeth, Reeves, Pecos, Terrell, Edwards, Kinney, Duval, Jim Hogg, and Brooks.<sup>52</sup>

2003 US Census data placed the median household income for Texas at \$39,967, while the median household income for the Texas-Mexico border counties averaged a much lower \$26,606. Zavala County, near the border, posted the lowest median household income at \$18,553. In the larger border-region cities El Paso, McAllen, Brownsville, Corpus Christi, and Laredo, the average median values of owner-occupied housing units in 2000 was \$69,640. Laredo had the highest home values at \$77,900.<sup>2</sup>

The particular need for affordable housing in the border region can be largely attributed to the poverty level of the rapidly growing population. Counties along the Texas-Mexico border shoulder some of the highest poverty rates in the state. According to 2003 US Census data, the poverty level in the state of Texas stood at 16.2 percent, while the average poverty level of counties along the Texas-Mexico border was 25.3 percent. Furthermore, the four counties with the greatest number of colonias (Hidalgo, El Paso, Starr, and Cameron), had an average poverty level of 31.5 percent, nearly double the state rate. Counties like Dimmit and Starr, at 32.7 percent and 36.2 percent respectively, were even higher.

## HOUSING

According to a review completed by the Texas Comptroller's Office, most homebuilders would have a difficult time constructing houses for a sale price of less than \$60,000 to \$70,000. Houses in this price range would typically be affordable to workers earning \$12 to \$14 an hour (assuming a housing debt to income ratio of 33 percent with no additional debts). Some builders indicate that it is difficult to build lower-priced homes because many of the construction costs, including the cost of acquisition and site development, are fixed, regardless of the size of the home.<sup>3</sup> Land acquisition and development can add \$10,000 to \$20,000 to the cost of a house. For a new subdivision, the acquisition cost may be only a few thousand dollars per lot. But the 1998 cost of infrastructure—such as streets, power, and water—could be as much as \$15,000 per lot or higher in some areas.<sup>4</sup>

Owner-builder construction in colonias can face additional significant obstacles. First, federal rules, such as those that govern the HOME Program, prohibit the use of affordable housing funds to acquire land unless the affordable structure is to be built within a short, sometimes impractical time. Second, lenders are typically reluctant to lend funds for owner-builder construction because these borrowers may have little or no collateral. Third, owner-builders may not be sufficiently skilled and may end up building substandard housing without appropriate supervision or guidance. Some governmental housing programs limit the private housing market from serving border residents because they offer no profit incentive for housing professionals, builders, lenders, and real estate agents to serve low-wage workers. Program administrators acknowledge profit as an ingredient in encouraging home construction.

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<sup>1</sup> U.S. Census Bureau: State and County Quickfacts. <http://quickfacts.census.gov/qfd/states/48000.html> (Viewed July 27, 2006).

<sup>2</sup> U.S. Census Bureau: State and County Quickfacts. <http://quickfacts.census.gov/qfd/states/48000.html>. Viewed July 27, 2006.

<sup>3</sup> *Bordering the Future: Homes of Our Own*. Windows on State Government. Texas Comptroller of Public Accounts. July 1998. Interview with Clark Wilson Homebuilders, November 20, 1997.

<sup>4</sup> *Bordering the Future: House Prices Reflect Production Costs*. Window on State Government. Texas Comptroller of Public Accounts. July 1998. Interview with Clark Wilson Homebuilders, Nov. 20, 1997.

**COLONIA NEEDS ASSESSMENT**

The following table displays housing quality data from 14 of the 28 colonias served by the Department’s Self-Help Center Program. This sample of data, reported by the participating counties as part of their colonia needs assessments, provides a representation of the acute need for housing-related assistance in these communities. Each county conducted its own needs assessment by different methods, and not all counties reported specific data figures. As a result, the table below contains only the data that is available. For the purposes of this assessment, “substandard homes” refers to structures in need of repair or rehabilitation, while “dilapidated homes” refers to structures necessitating total replacement.

**Housing Structural Quality by Colonia, Selected Border Counties**

County	Colonia Name	Total Number of Homes	Number of Substandard Homes	Number of Dilapidated Homes
Hidalgo	Chula Vista Acres	34	15	5
Hidalgo	El Flaco Chiquito	105	37	13
Hidalgo	El Charro	143	81	15
Hidalgo	Schroeder	210	90	22
Hidalgo	Southside	59	24	30
Val Verde	Val Verde Park Estates	865	113	22
Val Verde	Cienegas Terrace	510	108	36
Val Verde	Villareal	12	3	0
Val Verde	Escondido Estates	33	0	0
Starr	Casita/Garciasville	28	3	7
Starr	Camargito	91	32	13
Starr	La Puerta 1 & 2	210	43	33
Starr	Refugio	54	16	5
Starr	West Alto Bonito	174	41	35
<b>TOTAL</b>		2528	606 24% of total	236 9.3% of total

**PROGRAM PLAN**

TDHCA, through its Office of Colonia Initiatives, administers various programs designed to improve the lives of colonia residents. This action plan outlines how various initiatives and programs will be implemented for 2008.

**FY 2008 and 2009 Office of Colonia Initiatives Funding**

	Estimated Available Funding for FY 2008	Estimated Available Funding for FY 2009
Texas Bootstrap Loan Program	\$6,500,000	\$3,000,000
Colonia Self-Help Centers	\$1,800,000	\$1,800,000
Total	\$8,300,000	\$4,800,000

**TEXAS BOOTSTRAP LOAN PROGRAM**

The Texas Bootstrap Loan Program is a statewide loan program that funds certified non-profit organizations and enables owner-builders to purchase real estate, and construct or renovate a home. In 2001 the 77th Legislature amended this program under Senate Bill 322 with a legislative directive requiring continuation of an Owner Builder Loan Program through 2010. TDHCA is required under Section 2306.753(d) of the Texas Government Code, to set aside two-thirds of the available funds for

owner-builders whose property is located in a county that is eligible to receive financial assistance under Subchapter K, Chapter 17, of the Water Code. The Texas Water Development Board has determined that eligible areas are Economically Distressed Areas (EDA) which have a median household income that is not greater than 75% of the median state household income. For the purposes of the Texas Bootstrap Loan Program EDAs will be identified by census tracts. The eligible census tracts are listed on the TDHCA website. The remaining one-third will be available statewide.

The program promotes and enhances homeownership for low income Texans by providing funds to purchase or refinance real property on which to build new residential housing, construct new residential housing or improve existing residential housing throughout Texas. Participating owner-builders must provide a minimum of 60 percent of the labor required to build or rehabilitate the home. Section 2306.753(a) of the Texas Government Code directs TDHCA to establish a priority in directing funds to Owner-Builders with an annual income of less than \$17,500. The maximum loan amount using TDHCA funds may not exceed \$30,000 per Owner-Builder. The total amount of loans made with TDHCA and any other source may not exceed a combined \$60,000 per household. The Department committed over \$8.4 million over the biennium (FY 2006-2007) to implement this initiative from the Housing Trust Fund. TDHCA released another NOFA in the amount of \$6,500,000 for FY 2008, the funding for which will be available starting November 1, 2007 .

In an effort to increase the Department's ability to more promptly assist households and expend funds, and to better disseminate Bootstrap funds across a broader network of providers, the Office of Colonia Initiatives (OCI) Division of TDHCA is utilizing a new reservation system concept similar to the TDHCA First Time Homebuyer Bond Program in order to distribute the new allocation of funding. This type of system will allow program funds to be expended more rapidly and efficiently. Under the reservation system, participating nonprofit organizations must be certified by TDHCA as a Nonprofit Owner-Builder Housing Program (NOHP) in accordance with Section 2306.755 of the Texas Government Code and must execute a Loan Origination Agreement with the Department in order to assure full compliance with program rules and guidelines. After being certified as an NOHP, the NOHP will then be able to submit individual loan applications to TDHCA on behalf of the owner-builder applicant on a first-come, first-served basis. A nonprofit will be allowed to have up to ten reservations at any given time. Funds may be reserved up to twelve months for each reservation; however, the nonprofits are required to meet specific performance benchmarks within that time period in order to retain the funding. The Department is actively working with Bootstrap recipients to garner feedback on the new system to ensure the ongoing success of the program.

### **COLONIA SELF-HELP CENTERS**

In 1995, the 74th Legislature passed Senate Bill 1509 (Texas Government Code Subchapter Z §2306.581 - §2306.591), a legislative directive to establish colonia self-help centers (SHCs) in Cameron/Willacy, Hidalgo, Starr, Webb, and El Paso counties. This program also allows the Department to establish a colonia SHC in any other county if the county is designated as an economically distressed area. Five colonias in each county are identified to receive concentrated attention from its respective SHC. Operation of the colonia SHCs is managed by a local nonprofit organization, local community action agency, or local housing authority that has demonstrated the capacity to operate a center.

These colonia SHCs provide concentrated on-site technical assistance to low and very low income individuals and families in a variety of ways including housing, community development activities, infrastructure improvements, outreach, and education. In addition, on-site technical assistance is provided to colonia residents. Key services to the designated colonias within each county receive technical assistance in the areas of housing rehabilitation; new construction; surveying and platting; construction skills training; tool library access for self-help construction; housing finance; credit and debt counseling; grant writing; infrastructure constructions and access; contract for deed conversions; and capital access

for mortgages to improve the quality of life for colonia residents in ways that go beyond the provision of basic infrastructure. The three OCI border field offices provide technical assistance to the counties and SHCs.

The Colonia SHC program serves 28 colonias in the five counties designated by statute and two additional counties of Maverick and Val Verde, which were added to the program at the discretion of the Department. Each county has approximately 10,000 colonia residents who qualify as beneficiaries of these services. The Department contracts with the counties, which in turn subcontract with nonprofit organizations to administer the Colonia SHC program or specific activities. The counties oversee the implementation of contractual responsibilities and ensure accountability. Before selecting subcontractor organizations, County officials conduct a needs assessment to prioritize needed services within the colonias and publish a Request for Proposal (RFP) to provide these services.

The Department designates a geographic area to receive the services provided by the Colonia SHCs based upon funding proposals submitted by the counties. In consultation with the Colonia Residents Advisory Committee (C-RAC) and the appropriate unit of local government, the Department designates up to five colonias in each service area to receive concentrated attention from the Colonia SHCs. The C-RAC is a committee of colonia residents appointed by the TDHCA Governing Board which advises the Board regarding the needs of colonia residents and the types of programs and activities which should be undertaken by the Colonia SHCs. Each county nominates two colonia residents to serve on the committee, one of whom must reside in a colonia being serviced by the county's SHC. The committee also includes a primary and secondary representative from each county. The Department's Board of Directors appointed the current members to the C-RAC on September 19, 2001. The C-RAC meets thirty days before a contract is scheduled to be considered for award by the Board in order for their concerns, if any, to be relayed to and evaluated by the Board.

Each SHC is allocated sufficient funds to provide services within the designated colonias, and if applicable, can provide limited assistance outside the service area.

The operations of the colonia SHCs are funded by HUD through the Texas Community Development Block Grant Program 2.5 percent colonia set-aside, which is approximately \$2.2 million per year. The CDBG funds are transferred to the Department through a memorandum of understanding with the Office of Rural Community Affairs. CDBG funds can only be provided to eligible units of general local governments. Therefore, the Department must enter into a contract with each participating county government. The Department provides administrative and general oversight to ensure programmatic and contract compliance. In addition, colonia SHCs are encouraged to seek funding from other sources to help them achieve their goals and performance measures.

### **BORDER FIELD OFFICES**

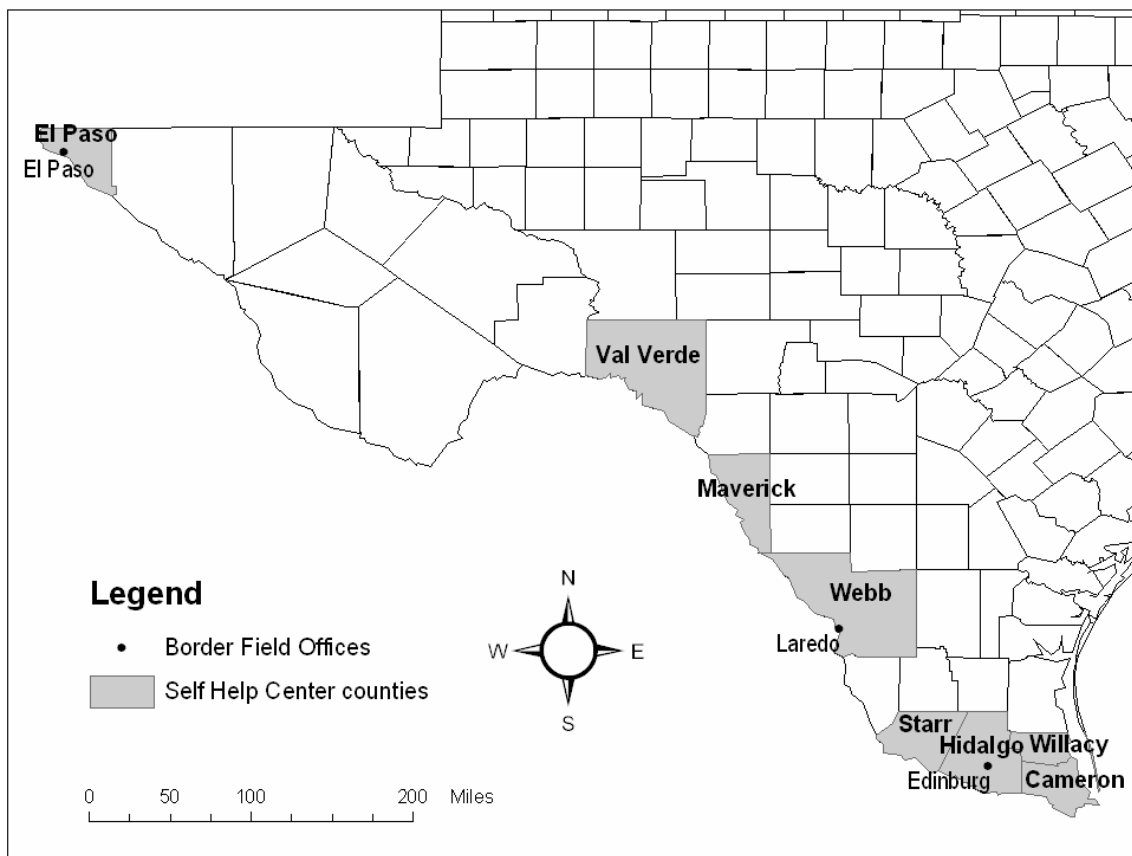
OCI manages three border field offices located in El Paso, Laredo, and Edinburg. These border field offices administer, at the local level, various OCI programs and services and provide technical assistance to nonprofits, for profits, units of general local government, other community organizations and colonia residents along the Texas-Mexico border region. Current funding for the border field offices is partially funded from General Revenue, Bond Funds, and the HOME and CDBG programs. OCI will continue to maintain these three border field offices and will continue to act as a liaison between non-profit organizations and units of local government.

Occasionally, there is funding available to communities and organizations in the colonias to support local programs. Technical assistance is provided to help non-profit organizations locate funding and learn to write successful grant proposals. However, the most important aspect in seeking funding is the ability of the communities or organizations to manage the funding within its rules and program guidelines. Many communities and organizations struggle to deliver services to their colonia residents due to capacity and

financial issues. Therefore, the Border Field Offices anticipate approximately 800 technical assistance visits for FY 2008 to nonprofit organizations and units of local government.

The Department recognizes the need for consumer education on topics such as filing homestead exemptions, knowing one's property rights under Contract for Deed, and the challenges of homeownership. The Department will provide homebuyers under its Contract for Deed Conversion and Texas Bootstrap Loan Programs a form to file their homestead exemption at the time of closing on their homes. The Department will create an educational campaign regarding House Bill 1823, which was passed during the 79th Regular Legislative Session (2005) and allows residential contract for deed buyers to have their contracts converted from a deed to a deed in trust. The educational campaign will be directed to colonia residents along the Texas-Mexico Border Region. Education services are available through the colonia SHCs and OCI Border Field Offices.

### Border Field Offices and Colonia Self Help Centers



## **SECTION 7: TEXAS STATE AFFORDABLE HOUSING CORPORATION ANNUAL ACTION PLAN**

According to Section 2306.0721(h), the Texas State Affordable Housing Corporation (TSAHC) Annual Action Plan must be included as part of the 2008 SLIHP.

### **OVERVIEW**

This report is prepared in accordance with SB 284, Legislative 78<sup>th</sup> Session, which requires the Texas Department of Housing and Community Affairs (“TDHCA”) and the Texas State Affordable Housing Corporation (“Corporation”) to coordinate regarding the State Low Income Housing Plan (“SLIHP”). The bill amends Section 2306.0722(b) to require TDHCA to provide the needs assessment information compiled for the report and plan to the Corporation. Section 2306.566 is added to require the Corporation to then review the information and develop a plan to meet "the state's most pressing housing needs identified in the needs assessment information" and provide the plan to TDHCA for incorporation into the resource allocation plan in the SLIHP. The Corporation's plan must include specific proposals to help serve rural and other underserved areas of the state. The bill also adds Section 2306.0721(h) to require TDHCA to incorporate the specific results of the Corporation's programs in TDHCA's estimate and analysis of housing supply in each uniform state service region under Section 2306.0721(c)(9).

Sec. 2306.566 of the Texas Government Code reads:

*COORDINATION REGARDING STATE LOW INCOME HOUSING PLAN.*

*The corporation shall review the needs assessment information provided to the corporation by the department under Section 2306.0722(b).*

The corporation shall develop a plan to meet the state's most pressing housing needs identified in the needs assessment information and provide the plan to the department for incorporation into the state low income housing plan.

*The corporation's plan must include specific proposals to help serve rural and other underserved areas of the state.*

### **HISTORY OF THE CORPORATION**

The Texas State Legislature created the Corporation as a self-sustaining non-profit entity to facilitate the provision of affordable housing for low income Texans who do not have comparable housing options through conventional financial channels. Enabling legislation, as amended, may be found in the Texas Government Code, Chapter 2306, Subchapter Y, Sections 2306.551 et seq. All operations of the Corporation are conducted within the state of Texas. Corporate offices are located in Austin, Texas. A five-member board of directors appointed by the Governor with the advice and consent of the Senate oversees the business of the Corporation.

The Corporation issues mortgage revenue bonds and private activity bonds to finance the creation of affordable multifamily housing units, and to finance the purchase of single family homes under three separate programs: (1) the Professional Educators Home Loan Program, (2) the Fire Fighter, Law Enforcement or Security Officer, and Emergency Medical Services Personnel Home loan Program (more commonly referred to as the Homes for Texas Heroes Program), and (3) the Home Sweet Texas Loan Program. Since April 2001, the Corporation has issued over \$291 million in single family and approximately \$540 million in multifamily mortgage revenue bonds. To date, the Corporation has provided over 9,362 units of affordable multifamily rental housing to low income Texans. The Corporation has also served 2650 income eligible individuals and/or families through its single family first-time homebuyer programs. This affordable housing has been provided at no cost to the state and its



taxpayers. The Corporation does not receive any state funding, and is not subject to the legislative appropriations process.

The Corporation is organized, operated, and administered in accordance with its enabling legislation as a 501(c)(3) nonprofit corporation in order to access additional sources of funding to accomplish its mission. The Corporation is an approved originating seller/servicer for single family loans with Fannie Mae, Freddie Mac, Ginnie Mae, U.S. Rural Development, FHA, and VA. The Corporation has conduit sales agreements with Countrywide Home Loans, Inc., and Wells Fargo Funding, and with the Community Development Trust, Inc., for multifamily mortgage loans. The Corporation is also an associate member borrower of the Federal Home Loan Bank of Dallas.

## NEEDS ASSESSMENT REVIEW

According to an analysis of the Texas Department of Housing and Community Affairs' (TDHCA) Needs Assessment and other published studies on the subject, the following represent the most pressing housing needs in the state:

### GENERAL HOUSING NEEDS

- By 2000, Texas had the second largest total population, 20.9 million, among the states in the United States. By 2010, the population is projected to be between 24.2 and 25.9 million and by 2040 between 35.0 and 50.6 million.<sup>53</sup>
- As a result of the growing population, housing demands will change substantially in the coming years with both owner and renter housing growing at nearly equal rates.<sup>54</sup>
- Affordable housing is in short supply for the extremely low, very low, low, and moderate income brackets, which was caused primarily by the private sector's concentration of development, both single family and multifamily development, in larger metropolitan areas and targeting higher income individuals and families.<sup>55</sup>
- Many HUD-financed or HUD-subsidized properties, which represent a significant portion of the state's affordable housing portfolio, are at risk of becoming market rate properties.<sup>56</sup>

### SINGLE FAMILY HOUSING NEEDS

- Texas may add nearly 3.8 million more students over the next 40 years creating a high demand for educators.<sup>57</sup>
- Population growth will mean increased public service demands and expanding markets for Texas.<sup>58</sup> The Texas nursing education system is operating close to capacity and faces several impediments to producing more graduates—faculty shortages due to retirement, inadequate salaries, and fewer faculty applicants.<sup>59</sup>

<sup>53</sup> Texas Department of Housing and Community Affairs, Center for Housing Research, Planning, and Communications, 2005 State of Texas Low Income Housing Plan and Annual Report (Austin, TX: Texas Department of Housing and Community Affairs, 2004).

<sup>54</sup> Texas A&M University, Center for Demographic and Socioeconomic Research and Education, *A Summary of the Texas Challenge in the Twenty-First Century: Implications of Population Change for the Future of Texas*, 2002.

<sup>55</sup> Texas Department of Housing and Community Affairs, Center for Housing Research, Planning, and Communications, 2005 State of Texas Low Income Housing Plan and Annual Report (Austin, TX: Texas Department of Housing and Community Affairs, 2004).

<sup>56</sup> Ibid.

<sup>57</sup> Texas A&M University, Center for Demographic and Socioeconomic Research and Education, *A Summary of the Texas Challenge in the Twenty-First Century: Implications of Population Change for the Future of Texas*, 2002.

<sup>58</sup> Ibid.

<sup>59</sup> Health and Nurses in Texas – The Future of Nursing: Data for Action (Vol. 3 No. 1. 2000. San Antonio, TX: The Center for Health Economics and Policy (CHEP), the University of Texas Health Science Center at San Antonio).

- Lack of funds for down payment and closing costs has created one of the greatest obstacles that prevents first-time homebuyers of low-to-moderate-income families, such as the teachers, police officers, and firefighters, from achieving the American dream of owning a home.<sup>60</sup>
- The Texas Education Code establishes a state minimum salary schedule that must be accommodated by all Texas schools for specific public education professionals. The state minimum salary for 2007-2008 ranges from \$27,320 per year for 0 years experience to \$44,270 per year for 20 or more years of experience.<sup>61</sup>
- The base salary for Texas fire fighters differs across the State, but on average ranges from \$19,400 per year to \$58,214.<sup>62</sup>
- The base salary for Texas police officers ranges across the State, but on average ranges from \$29,969 per year to \$61,438.<sup>63</sup>
- The base salary for Texas correctional officers ranges from \$20,844 per year to \$42,127.<sup>64</sup>
- The base salary for Texas juvenile correctional officers ranges from \$20,844 per year to \$47,529.<sup>65</sup>

## **MULTIFAMILY HOUSING NEEDS**

- Renter households are, on average, a lower income group than owner households. More than 37 percent of renter households earn less than 50 percent of the Area Median Family Income, compared to only 16.3 percent of owner households. As a result, renter households are more likely to be in need of housing assistance.<sup>66</sup>
- According to the results of the 2003 Community Needs Survey distributed by TDHCA to cities, counties, local housing departments, public housing authorities, and the US Department of Agriculture/Rural Development field offices, approximately 78 percent of respondents felt that there was a severe or significant affordable housing problem in their area and that new rental housing development and the renovation of existing multifamily housing are more important than rental payment assistance.<sup>67</sup>
- The lack of affordable housing opportunities leads to severe and extreme housing cost burdens for lower-income groups; in particular, extremely low-income renter households.<sup>68</sup>
- Overcrowding may indicate a general lack of affordable housing in a community and lower income renter households experience overcrowded conditions more frequently than higher income households.<sup>69</sup>
- In the 2005-2009 State of Texas Consolidated Plan, it is estimated that 2 million people or 9.9% of the total population are 65 years of age and older. The Texas Department of Aging and Disability Services estimates that by year 2040, individuals age 60 and over will comprise 23 percent of the population in Texas. Though the majority of the elderly Texans live in urban areas, rural areas have a higher percentage of elderly relative to the local population. According to the 2000 Census,

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<sup>60</sup> National Association of Home Builders, *News Details*; March 24, 2004.

<sup>61</sup> Texas Classroom Teachers Association: [http://www.tcta.org/teacher\\_resources/salary\\_schedule.html](http://www.tcta.org/teacher_resources/salary_schedule.html).

<sup>62</sup> Salary.com

<sup>63</sup> Ibid.

<sup>64</sup> Texas Department of Criminal Justice Human Resources Division: <http://www.tdcj.state.tx.us/vacancy/coinfo/cosalary06.htm>.

<sup>65</sup> Texas Youth Commission: <http://austin.tyc.state.tx.us/cfineternet/jobopening/classifications.html>.

<sup>66</sup> Texas Department of Housing and Community Affairs, Center for Housing Research, Planning, and Communications, 2005 State of Texas Low Income Housing Plan and Annual Report (Austin, TX: Texas Department of Housing and Community Affairs, 2004).

<sup>67</sup> Ibid.

<sup>68</sup> Ibid.

<sup>69</sup> Ibid.



13.1 percent of seniors age 65 and over in Texas live below the poverty level. Approximately 30% of all elderly households pay more than 30% of their income on housing with 14% paying more than 50% of their income on housing. Lower incomes combined with rising healthcare costs contribute to the burden of paying for housing.<sup>70</sup>

- There is a shortage of affordable housing in the extremely low, very low, low and moderate income brackets. This is primarily caused by the private sector's concentration of development in larger metropolitan areas and targeting higher income individuals and families.<sup>71</sup> Cities with populations between 20,000 and 50,000 have a particularly hard time accessing funds. They cannot access USDA funding and are too small to effectively compete for other funding opportunities.<sup>72</sup>
- According to the US Census Related Comprehensive Housing Affordability Strategy (CHAS) Data, there are approximately 2,903,671 people living in rural areas of Texas. Of these, 574,843 people or 20% are living below the poverty level; 83,454 low income households live with the cost burden of paying more than 30% of their income on housing expenses; 26,999 occupied units are "overcrowded"; and 5,211 units were found to have substandard conditions such as lack of piped water, utilities, and waste facilities.<sup>73</sup>
- Preservation of existing affordable and subsidized housing stock is an important element of providing safe, decent and affordable housing. The explosive population growth in the metropolitan areas as well as the lack of new construction during the late 80's and early 90's created a huge demand for housing at all income levels. Adding to this problem is the loss of units in the federally subsidized Section 8 portfolio, the USDA/Rural Development portfolio and the pools of tax credit units that have reached their 15 year affordability periods. The USDA/Rural Development portfolio contains smaller rural rental properties which, in many cases, represent the sole affordable housing stock in Texas' smallest towns.<sup>74</sup>
- As of the most recent statistical information available, there were 2,676,060 renter occupied housing units in Texas. Eighty-four percent of these were constructed before 1990 with the highest production of rental housing (50.8%) built between 1970 and 1989. Therefore, the majority of rental housing stock in Texas is between 15-35 years old and may be in need of some type of moderate to substantial rehabilitation in order to preserve its functionality.<sup>75</sup>

## HURRICANE-AFFECTED AREA HOUSING NEEDS

- Many Texas Gulf Coast residents were left with damaged or destroyed homes after Hurricane Rita came through the state. On Wednesday, December 21, 2005, the President signed into law, H.R. 4440, the "Gulf Opportunity Zone Act of 2005," to assist the Gulf Coast in its recovery from the past year's hurricane season. The Act defines three "GO Zones" for the areas hit by hurricanes Katrina, Rita, and Wilma.
- According to the U.S. Census Bureau, the estimated population for the state of Texas in 2005 was 22,859,968. Of this figure, 5,416,433 live in the twenty-two designated targeted areas in the GO Zone. Areas designated as "targeted" include the following counties: Angelina, Brazoria, Chambers, Fort Bend, Galveston, Hardin, Harris, Jasper, Jefferson, Liberty, Montgomery, Nacogdoches, Newton, Orange, Polk, Sabine, San Augustine, San Jacinto, Shelby, Trinity, Tyler, and Walker.

<sup>70</sup> Texas Department of Community Affairs, 2005-2009 State of Texas Consolidated Plan (Austin, Texas, February 2005).

<sup>71</sup> Texas Department of Housing and Community Affairs, Strategic Plan for Fiscal Years 2005-2009.

<sup>72</sup> Texas Department of Housing and Community Affairs, Report on the 2004 Regional Advisory Committee Meetings on Affordable Housing and Community Services Issues, November 2004.

<sup>73</sup> 2000 U.S. CHAS Data, Texas Department of Housing and Community Affairs

<sup>74</sup> Texas Department of Community Affairs, 2005-2009 State of Texas Consolidated Plan (Austin, Texas, February 2005).

<sup>75</sup> 2000 U.S. Census Data

The Corporation will address these pressing housing needs through the following single family, multifamily, and grant programs for 2008. The following summary of Corporation programs gives the history and accomplishments of our programs to date and a plan for achieving greater success with these programs in 2008. A few of the programs mentioned are mandated by the state legislature, as noted, and a few have been undertaken upon the Corporation's own initiative to fulfill housing needs for identified underserved areas of the state.

## **CORPORATION PROGRAM DESCRIPTIONS**

- Texas Professional Educators Home Loan Program
- Texas Fire Fighter, Law Enforcement or Security Officer, and EMS Personnel Home Loan Program
- Home Sweet Texas Loan Program

These Programs are the Corporation's Single Family Mortgage Revenue Private Activity Bond Programs. The first two Programs were established by the Legislature in 2001 and 2003, respectively, and allocated, until this recent legislative session in 2007, a total of \$55 million of the State's Ceiling for Private Activity Bond Cap for the exclusive purpose of making single family mortgage loans to Texas Professional Educators (\$25 million); Fire Fighters, Law Enforcement Officers, and Corrections Officers (\$25 million); and Nursing Faculty (\$5 million) who are first-time home buyers.

In the 80<sup>th</sup> legislative session in 2007 changes were made to the Programs, including adding new eligible professionals to both programs (adding emergency medical services personnel and juvenile corrections officers to the Texas Fire Fighter, Law Enforcement or Security Office, and Emergency Medical Services Personnel Home Loan Program, and adding allied health faculty and nursing faculty to the Professional Educators Home Loan Program) and changing the way private activity bonds are allocated to the Programs. In the past, both the Professional Educators and Homes for Texas Heroes Programs received \$25 million each and the Nursing Faculty Home Loan Program received a \$5 million set aside on bond cap.

In 2008, the Corporation will receive 10 percent of the bond cap set aside for issuers of single family mortgage revenue bonds. In addition, the new law specifies that of that 10 percent, 54.5 percent shall be allotted to the Professional Educators Home Loan Program and 45.5 percent shall be allotted to the Texas Fire Fighter, Law Enforcement or Security Officer, and Emergency Medical Services Personnel Home Loan Program. The Nursing Faculty Home Loan Program was repealed and nursing faculty are now eligible under the Professional Educators Home Loan Program.

In 2006 the Corporation created the Home Sweet Texas Loan Program by applying for, and receiving, \$25 million in bond cap after the collapse of the set-asides for all state issuers of bonds. The Home Sweet Texas Loan Program is available statewide with no professional requirements to those at or below 80 percent of the AMFI.

The Programs are available statewide on a first come, first-served basis, to first-time homebuyers who wish to purchase a newly constructed or existing home. Through each Program, eligible borrowers are able to apply for a 30 year fixed rate mortgage loan and receive 5 percent of the total loan amount as down payment assistance in the form of a grant. The programs are accessible to eligible borrowers by directly contacting a trained, participating mortgage lender.

The 2005 and 2006 Professional Educators Home Loan Programs fully originated the \$50,000,000 bond fund allocation. In 2007, the Corporation released a total of \$101 million for the Professional Educators Home Loan Program. This amount includes \$76,000,000 that the Corporation applied for during the bond collapse. This program continues to be extremely successful. Since its inception in 2001, the program has financed over 1500 homes for teachers, teacher's aides, school counselors, school nurses and school librarians.

Additionally, the 2005 and 2006 Fire Fighter and Law Enforcement or Security Officer Home Loan Program fully originated \$50,000,000 in loan commitments. The 2007 Fire Fighter and Law Enforcement or Security Officer Home Loan Program was released in May, and has committed the full \$25 million allocation. Since the inception of this program in 2003, the program has financed over 750 homes for fire fighters, peace officers, correctional officers, county jailers, public security officers, and emergency medical services personnel.

Since the inception of both the Professional Educator Home Loan Program in 2001 and the Fire Fighter and Law Enforcement or Security Officer Home Loan Program in 2003, the Corporation has only seen the demand for these programs increase.

The Gulf Opportunity Zone Act of 2005 expanded the eligibility for our single family bond programs significantly. Some of the principal provisions included in the Gulf Opportunity Zone Act of 2005 relate to private activity bonds for financing residential property located in a GO Zone, specifically, but not limited to, those funds used for “targeted area” residences. “Targeted area” means that part of the Eligible Loan Area that has been or may be designated from time to time as a qualified census tract or an area of chronic economic distress in accordance with section 143(j) of the Internal Revenue Code.

Section 1400T of the Gulf Opportunity Zone Act provides that for purposes of section 143, each residence in a designated area is treated as a “targeted” area residence (for financing provided from 12/21/05 through 12/31/2010), thus eliminating the first-time homebuyer requirement, and applying the higher targeted area purchase price and income limitations (state income limitation of 140% AMFI).

As a result of the designation of “targeted areas”, coupled with the elimination of the first-time homebuyer requirement and increased income and purchase price limitations, the funds set aside for “targeted areas” have been originating quickly. In 2006 and 2007, the Corporation allocated over \$44 million to targeted areas. To date \$40.6 million have been committed, assisting over 360 individuals.

## **2008 IMPLEMENTATION PLAN**

The Corporation’s primary goal for 2008 will be to continue to develop a financing structure that minimizes the Programs’ mortgage interest rate and offers the best possible down payment assistance grant to the borrowers. Down payment assistance is especially critical when the spread between conventional mortgage rates and tax-exempt mortgage rates have reached historical lows. The Corporation will also continue to advertise and to receive input about the Programs by attending home builder, real estate agent, lender, and the various professional trade associations’ conventions and trade shows in 2008.

In addition, the Corporation will continue to train and develop relationships with mortgage lenders and realtors who represent the Programs to the borrowers.

Given the demand for first-time homebuyer programs, other financing options available to the Corporation through its enabling legislation will be explored. If demand continues, the Corporation will continue to submit applications to the Texas Bond Review Board requesting additional volume cap during the collapse to serve new first-time homeowners.

## **AFFORDABLE HOMEOWNERSHIP PROGRAM FOR TEXAS**

One of the Corporation’s main initiatives is to provide housing opportunities to Texans that do not have comparable housing options through conventional financial channels. Many families throughout Texas seeking to purchase a home are not able to meet the traditional lending requirements and, up to now, have had no other option but to rent. In order to meet this need and provide deserving families with a financing alternative for achieving the American dream of homeownership, the Corporation developed the Affordable Homeownership Program for Texas (“Program”).

The Program, developed through a partnership with a national lender and the Corporation, provided borrowers with an affordable mortgage financing option that allows them the opportunity to achieve homeownership. As a result of this partnership, the national lender committed up to \$100 million dollars for mortgage loans and the Corporation committed \$1 million dollars for down payment assistance.

The Program was established to serve those individuals and/or families in Texas that have FICO scores between 525 and 610 and who are at or below 80% of the AMFI by providing them access to an affordable mortgage loan product and down payment assistance in an amount up to seven percent (7%) of the mortgage loan amount. In addition, the Program rewards borrowers who make timely mortgage payments with lower interest rates and lower mortgage payments. Borrowers receive a 50 basis point (.5%) reduction in their mortgage interest rate for every 12 months of on-time payments. As a result, Borrowers can reduce their mortgage interest rate by up to two percent (2%) during the first 48 months of their mortgage loan.

Homebuyer education is an essential component to the success of home ownership. Under the Program, borrowers are provided pre- and post-closing Homebuyer Education Training by ACORN Housing. ACORN Housing is a national housing counseling organization, helping low and moderate income homebuyers and homeowners since 1986. Additionally, borrowers will have intervention assistance available to them during the life of the mortgage loan. We believe this training and assistance is crucial to the success of this Program.

Since 2004, the Program has provided \_\_\_ loans to individuals and families who otherwise might not have achieved the dream of home ownership. At this time, the Corporation has put the program on hold as we search for a new national lender to step in to provide the mortgage loans for this important program.

## **2008 IMPLEMENTATION PLAN**

At this time, the program is on hold as the Corporation searches for a new national lender to step in to provide the mortgage loans for this important program.

## **INTERIM CONSTRUCTION AND LAND ACQUISITION PROGRAM**

The Corporation's Interim Construction and Land Acquisition Loan Program supports our mission to serve the housing needs of low, very low and extremely low-income Texans who do not have comparable housing opportunities in rural and underserved communities. The program accomplishes this by providing short-term financing for site acquisition and interim construction to non-profit and for-profit developers to increase or preserve the stock of affordable single family homes in Texas.

The Corporation only considers proposals for a development that involves the sale of housing units to unrelated third party households. This includes developments involving, but not limited to, single-family or multi-unit residential structures, condominiums, limited equity co-operatives, subdivisions, infill construction, new construction and rehabilitation.

Funding for this program comes from investments made by public and private entities into the Corporation's single family loan pool. The Corporation may also commit its own funds to the program or borrow funds from public or private entities to finance loans. The availability of funds is dependant upon the Corporation's ability to find new investments, and/or borrow funds at reasonable rates and terms. All loan commitments are conditioned upon the availability of funds.

In December 2007 the Corporation's Board approved loan policies to govern the program that provide guidance to staff, borrowers and investors of our process for administering the program. The program policies were a significant step forward in the development of the program and will assist us in increasing investments in the program from private and public entities and with creating application materials, loan documents and marketing materials for the program.

## **2008 IMPLEMENTATION PLAN**

The program will require new investments in order to continue operations; therefore the primary goal for the next year will be to raise at least \$1 million dollars in new funding. To assist in this goal, the Corporation will create a loan loss reserve pool that can act as insurance on the repayment of funds to investors. The Corporation intends to lend at least 70% of its available loan pool to qualified affordable housing developments. As the funding for the program increases, the Corporation will create a marketing campaign for the program that includes the development of web-based materials, marketing brochures, presentation materials, and clear document packages for borrowers. Staff will work with regional and statewide associations to promote the program at conferences and training events. The Corporation will track the number, cost and location of affordable housing units produced by the program to determine if the Corporation is fulfilling its mission to serve underserved populations and areas in Texas.

## **MULTIFAMILY PRIVATE ACTIVITY BOND PROGRAM**

The Texas Legislature in 2003 allocated 10 percent of the multifamily private activity bond cap to the Corporation. The available amount for funding in 2007 was approximately \$44 million, and a similar amount will be available for 2008. Nonprofit and for profit developers can use the program to finance the acquisition and rehabilitation or new construction of multifamily residential rental units across the state. Developers are encouraged to leverage the private activity bond funds by using Low Income Housing Tax Credits (LIHTC) available through TDHCA.

The Corporation's Private Activity Bond program statute requires the Corporation to target areas with the greatest housing need that have expressed local community support for affordable multifamily housing. The statute also requires the Corporation to solicit proposals from developers who would provide the specific housing development that would address the targeted housing need outlined in the request, whether for senior, rehabilitation, rural, supportive, migrant farm worker, or other specific housing need. Applications received in response to the request for proposals issued by the Corporation will be scored and ranked using criteria that analyzes the Developer's qualifications, experience and willingness to provide the types of multifamily housing targeted by the Corporation. Tax-exempt private activity bond financing will be allocated to the highest-scoring proposal that meets the identified housing needs of the Request for Proposals, subject to available allocation.

The Corporation issued requests for proposals in 2007 to Developers for the provision of rural, senior, preservation of at-risk housing (rehabilitation), and supportive housing. The Corporation received two applications and issued \$34,900,000 to one developer to finance the acquisition and rehabilitation of 13 properties around the state. Since 2003, the Corporation has awarded \$49,200,000 to create or preserve 1,258 units of affordable rental housing.

## **2008 IMPLEMENTATION PLAN**

The targeted areas of housing for 2008 are Preservation of At-Risk Housing, Senior Housing, Supportive Housing, and Rural Housing. These targeted areas are based on current research and information received throughout the last few years. In 2004 and 2005 the Corporation solicited participation in the private activity bond program by sending letters to mayors of all cities with a population over 10,000 people and all county judges. Discussing the various needs with each interested city and county highlighted the diversity of needs for different areas of Texas. The larger metropolitan areas believed they were saturated with multifamily housing, but were interested in rehabilitation or redevelopment of existing multifamily housing that had fallen into disrepair. Cities with a lower population, generally not in



urban areas, expressed interest in developing new multifamily housing to fill their affordable housing needs.

Most recently, the Corporation conducted an electronic survey by email to known stakeholders, and the targeted housing needs from 2007 were confirmed as those still most needed in the state. As a result of this fact-finding, the Corporation targeted housing needs for 2008 and included those in its 2008 Request for Proposal (RFP). The 2008 RFP is an evergreen RFP that will stay outstanding until all volume cap set aside for this program is allocated.

## **MULTIFAMILY 501(c)(3) BOND PROGRAM**

The Corporation's 501(c)(3) Multifamily Bond Program was created to finance the acquisition and rehabilitation, or new construction, of affordable multifamily housing units throughout the state of Texas. Unlike the Corporation's PAB program, 501(c)(3) financing does not use volume cap allocation and applications can be considered year-round. Also different from the PAB program is that 501(c)(3) financing may not be used in conjunction with low income housing tax credits. Only qualified nonprofit developers, designated under the internal revenue code as 501(c)(3) organizations, are eligible to apply for 501(c)(3) financing.

In addition to providing safe, decent, and affordable rental housing to residents of the state of Texas, recipients of 501(c)(3) financing must adopt a dollar-for-dollar public benefit program, investing at least one dollar in rent reduction, capital improvement projects, or social, educational, or economic development services for every dollar of abated property tax revenue they receive.

In 2001 and 2002 the Corporation provided \$487 million in financing for the preservation or creation of 7,700 units of affordable housing in the state of Texas. Since 2002 the Corporation has not considered applications or issued bonds under the 501(c)(3) program as a result of market changes and legislatively mandated changes.

### **2008 IMPLEMENTATION PLAN**

The Corporation will monitor market conditions and will reactivate the program if demand shows the need for this type of financing to create needed multifamily affordable housing. Non-profit developers may choose to apply under the Corporation's Multifamily Private Activity Bond Program to be eligible for bond financing in addition to 4 percent tax credit equity.

## **MULTIFAMILY DIRECT LENDING PROGRAM**

The Multifamily Direct Lending Program supports the Corporation's mission to promote equal access to safe, decent, and affordable housing with an emphasis on serving rural and underserved markets. The program provides long-term financing to non-profit and for-profit developers for the purpose of increasing and preserving the stock of affordable rental housing throughout the state of Texas.

The primary sources of funds available to this program are from investments made by public and private entities into the Corporation's multifamily loan pool. The Corporation may also commit its own funds to the program, borrow funds from public or private entities to finance loans, or act as a conduit lender for public or private financial institutions. The availability of funds is dependant upon the Corporation's ability to find new investments, borrow funds at reasonable rates and terms, or identify secondary purchasers of loans.

The Corporation only considers proposals for developments involving the acquisition, construction and/or rehabilitation of affordable rental housing projects containing at least 10 housing units located within the state of Texas. Developments may be comprised of scattered-sites, senior apartments, affordable assisted

living, limited-equity cooperatives, single-family rental units and other nontraditional multifamily rental housing.

This program helps to expand the flow of much-needed long-term capital to the community development industry by providing fixed rate mortgages that may not be efficiently priced by traditional secondary markets- whether because of their small size (\$5M and under), configuration (scattered site and urban rehabs), affordable aspects, or lack of rated credit enhancement.

The Corporation has provided over \$6.5 million in financing to over 1,500 units of affordable housing since the program's inception. In 2003 and 2004, the Corporation provided permanent financing in the aggregate amount of \$5,628,000 for five (5) separate developments in Odessa, Wichita Falls, Big Spring, Brady, and Stephenville. These developments provided 412 units of affordable housing to low income Texans. The last transaction financed, the RHAC Texas Portfolio, included more than 1,000 units and was completed in September 2007. Staff believes that the market for the Direct Lending Program will continue to be strong. The need for financing of multifamily developments in rural and underserved areas is acute. To ensure the Corporation can continue to provide flexibility in its financing strategy, staff has proposed new policies for the program that will continue to allow a wide variety of strategies to be employed to meet market challenges.

## 2008 IMPLEMENTATION PLAN

The Corporation is committed to administering and marketing our capabilities under this program in 2008. The Corporation has included the following goals in its 2007-2009 Business Plan for this Program. First, the Corporation intends to establish and update yearly lending policies that will guide our utilization and management of the program. Second, to expand our impact in the market, the Corporation will actively fund raise for new sources of investment, and secondary market purchasers for the Corporation's loan portfolio. The Corporation has set a goal of raising \$2 million for the Corporation's Multifamily Direct Lending loan pool over the next two years.

## ASSET OVERSIGHT AND COMPLIANCE

Asset oversight of properties is required by many bond issuers, including the Corporation and TDHCA, to monitor the financial and physical health of a property and to provide suggestions for improvement. Compliance monitoring ensures that the borrowers are providing the required number of affordable units to income eligible households and that quality resident services are being provided to all residents of the property. Periodic on-site inspections and resident file reviews of affordable units ensure that federal requirements relating to the tax-exempt status of the bonds are followed.

For those properties funded by the Corporation, the Corporation has developed a convenient way for property managers/owners to submit their compliance reports online. All properties started reporting online on or before February 2005. Since that time, properties have been reporting as required on a monthly and quarterly basis and serves to streamline paper and provide convenience to the properties.

The Corporation is currently providing asset oversight for 131 properties and compliance oversight for 36 properties. In May of 2006 TDHCA contracted with the Corporation to provide asset oversight services for multifamily properties financed through their bond program. The number of asset oversight reviews conducted by the Corporation for the Texas Department of Housing and Community Affairs are as follows:

2005	50 site visits	11,568 units
2006	73 site visits	16,956 units
2007	86 site visits	19,727 units

## **2008 IMPLEMENTATION PLAN**

The Corporation will continue to provide high quality asset oversight and compliance monitoring services to the properties in our current portfolio and intends to increase the effectiveness and efficiency of the program. First, the Corporation intends to develop and implement compliance software for better tracking purposes. The Corporation will also work to contract with other entities to expand our asset oversight and compliance monitoring portfolio of business. The Corporation will pursue new asset oversight and/or compliance business relationships with public agencies such as HUD, the Texas Department of Housing and Community Affairs, Housing Authorities, or partnering with private owners and property management companies.

### **GRANT PROGRAM**

Although the Corporation has been a 501(c)(3) nonprofit entity since 2001, the Corporation did not actively pursue fundraising and grant opportunities until last year. The Corporation needs to fundraise to sustain current programs and to add new programs. In 2006 the Corporation made considerable strides in this area by developing a Fundraising and Grant Program Action Plan and by searching out available grant funding for affordable housing. In 2006, the Corporation hired a Manager of Marketing and Development to actively pursue fundraising opportunities. In addition, the Corporation received a low-interest loan from Wells Fargo in the amount of \$1.05 million for three areas: the Interim Construction and Land Acquisition Loan Program, Single Family Down Payment Assistance, and Multifamily Gap Financing Assistance. The Corporation has used \$500,000 of this award for the Multifamily Gap Financing Assistance Program (now part of our Multifamily Direct Lending Program) to help finance the acquisition and rehabilitation of 13 properties around the state. The Corporation has committed \$542,000 of this award for the Interim Construction and Land Acquisition Program to help finance the development of 170 single family homes.

The Corporation intends to fund two new programs described more fully below, the HomeWorks Loan Program and the Texas Foundations Fund, with grants and donations.

## **2008 IMPLEMENTATION PLAN**

The Corporation's mission of affordable housing matches many foundation and grant objectives, and provides multiple opportunities for corporate sponsorship and cross-promoting. The Corporation will work to fundraise for grants and will pursue low-interest loans for the Texas Foundations Fund, the HomeWorks Loan Program, the Multifamily Direct Lending Program, and the Interim Construction and Land Acquisition Program. In addition, the Corporation will solicit corporate partners in the home improvement, home appliance, and large retail business sectors for down payment assistance for our Professional Educator, Fire Fighter, Police Officer, Security Officer, and Nursing Faculty bond programs. We will request a grant for down payment assistance and coupons for participating borrowers, such as \$50 off a refrigerator, or a \$100 coupon to the home improvement store. The Corporation will also work with national computer manufacturers to contribute a computer to every teacher, firefighter, police officer, corrections officer, or nurse educator that closes a loan through our program, and negotiate with telecommunications companies to contribute phone/internet service packages. These are just a few of the fundraising activities and initiatives that the Corporation will undertake in 2008.

## **NEW PROGRAM INITIATIVES FOR 2008**

### **HOMEWORKS PROGRAM**

The Corporation will explore the possibility of creating an employer assisted housing program. Employer assisted housing programs are aimed not only at providing an affordable financing product to potential



homebuyers, but aid in recruiting new businesses to the State while enhancing existing business by allowing such businesses to offer incentives not otherwise possible to employees they would like to recruit and retain.

This program would be a partnership between the Corporation and participating employers and their employees. The program, *HomeWorks*, would offer a 30-year fixed rate mortgage through the mortgage lender of the borrower's choice. The program would offer up to \$4,000 in matching funds for downpayment and closing cost assistance courtesy of the Corporation and participating employers across Texas.

The Corporation and the employer will match dollar for dollar, up to \$2,000 each, of an employee's contribution toward downpayment and closing costs. Matching assistance would be provided to the employee in the form of a 3-year deferred forgivable second lien loan (*33.33% is forgiven each year*). If the employee leaves or is terminated by the employer, the remaining balance of the assistance is to be paid back to the Corporation and/or the employer.

The employer would contribute a maximum amount to the program, and offer it to employees on a first-come, first-served basis. The employee must be employed by a participating employer for at least 6 months, with a 3 year commitment to the employer. The employee must participate in a homebuyer education course approved by the Corporation prior to closing on the loan. The employee must meet income and purchase price limits set by the Corporation, while meeting standard mortgage underwriting requirements demonstrating credit worthiness. The employee must occupy the purchased home as his or her primary residence.

### **TEXAS FOUNDATIONS FUND**

The Corporation is developing, and will present for board approval in early 2008, the Texas Foundations Fund (TFF). The TFF will support housing initiatives for very low-income families, currently expected to be at or below 50 percent of the area median income. The Corporation intends to fund TFF through revenues generated from existing programs and donations received. This program is intended to meet the Corporation's goal of providing low-income housing options for very low-income Texans, which is best met through a grant program. Our plan is to seek applications from housing nonprofits whose mission is to serve very low-income Texans. Every year the Texas Foundations Fund would build up funds from program revenue and donations, and a notice of funding availability (NOFA) would be issued when the fund reaches a certain level. The NOFA would be issued to nonprofits that provide very low-income housing. Applications would be evaluated according to guidelines established by the Board

Before presenting the TFF Program to the board, Corporation staff will explore the best legal options for creating the Texas Foundations Fund, including the possible creation of an irrevocable trust. Staff will also explore the creation of an endowment portion of the Texas Foundations Fund to ensure long-term viability and maximum impact of the fund on future generations. Most importantly, Staff will evaluate how to fund the Texas Foundations Fund, including the Corporation's revenue from existing programs and methods for fundraising specifically for this new Fund. In addition, Guidelines will be developed for evaluating grant applications.

APPENDIX A

**LEGISLATIVE REQUIREMENTS FOR THE STATE OF TEXAS LOW INCOME HOUSING PLAN AND ANNUAL REPORT**

**SEC. 2306.072. ANNUAL LOW INCOME HOUSING REPORT**

- 1) Not later than March 18 of each year, the director shall prepare and submit to the board an annual report of the department's housing activities for the preceding year.
- 2) Not later than the 30th day after the date the board receives the report, the board shall submit the report to the governor, lieutenant governor, speaker of the house of representatives, and members of any legislative oversight committee.
- 3) The report must include
  - a) a complete operating and financial statement of the department;
  - b) a comprehensive statement of the activities of the department during the preceding year to address the needs identified in the state low income housing plan prepared as required by Section 2306.0721, including:
    - i) a statistical and narrative analysis of the department's performance in addressing the housing needs of individuals and families of low and very low income;
    - ii) the ethnic and racial composition of families and individuals applying for and receiving assistance from each housing-related program operated by the department; and
    - iii) the department's progress in meeting the goals established in the previous housing plan;
  - c) an explanation of the efforts made by the Department to ensure the participation of persons of low income and their community-based institutions in department programs that affect them;
  - d) a statement of the evidence that the Department has made an affirmative effort to ensure the involvement of individuals of low income and their community-based institutions in the allocation of funds and the planning process;
  - e) a statistical analysis, delineated according to each ethnic and racial group served by the department, that indicates the progress made by the department in implementing the state low income housing plan in each of the uniform state service regions; and
  - f) an analysis, based on information provided by the fair housing sponsor reports required under Section 2306.0724 and other available data, of fair housing opportunities in each housing development that receives financial assistance from the department that includes the following information for each housing development that contains twenty or more living units:
    - i) the street address and municipality or county where the property is located;
    - ii) the telephone number of the property management or leasing agent;
    - iii) the total number of units reported by bedroom size;
    - iv) the total number of units, reported by bedroom size, designed for individuals who are physically challenged or who have special needs and the number of these individuals served annually as reported by each housing sponsor;
    - v) the rent for each type of rental unit, reported by bedroom size;
    - vi) the race or ethnic makeup of each project;
    - vii) the number of units occupied by individuals receiving government-supported housing assistance and the type of assistance received;
    - viii) the number of units occupied by individuals and families of extremely low income, very low income, low income, moderate income, and other levels of income;
    - ix) a statement as to whether the department has been notified of a violation of the fair housing law that has been filed with the United States Department of Housing and Urban Development, the Commission on Human Rights, or the United State Department of Justice; and

- x) a statement as to whether the development has any instances of material noncompliance with bond indentures or deed restrictions discovered through the normal monitoring activities and procedures that include meeting occupancy requirements or rent restrictions imposed by deed restrictions or financing agreements.
- g) a report on the geographic distribution of low income housing tax credits, the amount of unused low income housing tax credits, and the amount of low income housing tax credits received from the federal pool of unused funds from other states.
- h) A statistical analysis, based on information provided by the fair housing sponsor reports required by Section 2306.0724 and other available data, of average rents reported by county.

**SEC. 2306.0721. LOW INCOME HOUSING PLAN**

- 1) Not later than March 18 of each year, the director shall prepare and submit to the board an integrated state low income housing plan for the next year.
- 2) Not later than the 30th day after the date the board receives the plan, the board shall submit the plan to the governor, lieutenant governor, and the speaker of the house of representatives.
- 3) The plan must include:
  - a) an estimate and analysis of the housing needs of the following populations in each uniform state service region:
    - i) individuals and families of moderate, low, very low income, and extremely low income;
    - ii) individuals with special needs; and
    - iii) homeless individuals;
  - b) a proposal to use all available housing resources to address the housing needs of the populations described by Subdivision (1) by establishing funding levels for all housing-related programs;
  - c) an estimate of the number of federally assisted housing units available for individuals and families of low and very low income and individuals with special needs in each uniform state service region;
  - d) a description of state programs that govern the use of all available housing resources;
  - e) a resource allocation plan that targets all available housing resources to individuals and families of low and very low income and individuals with special needs in each uniform state service region;
  - f) a description of the department's efforts to monitor and analyze the unused or underused federal resources of other state agencies for housing-related services and services for homeless individuals and the department's recommendations to endorse the full use by the state of all available federal resources for those services in each uniform state service region;
  - g) strategies to provide housing for individuals and families with special needs each uniform state service region;
  - h) a description of the department's efforts in each uniform state service region to encourage the construction of housing units that incorporate energy efficient construction and appliances;
  - i) an estimate and analysis of the housing supply in each uniform state service region;
  - j) an inventory of all publicly and, where possible, privately funded housing resources, including public housing authorities, housing finance corporations, community housing development organizations, and community action agencies;
  - k) strategies for meeting rural housing needs;
  - l) a biennial action plan
    - i) addresses current policy goals for colonia programs, strategies to meet the policy goals, and the projected outcomes with respect to policy goals; and
    - ii) includes information on the demand for contract-for-deed conversions, services from self-help centers, consumer education, and other colonia resident services in counties some part of which is within 150 miles of the international border of this state;

## *Appendix A: Legislative Requirements*

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- m) a summary of public comments received at a hearing under this chapter or from another source that concern the demand for colonia resident services described by Subdivision (12); and
  - n) any other housing-related information that the state is required to include in the one-year action plan of the consolidated plan submitted annually to the United States Department of Housing and Urban Development.
- 4) The priorities and policies in another plan adopted by the department must be consistent to the extent practical with the priorities and policies established in the state low income housing plan.
  - 5) To the extent consistent with federal law, the preparation and publication of the state low income housing plan shall be consistent with the filing and publication deadlines required of the department for the consolidated plan; and
  - 6) The director may subdivide the uniform state service regions as necessary for the purposes of the state low income housing plan.
  - 7) The department shall include the plan developed by the Texas State Affordable Housing Corporation under Section 2306.566 in the department's resource allocation plan under Subsection (c)(5).

### **SEC. 2306.0722. PREPARATION OF PLAN AND REPORT**

- 1) Before preparing the annual low income housing report under Section 2306.072 and the state low income housing plan under Section 2306.0721, the department shall meet with regional planning commissions created under Chapter 391, Local Government Code, representatives of groups with an interest in low income housing, nonprofit housing organizations, managers, owners, and developers of affordable housing, local government officials, and residents of low income housing. The department shall obtain the comments and suggestions of the representatives, officials, and residents about the prioritization and allocation of the department's resources in regard to housing.
- 2) In preparing the annual report under Section 2306.072 and the state low income housing plan under Section 2306.0721, the director shall:
  - a) coordinate local, state, and federal housing resources, including tax exempt housing bond financing and low income housing tax credits;
  - b) set priorities for the available housing resources to help the neediest individuals;
  - c) evaluate the success of publicly supported housing programs;
  - d) survey and identify the unmet housing needs of persons the department is required to assist;
  - e) ensure that housing programs benefit a person regardless of the persons' race, ethnicity, sex, or national origin;
  - f) develop housing opportunities for individuals and families of low and very low income and individuals with special housing needs;
  - g) develop housing programs through an open, fair, and public process;
  - h) set priorities for assistance in a manner that is appropriate and consistent with the housing needs of the populations described by Section 2306.0721(c)(1);
  - i) incorporate recommendations that are consistent with the consolidated plan submitted annually by the state to the United States Department of Housing and Urban Development;
  - j) identify the organizations and individuals consulted by the department in preparing the annual report and state low income housing plan and summarize and incorporate comments and suggestions provided under Subsection (a) as the board determines to be appropriate;
  - k) develop a plan to respond to changes in federal funding and programs for the provision of affordable housing;
  - l) use the following standardized categories to describe the income of program applicants and beneficiaries:
    - i) to 30 percent of area median income adjusted for family size;
    - ii) more than 30 to 60 percent of area median income adjusted for family size;
    - iii) more than 60 to 80 percent of area median income adjusted for family size;

- iv) more than 80 to 115 percent of area median income adjusted for family size; or
- v) more than 115 percent of area median income adjusted for family size; and
- m) use the most recent census data combined with existing data from local housing and community service providers in the state, including public housing authorities, housing finance corporations, community housing development organizations, and community action agencies.
- n) provide the needs assessment information compiled for the report and plan to the Texas State Affordable Housing Corporation.

**SEC. 2306.0723. PUBLIC PARTICIPATION REQUIREMENTS**

- 1) The Department shall consider the annual low income housing report to be a rule and in developing the report shall follow rulemaking procedures required by Chapter 2001.

**SEC. 2306.0724. FAIR HOUSING SPONSOR REPORT**

- 1) The department shall require the owner of each housing development that receives financial assistance from the department and that contains 20 or more living units to submit an annual fair housing sponsor report. The report must include the relevant information necessary for the analysis required by Section 2306.072(c)(6). In compiling the information for the report, the owner of each housing development shall use data current as of January 1 of the reporting year.
- 2) The department shall adopt rules regarding the procedure for filing the report.
- 3) The department shall maintain the reports in electronic and hard-copy formats readily available to the public at no cost.
- 4) A housing sponsor who fails to file a report in a timely manner is subject to the following sanctions, as determined by the department:
  - a) denial of a request for additional funding; or
  - b) an administrative penalty in an amount not to exceed \$1,000, assessed in the manner provided for an administrative penalty under Section 2306.6023.

**HOUSING RESOURCE CENTER**

**BOARD ACTION REQUEST**

**March 13, 2008**

**Action Items**

Presentation, Discussion and Possible Approval to publish the draft of proposed new 10 TAC §8.1, Project Access Program Rules, for comment in the *Texas Register*.

**Required Action**

Approve, approve with amendments, or deny the draft rule for publication in the *Texas Register* for public comment related to the Project Access Program.

**Background**

Project Access is a program that utilizes Section 8 Housing Choice Vouchers administered by the Texas Department of Housing and Community Affairs to assist low-income non-elderly persons with disabilities in transitioning from institutions into the community by providing access to affordable housing. The purpose of this draft rule is to define the eligibility criteria that apply to Project Access voucher recipients.

Project Access was originally a housing voucher pilot program developed by the U.S. Department of Housing and Urban Development (HUD), the U.S. Department of Health and Human Services (HHS), and the Institute on Disability at the University of New Hampshire. The goal of the pilot program was to assist low-income non-elderly persons with disabilities to transition from institutions into the community by providing access to affordable housing and necessary supportive services. The Department applied for the pilot program and received 35 Section 8 housing vouchers from HUD in 2001. After the expiration of the HUD pilot program in 2003, the Department elected to continue the program in recognition of housing need and expressed public interest and has continued to operate the program since that time. Currently, the Department works closely with the Texas Department of Aging and Disability Services in outreach and identification of program participants. On January 31, 2008, the Board approved the Section 8 PHA Plan which included an increase in the number of Project Access vouchers from 35 to 50.

As the source of the vouchers is the Section 8 Housing Choice Voucher program, all Section 8 Housing Choice Voucher rules and regulations apply. According to HUD's original guidelines, eligible participants in the Project Access Program must have a disability, be a current resident of a nursing facility, intermediate care facility, or board and care facility, and be under the age of 62. Though the HUD program is no longer an active pilot program, HUD has approved our continuation of Project Access. Staff is proposing to codify the eligibility requirements for the program in State regulation.

The Board received significant public comment during the January 31, 2008 Board meeting regarding the proposed Project Access rule. Since the Board meeting, staff has convened two meetings with the Disability Advisory Workgroup and discussed the rule one-on-one with several individuals. As a result of these discussions, staff suggests the following adjustments to

the proposed rule. Staff proposes to expand the eligibility criteria beyond HUD's original guidelines to include people with disabilities (under the age of 62) that have already transitioned from institutions using the Department's Tenant-Based Rental Assistance (TBRA) and are within 120 days of their assistance expiring. The Department's TBRA is administered through the HOME Investments Partnership Program. Such assistance, however, is intended to be transitional and is limited to 24 months. Waiting lists for Section 8 Housing Choice Vouchers from local Public Housing Authorities are very long, and in many cases closed for extended periods of time, making this key source of permanent assistance unavailable. The Disability Advisory Workgroup provided considerable input that expanding the eligibility criteria to include individuals with expiring TBRA assistance would help alleviate the shortfall of permanent housing assistance.

Changes to the proposed rule from the January 31, 2008 Board meeting are indicated in blackline. Preliminary conversations with HUD indicate that this limited expansion of the eligibility criteria will be acceptable. Staff will confirm HUD's acceptance of the final rule following the public comment period and prior to the Board's approval of the final rule.

The public comment period for the proposed rule is March 28<sup>th</sup> through April 30<sup>th</sup>.

#### **Recommendation**

Staff recommends approval of the draft rule for publication in the *Texas Register* for public comment.

TITLE 10 COMMUNITY DEVELOPMENT  
PART 1: TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
CHAPTER 8: PROJECT ACCESS PROGRAM RULES

10 TAC §8.1

(a) Purpose. Project Access is a program that utilizes federal Section 8 Housing Choice Vouchers administered by the Texas Department of Housing and Community Affairs to assist low-income non-elderly persons with disabilities in transitioning from institutions into the community by providing access to affordable housing. The purpose of this rule is to define the eligibility criteria that apply to Project Access voucher recipients.

(b) Definitions.

(1) Board— ~~---~~ The board of directors of the department.

(2) Department— ~~---~~ The Texas Department of Housing and Community Affairs.

(3) Section 8 – The United States Department of Housing and Urban Development Section 8 Housing Choice Voucher Program administered by the Texas Department of Housing and Community Affairs.

(4) At-Risk Applicant – Applicant that meets the following criteria:

(A) current recipient of Tenant-Based Rental Assistance from the Department’s HOME Investments Partnership Program; and

(B) within 120 days prior to expiration of assistance.

(c) Regulations Governing Program. All Section 8 rules and regulations apply to the program.

(d) Project Access Eligibility Criteria. A Project Access voucher recipient must meet all Section 8 eligibility criteria as well as meet all of the following eligibility criteria:

(1) have a permanent disability as defined in Section 223 of the Social Security Code or be determined to have a physical, mental or emotional disability that is expected to be of long-continued and indefinite duration that impedes one’s ability to live independently;

(2) be less than 62 years of age at the time of voucher issuance; and

(3) meet one of the following criteria:

(A) be an At-Risk Applicant and a previous resident of a nursing facility, intermediate care facility, or board and care facility at the time of voucher issuance as defined by the U.S. Department of Housing and Urban Development; and or

(3B) be less than 62 years of age a current resident of a nursing facility, intermediate care facility, or board and care facility at the time of voucher issuance. as defined by the U.S. Department of Housing and Urban Development.



**HOME DIVISION  
BOARD ACTION REQUEST  
March 13, 2008**

**Action Item**

Presentation, Discussion and Possible Approval of HOME Division award recommendation for disaster relief for City of Crystal City in the amount of \$510,000.

**Requested Action**

Approve, Deny or Approve with Amendments the publication of the award recommendation for disaster relief for City of Crystal City in the amount of \$510,000.

**Background**

During the months of June, July, and August of 2007, the City of Crystal City experienced severe storms tornadoes, and flooding which devastated certain areas of the City. A federal disaster declaration FEMA-1709-DR, Texas was issued on June 29, 2007. In accordance with the Department's HOME Program Rule 10 Texas Administrative Code §53.47(a)(5), HOME disaster relief funds are made available ninety (90) days after the date of the federal declaration date. Applications for disaster relief are accepted within six months after the first day assistance under the owner occupied housing assistance program is made available.

The Department notified Zavala County officials of the Department's HOME Program. Technical assistance for completing and submitting an application was also offered. The following application was received and processed for recommendation.

<b>Application #</b>	<b>Applicant Name</b>	<b>Project Funds Requested and Recommended</b>	<b>Admin. Funds Requested and Recommended</b>	<b># of Units Proposed</b>
2008-0001	City of Crystal City	\$ 500,000	\$10,000	9
<b>Total</b>		<b>\$ 500,000</b>	<b>\$10,000</b>	<b>9</b>

Zavala County received federal funds for street and drainage repairs and affected homeowners were eligible to apply for FEMA assistance. However, the City's application indicates that many of the homeowners have been denied assistance and only one received a small grant for emergency assistance. It is important to note that allocations of assistance from two different federal programs cannot be provided to overcome fund deficiencies. Therefore, as part of the eligibility process, a review of the individual households' needs and federal funds awarded is required in order to prevent such a duplication of benefit from occurring.

The application has been thoroughly reviewed for eligibility. Section 2306.057 of the Texas Government Code requires an assessment of the applicant and any affiliate of the applicant be conducted to identify the history with respect to all applicable requirements. The Applicant does not have any identified non-compliance issues at application. All awardees may be subject to a

second review at contract generation and will be contingent upon any unresolved audit findings, questioned or disallowed costs, and performance issues identified at that time. City of Crystal City is recommended for funding under the 2008 HOME Program Rule and the award is in accordance with the Department's rule on deobligated funds (10 TAC Chapter 1 §1.19) adopted by the Board on April 12, 2007.

### **Recommendation**

Staff recommends approval of this disaster relief award recommendation to the City of Crystal City. Staff also recommends approval of 2% of project funds requested for program administration.

**HOME DIVISION**  
**BOARD ACTION REQUEST**  
**March 13, 2008**

**Action Item**

Presentation, Discussion and Possible Approval of the amended Housing Trust Fund Rental Production Program Notice of Funding Availability (NOFA).

**Requested Action**

Approve, Deny or Approve with Amendments the amended Housing Trust Fund Rental Production Program Notice of Funding Availability (NOFA).

**Background**

The Housing Trust Fund Rental Production Program NOFA was originally approved by the Board in October 2007 as one of the programs described in the 2008 Housing Trust Fund Annual Plan. Subsequent to the publication of the NOFA and at the December 2007 meeting, the Board approved the amended Rental Production Program Notice of Funding Availability (NOFA) to reflect changes necessitated by the final adopted Housing Trust Fund Rule. The Department released and published the amended NOFA in December 2007. The Department has received one application, which is undergoing the review process.

Staff discussions with an interested applicant indicate that the requirement for the submission of third-party reports for small scale developments is a barrier to submitting an application since it is not cost effective. Staff believes it is prudent to require and review third-party reports such as a market study, environmental site assessment, and an appraisal and property condition assessment for proposed properties involving acquisition. However, staff does recommend amending the NOFA to remove the requirement of a market study for those applicants proposing the acquisition or acquisition and rehabilitation of a development with 10 or fewer units. Staff has revised the NOFA, which is attached with blackline reflecting the amendment proposed.

Another prospective applicant has also expressed an interest in removing the exclusion for properties funded with Housing Tax Credits from this NOFA. In the original concept discussion during the development of the 2008 Annual Plan for Housing Trust Fund, a need was expressed to leverage funds with rental properties, primarily in rural areas, that do not receive a Housing Tax Credit award, to better enable quality properties to target units to households at lower median incomes. Therefore, staff is not making a recommendation to amend the NOFA. The applicant has indicated that there is an interest to utilize these funds for properties that were previously funded with Housing Tax Credits and are now in need of rehabilitation.

It is important to note that the Rental Production Program in the approved 2008 Housing Trust Fund Annual Plan stipulates that if the funds are not applied for within six months of the release

of a NOFA, they will be reprogrammed by the Department's Board to another activity identified in the 2008 Annual Plan.

### **Recommendation**

Approve the amended Housing Trust Fund Rental Production Program Notice of Funding Availability (NOFA) to remove the requirement of a market study for those applicants proposing the acquisition or acquisition and rehabilitation of a development with 10 or fewer units.

If board desires to remove the exclusion for properties funded with Housing Tax Credits, staff recommends an extension of the application deadline from May 1, 2008 to August 31, 2008 and approval to extend the reprogramming of funds for undersubscription to August 31, 2008, as well.



**Texas Department of Housing and Community Affairs**  
**Housing Trust Fund**  
**Rental Production Program**  
**Notice of Funding Availability (NOFA)**

**1) Summary**

- a) The Texas Department of Housing and Community Affairs (“the Department”) announces the availability of approximately \$844,000 in funding from the Housing Trust Fund for financing of affordable rental housing for very low-income and extremely low-income Texans. The availability and use of these funds is subject to the state Housing Trust Fund Rules at Title 10 Texas Administrative Code (10 TAC) Chapter 51 (“HTF Rules”) and Chapter 2306, Texas Government Code in effect at the time an application is submitted. Applicants are encouraged to familiarize themselves with all of the applicable rules that govern the program.

**2) Allocation of Housing Trust Funds**

- a) These funds are made available through General Revenue Funds appropriated to the Housing Trust Fund during the 80<sup>th</sup> Legislative Session for financing rental housing developments which involve new construction, rehabilitation or acquisition and rehabilitation. All funds released under this NOFA are to be used for the subsidizing of affordable rental housing units that target very low-income Texans earning 50 percent or less of Area Median Family Income (AMFI) and are not being funded with Housing Tax Credits. Additionally, if the funds are used to target extremely low-income Texans earning 30 percent or less of the AMFI and those units are not designated to serve extremely low-income households through another subsidy source, the Department may allow a forgivable loan only for those extremely low-income units.
- b) In accordance with 10 TAC 51.8, this NOFA will be an Open Application Cycle and funding will be available on a first-come, first-served statewide basis. Applications will be accepted until 5:00 p.m. **May 1, 2008** unless all funds are committed prior to this date. Applicants are encouraged to review the application process cited above and described herein. Applications that do not meet minimum threshold and financial feasibility will not be considered for funding.

- c) The Department will allocate Housing Trust Fund awards as a loan, to eligible recipients for the provision of housing for very low and extremely low-income individuals and families. Funds will be distributed primarily in rural areas and will not be awarded to developments that have received a Housing Tax Credits award so that special emphasis is given to smaller proposed developments. The Department's underwriting guidelines at 10 TAC §1.32 will be used which set as a minimum feasibility a 1.15 debt coverage ratio.
- d) Award amounts are limited to no more than \$250,000 per development.
- e) Developments involving rehabilitation must establish that the rehabilitation will substantially improve the condition of the housing and will involve at least \$12,000 per unit in direct hard costs, unless the property is also being financed by the United States Department of Agriculture's Rural Development program.

### **3) Eligible and Ineligible Activities and Restrictions**

- a) Eligible activities will include the financing, new construction, acquisition and/or rehabilitation of affordable rental housing developments.
- b) Ineligible activities include the acquisition, rehabilitation, reconstruction or refinancing of affordable rental housing constructed within the past 5 years or previously funded by the Department.
- c) Ineligible activities include financing for any property that also has received or will receive a Housing Tax Credit award.
- d) Restrictions include the displacement of existing affordable housing. Pursuant to §2306.203(a)(4) of the Texas Government Code, Housing Trust Funds shall not be utilized on a development that has the effect of permanently and involuntarily displacing low, very low, and extremely low income persons and families. Low-Income persons who may be temporarily displaced by the rehabilitation of affordable housing may be eligible for compensation of moving and relocation expenses. If a Housing Trust Fund recipient violates the permanent dislocation provision of this subsection, that recipient risks loss of Housing Trust Funds and the landlord/developer must pay the affected tenant's costs and all moving expenses.

### **4) Eligible and Ineligible Applicants**

- a) The Department provides HTF to qualified local units of government, public housing authorities, nonprofit organizations and for-profit entities.
- b) Ineligible Applicants will include the following:
  - i) Previously funded recipient(s) whose Housing Trust Funds have been partially or fully deobligated due to failure to meet contractual obligations during the 12 months prior to the current funding cycle;
  - ii) Applicants, or persons affiliated with the Applicant that have been barred, suspended, or terminated from procurement in a state or federal program and listed in the List of Parties Excluded from Federal Procurement of Non-procurement Programs;
  - iii) Applicants or persons affiliated with the Applicant that are subject of enforcement action under state or federal securities law, or are the subject of an enforcement proceeding with a state or federal agency or another governmental entity;
  - iv) Applicants or persons affiliated with the Applicant that have unresolved audit findings related to previous or current funding agreements with the Department;

- v) Applicants or persons affiliated with the Applicant that have delinquent loans, fees or other commitments with the Department, until payment is made;
  - vi) Applicants who have not satisfied all threshold requirements described in this title, and the NOFA to which they are responding, and for which Administrative Deficiencies were unresolved;
  - vii) Applicants who have submitted incomplete Applications;
  - viii) Applicants or persons affiliated with the Applicant that have been otherwise barred by the Department;
  - ix) Applicants are subject to §1.13 of this title; or
  - x) Applicants or persons affiliated with the Applicant that have breached a contract with a public agency.
- c) Each Application will be reviewed for its compliance history by the Department, consistent with 10 TAC Chapter 60. Applicants, or persons affiliated with an Application, found to have a Development or Contract in Material Noncompliance with the Department, will have their Application(s) terminated.

## **5) Affordability Requirements**

- a) Pursuant to §2306.203 (6) of the Texas Government Code, Applicants proposing multifamily housing, new construction or rehabilitation, will be required to guarantee the Development will remain affordable to income qualified families or individuals for a period of 20 years.
- b) Properties will be restricted under a Land Use Restriction Agreement (“LURA”), or other such instrument as determined by the Department for these terms. Among other restrictions, the LURA may require the owner of the property to continue to accept subsidies which may be offered by the federal government, prohibit the owner from exercising an option to prepay a federally insured loan, impose tenant income-based occupancy and rental restrictions, or impose any of these and other restrictions as deemed necessary at the sole discretion of the Department in order to preserve the property as affordable housing on a case-by-case basis.

## **6) Site and Development Restrictions**

- a) Housing that is constructed or rehabilitated with HTF funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. In the absence of local codes applications will be required to meet Texas Minimum Construction Standards, as well as the Fair Housing Accessibility Standards and Section 504 of the Rehabilitation Act of 1973. Developments must also meet all local building codes or standards that may apply.
- b) Housing must meet the accessibility requirements at 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and covered multifamily dwellings, as defined at 24 CFR §100.201, must also meet the design and construction requirements at 24 CFR §100.205, which implement the Fair Housing Act (42 U.S.C. 3601–3619). Any Developments designed as single family structures must also satisfy the requirements of §2306.514, Texas Government Code.

## **7) Threshold Criteria**

- a) Housing units subsidized by HTF funds must be affordable to very-low (50% AMFI or below) or extremely low-income (30% AMFI or below) persons. Mixed Income rental developments may only receive funds for units that serve very-low or extremely low-income persons. All applications intended to serve persons with disabilities must adhere to the Department's Integrated Housing Rule at 10 TAC §1.15.
- b) The Recipient must establish a reserve account consistent with §2306.186, Texas Government Code, and as further described in 10 TAC §1.37.
- c) The following Threshold Criteria listed in this subsection are mandatory requirements at the time of Application submission unless specifically indicated otherwise. Applicants must demonstrate the application can meet the following threshold criteria to be considered for funding:
  - i) The application is consistent with the requirements established in the HTF rules and the NOFA.
  - ii) The Applicant provides evidence of its ability to carry out the proposal in the areas of financing, acquiring, rehabilitating, developing or managing an affordable housing development.
  - iii) To encourage the inclusion of families and individuals with the highest need for affordable housing, applicants must target units for individuals or families earning 50% or less of area medium income for the development site.
  - iv) An applicant is not eligible to apply for funds or any other assistance from the Department unless audits are current at the time of application or the Audit Certification Form has been submitted to the Department in a satisfactory format on or before the application deadline for funds or other assistance per 10 TAC §1.3(b).

## **8) Review Process**

- a) Pursuant to 10 TAC §51.8, each application will be handled on a first-come, first-served basis as further described in this section. Each application will be assigned a "Received Date" based on the date and time it is physically received by the Department. Then each application will be reviewed on its own merits in two review phases, as applicable. Applications will continue to be prioritized for funding based on their "Received Date" unless they do not proceed into the next phase(s) of review. Applications proceeding in a timely fashion through a phase will take priority over applications that may have an earlier "Received Date" but that did not timely complete a phase of review. Applications will be reviewed for Applicant and Activity Eligibility, Threshold Criteria, and Financial Feasibility as described in this NOFA.

Phase One will begin as of the Received Date and will include a review of eligibility and threshold criteria and all Application requirements. The Department will ensure review of materials required under the NOFA and ASPM and will issue a notice of any Administrative Deficiencies for threshold criteria and eligibility within 45 days of the Received Date. Applicants who are able to resolve their Administrative Deficiencies within five (5) business days will be forwarded into Phase Two, if applicable, and will continue to be prioritized by their Received Date. Applications with Administrative Deficiencies not cured within five (5) business days, will be terminated and must reapply for consideration of funds. Applications that have completed this Phase and do not



require additional review in Phase Two will be reviewed for recommendation to the Board by the Committee.

Phase Two will include a comprehensive review for financial feasibility for Development Activities. Financial feasibility reviews will be conducted by the Real Estate Analysis (REA) Division consistent with §1.32 of this title. REA will create an underwriting report identifying staff's recommended Loan terms, the Loan or Grant amount and any conditions to be placed on the Development. The Department will issue a notice of any Administrative Deficiencies within 45 days of the date the Application enters Phase Two. Applications with Administrative Deficiencies not satisfied within five (5) business days, will be terminated and must reapply for consideration of funds.. Applications that have completed this Phase will be reviewed for recommendation to the Board by the Committee.

Because applications are processed in the order they are received by the Department, it is possible that the Department will expend all available Housing Trust Fund funds before an application has completed all phases of review. In the case that all Housing Trust Fund funds are committed before an application has completed all phases of the review process, the Department will notify the applicant that their application will remain active for ninety (90) days in its current phase. If new Housing Trust Fund funds become available, Applications will continue onward with their review without losing their Received Date priority. If Housing Trust Fund funds do not become available within ninety (90) days of the notification, the Applicant will be notified that their Application is no longer under consideration. The applicant must reapply to be considered for future funding. If on the date an Application is received by the Department, no funds are available under the NOFA, the applicant will be notified that no funds remain under the NOFA and that the application will not be processed.

- b) If a submitted Application has an entire Volume of the application missing; has excessive omissions of documentation from the Threshold Criteria or Uniform Application documentation; or is so unclear, disjointed or incomplete that a thorough review cannot reasonably be performed by the Department, as determined, will be terminated without being processed as an Administrative Deficiency.
- c) Pursuant to 10 TAC §51.8(e), a site visit will be conducted as part of the HTF Program development feasibility review. Applicants must receive recommendation for approval from the Department to be considered for HTF funding by the Board.
- d) The Department may decline to consider any Application if the proposed activities do not, in the Department's sole determination, represent a prudent use of the Department's funds. The Department is not obligated to proceed with any action pertaining to any Applications which are received, and may decide it is in the Department's best interest to refrain from pursuing any selection process. The Department strives, through its loan terms, to securitize its funding while ensuring the financial feasibility of a Development. The Department reserves the right to negotiate individual elements of any Application.
- e) In accordance with §2306.082 Texas Government Code and 10 TAC 51.8(g), it is the Department's policy to encourage the use of appropriate Alternative Dispute Resolution procedures ("ADR") under the Governmental Dispute Resolution Act, Chapter 2009,

Texas Government Code, to assist in resolving disputes under the Department's jurisdiction. As described in Chapter 154, Civil Practices and Remedies Code, ADR procedures include mediation. Except as prohibited by the Department's ex parte communications policy, the Department encourages informal communications between Department staff and Applicants, and other interested persons, to exchange information and informally resolve disputes. The Department also has administrative appeals processes to fairly and expeditiously resolve disputes. If at anytime an Applicant or other person would like to engage the Department in an ADR procedure, the person may send a proposal to the Department's Dispute Resolution Coordinator. For additional information on the Department's ADR Policy, see the Department's General Administrative Rule on ADR at 10 TAC 1.17.

- f) An Applicant may appeal decisions made by staff in accordance with 10 TAC §1.7.

## 9) Application Submission

- a) All applications submitted under this NOFA must be received on or before 5:00 p.m. on **May 1, 2008**. The Department will accept applications from 8 a.m. to 5 p.m. each business day, excluding federal and state holidays from the date this NOFA is published on the Department's web site until the deadline. For questions regarding this NOFA please contact Barbara Skinner at 512-475-1643 or via e-mail at [barbara.skinner@tdhca.state.tx.us](mailto:barbara.skinner@tdhca.state.tx.us) or Ann Gusman-MacBeth at 512-475-4606 or via e-mail at [ann.macbeth@tdhca.state.tx.us](mailto:ann.macbeth@tdhca.state.tx.us).
- b) If an Application is submitted to the Department for a Development that requests funds from two separate housing finance programs, and only one of the housing finance programs is operated as a competitive cycle, the Application will be handled in accordance with the guidelines for each housing program. The Applicant is responsible for adhering to the deadlines and requirements of both programs. If an Application is submitted for two separate housing finance programs where both programs are either open cycle, or competitive, the Application will be handled in accordance with the guidelines of each housing program. The Applicant is responsible for adhering to the deadlines and requirements of both programs.
- c) Applications submitted to the Department must be complete and include all support documentation and associated application materials as described in this NOFA .
- d) Applicants must submit two complete printed copies of all Application materials as detailed in the 2007 ASPM for Housing Trust Fund.
- e) The application consists of three parts: bound items, unbound items and electronic submission. A complete application for each proposed development must be submitted. Incomplete applications or improperly bound applications will not be accepted. The bound volumes of the application must be bound using red pressboard binders. Each volume must be submitted in a separate red pressboard binder. If the required documentation for a volume exceeds the capacity of one binder, a second binder may be used to subdivide the volume.
- f) If third party reports are not received at the time of application submission, the Application will be terminated. Applicants proposing the acquisition or acquisition and rehabilitation of a development with 10 or fewer units are not required to submit a market study.

- g) Application materials including manuals, NOFA, program guidelines, and applicable Housing Trust Fund rules, will be available on the Department's website at [www.tdhca.state.tx.us](http://www.tdhca.state.tx.us). Applications will be required to adhere to the Housing Trust Fund Rule and threshold requirements in effect at the time of the Application submission. Applications must be on forms provided by the Department, and cannot be altered or modified and must be in final form before submitting them to the Department.
- h) Applicants are required to remit a non-refundable Application fee payable to the Texas Department of Housing and Community Affairs in the amount of \$200.00 per Application. Payment must be in the form of a check, cashier's check or money order. Do not send cash. Section 2306.147(b) of the Texas Government Code requires the Department to waive Application fees for nonprofit organizations that offer expanded services such as child care, nutrition programs, job training assistance, health services, or human services. These organizations must include proof of their exempt status and a description of their supportive services in lieu of the Application fee.
- i) Applications must be sent via overnight delivery to:

**HOME Division**  
**Texas Department of Housing and Community Affairs**  
**Attn: Barbara Skinner**  
**221 East 11th Street**  
**Austin, TX 78701-2410**

or via the U.S. Postal Service to:

**HOME Division**  
**Texas Department of Housing and Community Affairs**  
**Attn: Barbara Skinner**  
**Post Office Box 13941**  
**Austin, TX 78711-3941**

***NOTE:** This NOFA does not include the text of the various applicable regulatory provisions that may be important to the particular Housing Trust Fund Program. For proper completion of the application, the Department strongly encourages potential applicants to review all applicable State and Federal regulations.*

**HOME DIVISION**  
**BOARD ACTION REQUEST**  
**March 13, 2008**

**Action Item**

Presentation, Discussion and Possible Approval of the Housing Trust Fund Texas Veteran's Housing Support Program Awards.

**Requested Action**

Approve, Deny or Approve with Amendments the Housing Trust Fund Texas Veteran's Housing Support Program Awards.

**Background and Recommendations**

**Summary**

In July 2007 the Board approved the Housing Trust Fund Texas Veteran's Housing Support Program Notice of Funding Availability (NOFA) which made available \$1 million to be utilized for rental subsidies and homeownership assistance for low-income (80% AMFI) veterans. Applications from units of general local governments, non-profit organizations, and public housing authorities were received on a first-come, first-served basis for Veterans Rental Assistance (VRA) and Veterans Homeownership Assistance (VHA).

VRA provides rental subsidy, security, and utility deposit assistance in the form of a grant to tenants in accordance with written tenant selection policies for a period not to exceed 36 (thirty-six) months. VRA allows the assisted tenant to move to and live in any dwelling unit with a right to continued assistance during a 36-month period with the condition that the assisted household participate in a self-sufficiency program, which shall include among its objectives the acquisition of a permanent source of affordable housing on or before the expiration of the rental subsidy. The VRA program will be available for veterans transitioning from Veteran's Administration (VA) Hospitals or other care facilities; or veterans honorably discharged from the service and transitioning to civilian life.

VHA provides down payment and closing cost assistance to homebuyers for the acquisition, or acquisition and rehabilitation, of affordable and accessible single family housing. Rehabilitation is limited to modifications for accessibility. Eligible homebuyers may receive loans up to \$35,000 for down payment, closing costs and rehabilitation. A maximum of \$15,000 of the \$35,000 loan can be used for down payment and closing costs. The balance of the assistance must be used for needed accessibility modifications.

A total of 7 applications were received for funding by the December 28, 2007 final application deadline date totaling \$1,437,816 in funding requests. Following is a summary of the applications:

### Total Applications Received

Applicant	Service Area	Activity	Total Project Funds Requested	Total Administrative Funds Requested	Total Funds Requested	Total Number of Units Proposed
City of San Antonio	San Antonio	VHA	\$ 240,400	\$ 9,600	\$ 250,000	16
HOVER, Inc.*	DeSoto	VRA	\$ 60,400	\$ 2,416	\$ 62,816	2
United States Veterans Initiative	Houston	VRA	\$ 240,000	\$ 10,000	\$ 250,000	24
Catholic Charities of Dallas, Inc.	Dallas & Collin Counties	VRA	\$ 240,000	\$ 10,000	\$ 250,000	30
City of Dallas	Dallas County	VRA	\$ 240,000	\$ 10,000	\$ 250,000	30
Freeport VFW	Brazoria County	VRA	\$120,277	\$ 4,723	\$ 125,000	120
City of Houston	Houston	VHA	\$ 240,000	\$ 10,000	\$ 250,000	10
<b>Total</b>			<b>\$1,380,677</b>	<b>\$ 57,139</b>	<b>\$1,437,816</b>	<b>232</b>

\* HOVER – Helping Our Veterans Endure Recovery

The City of San Antonio, HOVER, Inc., Catholic Charities of Dallas, Inc. and the City of Dallas were approved for funding at the January Board meeting totaling \$812,816 in awards. Only one of the three remaining applicants has cleared deficiencies at this time and is therefore being recommended to the Board along with a recommendation to add an additional \$62,816 to the NOFA to fund the recommendation. The remaining two applicants have passed their deadline for submitting deficiencies and are considering applying for future funding from the Department. Should these applicants clear their deficiencies they would require a Board waiver or extension of the deficiency deadline and an increase in funding allocated for this NOFA. Additional uncommitted HTF funds are available to meet the application requests if the Board waives or extends the deficiency deadline and the deficiencies are cleared.

### Current Recommendation

Applicant	Service Area	Activity	Total Project Funds Requested	Total Administrative Funds Requested	Total Funds Recommended	Total Number of Units Proposed
U.S. Veterans Initiative	Houston Harris County	VRA	\$ 240,000	\$ 10,000	\$ 250,000	24
<b>Total</b>			<b>\$240,000</b>	<b>\$ 10,000</b>	<b>\$ 250,000</b>	<b>24</b>

U.S. Veterans Initiative is a non-profit organization formed in 1992 to serve and assist military veterans either experiencing or at-risk of homelessness. U.S. Veterans Initiatives currently operates 12 sites in five states (CA, TX, HI, AZ, NV) and the District of Columbia. It is the

largest non-profit organization in the nation specializing in serving homeless veterans. The Houston site was established in 1997 to help homeless veterans in the Houston/Harris County area and currently serves over 300 veterans with full residential and case management services, and approximately 1,000 veterans with outreach and drop-in center services.

### **Funding Recommendation Methodology**

The funds were not subject to the Regional Allocation Formula. Applications are being processed utilizing the open cycle method and as described in the NOFA. Applications are reviewed for applicant and activity eligibility and threshold criteria.

Since the four awards approved in January total \$812,816 and the NOFA made available \$1 million from local revenues in the 2007 Funding Plan for this demonstration-type program, only \$187,184 is available for the remaining funding requests. However, through the receipt of loan repayments and the deobligation of awards, the Housing Trust Fund maintains a continuous balance available for programming. Due to the oversubscription of this NOFA and the availability of the funds, staff recommends the use of \$62,816 from the existing balance available in the Housing Trust Fund to fully fund this applicant's request of \$250,000.

The application being recommended for funding was submitted to the Compliance Division for review and approval and entry into the Application Evaluation System. The Applicant does not have any identified non-compliance issues at application. All awardees may be subject to a second review at contract generation and will be contingent upon any unresolved audit findings, questioned or disallowed costs, and performance issues identified at that time.

### **Recommendation**

Staff recommends approval of the Housing Trust Fund Texas Veteran's Housing Support Program award recommendation to U.S. Veteran's Initiative and the addition of \$62,816 in available deobligated Housing Trust Fund funds to award this full request amount.

**TEXAS HOMEOWNERSHIP DIVISION**

**BOARD ACTION REQUEST  
MARCH 13, 2008**

**Action Items**

Presentation, Discussion and Possible Approval of the 2008 Texas Statewide Homebuyer Education Program (TSHEP) contract award.

**Required Action**

Approve or deny the 2008 Texas Statewide Homebuyer Education Program (TSHEP) contract award.

**Background**

**Summary**

In 1997, the 75<sup>th</sup> Texas Legislature passed HB 2577, which in part charged the Texas Department of Housing and Community Affairs (TDHCA) with the development and implementation of a statewide homebuyer education program to provide information and counseling to prospective homebuyers about the home buying process. TSHEP was created to fulfill this mandate. TSHEP aims to bring comprehensive homebuyer education to all 254 Texas counties and promote the uniform quality of homebuyer education provided throughout the state. The training workshops educate participants on how to teach the principles and applications of comprehensive pre-and post-purchase homebuyer education. Participants who successfully complete the "Train the Trainer" course will be certified as TSHEP Homebuyer Education Providers. Since the program was launched in 1999, TDHCA has provided over 28 training opportunities which have also included continuing education courses. To date over 500 individuals have been certified.

On December 21, 2007, the department published in the Texas Register and the Texas Marketplace a Request for Proposals (RFP) for organizations to provide training to nonprofit organizations in the principles and applications of homebuyer education and foreclosure prevention and to certify participants as homebuyer education providers or foreclosure prevention providers. On January 31, 2008 TDHCA received two proposals in response to the RFP from Entrepreneurial Development Corp. and NeighborWorks America. Mr. Gerber appointed a review committee made up of staff members that scored both proposals. The committee is recommending that NeighborWorks America be awarded the contract. Differences the review committee found in making this recommendation were:

- 1) overall quality of the RFP,
- 2) superior training materials;
- 3) NeighborWorks demonstrated ability to provide workshops in Spanish, and
- 4) the option of providing additional training topics.

NeighborWorks America has been providing the TSHEP workshops for TDHCA since the inception of the program. Staff also proposes that the contract be eligible for extension for a period of up to three years.

**Recommendation**

Approve a contract award in the amount of \$84,950 for NeighborWorks America to administer the 2008 TSHEP contract.

## **BOND FINANCE DIVISION**

### **BOARD ACTION REQUEST**

**March 13, 2008**

#### **Action Item**

Presentation, discussion and approval of Resolution No. 08-015 authorizing the change in liquidity facility for impending expiration of liquidity support for four outstanding variable rate demand obligations and a liquidity facility for a contemplated new issuance of variable rate single family revenue bonds.

#### **Required Action**

Approval of Resolution No. 08-015 authorizing the change in liquidity facility for impending expiration of liquidity support for four outstanding variable rate demand obligations and a liquidity facility for a contemplated new issuance of variable rate single family revenue bonds.

#### **Background**

When structuring a Single Family bond, TDHCA with Board approval, can issue bonds as fixed rate bonds or variable rate demand bonds (VRDB's). If a fixed rate bond holder wants to sell his bonds, he goes to the open market to find a buyer. With a VRDB, the bond holder has the right to sell his bond on demand. This is known as a Notice of Tender. To protect the issuer from having to buy the VRDB's back, TDHCA contracts with a third party who would step in and buy the tendered bonds, this is referred to as a liquidity facility. The liquidity facility protects TDHCA in the event the remarketing agent, the investment bank selling the variable rate bonds, cannot find buyers for the variable rate bonds. TDHCA enters into a standby bond purchase agreement with the liquidity facility to ensure the demands of the VRDB holder are met.

TDHCA has six outstanding liquidity facilities with DEPFA Bank (**Deutsche Pfandbriefanstalt**), of which, four will expire on April 20, 2008 totaling \$189.6M. The remaining two liquidity facilities with DEPFA Bank totaling \$179M will expire in 2009 and 2012. The Department utilizes the services of another liquidity facility, DEXIA (Dexia Banque Internationale) totaling \$7.6M.

Staff is also coming to the Board today for approval of a liquidity facility that will be used if staff comes to the Board in May with its contemplated new issuance that includes a portion of variable rate single family revenue bonds. Because of current market conditions, it is cost efficient to select this liquidity facility today along with the four expiring liquidity facilities.

UBS acting as our current underwriter for Program 71 sent a Request for Qualifications (RFQ) on behalf of TDHCA to twenty-six liquidity facility providers requesting a response by February 8, 2008. In this tight liquidity market, TDHCA received responses from Bank of America, Bank of Nova Scotia, and Dexia. Conference calls were held with our Underwriter, UBS, Financial Advisor, RBC Capital Markets, Bond Counsel, V&E, and TDHCA Executive Staff and selected DEXIA because they provide the best value and terms.

By authorizing a change of the four expiring liquidity facilities from DEPFA to DEXIA, the Department will have a more balanced portfolio of liquidity facilities. Excluding a new structure, DEPFA will provide \$179M in liquidity support and DEXIA will provide \$197.2M.

#### **Recommendation**

Approval of Resolution No. 08-015 authorizing the change in liquidity facility for impending expiration of liquidity support for four outstanding variable rate demand obligations and a liquidity facility for a contemplated new issuance of variable rate single family revenue bonds.



**Resolution No. 08-015**

RESOLUTION APPROVING SUBSTITUTE LIQUIDITY FACILITIES FOR THE DEPARTMENT'S SINGLE FAMILY VARIABLE RATE MORTGAGE REVENUE REFUNDING BONDS, 2004 SERIES B, TAXABLE JUNIOR LIEN SINGLE FAMILY VARIABLE RATE MORTGAGE REVENUE BONDS, SERIES 2004A, SINGLE FAMILY VARIABLE RATE MORTGAGE REVENUE BONDS, 2004 SERIES D, AND SINGLE FAMILY VARIABLE RATE MORTGAGE REVENUE REFUNDING BONDS, 2005 SERIES A AND APPROVING THE LIQUIDITY FACILITY PROVIDER FOR A CONTEMPLATED NEW ISSUE OF VARIABLE RATE SINGLE FAMILY MORTGAGE REVENUE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS AND INSTRUMENTS RELATING THERETO; MAKING CERTAIN FINDINGS AND DETERMINATIONS IN CONNECTION THEREWITH; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the Texas Department of Housing and Community Affairs (the "Department") has been duly created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as amended (the "Act"), for the purpose, among others, of providing a means of financing the costs of residential ownership, development and rehabilitation that will provide decent, safe, and affordable living environments for individuals and families of low and very low income (as defined in the Act) and families of moderate income (as described in the Act and determined by the Governing Board of the Department (the "Board") from time to time); and

WHEREAS, the Act authorizes the Department: (a) to make and acquire and finance, and to enter into advance commitments to make and acquire and finance, mortgage loans and participating interests therein, secured by mortgages on residential housing in the State of Texas (the "State"); (b) to issue its bonds, for the purpose, among others, of obtaining funds to acquire, finance or acquire participating interests in such mortgage loans, to establish necessary reserve funds and to pay administrative and other costs incurred in connection with the issuance of such bonds; (c) to pledge all or any part of the revenues, receipts or resources of the Department, including the revenues and receipts to be received by the Department from such single family mortgage loans or participating interests, and to mortgage, pledge or grant security interests in such mortgages or participating interests, mortgage loans or other property of the Department, to secure the payment of the principal or redemption price of and interest on such bonds; and (d) to issue its revenue bonds for the purpose refunding any bonds theretofore issued by the Department or the Texas Housing Agency, its predecessor (the "Agency") under such terms, conditions and details as shall be determined by the Board; and

WHEREAS, the Department has previously issued its (i) Single Family Variable Rate Mortgage Revenue Refunding Bonds, 2004 Series B pursuant to the certain Single Family Mortgage Revenue Bond Trust Indenture dated as of October 1, 1980 between the Department, as successor to the Agency, and The Bank of New York Trust Company, N.A., as successor trustee (the "Trustee"), as supplemented and amended (collectively, the "Single Family Indenture"), and the Thirty-Seventh Supplemental Single Family Mortgage Revenue Bond Trust Indenture dated as of April 1, 2004 between the Department and the Trustee; (ii) Taxable Junior Lien Single Family Variable Rate Mortgage Revenue Bonds, Series 2004A pursuant to that certain Junior Lien Trust Indenture dated as of May 1, 1994 between the Department and the Trustee, as amended and supplemented, and the Fourth Supplemental Junior Lien Trust Indenture (Series Supplement 2004A) between the Department and the Trustee; (iii) Single Family Variable Rate Mortgage Revenue Bonds, 2004 Series D pursuant to the Single Family Indenture and the Thirty-Ninth Supplemental Single Family Mortgage Revenue Bond Trust Indenture dated as of October 1, 2004 between the Department and the Trustee; and (iv) and the Single Family Variable Rate Mortgage Revenue Refunding Bonds, 2005 Series A pursuant to the Single Family Indenture and the Forty-Second Supplemental Single Family Mortgage Revenue Bond Trust Indenture dated as of April 1, 2005 between the Department and the Trustee; and

WHEREAS, the foregoing series of bonds are hereinafter collectively referred to as the "Prior Variable Rate Bonds" and the supplemental indentures pursuant to which the Prior Variable Rate Bonds were issued are hereinafter collectively referred to as the "Variable Rate Supplemental Indentures"; and

WHEREAS, liquidity support for the Prior Variable Rate Bonds provided by DEPFA BANK plc, acting through its New York Branch, pursuant to separate standby bond purchase agreements will expire on April 20, 2008; and

WHEREAS, in accordance with the respective Variable Rate Supplemental Indentures, the Board now desires to approve a Substitute Liquidity Facility (as defined in the Variable Rate Supplemental Indentures) provided by Dexia Credit Local, acting through its New York Branch (“Dexia”), for each series of the Variable Rate Prior Bonds pursuant to a standby bond purchase agreement for the respective series among the Department, the Trustee and Dexia (collectively, the “Standby Bond Purchase Agreements”); and

WHEREAS, the Board further desires to approve Dexia as the liquidity facility provider for a contemplated new issue of single family variable rate mortgage revenue bonds to be issued during 2008 (the “New Variable Rate Bonds”);

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

## ARTICLE I

### APPROVAL OF LIQUIDITY FACILITY PROVIDER AND DOCUMENTS

Section 1.1--Approval of Standby Bond Purchase Agreements. The Standby Bond Purchase Agreements, in substantially the forms presented at this meeting and approved by counsel to the Issuer, are hereby approved and adopted by the Issuer, and the Chairman of the Board or the Executive Director of the Department or the Acting Executive Director of the Department are hereby authorized and empowered to execute and deliver the Standby Bond Purchase Agreements on behalf of the Issuer, with such changes as may be approved by the Issuer’s counsel and the officer executing the same, such approval to be evidenced by such officer’s execution thereof.

Section 1.2--Approval of Liquidity Facility Provider for New Variable Rate Bonds. Dexia is hereby approved as the provider of liquidity support for the New Variable Rate Bonds.

Section 1.3--Execution and Delivery of Other Documents. The authorized representatives of the Department named in this Resolution each are authorized hereby to execute and deliver all agreements, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, notices, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 1.4--Authorized Representatives. The following persons are each hereby named as authorized representatives of the Department for purposes of executing and delivering the documents and instruments referred to in this Article I: the Chairman of the Board; the Vice Chairman of the Board; the Secretary to the Board; the Executive Director of the Department or the Acting Executive Director of the Department; the Deputy Executive Director for Administration of the Department; and the Director of Bond Finance of the Department.

## ARTICLE II

### GENERAL PROVISIONS

Section 2.1--Effective Date. That this Resolution shall be in full force and effect from and upon its adoption.

Section 2.2--Notice of Meeting. Written notice of the date, hour and place of the meeting of the Board at which this Resolution was considered and of the subject of this Resolution was furnished to the Secretary of State and posted on the Internet for at least seven (7) days preceding the convening of such meeting; that during regular office hours a computer terminal located in a place convenient to the public in the office of the Secretary of State was provided such that the general public could view such posting; that such meeting was open to the public as

required by law at all times during which this Resolution and the subject matter hereof was discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended; and that written notice of the date, hour and place of the meeting of the Board and of the subject of this Resolution was published in the Texas Register at least seven (7) days preceding the convening of such meeting, as required by the Administrative Procedure and Texas Register Act, Chapters 2001 and 2002, Texas Government Code, as amended. Additionally, all of the materials in the possession of the Department relevant to the subject of this Resolution were sent to interested persons and organizations, posted on the Department's website, made available in hard-copy at the Department, and filed with the Secretary of State for publication by reference in the Texas Register not later than seven (7) days before the meeting of the Board as required by Section 2306.032, Texas Government Code, as amended.

*[Execution page follows]*

PASSED AND APPROVED this 13th day of March, 2008.

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Chairman, Governing Board

ATTEST:

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Secretary to the Governing Board

(SEAL)

**BOND FINANCE DIVISION**

**BOARD ACTION REQUEST**

**March 13, 2008**

**Action Item**

Presentation, Discussion and Approval of Resolution No. 08-013 authorizing application to the Texas Bond Review Board for reservation of 2008 single family private activity bond authority and presentation, discussion and approval of a Mortgage Credit Certificate Program (MCC) for first time homebuyers (Program 72) to be administered by the Texas Department of Housing and Community Affairs.

**Required Action**

Approval of Resolution No. 08-013 authorizing application to the Texas Bond Review Board for reservation of 2008 single family private activity bond authority and presentation, discussion and approval of a Mortgage Credit Certificate Program (MCC) for first time homebuyers (Program 72) to be administered by the Texas Department of Housing and Community Affairs.

**Background**

A mortgage credit certificate is an instrument designed to assist persons of low to moderate income to better afford individual ownership. The procedures for issuing MCCs were established by the United States Congress as an alternative to the issuance of single-family mortgage revenue bonds. As distinguished from a bond program, in an MCC program no bonds are issued, no mortgage money is actually used, many of the cost associated with a bond program are not incurred, and lenders are required to pay only nominal up-front fees.

Mortgage Credit Certificates help make ownership of a new or existing home more affordable by entitling the homeowner to a personal tax credit of up to \$2000 against their federal tax liability for a portion of the interest paid on their home mortgage. A homeowner that purchased a home for \$121,000 at 6% for 30 years would have a monthly principal and interest payment of \$725. With an MCC, homeowners can submit a revised W-4 Withholding Form to his or her employer to reduce the federal withholding tax by \$167 per month, which increases the borrower's disposable income by reducing their federal income tax obligation. This same homeowner can also deduct the yearly mortgage interest paid of approximately \$5,220 (\$7,220 less \$2,000) as an itemized deduction on their annual federal income tax return. Simply put, an MCC is a dollar for dollar reduction of income taxes owed.

In order to be eligible for an MCC, borrowers must comply with the same first time homebuyer requirements stipulated by the Internal Revenue Code for mortgage revenue bonds. For example, MCC recipients must occupy the residence as their primary residence, comply with income limits and comply with home purchase price limits. MCCs cannot be used when mortgages are funded with tax-exempt bond proceeds.

Under Federal guidelines, the Department, as an issuer of mortgage revenue bonds can trade \$1 of bond authority for \$0.25 of MCC authority. In all of the Departments past MCC programs, the board authorized trading \$60 million of bond authority for \$15 million in MCC authority.

### **MCC Program 72 Example**

TDHCA Single Family Volume Cap Allocated for MCCs	\$60 million
IRS MCC Conversion Factor	\$0.25
MCC Issuance Authority	\$15 million
Average 2007 Mortgage Credit Certificate Program Mortgage Amount	\$121,000
Market Mortgage Interest Rate	6.00%
First Year Mortgage Interest	\$7,220
MCC Certificate Credit Rate	30%
Tax Credit Amount	\$2,166
Maximum Tax Credit Allowed	\$2,000
Schedule A Mortgage Interest Deduction	\$5,220

In 1985, TDHCA issued its first MCC program and on November 14, 2003, TDHCA Board approved the issuance of its second MCC Program. Since 2003, TDHCA has issued three additional MCC programs using Housing Administrators, Inc. as its program administrator. TDHCA Staff over the past four years has developed the knowledge and skills needed to administer the next MCC program in-house.

Lenders participating in TDHCA's previous Mortgage Credit Certificate Programs have expressed continued interest in mortgage credit certificates. Bond Finance anticipates using \$60 million of its 2008 state volume cap to issue mortgage credits. TDHCA's 2008 state volume cap equals \$189.6 million. The volume cap balance will be used to issue single family bonds in 2008.

### **Recommendation**

Approval of Resolution No. 08-013 authorizing application to the Texas Bond Review Board for reservation of 2008 single family private activity bond authority and presentation, discussion and approval of a Mortgage Credit Certificate Program (MCC) for first time homebuyers (Program 72) to be administered by the Texas Department of Housing and Community Affairs.

**Resolution No. 08-013**

RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION FOR RESERVATION WITH TEXAS BOND REVIEW BOARD WITH RESPECT TO QUALIFIED MORTGAGE BONDS; APPROVING THE CONVERSION OF AUTHORITY TO ISSUE QUALIFIED MORTGAGE BONDS TO MORTGAGE CREDIT CERTIFICATES; AUTHORIZING IMPLEMENTATION OF TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS 2008 MORTGAGE CREDIT CERTIFICATE PROGRAM; APPROVING THE FORM AND SUBSTANCE OF THE MCC PARTICIPATION AGREEMENT, THE PROGRAM MANUAL AND THE PROGRAM SUMMARY; AUTHORIZING THE EXECUTION OF DOCUMENTS AND INSTRUMENTS NECESSARY OR CONVENIENT TO CARRY OUT THE 2008 MORTGAGE CREDIT CERTIFICATE PROGRAM; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the Texas Department of Housing and Community Affairs (the "Department") has been duly created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as amended from time to time (the "Act"), for the purpose, among others, of providing a means of financing the costs of residential ownership, development and rehabilitation that will provide decent, safe, and affordable living environments for persons and families of low and very low income (as defined in the Act) and families of moderate income (as described in the Act and determined by the Governing Board of the Department (the "Governing Board") from time to time) at prices they can afford; and

WHEREAS, the Act authorizes the Department: (a) to make, acquire and finance, and to enter into advance commitments to make, acquire and finance, mortgage loans and participating interests therein, secured by mortgages on residential housing in the State of Texas (the "State"); (b) to issue its bonds, for the purpose, among others, of obtaining funds to acquire or finance such mortgage loans, to establish necessary reserve funds and to pay administrative and other costs incurred in connection with the issuance of such bonds; and (c) to pledge all or any part of the revenues, receipts or resources of the Department, including the revenues and receipts to be received by the Department from such single family mortgage loans or participating interests, and to mortgage, pledge or grant security interests in such mortgages or participating interests, mortgage loans or other property of the Department, to secure the payment of the principal or redemption price of and interest on such bonds; and

WHEREAS, Section 103 and Section 143 of the Internal Revenue Code of 1986, as amended (the "Code"), provide that the interest on obligations issued by or on behalf of a state or a political subdivision thereof the proceeds of which are to be used to finance owner-occupied residences shall be excludable from gross income of the owners thereof for federal income tax purposes if such issue meets certain requirements set forth in Section 143 of the Code; and

WHEREAS, Section 146(a) of the Code requires that certain "private activity bonds" (as defined in Section 141(a) of the Code) must come within the issuing authority's private activity bond limit for the applicable calendar year in order to be treated as obligations the interest on which is excludable from the gross income of the holders thereof for federal income tax purposes; and

WHEREAS, the private activity bond "State Ceiling" (as defined in Section 146(d) of the Code) applicable to the State for calendar year 2008 is subject to allocation, in the manner authorized by Section

146(e) of the Code, pursuant to Chapter 1372 Texas Government Code, as amended (the "Allocation Act"); and

WHEREAS, the Allocation Act requires the Department, in order to reserve a portion of the State Ceiling for qualified mortgage bonds (the "Reservation") and satisfy the requirements of Section 146(a) of the Code, to file an application for reservation (the "Application for Reservation") with the Texas Bond Review Board (the "Bond Review Board"), stating the maximum amount of the bonds requiring an allocation, the purpose of the bonds and the section of the Code applicable to the bonds; and

WHEREAS, the Allocation Act and the rules promulgated thereunder by the Bond Review Board (the "Allocation Rules") require that an Application for Reservation be accompanied by a copy of the certified resolution of the issuer authorizing the filing of the Application for Reservation; and

WHEREAS, the Governing Board has determined to authorize the filing of an Application for Reservation in the amount of \$60,000,000 with respect to qualified mortgage bonds for calendar year 2008; and

WHEREAS, upon receipt of the Reservation, the Department desires to convert an amount not to exceed the amount of the State Ceiling reserved for qualified mortgage bonds and represented by the Reservation to mortgage credit certificates ("MCCs"), to be used for the Department's 2008 Mortgage Credit Certificate Program (the "2008 MCC Program"); and

WHEREAS, the Governing Board intends to consider the filing of an Application for Reservation for additional amounts at a later date; and

WHEREAS, the Governing Board desires to authorize the execution and delivery of the MCC Participation Agreement (the "Participation Agreement") in substantially the form attached hereto; and

WHEREAS, the Governing Board desires to approve the Program Manual (the "Program Manual") in substantially the form attached hereto, setting forth the terms and conditions upon which MCCs will be issued by the Department; and

WHEREAS, the Governing Board desires to approve the Program Summary (the "Program Summary") in substantially the form attached hereto setting forth the terms of the 2008 MCC Program; and

WHEREAS, the Governing Board desires to approve the use of an amount not to exceed \$100,000 of Department funds to pay the costs of implementing the 2008 MCC Program; and

WHEREAS, the Governing Board desires to approve the forms of the Participation Agreement, the Program Manual and the Program Summary, in order to find the form and substance of such documents to be satisfactory and proper and the recitals contained therein to be true, correct and complete; and has determined to implement the 2008 MCC Program in accordance with such documents by authorizing the 2008 MCC Program, the execution and delivery of such documents and the taking of such other actions as may be necessary or convenient to carry out the 2008 MCC Program; NOW, THEREFORE,

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



ARTICLE I  
APPROVAL OF APPLICATION FOR RESERVATION

Section 1.1--Application for Reservation. The Governing Board hereby authorizes Vinson & Elkins L.L.P., as Bond Counsel to the Department, to file on its behalf with the Bond Review Board an Application for Reservation with respect to qualified mortgage bonds in the amount of \$60,000,000, together with any other documents and opinions required by the Bond Review Board as a condition to the granting of the Reservation.

Section 1.2--Authorization of Certain Actions. The Governing Board authorizes the Executive Director or the Acting Executive Director, the staff of the Department as designated by the Executive Director or the Acting Executive Director, as appropriate, and Bond Counsel to take such actions on its behalf as may be necessary to carry out the purposes of this Resolution.

Section 1.3--MCC Authority. Upon receipt of the Reservation, the Department shall take such steps as are necessary to convert its authority to issue qualified mortgage bonds to MCCs in order to implement the 2008 MCC Program.

ARTICLE II  
APPROVAL OF MCC DOCUMENTS

Section 2.1--2008 MCC Program. The 2008MCC Program is hereby authorized.

Section 2.2--Approval, Execution and Delivery of the Participation Agreement. The form and substance of the Participation Agreement are hereby approved, and that the authorized representatives of the Department named in this Resolution each are hereby authorized to execute, attest and affix the Department's seal to the Participation Agreement, and to deliver the Participation Agreement to the other parties thereto.

Section 2.3--Approval of Program Manual and Program Summary. The form and substance of the Program Manual and Program Summary are hereby authorized and approved.

Section 2.4--Execution and Delivery of Other Documents. The authorized representatives of the Department named in this Resolution are each hereby authorized to execute, attest, affix the Department's seal to and deliver such other agreements, advance commitment agreements, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, notices of acceptance, written requests, public notices and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution, the Participation Agreement, the Program Manual and the Program Summary.

Section 2.5--Power to Revise Form of Documents. Notwithstanding any other provision of this Resolution, the authorized representatives of the Department named in this Resolution are each hereby authorized to make or approve such revisions in the form of the documents attached hereto as exhibits as, in the judgment of such authorized representative, and in the opinion of Vinson & Elkins L.L.P., Bond Counsel to the Department, may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution, such approval to be evidenced by the execution of such documents by the authorized representatives of the Department named in this Resolution.

Section 2.6--Exhibits Incorporated Herein. All of the terms and provisions of each of the documents listed below as an exhibit shall be and are hereby incorporated into and made a part of this Resolution for all purposes:

- Exhibit A - Participation Agreement
- Exhibit B - Program Manual
- Exhibit C - Program Summary

Section 2.7--Authorized Representatives. The following persons are each hereby named as authorized representatives of the Department for purposes of executing and delivering the documents and instruments referred to in this Article II: the Chairman of the Governing Board; the Vice Chairman of the Governing Board; the Secretary to the Governing Board; the Executive Director of the Department or the Acting Executive Director of the Department, the Deputy Executive Director for Administration of the Department and the Director of Bond Finance of the Department.

Section 2.8--Department Contribution. The Department authorizes the contribution of Department funds in an amount not to exceed \$100,000 to pay certain costs of implementing the 2008 MCC Program.

### ARTICLE III GENERAL PROVISIONS

Section 3.1--Purposes of Resolution. The Governing Board of the Department has expressly determined and hereby confirms that the implementation of the 2008 MCC Program contemplated by this Resolution accomplish a valid public purpose of the Department by providing for the housing needs of individuals and families of low, very low and extremely low income and families of moderate income in the State.

Section 3.2--Notice of Meeting. Written notice of the date, hour and place of the meeting of the Board at which this Resolution was considered and of the subject of this Resolution was furnished to the Secretary of State and posted on the Internet for at least seven (7) days preceding the convening of such meeting; that during regular office hours a computer terminal located in a place convenient to the public in the office of the Secretary of State was provided such that the general public could view such posting; that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof was discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended; and that written notice of the date, hour and place of the meeting of the Board and of the subject of this Resolution was published in the Texas Register at least seven (7) days preceding the convening of such meeting, as required by the Administrative Procedure and Texas Register Act, Chapters 2001 and 2002, Texas Government Code, as amended. Additionally, all of the materials in the possession of the Department relevant to the subject of this Resolution were sent to interested persons and organizations, posted on the Department's website, made available in hard-copy at the Department, and filed with the Secretary of State for publication by reference in the Texas Register not later than seven (7) days before the meeting of the Board as required by Section 2306.032, Texas Government Code, as amended.

Section 3.3--Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

*[Execution Page Follows]*

PASSED AND APPROVED this 13th day of March, 2008.

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Chairman, Governing Board

ATTEST:

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Secretary to the Governing Board

(SEAL)

**DISASTER RECOVERY DIVISION**

**BOARD ACTION REQUEST**

**March 13, 2008**

**Action Item**

Presentation and Discussion of the Community Development Block Grant (CDBG) Disaster Recovery Status Report for CDBG Round 1 Funding relating to housing.

**Requested Action**

Presentation and discussion of the CDBG Disaster Recovery Status Report for CDBG Round 1 Funding relating to housing.

**Background**

This Board Action Request summarizes the activities of the three Councils of Governments (COGs) administering CDBG Disaster Recovery Program (Program) housing contracts.

**Housing Activities as of March 3, 2008**

The Disaster Recovery Division was fully engaged during the month of February ensuring that housing activities continue to be proportional to the five months remaining under the COG contracts. The COGs are continuing to increase the number of applicants that are in the home delivery phase (replacement, rehabilitation or reconstruction) and are now accessing HTF dollars to finance gap amounts. As of March 3, 2008, \$75,913.09 of HTF dollars had been committed and \$24,918.80 had been drawn. The COGs estimate accessing approximately \$722,000 of the \$1,000,000 reserved under the HTF program.

Each COG has reached the goal of achieving 100% certified eligibility based on the population to be served and are all in the home delivery phase (replacement, rehabilitation or reconstruction). Staff is obtaining weekly updates from each COG and the two COG subcontractors to proactively address issues and assist with ensuring that they are able to complete contract activities by the end of the contract term, July 27, 2008.

NOTE: The Project Activity table below has been updated to reflect the current status of CDBG Disaster Recovery housing activities under Round I. The Number of Homes out for Bid, Number of Bids Awarded and Number of Homes under Construction columns represent activity since the last Board meeting. All other data is cumulative information to date.

### Financial Activity

	Current Budget	Admin \$ Drawn To Date	Project \$ Drawn To Date	Balance CDBG Funds	% of Funds Disbursed
<b>DETCOG</b>	<b>\$6,745,034.00</b>	<b>\$397,703.61</b>	<b>\$640,800.88</b>	<b>\$5,706,529.51</b>	<b>15.40%</b>
<b>H-GAC</b>	<b>\$7,015,706.00</b>	<b>\$491,809.55</b>	<b>\$863,683.01</b>	<b>\$5,660,213.44</b>	<b>19.32%</b>
<b>SETRPC</b>	<b>\$26,498,536.00</b>	<b>\$852,847.64</b>	<b>\$2,563,310.60</b>	<b>\$23,082,377.76</b>	<b>12.89%</b>
SETRPC	\$15,788,536.00	\$852,847.64	\$2,563,310.60	\$14,051,007.61	21.64%
Beaumont	\$5,145,000.00	\$0.00	\$0.00	\$5,145,000.00	0.00%
Port Arthur	\$5,565,000.00	\$0.00	\$0.00	\$5,565,000.00	0.00%
<b>Totals</b>	<b>\$40,259,276.00</b>	<b>\$1,742,360.80</b>	<b>\$4,067,794.49</b>	<b>\$34,449,120.71</b>	<b>14.43%</b>

### Project Activity

	Total # of Households to be Served per Contract*	Total # of Certified Eligible Applicants	No. of Homes out for Bid	No. of Bids Awarded	No. of Homes under Construction	Total # of Homes Constructed	Total # of MHUs Delivered	Increase Since 1/31/08
<b>DETCOG</b>	<b>96</b>	<b>96</b>	<b>8</b>	<b>39</b>	<b>0</b>	<b>0</b>	<b>21</b>	<b>7</b>
<b>H-GAC</b>	<b>110</b>	<b>110</b>	<b>30</b>	<b>27</b>	<b>0</b>	<b>0</b>	<b>27</b>	<b>4</b>
<b>SETRPC</b>	<b>229</b>	<b>229</b>	<b>20</b>	<b>2</b>	<b>31</b>	<b>14</b>	<b>29</b>	<b>5</b>
SETRPC	127	127	3	0	31	14	29	5
Beaumont	56	56	13	0	0	0	0	0
Port Arthur	46	46	4	2	0	0	0	0
<b>Total</b>	<b>435</b>	<b>435</b>	<b>85</b>	<b>46</b>	<b>31</b>	<b>14</b>	<b>77</b>	<b>16</b>

\* Based on the projected number of households that the COGs will be able to serve with the funding allocation

### COG Activity Highlights

#### Deep East Texas Council of Governments

DETCOG has reached 100% certified eligibility based on the projected number of households that will be served. Twenty-one (21) homes have been delivered to homeowners, there are twenty-eight (28) pending manufactured housing unit purchase contracts, and eleven (11) manufactured housing units have been ordered and are expected to be installed during March 2008. DETCOG anticipates assisting forty-nine (49) households with Housing Trust Fund (HTF) dollars totaling approximately \$153,841.06 and the HTF contract amount is \$178,321.

#### Houston-Galveston Area Council

H-GAC has reached 100% certified eligibility based on the projected number of households that will be served. Twenty-seven (27) homes have been delivered to homeowners and fifty-seven (57) additional homes are either out to bid, scheduled for delivery, or on order. Of the fifty-seven (57), bids for thirty (30) stick-built homes are currently being reviewed, ten (10) manufactured housing units are scheduled for delivery before March 20, 2008, and an additional seventeen (17) manufactured housing units are on order from the manufacturer. H-GAC has identified approximately eighty-five (85) households in need of gap assistance with needs totaling approximately \$277,061.00. Approximately forty-seven (47) will be assisted through the HTF

contract totaling \$184,414. H-GAC has identified an additional \$50,000 to cover gap financing needs and is searching for additional sources of gap funding.

### **South East Texas Regional Planning Commission**

SETRPC has achieved 100% certified eligibility based on the projected number of households that will be served. Forty-three (43) households have received assistance, thirty-one (31) homes are under construction, and twenty-two (22) more houses are either out for bid or have been recently awarded and will begin the construction phase soon.

SETRPC anticipates assisting approximately thirty-nine (39) households with HTF dollars within their service area excluding households in the cities of Beaumont and Port Arthur totaling approximately \$231,838.66 and the HTF contract amount is \$374,360.

SETRPC continues to work closely with each of its subcontractors, the cities of Beaumont and Port Arthur to move the program forward to a successful completion.

### **City of Beaumont**

The City of Beaumont has achieved 100% certified eligibility based on the projected number of households that will be served. The City released thirteen (13) bids in February and of those, twelve (12) bids are anticipated to be awarded on March 11, 2008. The City has resolved all outstanding monitoring issues.

The City anticipates assisting approximately thirty-three (33) households with HTF dollars totaling approximately \$104,720.21 and the HTF contract amount is \$143,937.

### **City of Port Arthur**

The City of Port Arthur has achieved 100% certified eligibility based on the projected number of households that will be served and will place fifteen homes out for bid on March 4, 2008. The City did not fully resolve their monitoring issues and they will be receiving a follow-up monitoring report related to the methodology used to allocate \$18,600 in software costs, \$4,200 of which was allocated to the CDBG Disaster Recovery contract.

The City anticipates assisting approximately twenty-three (23) households with HTF dollars totaling approximately \$47,420.81 and the HTF contract amount is \$118,968.

**DISASTER RECOVERY DIVISION**

**BOARD ACTION REQUEST**

**March 13, 2008**

**Action Item**

Presentation and Discussion of the Community Development Block Grant (CDBG) Disaster Recovery Status Report for CDBG Round 2 Disaster and Federal Emergency Management Agency (FEMA) Affordable Housing Pilot Program (AHPP) Programs.

**Requested Action**

Presentation and discussion of the Community Development Block Grant (CDBG) Disaster Recovery Status Report for CDBG Round 2 Disaster and Federal Emergency Management Agency (FEMA) Affordable Housing Pilot Program (AHPP) Programs.

**Background**

The **2nd Supplemental CDBG Disaster Recovery Funding** is the second of two awards in CDBG funding to help restore and rebuild in areas of the State most directly impacted by Hurricanes Rita and Katrina. The total funding allocation is \$428,671,849, broken down as follows:

<b>2nd Supplemental CDBG Disaster Recovery Activity</b>	<b>Available Funding</b>
Rental Housing Stock Restoration Program ("Rental")	\$82,866,984
ORCA's Restoration of Critical Infrastructure Program (Infrastructure)*	\$42,000,000
City of Houston and Harris County Public Service and CDP ("Houston/Harris")	\$60,000,000
Homeowner Assistance Program ("HAP")	\$210,371,273
Sabine Pass Restoration Program ("SPRP")	\$12,000,000
State Administration Funds (Used to Administer Funding)	\$21,433,592
<b>Total CDBG Round 2 Plan Funding</b>	<b>\$428,671,849</b>

In addition to the 2nd Supplemental CDBG Disaster Recovery Funding, the Disaster Recovery Division is also responsible for the **Federal Emergency Management Agency (FEMA) award of \$16,471,725 for the Affordable Housing Pilot Program (AHPP)**. The purpose of the AHPP is to demonstrate an alternative housing solution to the FEMA trailer in the areas affected by the 2005 Hurricanes.

Below is an update from the previous Board report on the status of the CDBG Round 2 Disaster and the FEMA AHPP Programs.

**CDBG Round 2 Multifamily Rental Housing Stock Restoration Program**

<b>File Number</b>	<b>Development Name</b>	<b>City</b>	<b>Total Units</b>	<b>Type of Activity</b>	<b>CDBG Award</b>	<b>Anticipated Loan Closing Date Per Commitment:</b>
<b>07901</b>	Pointe North	Beaumont	158	Reconstruction	\$13,778,332	July 31, 2008
<b>07902</b>	Gulfbeeze Plaza I & II	Port Arthur	234	Reconstruction	\$22,347,827	April 13, 2008
<b>07905</b>	Orange Navy Homes	Orange	115	Reconstruction	\$14,189,439	April 13, 2008, with ability to extend through September 13, 2008 pending Historical Clearance
<b>07903</b>	Brittany Place Homes II	Port Arthur	196	Reconstruction	\$24,124,201	April 13, 2008
<b>07907</b>	Virginia Estates	Beaumont	110	Rehabilitation	\$6,707,534	April 13, 2008
	<b>Award Totals:</b>		<b>813</b>		<b>\$81,147,333</b>	

## **CDBG Round 2 Restoration of Critical Infrastructure Program**

The Office of Rural Community Affairs (ORCA) administers activities awarded under this program through a contract with TDHCA and approved by TDHCA's Governing Board. As administrator of these funds ORCA has been and will continue to update the TDHCA Governing Board on this program.

## **CDBG Round 2 City of Houston and Harris County Public Service and Community Development Program**

At this time, there are no updates to report to the Board from the previous meeting. However, it should be noted that the City of Houston and Harris County executed contracts with TDHCA to administer this funding priority, with the agreement that Houston and Harris County indemnified TDHCA. As such, TDHCA is a pass through agency for the Houston/Harris County funds and will administer activities awarded under this program through the contracts with TDHCA and approved by TDHCA's Governing Board. As administrator of these funds City of Houston and Harris County will update the TDHCA Governing Board on this program under a separate agenda item, when applicable.

## **CDBG Round 2 Homeowner Assistance Program (HAP) and Sabine Pass Restoration Program (SPRP) Program Update from ACS State & Local Solutions, Inc.**

Project implementation is on schedule. The Beaumont, Jasper, Jackson, and San Antonio facilities are complete to include build out, furniture, IT infrastructure, and network connectivity. The Port Arthur facility will be available the week of March 18<sup>th</sup>. All ACS Team members are in the process of interviewing and hiring operational staff; trying where feasible to identify staff that have previous Round 1 experience.

To address the needs of homeowners that may have questions since the applications were transferred from the Round 1 organizations, ACS has activated an interim call center number for the project. The associated call center scripts are designed to ensure homeowners that their applications have been successfully transferred from Round 1 to Round 2 as well as providing information about the general program schedule and next steps. The call center went live February 25<sup>th</sup> and took 50 calls during the first week of operations.

The ACS Team and TDHCA staff are working on finalizing project policy. This has included a number of meetings to discuss the policies defined by the ACS team based on the amended Action Plan. In addition, the ACS Team, TDHCA staff, and members of the TDHCA Board met with HUD officials on March 3<sup>rd</sup>. This meeting provided the team an opportunity to present the proposed program to HUD as well as get feedback from HUD about components of the proposed program.

The RFP for rehabilitation contracts is written and under legal review. The RFPs for homebuilders and manufactured housing are currently being written.

ACS Team members are meeting with TDHCA staff to review Round 1 environmental documentation and processes. This review is being used together with an understanding of the applicable federal and state regulations, previous team experience in implementing similar environmental reviews, and guidance from the March 3<sup>rd</sup> HUD meeting to define the appropriate environmental processes for Round 2.

The ACS Team completed picking up Round 1 applications from the COGs and faith-based organizations by the February 22<sup>nd</sup> Action Plan deadline. Organizations which have transferred Round 1 applications include the following:

- South East Texas Regional Planning Commission (SETRPC)
- Deep East Texas Council of Governments (DETCOG)
- Houston-Galveston Area Council (H-GAC)
- City of Beaumont
- City of Port Arthur
- Southeast Texas Interfaith Organization (SETIO)
- Rita Recovery



- Nehemiah's Vision – data only, no physical applications transferred

Data from the COGs and Faith-Based organizations has been imported into the Worltrac application. Worltrac is available to the interim call center staff to ensure that the most current information is provided to homeowners who call.

A weekly meeting between the ACS Team and TDHCA staff and management ensures all parties are aware of project status. The meeting also provides an opportunity to discuss possible issues which could affect policy, implementation, or the smooth operation of the program.

### **FEMA Affordable Housing Pilot Program**

On January 7, 2008, the Federal Emergency Management Agency (FEMA) announced that TDHCA was awarded of \$16,471,725 for the Affordable Housing Pilot Program (AHPP). The purpose of the AHPP is to demonstrate an alternative housing solution to the FEMA trailer in the areas affected by the 2005 Hurricanes for a time period of twenty-four months. A one-time exemption to the Stafford Act, AHPP permits the use of FEMA funding to study alternatives to the FEMA trailer by examining cost-effective solutions that meet a variety of housing needs. Pursuant to FEMA requirements, the pre-fabricated units must be awarded within the 22 counties affected by the 2005 Hurricanes.

The Heston Group was selected to pilot a pre-fabricated, panelized solution which can be deployed quickly and built to accommodate a diverse population. According to The Heston Group, an *estimated* average price of each pre-fabricated unit is \$77,500.

From February 19<sup>th</sup> to February 21<sup>st</sup>, 2008, FEMA hosted a conference in Biloxi, MS that Department Staff as well as staff from the other three states granted an AHPP award (Alabama, Louisiana, and Mississippi), HUD, and FEMA headquarters attended. The purpose of the conference was to bring the awardees together to share lessons learned and best practices in addition to providing the states with technical assistance regarding Building Science, the environmental review processes, and UFAS compliance.

On February 25<sup>th</sup>, 2008, Acting Director of the Texas Transitional Recovery Office (TRO) and the FEMA Regional Environmental Officer visited the Department to attend a conference call between the Department and FEMA headquarters. The purpose of the call was to explain the environmental review process per FEMA guidelines and to outline what responsibilities the Department would have in obtaining environmental clearance from FEMA for the AHPP sites.

On February 26<sup>th</sup> and 27<sup>th</sup>, 2008, the Department met with The Heston Group for a program planning session and to work out details of the Program Management Plan, as well as to discuss site selection and an upcoming meeting with the FEMA Texas TRO.

The contract between The Heston Group and the Department is currently being negotiated between both parties and the Department will be working closely and diligently to complete the negotiation process and the execution of the contract.

## DISASTER RECOVERY DIVISION

### BOARD ACTION REQUEST

March 13, 2008

#### Action Item

Presentation, Discussion and Possible Approval of certain policies related to Round 2 CDBG Disaster funding for the Homeowner Assistance Program and Sabine Pass Restoration Programs.

#### Requested Action

Approval of certain policies related to Round 2 CDBG Disaster funding for the Homeowner Assistance Program and Sabine Pass Restoration Programs.

#### Background

The Department has entered into an agreement with ACS to perform the Housing Assistance Program and Sabine Pass Restoration Program under the 2<sup>nd</sup> round of CDBG Disaster Funding. The combined funding for these programs is over \$232 million, an amount that will not be able to satisfy all the identified need in the region most impacted by Hurricane Rita.

The Round 2 Action Plan does not provide detailed policies required for the CDBG program. Rather, it requires that all policies and procedures relating to the HAP and SPRP are clearly described in a Policy and Procedures Manual produced by ACS, the Project Management Firm selected to administer these programs. All policies and procedures relating to the programs administered by ACS must be approved by Department staff (a federal program requirement). As part of this approval process, and because these policies and decisions made by ACS on behalf of the Department will determine who is and is not eligible for these scarce resources, staff has identified certain policies and provided them for Board approval. The selected policies were identified as the ones that would impact who gets to participate and the amount of their potential award.

The policy package provided in this Board Book is not fully inclusive of the full Policy and Procedures Manual, in that it does not include policies that are administrative in nature (i.e., not identified as requiring Board approval), nor does it include policies that are pending finalization because they are contingent on the data analysis that ACS is performing on the Round 2 applications that they have received from the CoGs and Faith Based Organizations, pursuant to the Action Plan.

The policy package provided for your consideration is divided into sections labeled Eligibility (EL), Benefit Determination (BD), and Appeals (AP). The policies presented today have been approved by staff as policies that follow the Action Plan and applicable state and federal regulations. The policies provide detailed real-world examples that will need to be determined in the application and eligibility determination process. We have highlighted all policies from the attached manual that staff believes address some previous discussions regarding the selection process in this write up, but the Board may comment on any potential policies relating to the program. The highlighted policies include:

**EL 1.0 Ownership and Occupant as Primary Resident.** The item called for in the Action Plan requires that a recipient must be able to prove ownership and prove that they occupied the home as a primary residence at the time of the storm. To determine eligibility we require:

**EL 1.1 Ownership of Stick Built Residence.** The applicant must be able to establish current home ownership and home ownership at the time of the storm. To demonstrate such ownership the applicant must provide a recorded deed or other notarized ownership documents dated prior to September 24, 2005 as well as evidence of 2007 Property Tax bill showing a zero balance. If these items cannot be shown, the applicant

may not be eligible for benefits. There are some exceptions for property acquired after the storm that include certain heirs who occupied the home as their primary residence and applicants who owned only the structure.

**EL 1.2 Ownership of Manufactured Housing Unit (MHU).** Requires the homeowner to show ownership of the unit but not of land as of storm date. Renters of manufactured housing, manufactured housing that were located outside of the eligible 22 counties and has been moved into one of the eligible 22 counties after the storm, or if the owner at the time of the storm has sold the unit are not eligible.

**EL 1.3 Occupied as a Primary Residence.** The owner of a home must show that they occupied the home at the time of the storm as their primary residence unless they were temporarily out of the home due to illness or military service.

**EL 1.4 Eligible Type of Structure.** Only single family dwellings will qualify. Condominiums, duplexes, triplexes or dual use (combined residential and commercial) dwellings will not be eligible.

**EL 3.0 Income.** As defined in the Action Plan, the owner's household will be eligible if their income is 80% or less AMI (based on household size) for the HAP program or 150% or less under the SPRP.

**EL 3.1 Definition of Income** will be determined on household size and will need to be determined based on 12-31-2007 information. The applicant should submit their 2007 tax form or an Adjusted Gross Income Worksheet, and affidavit of household size (must provide proof of income for each member) and an Income Affidavit under penalty of perjury that the income statement is complete. This definition is very important because of limitations on who we can support.

**EL 3.2 Definition of Household Size for Income Eligibility.** Provides the mechanism for who does and does not count in the income for household size. There are some exceptions for people who live in a home, but this also makes clear who should be considered in the home for income.

**EL 3.3 HAP Low to Mod Income Limits.** Provides clarification from the Action Plan that limits eligible households to low to moderate income (LMI) limit for the Homeowners Assistance Program (HAP) at or below 80% of the Area Median Income (AMI) for the household size. The term "household" does not include persons who are not considered as family members for the purposes of determining household size and income eligibility.

**EL 3.4 SPRP Income Limits.** Provides clarification from the Action Plan that limits eligible households for reconstruction and rehabilitation to low to moderate income (LMI) limit for the Sabine Pass Restoration Program (SPRP) at or below 150% of the Area Median Income (AMI) for the household size. The term "household" does not include persons who are not considered as family members for the purposes of determining household size and income eligibility.

**EL 3.5 SPRP Elevation and Accessibility Assistance No Income Requirement.** Provides clarification from the Action Plan that these portions of the Action Plan applicable to the SPRP have no income limitation.

**EL 5.0 Hurricane Rita Damage and 5.1 Definition.** The Action Plan requires that the home be physically damaged by Hurricane Rita.

**EL 5.2 Eligible Documentation of Damage.** Preferred documentation method will be SBA and FEMA damage assessment reports. Alternative documentation may be homeowner insurance claims, or recorded damage by the area Councils of Governments, Faith Based Organizations and/or Third Party Disaster Assistance Organizations.

**EL 7.0 HAP Special Needs and EL 7.1 Fund Allocation.** The Action Plan provides a priority for \$42 million to address the special needs population. With the First Come First Serve Approach being all the current applications received by the COGs and Faith Based Organizations, if the special needs set-aside is not

met, ACS will perform additional application intake. All special needs identified in the Action Plan will be given equal access to the funds.

**EL 7.2 HAP Special Needs Definition & Identification Procedures** identifies the special needs population. Special needs populations to include persons with disabilities, the elderly (over 55 years of age as of 12/31/07), persons with alcohol and/or drug addictions, persons with HIV/AIDS, homeless, and public housing residents.

**BD 1.0, 1.1, 1.2, 3.1 and 3.2 apply to HAP Benefit Determination.** The Board amended the Action Plan at the last Board meeting to increase the size of the possible benefit for the HAP. The amendment has not yet been approved by HUD, but for purposes of developing the manual, we are considering it agreed to. The new plan provides a benefit between \$60,000 and \$75,000 depending on family size. The maximum CDBG benefit for rehabilitation remained at \$40,000. ACS will prepare an estimated cost to repair damage. If it exceeds the rehabilitation maximum, the home owner can elect to provide gap funding for all amounts exceeding the \$40,000 maximum for rehabilitation, accept the options provided for reconstruction, or not to participate in the program.

**BD 2.0, 2.1 2.2, 3.1 and 3.2 apply to the SPRP Benefit Determination.** The Board amended the Action Plan at the Last Board Meeting to increase the size of the possible benefit for the SPRP. The amendment has not yet been approved by HUD, but for purposes of developing the manual, we are considering it agreed to. The new plan provides a benefit between \$60,000 and \$75,000 depending on family size. The maximum benefit for rehabilitation remained at \$40,000. ACS will prepare an estimated cost to repair damage. If it exceeds the rehabilitation maximum, the home owner can elect to provide gap funding for all amounts exceeding the \$40,000 maximum for rehabilitation, accept the options provided for reconstruction, or not to participate in the program.

**BD 2.3 SPRP Elevation Assistance.** Out of the \$12M SPRP set-aside provided in the Action Plan, households of any income are eligible to apply for \$30,000 for elevation of their home in accordance with FEMA advisory and preliminary flood elevations or subsequent FEMA permanent maps, and the National Flood Insurance Program. If the applicant was eligible for Increased Cost of Compliance (ICC) under the National Flood Insurance Program (NFIP) and they received funding, and a portion of the funding was for Elevation, then that specific portion will be deducted from the maximum benefit for Elevation assistance as it is a duplication of benefits.

**BD 2.4, 2.5, and 2.6 SPRP Accessibility Assistance.** Out of the \$12M SPRP set-aside provided in the Action Plan, homeowners whose household includes a person with a disability or an elderly person may apply for an additional \$15,000 in assistance for additional accessibility related costs associated with elevating the dwelling. Policy BD 2.4 defines disability as a person who has a substantial limitation of one or more major life activities. Documentation may come from the Social Security Administration, Department of Veteran's Affairs or an affidavit from a qualified person, pursuant to fair housing laws. Policy 2.5 defines elderly at 55 years of age. Pursuant to the Action Plan, Policy BD 2.6 limits this assistance to \$15,000.

**BD 4.0 and 4.1 Duplication of Benefits.** The Action Plan and federal law limits the amount of the benefit based on previously received federal or insurance benefits. The policy outlines how to determine whether prior benefits were received and how they should count toward the current benefit.

**BD 4.2 Allowable Activities.** The Action Plan and federal law limits the amount of the benefit based on previously received federal or insurance benefits. The policy outlines how to determine whether prior benefits were received and how they should count toward the current benefit.

**BD 4.3 Third Party Verification.** The Action Plan and federal law limits the amount of the benefit based on previously received federal or insurance benefits. The policy outlines how to determine whether prior benefits were received and how they should count toward the current benefit.

**BD 6.0 GAP Funding.** The Action plan provides that if the available benefits are not sufficient to complete the reconstruction or rehabilitation of a home for either the HAP or SPRP programs, the applicant will be required to identify and secure funding for the difference between the available funds and the funds required to complete the rehabilitation/reconstruction prior to beginning work.

**BD 6.1 Calculation of GAP Funding.** The total amount of the possible benefit will be the basis for the initial award. From that, previous federal and insurance benefits received will be deducted. If the funds have been spent on allowable activities, this will reduce the amount deducted from the maximum benefit available. Once this process has occurred, the applicant will be notified if a gap has been determined to exist.

**BD 6.2 Allowable Forms of GAP Funding.** The Action plan provides that if the available benefits are not sufficient to complete the reconstruction or rehabilitation of a home for either the HAP or SPRP programs, the applicant will be required to identify and secure funding for the difference between the available funds and the funds required to complete the rehabilitation/reconstruction prior to beginning work.

**AP 1.0 Appeals.** Applicants have a right to appeal first to ACS senior staff on items that impact their eligibility or benefit determination. An applicant can appeal this to an ACS Appeals Board. There is a generous time frame for appeals of 30 days, but the burden is on the applicant to dispute the original determination. If a disagreement remains there is an appeal process to TDHCA Executive Director utilizing the standard TDHCA appeal procedure in 10 Texas Administrative Code 1.7 and 1.8 which ultimately includes a Board appeal.

### **Recommendation**

Staff recommends that the Board approve the policies related to Round 2 CDBG Disaster funding for the Homeowner Assistance Program and Sabine Pass Restoration Programs as recommended by staff and attached to this Board item.



## Policy Portfolio

**Policy Number:** EL 1.0

**Program:** HAP/SPRP

### **EL 1.0 Eligibility Criteria: Ownership & Occupant as Primary Residence**

- The owner must be able to prove ownership and that he or she occupied the property as a primary residence at the time of Hurricane Rita (September 24, 2005). Rental dwellings and second homes are not eligible<sup>1</sup>.

### **The following Policies & Verification Procedures will be defined:**

- EL 1.1** Ownership of Stick Built Residence
- EL 1.2** Ownership of Manufactured Housing Unit (MHU)
- EL 1.3** Occupied as Primary Residence
- EL 1.4** Eligible Type of Structure

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<sup>1</sup> State of Texas Partial Action Plan for Disaster Recovery to Use Community Development Block Grant (CDBG) Funding to Assist with the Recovery of Distressed Areas Related to the Consequences of Hurricanes Katrina, Rita, and Wilma in the Gulf of Mexico in 2005. pg 10.



## Policy and Procedures Approval Form

Policy Number: EL 1.1

Program: HAP/SPRP

Date: 02/20/2008

Policy Name: Ownership of Stick Built Residence

### I. Policy Details:

- A. The owner must be able to provide evidence of ownership of the property on September 24<sup>th</sup> 2005
- B. The applicant must be able to present recorded evidence of current ownership of the damaged structure **AND** the underlying land on which the damaged structure is located.
- C. If an acquisition deed is presented as evidence of either of the above, the deed should be recorded in the county land records. If it is not recorded, the acquisition deed must have notarized signatures dated prior to September 24, 2005. Additionally, the applicant must have recorded the deed prior to receiving an award.

### II. Exceptions:

- A. The applicant must be able to present evidence of ownership of the damaged structure as of the date of Hurricane Rita (September 24, 2005) but not necessarily evidence of ownership of the underlying land on which the damaged structure is located.
- B. **Separate Title to Land and Structure:** The applicant owned the damaged structure as of the date of Hurricane Rita (September 24, 2005) but did not own the property (land) where the damaged structure is located.
- C. **Owner Death:** If the owner of the damaged structure died before or after Hurricane Rita (September 24, 2005), their heir may be eligible if they resided in the damaged structure on Hurricane Rita (September 24, 2005) as their primary residence.

### III. Ineligible:

- A. An application will be ineligible to receive assistance if the applicant is unable to provide evidence of ownership of the damaged structure; for example an applicant was living in another party's residence which was damaged by Hurricane Rita.
- B. Ownership by an entity distinct from the owner i.e. Limited Liability Corporation (LLC)
- C. An applicant who has sold their damaged property.
- D. If the owner is deceased, the only beneficiary allowed is if an heir was occupying the home as their primary residence on September 24, 2005 i.e. an Estate is not eligible to receive the benefit.

### IV. Required Documentation for Land & Structure Ownership:

- A. Warranty Deed or Quit Claim Deed (or any other type of acquisition deed) to provide evidence of ownership of the property on September 24<sup>th</sup> 2005.

**AND**

- B. Ownership Affidavit to provide evidence of ownership of the property on September 24<sup>th</sup> 2005.

**AND**

- C. Evidence of 2007 Property Tax Bill showing a zero amount balance to provide evidence of current



ownership of the property<sup>2</sup>  
**AND**  
D. Primary Residence Affidavit

**V. Required Documentation for Separate Title to Land & Structure:**

A. 99 year lease agreement or a fifty (50) year leasehold on a trust, or fifty (50) year leasehold on restricted Indian lands to provide evidence of current ownership of the property  
**OR**  
B. Warranty Deed or Quit Claim Deed (or any other type of acquisition deed) to provide evidence of current ownership of the property.  
**AND**  
C. Separate Title to Land and Structure Affidavit to attest ownership of the damaged structure on September 24<sup>th</sup> 2005  
**AND**  
D. Warranty Deed or Quit Claim Deed (or any other type of acquisition deed) for the owner of the land to provide evidence of ownership of the property on September 24<sup>th</sup> 2005  
**AND**  
E. Evidence of 2007 Property Tax Bill showing a zero amount balance to provide evidence of current ownership of the property  
**AND**  
F. Primary Residence Affidavit

**VI. Required Documentation for Owner Death:**

A. Warranty Deed or Quit Claim Deed (or any other type of acquisition deed) in the name of the deceased in order to provide evidence of ownership of the property on September 24<sup>th</sup> 2005.  
**AND**  
B. Warranty Deed or Quit Claim Deed (or any other type of acquisition deed) to provide evidence that the heir currently owns the property.  
**OR**  
C. 99 year lease agreement from the Estate or fifty (50) year leasehold on a trust or fifty (50) year leasehold on restricted Indian lands in order to provide evidence that the heir currently owns the property.  
**AND**  
D. Primary Residence Affidavit executed by the heir  
**AND**  
E. Evidence of 2007 Property Tax Bill showing a zero amount balance to provide evidence of current ownership of the property  
**AND**  
F. Death certificate for the deceased owner  
**AND**  
G. Deceased Primary Residence Affidavit (only if the owner died after September 24<sup>th</sup> 2005)

<sup>2</sup> See Policy Portfolio EL 6.0 for details on Property Tax





## Texas Department of Housing and Community Affairs

### VII. Verification Procedures:

A. Review all of the applicant provided documentation and match to applicant/homeowner names.

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## Policy and Procedures Approval Form

**Policy Number:** EL 1.2

**Program:** HAP/SPRP

**Date:** 02/20/2008

**Policy Name:** Ownership of Manufactured Housing Unit (MHU)

### I. Policy Details:

- A. The applicant (primary or secondary) must present evidence of ownership of the damaged manufactured housing unit (MHU) on September 24, 2005 and present evidence that the MHU was located on land within the eligible 22 counties.
- B. The applicant must present evidence of current ownership of the damaged manufactured housing unit.
- C. The property is defined as the manufactured housing unit.

### II. Ineligible:

- A. An applicant who was renting the manufactured housing.
- B. An applicant that owned a manufactured housing unit that was located outside of the eligible 22 counties.
- C. An applicant who has sold their damaged property.

### III. Required Documentation:

To provide evidence of ownership of the manufactured housing unit on September 24<sup>th</sup>, 2005:

- A. A title to the manufactured housing unit

**OR**

- B. Registration of the manufactured housing unit

To provide evidence of current ownership of the manufactured housing unit:

- C. Manufactured Housing Unit Affidavit

**AND**

To provide evidence the manufactured housing unit was located in one of 22 eligible counties:

- D. Warranty Deed or Quit Claim Deed (or any other type of acquisition deed) to the land in the name of the applicant at the time of Hurricane Rita September 24<sup>th</sup>, 2005.

**OR**

- E. If the manufactured housing unit owner did not own the property where the manufactured housing unit was located, the applicant would be required to submit an executed Manufactured Housing Affidavit that certifies under penalty of perjury that the manufactured housing unit was located on property in one of the 22 eligible counties.

### IV. Verification Procedures:

- A. Review all documentation and match to applicant/owner names.



## Policy and Procedures Approval Form

**Policy Number:** EL 1.3

**Program:** HAP/SPRP

**Date:** 02/20/2008

**Policy Name:** Occupied as Primary Residence

### I. Policy Details:

- A. The applicant (primary or secondary) must have occupied the property as their primary residence on September 24, 2005.

### II. Exceptions:

- A. Applicants in the United States military that were deployed outside of the United States can still qualify for an award.
- B. The titleholder was temporarily living in a nursing home, assisted living facility or other medical facility.

### III. Ineligible:

- A. The damaged structure listed in the application is the applicant's second home or vacation home.

### IV. Required Documentation:

- A. Executed Primary Residence Affidavit

### V. Verification Procedures:

- A. Verify the executed Primary Residence Affidavit by the homeowner that asserts they occupied the damaged property on September 24, 2005 as their primary residence and match to the owner name listed on the Deed.



## Policy and Procedures Approval Form

**Policy Number:** EL 1.4

**Program:** HAP/SPRP

**Date:** 02/20/2008

**Policy Name:** Eligible Type of Structure

### I. Policy Details:

- A. The damaged structure must be a single-family home/dwelling including manufactured housing units, modular housing, or townhouses.

### II. Ineligible:

- A. Condominiums
- B. Any home that is sub-divided into distinct units such as the following: Duplex, Triplex etc
- C. Dual Use (Residential/Commercial)

### III. Required Documentation:

- A. Damage Assessment/Cost to Rehabilitate

### IV. Verification Procedures:

- A. Verify the structure is a single family home/dwelling as indicated on the Damage Assessment/Cost to Rehabilitate.

## Policy Portfolio

**Policy Number:** EL 3.0

**Program:** HAP/SPRP

### **EL 3.0 Eligibility Criteria: Income**

- Homeowner Assistance Program (HAP): The owner's household must be eligible under the applicable low to moderate income limits (80% of the Area Median Income (AMI) for the household size).<sup>3</sup>
- Sabine Pass Restoration Program (SPRP): Home rehabilitation and reconstruction and/or new construction assistance will be made available for homeowners whose family income is up to 150% of the AMI for the household size.<sup>4</sup>

### **The following Policies & Verification Procedures will be defined:**

**EL 3.1 Definition of Income**

**EL 3.2 Definition of Household Size for Income Eligibility**

**EL 3.3 HAP Low to Moderate Income Limits**

**EL 3.4 SPRP Income Limits**

**EL 3.5 Elevation and Accessibility Assistance-No Income Requirement**

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<sup>3</sup> State of Texas Partial Action Plan for Disaster Recovery to Use Community Development Block Grant (CDBG) Funding to Assist with the Recovery of Distressed Areas Related to the Consequences of Hurricanes Katrina, Rita, and Wilma in the Gulf of Mexico in 2005. pg 10

<sup>4</sup> State of Texas Partial Action Plan for Disaster Recovery to Use Community Development Block Grant (CDBG) Funding to Assist with the Recovery of Distressed Areas Related to the Consequences of Hurricanes Katrina, Rita, and Wilma in the Gulf of Mexico in 2005. pg 13



## Policy and Procedures Approval Form

**Policy Number:** EL 3.1

**Program:** HAP/SPRP

**Date:** 02/12/08

**Policy Name:** Definition of Income

### I. Policy Details:

- A. Income will be defined as the household Adjusted Gross Income on December 31, 2007 as defined by the Internal Revenue Service for the year ended December 31, 2007.

### II. Required documentation that must be obtained from the applicant:

#### One of the following forms

- A. 2007 Federal Form 1040 or equivalent tax form (1040 A or 1040 EZ) for all household members 18 and over including all relevant income schedules (schedule B, C, D, & E)

#### OR

- B. Adjusted Gross Income (AGI) Worksheet

#### AND

- A. Household Size Affidavit (one must be completed for each application) to certify under penalty of perjury that all occupants and their signatures included in the household size have been reported accurately.

#### AND at least one of the following supporting documentation for each household member with 2007 income:

- A. 2007 W2, Federal Form 1099, Social Security Form SSA-1099, Final 2007 pay stub

#### AND

- A. An Income Affidavit for each application to certify under penalty of perjury that all the income information reported is complete and accurate.

### III. Verification Procedures:

- A. Household income will be based on the elements used to derive Adjusted Gross Income (AGI) as defined by the Internal Revenue Code and 2007 Federal Form 1040 or equivalent tax form (1040 A or 1040 EZ).
- B. Income of all members of the household member 18 and over will be calculated to determine income eligibility.
- C. AGI for the tax year ending December 31, 2007 will be used.
- D. Review and verify completed 2007 Federal Form 1040 or equivalent tax form for all household members 18 and over including all relevant income schedules (schedule B, C, D, & E) and upload information into Portfolio

#### OR

- E. Review and verify Adjusted Gross Income (AGI) Worksheet. Upload information into Portfolio.
- F. Verify supporting documentation against the 2007 Federal Form 1040 or the AGI Income Worksheet
- G. Verify the executed Income Affidavit for each application



## Policy and Procedures Approval Form

**Policy Number:** EL 3.2

**Program:** HAP/SPRP

**Date:** 2/12/08

**Policy Name:** Definition of Household Size for Income Eligibility

### I. Policy Details:

A. Household size is defined as the number of people who occupied the housing unit on December 31, 2007. The occupants may be a single family, one person living alone, two or more families living together, or any group of related or unrelated persons who share living arrangements.

### II. Exceptions

- A. Some households include persons who are not considered as family members for the purposes of determining household size and income eligibility:
- foster children,
  - foster aides;
  - live-in aides,
  - children of live-in aides.
- B. These persons should not be counted as household members when determining household size, and their income, if any, is not included when calculating annual income.
- C. A child who is subject to a shared-custody agreement in which the child resides with the household at least 50% of the time can be counted in the household.
- D. Permanently absent family members: If a family member is permanently absent from the household (e.g., a spouse who is in a nursing home), the head of household has the choice of either counting that person as a member of the household, and including income attributable to that person as a household income, or specifying that the person is no longer a member of the household.

### IV. Required Documentation:

- A. Household Size Affidavit for each application

### V. Verification Procedures:

- A. Review the signatures included in the Household Size Affidavit listing all occupants of the household on December 31, 2007.



# Texas Department of Housing and Community Affairs

## Policy and Procedures Approval Form

**Policy Number:** EL 3.3

**Program:** HAP

**Date:** 02/12/2008

**Policy Name:** HAP Low to Moderate Income Limits

### I. Policy Details:

- A. The owner's household must be eligible under the applicable low to moderate income limits.
- B. The low to moderate income (LMI) limit for the Homeowners Assistance Program (HAP) is at or below 80% of the Area Median Income (AMI) for the household size.
- C. AMI is defined by the US Department of Housing and Urban Development (HUD) as published in February 2008. See Attachment A.

### II. Ineligible:

- A. Compare total AGI for all household members over the age of 18 against 80% AMI requirement for the total number of members of the household of **any** age. If the total AGI is above 80% AMI, the application is not eligible.

### III. Required documentation that must be obtained per application:

#### One of the following forms

- A. 2007 Federal Form 1040 or equivalent tax form (1040 A or 1040 EZ) for all household members 18 and over including all relevant income schedules (schedule B, C, D, & E)

#### OR

- B. Adjusted Gross Income (AGI) Worksheet

#### AND

- A. Household Size Affidavit

#### AND at least one of the following supporting documentation for each household member with 2007 income:

- A. 2007 W2, Federal Form 1099, Social Security Form SSA-1099, Final 2007 pay stub

#### AND

- A. Income Affidavit for each application to certify under penalty of perjury that all the income information reported is complete and accurate.

### IV. Verification Procedures:

- A. Compare total AGI for all household members over the age of 18 against 80% AMI requirement for the total number of members of the household of **any** age. The AMI is defined by HUD per county.
- B. If the total AGI exceeds the HUD provided AMI, the application will not be eligible for assistance.





Policy and Procedures Approval Form

Policy Number: EL 3.4

Program: SPRP

Date: 02/12/08

Policy Name: SPRP Income Limits

I. Policy Details:

- A. The owner's household must be eligible under the applicable income limit.
B. The income limit for the Sabine Pass Restoration Program (HAP) is 150% of the Area Median Income (AMI) for the household size.
C. AMI is defined by the US Department of Housing and Urban Development (HUD) as published in February 2008.

II. Ineligible:

- A. Compare total AGI for all household members over the age of 18 against 150% AMI requirement for the total number of members of the household of any age. If the total AGI is above 150% AMI, the application is not eligible.

III. Required documentation that must be obtained per application:

- One of the following forms
A. 2007 Federal Form 1040 or equivalent tax form (1040 A or 1040 EZ) for all household members 18 and over including all relevant income schedules (schedule B, C, D, & E)
OR
B. Adjusted Gross Income (AGI) Worksheet
AND
A. Household Size Affidavit
AND at least one of the following supporting documentation for each household member with 2007 income:
A. 2007 W2, Federal Form 1099, Social Security Form SSA-1099, Final 2007 pay stub
AND
A. Income Affidavit for each application to certify under penalty of perjury that all the income information reported is complete and accurate.

IV. Verification Procedures:

- A. Compare total AGI for all household members over the age of 18 against 150% AMI requirement for the total number of members of the household of any age. The AMI is defined by HUD per county.
B. If the total AGI exceeds the HUD provided AMI, the application will not be eligible for assistance.



Policy and Procedures Approval Form

Policy Number: EL 3.5

Program: SPRP

Date: 02/12/2008

Policy Name: Elevation and Accessibility Assistance- No Income Requirement

I. Policy Details:

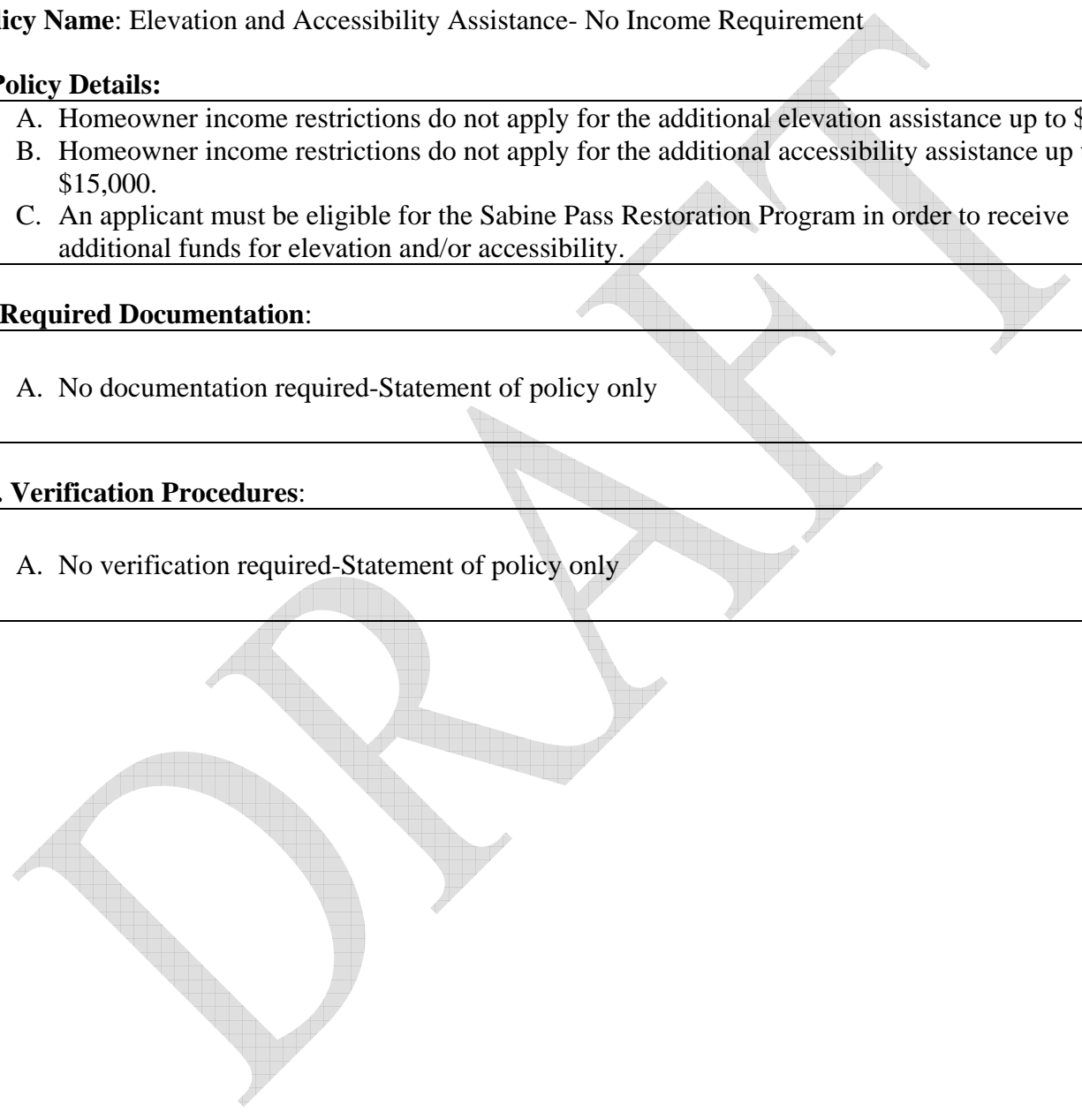
- A. Homeowner income restrictions do not apply for the additional elevation assistance up to \$30,000.
- B. Homeowner income restrictions do not apply for the additional accessibility assistance up to \$15,000.
- C. An applicant must be eligible for the Sabine Pass Restoration Program in order to receive additional funds for elevation and/or accessibility.

II. Required Documentation:

- A. No documentation required-Statement of policy only

III. Verification Procedures:

- A. No verification required-Statement of policy only





## Policy Portfolio

**Policy Number:** EL 5.0

**Program:** HAP/SPRP

### **EL 5.0 Eligibility Criteria: Hurricane Rita Damage**

- The owner must be able to clearly establish that their residence was physically damaged by Hurricane Rita.<sup>5</sup>

**The following Policies & Verification Procedures will be defined:**

**EL 5.1 Definition of Hurricane Rita Damage**

**EL 5.2 Eligible Documentation of Damage**

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<sup>5</sup> *State of Texas Partial Action Plan for Disaster Recovery to Use Community Development Block Grant (CDBG) Funding to Assist with the Recovery of Distressed Areas Related to the Consequences of Hurricanes Katrina, Rita, and Wilma in the Gulf of Mexico in 2005. pg 10.*



Policy and Procedures Approval Form

Policy Number: EL 5.1

Program: HAP/SPRP

Date: 2/20/08

Policy Name: Definition of Hurricane Rita Damage

I. Policy Details:

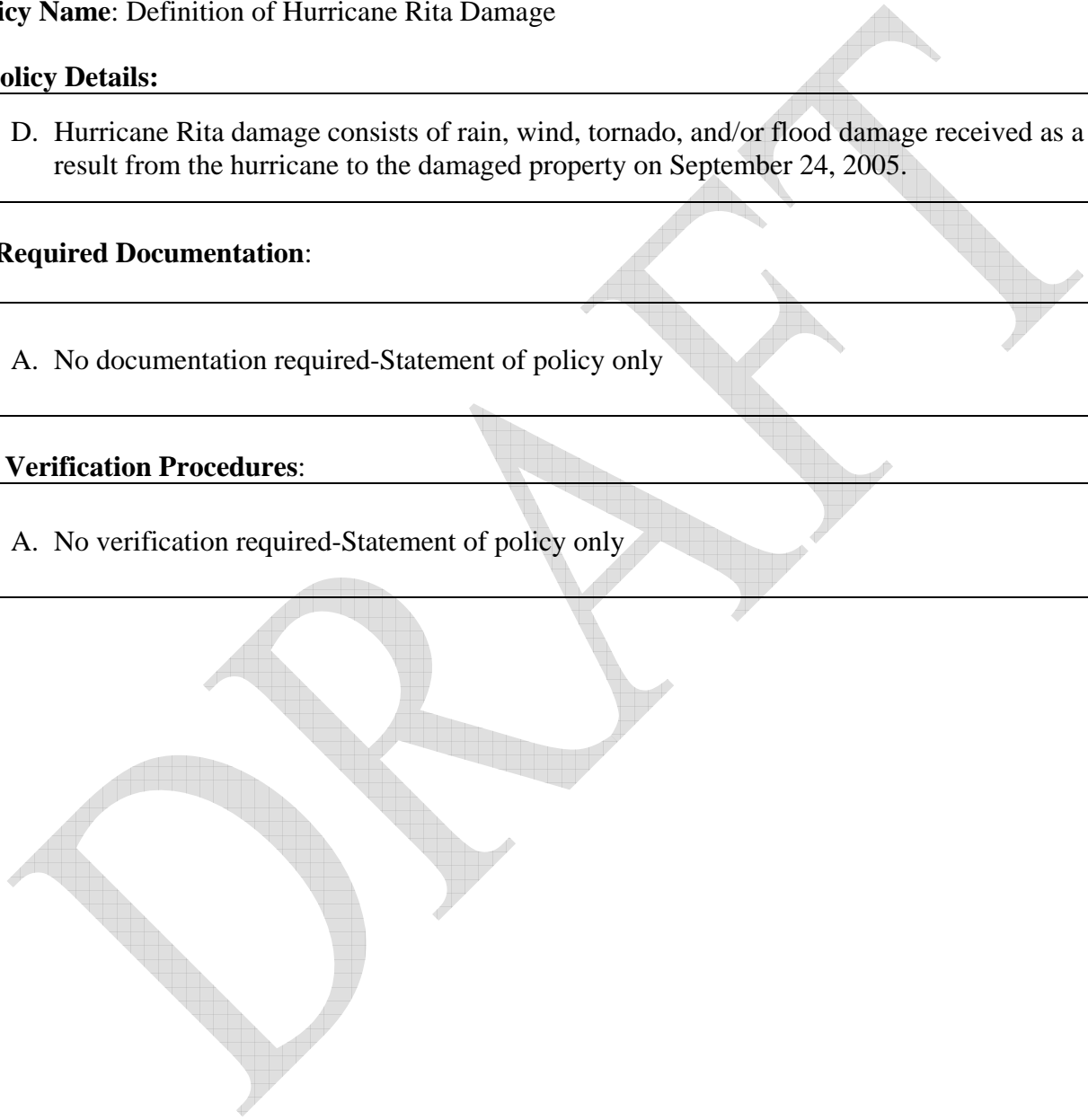
D. Hurricane Rita damage consists of rain, wind, tornado, and/or flood damage received as a direct result from the hurricane to the damaged property on September 24, 2005.

II. Required Documentation:

A. No documentation required-Statement of policy only

III. Verification Procedures:

A. No verification required-Statement of policy only





Policy and Procedures Approval Form

Policy Number: EL 5.2

Program: HAP/SPRP

Date: 2/20/08

Policy Name: Eligible Documentation of Damage

I. Policy Details:

- A. Applicant must provide documentation of damage to the home as a direct result of Hurricane Rita on September 24, 2005.
- B. However, we will first attempt to verify Rita damage from the SBA and FEMA database.

II. Required Documentation:

- A. **Federal Emergency Management Agency (FEMA)**
  - 1. An award letter from FEMA that indicates the applicant received funds related to the disaster identification #1606 for home repair and/replacement housing (component of the Individual Assistance Program).
  - 2. FEMA provided information that the applicant was approved by FEMA for a grant amount related to structure damage as a result of Hurricane Rita on September 24, 2005.
  - 3. Damage Assessment conducted by FEMA as a result of damage to the damaged property from Hurricane Rita on September 24, 2005.

OR

- B. **Small Business Administration Loan**
  - 1. SBA Damage Assessment

OR

- C. **Homeowner's Insurance**
  - 1. Evidence from the homeowner's insurance provider that a claim for damage specifically related to Hurricane Rita was filed and that the provider determined that such damage existed. This evidence could be a claim letter from the insurance provider or the claim assessment.

OR

- D. **Council of Governments**
  - 1. Damage assessment from the Council of Governments providing evidence that the damaged property received structure damage as a result of Hurricane Rita on September 24, 2005.

OR

- E. **Faith Based Organization**
  - 1. Damage assessment from the Faith Based Organization providing evidence that the damaged property received structure damage as a result of Hurricane Rita on September 24, 2005.

OR

- F. **Third Party Disaster Assistance Organizations**
  - 1. Damage assessment from a type of third party disaster assistance organization providing evidence the damaged property received structure damage as a result of Hurricane Rita on September 24, 2005.



## Texas Department of Housing and Community Affairs

### III. Verification Procedures:

- A. All applicants must submit at least one of the required documents in order to be eligible for HAP/SPRP funds.
- B. Verification will first consist of review of the FEMA and SBA database for evidence of Rita damage.
- C. Secondly, we will review the required documentation to ensure Hurricane Rita damage occurred on September 24, 2005.
- D. If the applicant provides insurance information, the ACS team will contact the homeowner's insurance provider to verify the insurance proceeds received were from Hurricane Rita structure damage on September 24, 2005.

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## Policy Portfolio

**Policy Number:** EL 7.0

**Program:** HAP

### **EL 7.0 Eligibility Criteria: Special Needs**

- Part of this funding priority, \$42 million (20 percent of the Homeowner Assistance Program funds) will be targeted specifically for persons with special needs. According to HUD, in addition to the homeless, special needs populations include persons with disabilities, the elderly, persons with alcohol and/or drug addictions, persons with HIV/AIDS, and public housing residents. The targeted amount is based on the percentage of elderly households in the 22 counties eligible for this funding. If after 120 days, there are not sufficient applications received for the special needs target, then these funds will be rolled back into the general HAP funding priority.<sup>6</sup>

### **The following Policies & Verification Procedures will be defined:**

**EL 7.1 Special Need Fund Allocation**

**EL 7.2 Special Needs Definition & Identification Procedures**

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<sup>6</sup> *State of Texas Partial Action Plan for Disaster Recovery to Use Community Development Block Grant (CDBG) Funding to Assist with the Recovery of Distressed Areas Related to the Consequences of Hurricanes Katrina, Rita, and Wilma in the Gulf of Mexico in 2005.* pg 10.



## Policy and Procedures Approval Form

**Policy Number:** EL 7.1

**Program:** HAP

**Date:** 2/20/08

**Policy Name:** Special Needs Fund Allocation

### I. Policy Details: Special Needs Fund Allocation

- A. \$42 million (20 percent of the Homeowner Assistance Program funds) will be targeted specifically for persons with special needs. The targeted amount is based on the percentage of elderly households in the 22 counties eligible for this funding.
- B. If after 120 days, there are not sufficient applications received for the special needs target, then these funds will be rolled back into the general HAP funding priority.

### II. Required Documentation:

- A. No documentation required-Statement of policy only

### III. Verification Procedures:

- A. Portfolio will monitor special needs expenditures (42 M) for prioritization purposes.
- B. Once the 120 days has passed from the date initial data entry of existing applications has been completed (to be determined), unused funds of the 42M will be reallocated to the HAP fund.





## Policy and Procedures Approval Form

**Policy Number:** EL 7.2

**Program:** HAP/SPRP

**Date:** 2/20/08

**Policy Name:** Special Needs Definition & Identification Procedures

### I. Policy Details:

- A. Any household members listed in an application are eligible to receive funding under the 42M allocation.
- B. Special Needs is defined as the following: Homeless, special needs populations include persons with disabilities, the elderly (over 55 years of age as of 12/31/07), persons with alcohol and/or drug addictions, persons with HIV/AIDS, and public housing residents.
- C. If the applicant is considered to have a Special Need, they will be required to complete a Special Needs Affidavit.

### II. Required Documentation:

- A. Date of Birth (DOB) obtained from the Government Issued Photo Identification Card (Drivers License or government issued Photo ID)
- B. Special Needs Affidavit that requires each household member (or their parent or legal guardian) with a special need (as defined above in policy details) to print & sign their name on the date of execution It will include the disclosure that the household member is certifying the information under penalty of perjury that the household member information reported is accurate.

### III. Verification Procedures:

- A. Review executed Special Needs Affidavit and process on First Come First Serve Basis



## Policy Portfolio

**Policy Number:** BD 1.0

**Program:** HAP

### **BD 1.0 Benefit Determination: HAP**

- The maximum benefit for rehabilitation is \$40,000 per household.
- The maximum benefit for the HAP for reconstruction, replacement, and/or new construction of a qualified home, including manufactured housing units, is based on Household size:
  - 1-4 person Household: \$60,000
  - 5-6 person Household: \$67, 500
  - 7 or more person Household: \$75,000<sup>7</sup>

### **The following Policies & Verification Procedures will be defined:**

**BD 1.1 Maximum Benefit: Rehabilitation**

**BD 1.2 Maximum Benefit: Reconstruction**

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<sup>7</sup> State of Texas Partial Action Plan for Disaster Recovery to Use Community Development Block Grant (CDBG) Funding to Assist with the Recovery of Distressed Areas Related to the Consequences of Hurricanes Katrina, Rita, and Wilma in the Gulf of Mexico in 2005. January 31, 2008 Amendment.



Policy and Procedures Approval Form

Policy Number: BD 1.1

Program: HAP/SPRP

Date: 02/20/2008

Policy Name: Maximum Benefit: Rehabilitation

**I. Policy Details:**

- A. The maximum benefit for rehabilitation is \$40,000 per household.
- B. If the Estimated Storm Damage Cost exceeds \$40,000 and the applicant does not elect to reconstruct, they are only eligible for rehabilitation if they are able to fully provide the gap funding.

**II. Ineligible:**

- A. Rehabilitation of a Manufactured Housing Unit (MHU) is not an eligible activity.

**III. Required Documentation:**

- A. No documentation required-Statement of policy only

**IV. Verification Procedures:**

- A. If the award is less than Estimated Storm Damage Cost but within the maximum allowed rehabilitation benefit of \$40,000, the applicant will be responsible for providing the gap funding.
- B. The applicant must provide evidence of the available gap funding and present the check in the amount of the gap funding at the time of the award closing appointment.



Policy and Procedures Approval Form

Policy Number: BD 1.2

Program: HAP/SPRP

Date: 02/20/2008

Policy Name: Maximum Benefit: Reconstruction

I. Policy Details:

- A. The maximum benefit for the HAP for reconstruction of a qualified home, including manufactured housing units, is based on Household size:
  - 1. 1-4 person Household: \$60,000
  - 2. 5-6 person Household: \$67, 500
  - 3. 7 or more person Household: \$75,000.
  
- B. The unit type and number of bedrooms for the HAP for reconstruction of a qualified home, including manufactured housing units, for a particular household will be determined in accordance with the Occupancy Standards applicable to determining bedroom size pursuant to **HUD Handbook 4350.3, §3-23(E)(6)..**
  
- C. Household size for income eligibility is governed under section EL 3.2 Definition of Household Size for Income Eligibility.

II. Required Documentation:

- A. No documentation required-Statement of policy only

III. Verification Procedures:

- A. If the Estimated Storm Damage Cost exceeds the maximum allowed rehabilitation benefit of \$40,000, the applicant will only be eligible for reconstruction of the damaged property.
- B. If the award is less than the cost for reconstruction based on household size, the applicant will be responsible to fully provide the gap funding.
- C. The applicant must provide evidence of the available gap funding and present the check in the amount of the gap funding at the time of the award closing appointment.



**Policy Portfolio**

**Policy Number:** BD 2.0

**Program:** SPRP

**BD 2.0 Benefit Determination: Sabine Pass Restoration Program (SPRP)**

- The maximum benefit for rehabilitation is \$40,000 per household.
- The maximum benefit for the SPRP for reconstruction, replacement, and/or new construction of a qualified home, including manufactured housing units, is based on Household size:
  - 1-4 person Household: \$60,000
  - 5-6 person Household: \$67, 500
  - 7 or more person Household: \$75,000<sup>8</sup>
- Homeowners may apply for additional assistance in an amount up to \$30,000 to help defray the costs of elevating rehabilitated or reconstructed homes in accordance with FEMA advisory flood elevations or subsequent FEMA permanent maps.<sup>9</sup>
- After 180 days, if uncommitted funding remains available, in instances where a homeowner whose family income is up to 150 percent of the area median family income has experienced damage in an amount equal to or greater than 50 percent of the market value of the home at the time of the storm based on an appraisal and wants to move out of the flood plain, a grant will be made available to purchase a new home elsewhere in the Rita Go Zone. The eligible grant amount shall be calculated in the same manner as the HAP assistance, but shall not exceed \$40,000.<sup>10</sup>
- A homeowner whose household includes a person with a disability or an elderly person may apply for an additional \$15,000 in assistance for additional accessibility related costs associated with elevating the dwelling.<sup>11</sup>

**The following Policies & Verification Procedures will be defined:**

- BD 2.1** Maximum Benefit: Rehabilitation
- BD 2.2** Maximum Benefit: Reconstruction
- BD 2.3** Maximum Benefit: Elevation Assistance
- BD 2.4** Accessibility Assistance: Definition of Disability
- BD 2.5** Accessibility Assistance: Definition of Elderly
- BD 2.6** Benefit Determination for Accessibility Assistance

<sup>8</sup> State of Texas Partial Action Plan for Disaster Recovery to Use Community Development Block Grant (CDBG) Funding to Assist with the Recovery of Distressed Areas Related to the Consequences of Hurricanes Katrina, Rita, and Wilma in the Gulf of Mexico in 2005. January 31, 2008 Amendment. pg. 15

<sup>9</sup> IBID. pg 17

<sup>10</sup> IBID. pg 17

<sup>11</sup> IBID. pg 17



## Policy and Procedures Approval Form

**Policy Number:** BD 2.1

**Program:** SPRP

**Date:** 02/20/2008

**Policy Name:** Maximum Benefit: Rehabilitation

### I. Policy Details:

- C. The maximum benefit for rehabilitation is \$40,000 per household.
- D. If the Estimated Storm Damage Cost exceeds \$40,000 and the applicant does not want to reconstruct the damaged property and only wants to rehabilitate, they are only eligible for rehabilitation if they are able to fully provide the gap funding.

### II. Ineligible:

- B. Rehabilitation of a Manufactured Housing Unit (MHU) is not an eligible activity.

### III. Required Documentation:

- B. No documentation required-Statement of policy only

### IV. Verification Procedures:

- C. If the grant award is less than Estimated Storm Damage Cost/Cost to Rehabilitate but within the maximum allowed rehabilitation benefit of \$40,000, the applicant will be responsible for providing the gap funding.
- D. The applicant must provide evidence of the available gap funding prior to closing and present the check in the amount of the gap funding at the time of the grant/loan closing appointment.



## Policy and Procedures Approval Form

Policy Number: BD 2.2

Program: SPRP

Date: 02/20/2008

Policy Name: Maximum Benefit: Reconstruction

### I. Policy Details:

- A. The maximum benefit for the HAP for reconstruction of a qualified home, including manufactured housing units, is based on Household size:
  - 1. 1-4 person Household: \$60,000
  - 2. 5-6 person Household: \$67, 500
  - 3. 7 or more person Household: \$75,000.
  
- B. The unit type and number of bedrooms for the SPRP for reconstruction of a qualified home, including manufactured housing units, for a particular household will be determined in accordance with the Occupancy Standards applicable to determining bedroom size pursuant to **HUD Handbook 4350.3, §3-23(E)(6)**.
  
- C. Household size for income eligibility is governed under section EL 3.2 Definition of Household Size for Income Eligibility.

### II. Required Documentation:

- B. No documentation required-Statement of policy only

### III. Verification Procedures:

- D. If the Estimated Storm Damage Cost exceeds the maximum allowed rehabilitation benefit of \$40,000, the applicant will be eligible for reconstruction of the damaged property.
- E. If the grant award is less than the cost for reconstruction based on household size, the applicant will be responsible to fully provide the gap funding.
- F. The applicant must provide evidence of the available gap funding and present the check in the amount of the gap funding at the time of the grant/loan closing appointment.



## Policy and Procedures Approval Form

**Policy Number:** BD 2.3

**Program:** SPRP

**Date:** 02/20/2008

**Policy Name:** Maximum Benefit: Elevation Assistance

### I. Policy Details:

- A. Homeowners may apply for additional assistance (deferred forgivable loan) in an amount up to \$30,000 to help defray the costs of elevating rehabilitated or reconstructed homes in accordance with FEMA advisory and preliminary flood elevations or subsequent FEMA permanent maps, and the National Flood Insurance Program.
- B. The elevation assistance is available for required elevations in Sabine Pass.
- C. Required elevation means that the damaged property is required to elevate according to the most stringent building code.
- D. Elevation is required for reconstruction.
- E. The contractor will provide an estimate for the cost to elevate the damaged property to the latest issued FEMA base flood elevations.
- F. This estimate will determine the amount of elevation assistance the applicant is eligible to receive.
- G. There is not an income requirement for the assistance.
- H. If the applicant was eligible for Increased Cost of Compliance (ICC) under the National Flood Insurance Program (NFIP) and they received funding, and a portion of the funding was for Elevation, then that specific portion will be deducted from the maximum benefit for Elevation assistance as it is a duplication of benefits.
- I. Elevation construction costs in excess of \$30,000 are subject to gap funding.<sup>12</sup>

### II. Required Documentation:

- A. Elevation Cost Estimate (Damage Assessment/Cost to Rehabilitate)

### III. Verification Procedures:

- A. Review the cost estimate for elevating the damaged property.
- B. Upload the amount into Portfolio to include in the calculation of the award.

## Policy and Procedures Approval Form

<sup>12</sup> See Policy Portfolio Gap Funding BD 6.0 for more detailed information





# Texas Department of Housing and Community Affairs

**Policy Number:** BD 2.4

**Program:** SPRP

**Date:** 2/19/08

**Policy Name:** Accessibility Assistance: Definition of Disability

## I. Policy Details:

- A. An individual is considered to have a "disability" if one of the occupants living in the damaged property as their primary residence has a physical impairment that substantially limits one or more major life activities.
- B. This definition includes persons who have impairments and that these must limit major life activities such as walking or other gross motor skills.
- C. A disability determination may come from the Social Security Administration (SSA), Department of Veteran's Affairs, a licensed physician, or other authorized party..

## II. Ineligible:

- A. An individual with a minor, non-chronic condition of short duration, such as a sprain or broken limb are not included.

## III. Required Documentation:

- A. A disability determination letter from the Social Security Administration (SSA) verifying a physical disability.
- OR**
- B. A disability determination letter from the Department of Veteran's Affidavit which states that the applicant is partially or 100% physically disabled as defined above.
- OR**
- C. A statement from a licensed physician or other authorized party indicating that the applicant requires special accommodation for accessibility to their home.

## IV. Verification Procedures:

- A. Review required documentation submitted by the applicant.
- B. Upload information into Portfolio that will trigger "accessibility" eligibility

## Policy and Procedures Approval Form



# Texas Department of Housing and Community Affairs

**Policy Number:** BD 2.5

**Program:** SPRP

**Date:** 2/19/08

**Policy Name:** Accessibility Assistance: Definition of Elderly

## I. Policy Details:

- A. A homeowner whose household includes an elderly individual as defined by over 55 years of age as of 12/31/07 may be eligible to receive accessibility assistance.

## II. Required Documentation:

- A. Date of Birth (DOB) obtained from the Government Issued Photo Identification Card (Drivers License or government issued Photo ID)

## III. Verification Procedures:

- A. Review DOB upload information into Portfolio that will trigger “accessibility” eligibility

## Policy and Procedures Approval Form



# Texas Department of Housing and Community Affairs

**Policy Number:** BD 2.6

**Program:** SPRP

**Date:** 2/19/08

**Policy Name:** Benefit Determination for Accessibility Assistance

## I. Policy Details:

- A. The PM will determine the accessibility related construction cost associated with elevating the dwelling during the Damage Assessment.
- B. The maximum benefit for accessibility construction is \$15,000
- C. Construction costs in excess of \$15,000 are subject to gap funding.<sup>13</sup>
- D. Reconstruction must meet accessibility requirements according to Texas Government Code Section 2306.514

## II. Required Documentation:

- A. Damage Assessment
- B. Evidence of gap funding (if applicable)

## III. Verification Procedures:

- A. Review Damage Assessment and upload information into Portfolio for benefit determination.

<sup>13</sup> See Benefit Determination Policy Portfolio for Gap Funding BD 5.0



## Policy Portfolio

**Policy Number:** BD 3.0

**Program:** HAP/SPRP

### **BD 3.0 Benefit Determination: Cost for Rehabilitation or Reconstruction**

- All grant amounts will be based on damage to the dwelling, plus the funds necessary for the rehabilitation or reconstruction and/or new construction to meet applicable local, state and/or federal building codes, and funds necessary for mitigation efforts to reduce the impact of future storms, but do not include its contents or other personal property<sup>14</sup>.

### **The following Policies & Verification Procedures will be defined:**

**BD 3.1** Definition of Damage to the Dwelling

**BD 3.2** Determination of Funds Necessary for Rehabilitation or Reconstruction

## **Policy and Procedures Approval Form**

<sup>14</sup> State of Texas Partial Action Plan for Disaster Recovery to Use Community Development Block Grant (CDBG) Funding to Assist with the Recovery of Distressed Areas Related to the Consequences of Hurricanes Katrina, Rita, and Wilma in the Gulf of Mexico in 2005. pg 10



# Texas Department of Housing and Community Affairs

**Policy Number:** BD 3.1

**Program:** HAP/SPRP

**Date:** 2/20/08

**Policy Name:** Definition of damage to the dwelling

## I. Policy Details:

- A. Eligibility is based on damage to the dwelling from Hurricane Rita on September 24, 2005.
- B. All award amounts will be based on the cost to rehabilitate or reconstruct the dwelling.
- C. The cost to rehabilitate or reconstruct can include Hurricane Rita related damage, damage that has occurred as a result of the home not being repaired after the storm, i.e. floor damage due to roof damage from storm, and/or any rehabilitation necessary to bring the home up to the applicable building code, existing local health & safety standards.

## II. Required Documentation:

- A. No documentation required-Statement of policy only

## III. Verification Procedures:

- A. No verification required-Statement of policy only

## Policy and Procedures Approval Form



# Texas Department of Housing and Community Affairs

**Policy Number:** BD 3.2

**Program:** HAP/SPRP

**Date:** 2/20/08

**Policy Name:** Determination of funds necessary for rehabilitation or reconstruction

## I. Policy Details:

- A. ACS team will estimate the funds necessary for the rehabilitation or reconstruction to meet applicable local, state, and/or federal building codes<sup>15</sup>, mitigation efforts<sup>16</sup> to reduce the impact of future storms on the home, and/or to repair the storm damage to the home.
- B. Eligible items to be included in the cost to repair or reconstruct will be detailed in the Damage Assessment/Cost to Rehabilitate

## II. Required Documentation:

- A. Damage Assessment/Cost to Rehabilitate

## III. Verification Procedures:

- A. Review Damage Assessment/Cost to Rehabilitate and upload data into Portfolio

<sup>15</sup> See Building Code Policy Portfolio for detailed policy information BC 1.0

<sup>16</sup> See Mitigation Policy Portfolio for detailed policy information BD 4.0



## Policy Portfolio

**Policy Number:** BD 4.0

**Program:** HAP/SPRP

### **BD 4.0 Benefit Determination: Duplication of Benefits**

To avoid duplication of benefits, the Estimate of Storm Damage Cost will be reduced by the following if such benefits were or will be paid to the household toward any of the activities included in the Estimate of Storm Damage Cost:

- A. FEMA Grants;
- B. Homeowner insurance proceeds (unpaid and outstanding insurance claims must be subrogated back to the State);
- C. National Flood Insurance Program proceeds;
- D. SBA loans identified by SBA as a duplication of benefits<sup>17</sup>

### **The following Policies & Verification Procedures will be defined:**

**BD 4.1 Duplication of Benefits**

**BD 4.2 Allowable Activities**

**BD 4.3 Third Party Data Verification**

<sup>17</sup> State of Texas Partial Action Plan for Disaster Recovery to Use Community Development Block Grant (CDBG) Funding to Assist with the Recovery of Distressed Areas Related to the Consequences of Hurricanes Katrina, Rita, and Wilma in the Gulf of Mexico in 2005. pg 12.



## Policy and Procedures Approval Form

**Policy Number:** BD 4.1

**Program:** HAP/SPRP

**Date:** 2/20/08

**Policy Name:** Duplication of Benefits

### I. Policy Details:

- A. Duplication of benefits includes any payments made to the applicant by identified parties that represent disaster assistance for the same loss that the Program is providing assistance.
- B. For the Homeowner Assistance Program and Sabine Pass Restoration Program, duplication of benefits includes assistance from FEMA designated as structural repair (Home Repair or Replacement Housing), the real estate portion of SBA disaster loans for Hurricane Rita, and any insurance proceeds (including NFIP proceeds) relating to structure (generally Coverage A).

### II. Required Documentation:

- A. FEMA assistance number
- B. SBA loan number
- C. Insurance company and policy number

### III. Verification Procedures:

- A. Information provided by applicant will be verified with the third parties listed above via secure file transfer protocol.
- B. Amounts provided by third parties will be used in the calculation of duplication of benefits.





### Policy and Procedures Approval Form

**Policy Number:** BD 4.2

**Program:** HAP/SPRP

**Date:** 2/20/08

**Policy Name:** Allowable Activities

**I. Policy Details:**

- A. Any portion of the duplication of benefits that has been determined to be an “allowable or appropriate activities” (outlined below) that the applicant spent funds on will reduce the amount of duplication of benefits.
- B. The applicant will complete the Allowable Activities Worksheet as part of the supplemental applicant information packet.
- C. The applicant will be responsible for accurately reporting the specific amounts spent on the activities.
- D. The applicant will attest to the accuracy of the information provided; TDHCA will reduce the amount of duplication of benefits.
- E. The applicant will be required to provide supporting documentation (third party receipts and third party pictures) for all expenditures..
- F. The following are Allowable activities and include:
  - 1. Structure repairs (i.e. roof, foundation, electrical, plumbing, and windows)
  - 2. Debris removal
  - 3. Tree/shrub removal and replacement (replacement to bring the environment back to the way it was before Hurricane Rita)
  - 4. Mold remediation
  - 5. Cost of interim housing (rent, hotel payments)
  - 6. Repairs to outbuildings (includes fences, sheds, separate garages, carports, and driveways)
  - 7. Labor, material, and equipment rental to permanently or temporarily repair the damaged residence (includes carpeting, cabinetry, appliances, flooring, fixtures, doors, walls, and ceilings )
  - 8. Demolition costs
  - 9. Installation of wells, septic tanks, electricity, HVAC and plumbing
  - 10. Grading or leveling of property
  - 11. Rental of Disposal and Removal Equipment (i.e. backhoes and dumpsters)
- G. See Attached Allowable Activities Worksheet

**II. Required Documentation:**

Allowable Activities Worksheet/Affidavit

**III. Verification Procedures:**

- A. Review Allowable Activities Worksheet
- B. Review all supporting documentation
- C. Upload the specified amounts into Portfolio



## Policy and Procedures Approval Form

**Policy Number:** BD 4.3

**Program:** HAP/SPRP

**Date:** 02/20/08

**Policy Name:** Third Party Data Verification

### I. Policy Details:

- A. FEMA, SBA, and Insurance that are part of the benefit determination and considered to be a duplication of benefits are deducted from Estimated Storm Damage Cost. These amounts will be verified with the third party from whom the benefit is derived.

### II. Required Documentation:

- A. SBA Application/Loan number
- B. FEMA Registration number
- C. Insurance company and policy or claim number.

### III. Verification Procedures:

- A. For each third party, the ACS team will exchange data files via a secure file transfer protocol.
- B. Information to be exchanged will include identifying applicant information to allow the third party to verify the applicant provided information regarding the amount received from the third party.
- C. The only amounts to be verified will be those related to the structural damage to the home from Hurricane Rita.
- D. Review and obtain available data from the HUD OIG database (insurance information)
- E. For SBA and Insurance if the amount provided by the third party differs from the amount the applicant in their application, the third party amount will be used.
- F. Follow the general policy above for FEMA but we may approve applicant provided data to override 3<sup>rd</sup> party data.



## Policy Portfolio

**Policy Number:** BD 5.0

**Program:** HAP/SPRP

### **BD 5.0 Benefit Determination: Cost for Mitigation**

- All grant amounts will be based on damage to the dwelling, plus the funds necessary for the rehabilitation or reconstruction and/or new construction to meet applicable local, state and/or federal building codes, and funds necessary for mitigation efforts to reduce the impact of future storms, but do not include its contents or other personal property<sup>18</sup>.

**The following Policies & Verification Procedures will be defined:**

**BD 5.1 Definition of Mitigation**

**BD 5.2 Environmental Mitigation**

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<sup>18</sup> *State of Texas Partial Action Plan for Disaster Recovery to Use Community Development Block Grant (CDBG) Funding to Assist with the Recovery of Distressed Areas Related to the Consequences of Hurricanes Katrina, Rita, and Wilma in the Gulf of Mexico in 2005.* pg 10.



## Policy and Procedures Approval Form

**Policy Number:** BD 5.1

**Program:** HAP/SPRP

**Date:** 2/20/08

**Policy Name:** Definition of Mitigation

### I. Policy Details:

- A. The Estimated Storm Damage (cost to rehabilitate, reconstruction, or new construction) will include mitigation efforts to reduce the impact of future storms that fall under the Federal, State, or local jurisdiction building code (whichever is deemed to be the most stringent). The inspector will determine the applicable mitigation requirements. The damaged property may not necessarily require any mitigation.
- B. Necessary means that the mitigation follows the most stringent building code.
- C. The State building code is the 2000 International Residential Codes.
- D. Required mitigation efforts are allowed costs.
- E. Required mitigation efforts may include flood-proofing methods or wind-loading methods.
- F. Discretionary mitigation efforts are NOT allowed costs.

### II. Required Documentation:

- A. Damage Assessment/Cost to Rehabilitate

### III. Verification Procedures:

- A. Review Damage Assessment/Cost to Rehabilitate and upload the Estimated Storm Damage Cost (which includes the mitigation cost, if applicable) into Portfolio.



## Policy and Procedures Approval Form

**Policy Number:** BD 5.2

**Program:** HAP/SPRP

**Date:** 2/20/08

**Policy Name:** Environmental Mitigation

### I. Policy Details:

E. The Estimated Storm Damage/Damage Assessment will include any necessary environmental mitigation efforts.

### II. Required Documentation:

A. Damage Assessment/Cost to Rehabilitate

### III. Verification Procedures:

A. Review Damage Assessment and upload Estimated Storm Damage Cost (which includes the environmental mitigation cost, if applicable) into Portfolio.



## Policy Portfolio

**Policy Number:** BD 6.0

**Program:** HAP/SPRP

### **BD 6.0 Benefit Determination: Gap Funding**

- If the cost to fully rehabilitate the home exceeds that covered by the grant or loan, then the homeowner must provide evidence that they have the available funds or can obtain financing from an outside source to cover the funding gap. Working with faith based or nonprofit organizations that provide funding, volunteer service, or other forms of self help assistance is an eligible source of such financing<sup>19</sup>.

**The following Policies & Verification Procedures will be defined:**

- BD 6.1** Calculation of Gap Funding
- BD 6.2** Allowable Forms of Gap Funding

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<sup>19</sup> State of Texas Partial Action Plan for Disaster Recovery to Use Community Development Block Grant (CDBG) Funding to Assist with the Recovery of Distressed Areas Related to the Consequences of Hurricanes Katrina, Rita, and Wilma in the Gulf of Mexico in 2005. pg 10.



## Policy and Procedures Approval Form

**Policy Number:** BD 6.1

**Program:** HAP/SPRP

**Date:** 2/20/08

**Policy Name:** Calculation of Gap Funding

### I. Policy Details:

The Benefit Determination will be calculated as follows:

- A. The Estimated Storm Damage Cost (ESDC) or the cost to rehabilitate or reconstruct the damaged property will include the cost to mitigate against future storm damage as required by the most stringent building code (local or 2000 International Residential Code) and any applicable environmental mitigation costs. The total amount will be the “starting value”.
- B. All benefits that the applicant received from Federal Emergency Management Agency (FEMA), Small Business Administration (SBA) disaster loans, and insurance companies as a result of structural damage from Hurricane Rita to the damaged property must be deducted from the starting value as they are a duplication of benefits.
- C. Any FEMA payments that were made to the applicant for structural damage to the damaged property will be considered a duplication of benefits and deducted from the “starting value” The two types of applicable payments are Home Repair and/or Replacement Housing.
- D. The SBA loan amount that is considered a duplication of benefits will be the real estate portion of the approved disaster loan amount for Hurricane Rita. This amount will be deducted from the “starting value”.
- E. Any insurance proceeds for claims paid to the applicant for structure repairs (generally considered “Coverage A”), as well as any National Flood Insurance Proceeds (NFIP) for structure damage (including debris and tree removal) will be considered a duplication of benefits and be deducted from the “starting value” “Other Structure” proceeds will not be deducted.
- F. Any portion of the duplication of benefits that has been determined to be an “allowable or appropriate activities”<sup>20</sup> that the applicant spent funds will reduce the amount of duplication of benefits.
- G. will be added back into the calculation.
- H. If a difference exists between the award amount and the ESDC after deducting the duplication of benefits, the applicant will be required to provide gap funding in order to be eligible for assistance.
- I. Once the applicant has been approved for assistance, the applicant will be notified by letter of the existing gap funding and will be asked to mail in or submit evidence that the applicant has funds available to cover the gap at an intake center prior to being allowed to schedule a closing appointment. See “Required Documentation” below for acceptable evidence of gap funding.

<sup>20</sup> See Policy Portfolio BD 4.0 for more information on allowable activities.



**II. Required Documentation:**

- A. Evidence of available gap funding may include one of the following:
1. Loan approval letter from the lender that must include the following: lending institution, the amount of the loan, the date of available funds
  2. Bank Statement showing available funds in the amount of the gap funding
  3. Loan approval letter from the contractor that must include the following: the amount of the loan, the date of available funds
  4. Commitment letter from a non-profit

**AND**

- A. A check made payable to an escrow account in the amount of the gap funding to be provided at closing.

**III. Verification Procedures:**

- A. Review the evidence of gap funding from the applicant. Once the review is complete, ACS team will contact the applicant to schedule a closing appointment.
- B. The applicant will be notified to bring the gap funding via a check payable to an escrow account in the amount of the gap funding to their closing appointment.
- C. The closing agent will collect the check and submit to ACS Team.

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## Policy and Procedures Approval Form

**Policy Number:** BD 6.2

**Program:** HAP/SPRP

**Date:** 02/20/2008

**Policy Name:** Allowable Forms of Gap Funding

### I. Policy Details:

- A. If a funding gap is identified, the applicant must present evidence of their ability to provide the gap funding identified in the benefit determination prior to their closing appointment. Once the evidence has been reviewed and approved, the applicant must bring the check in the amount of the gap funding made payable to an escrow account to their closing appointment.
- B. Volunteer service and self help assistance may only be provided in the form of gap funding provided at closing.

### II. Ineligible Forms of Gap Funding:

- A. In kind services cannot be used to offset the cost of construction.

### III. Required Documentation:

- A. A check from the applicant that is made payable to an escrow account in the amount of the gap funding.

### IV. Verification Procedures:

- A. The grant/loan award letter will inform the applicant of the requirement to bring the gap funding via a check to the closing appointment. Also, the call center representative will inform the applicant of the requirement when they call to schedule closing appointment.
- B. The ACS Team will deposit the check and the funds will be available to disburse to the assigned contractor.



## Policy Portfolio

**Policy Number:** AP 1.0

**Program:** HAP/SPRP

### **AP 1.0 Eligibility Criteria: Appeals**

- The process developed through the RFP process shall ensure that all grant or loan applications are processed equitably, that the privacy of applicant information is maintained, and that an appeals process is in place that can effectively address applicant concerns.<sup>21</sup>

### **The following Policies & Verification Procedures will be defined:**

- AP 1.1** Appeals Group
- AP 1.2** PM Appeals Board
- AP 1.3** TDHCA Executive Director External Appeals
- AP 1.4** TDHCA Board External Appeals

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<sup>21</sup> *State of Texas Partial Action Plan for Disaster Recovery to Use Community Development Block Grant (CDBG) Funding to Assist with the Recovery of Distressed Areas Related to the Consequences of Hurricanes Katrina, Rita, and Wilma in the Gulf of Mexico in 2005.* pg 13



## Policy and Procedures Approval Form

Policy Number: AP 1.1

Program: HAP/SPRP

Date: 2/14/08

Policy Name: Appeals Group

### I. Policy Details:

#### **PM Level Appeals: Appeals Group**

- A. The first level of the appeal process is considered the Appeals Group which is made up of senior members of the PM Team.
- B. An applicant who wishes to appeal must contact the Call Center to initiate their appeal.
- C. The call center representative will inform the applicant of the appeal policy and refer the applicant to the **Appeal Policy (see attachment A)** document and the **Appeal Request Form (see attachment B)** that the applicant will receive in either their Preliminary Do Not Qualify (DNQ) packet (when we can not determine eligibility) or their Grant/Loan Closing Package.
- D. The applicant may NOT appeal until they receive an eligibility determination (preliminary DNQ letter, grant/loan award letter, or closing package).
- E. An applicant may appeal as long as the disputed amount is greater than \$1,000.
- F. The Appeal Policy document outlines the following
  - ✓ Eligible appeal criteria
  - ✓ Levels of appeals
  - ✓ Time restrictions
  - ✓ Required documentation
  - ✓ Minimum threshold requirements
  - ✓ Appeal response notification
- G. If the applicant can not locate the Appeal Policy or the Appeal Request Form the call center representative will mail the applicant the forms.
- H. The applicant will have 30 calendar days from the date of their Preliminary DNQ, or Grant/Loan Award Letter, or Closing package to submit their appeal.
- I. The appeal will be sent to the Appeals Group who will make a determination on eligibility and/or grant loan amounts

### II. Required Documentation:

- A. Appeal Request Form
- B. Applicant provided supporting documentation

### III. Procedures:

- A. If the Appeals Group determines the appeal has merit (i.e. determines the applicant is eligible or can modify the calculation) through re-verification with a 3<sup>rd</sup> party data sources and/or reviewing additional supporting documentation the applicant's information will be updated in the Reznick Grant Management System (Reznick Portfolio) software and the Applicant will proceed though the approval and notification process.
- B. If the Appeals Group determines the original decision is correct they will send the applicant an Appeals Group Determination Letter which will outline the additional documentation the applicant is able to provide to show evidence of eligibility before the 30 days lapses.
- C. If the applicant can not provide additional supporting documentation, the applicant will be notified that they



## Texas Department of Housing and Community Affairs

do not qualify for an eligibility requirement (DNQ) by a Final Do Not Qualify letter or an Appeal Denial Letter applicable to a calculation dispute. This letter will include an explanation as to why the applicant does not qualify and will include the original Appeal Request Form.

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# Texas Department of Housing and Community Affairs

## Policy and Procedures Approval Form

**Policy Number:** AP 1.2

**Program:** HAP/SPRP

**Date:** 2/14/08

**Policy Name:** PM Appeals Board

### I. Policy Details:

#### PM Level Appeals

##### Appeals Board

- A. If the applicant does not respond to the Appeal Determination Form within 30 calendar days of the date of the Appeal Determination Form, the appeal case will be deemed closed.
- B. If the applicant disagrees with the Appeals Group decision, the applicant must send in the original Appeal Request form as well as any additional documentation for the appeal. The applicant must indicate on the Appeal Request Form that he or she is appealing to the PM Appeals Board.
- C. The amended Appeal Request form will be sent to the Appeals Group and will be elevated to the PM Appeals Board.
- D. If the applicant sends in any additional information, the Appeals group will review the additional documentation to determine if the documentation will have an impact on the initial eligibility or calculation determination.
  1. If the documentation does not provide any change to the initial eligibility or calculation determination, or the applicant does not submit any addition documentation, the Appeal Group will submit all documentation to the PM Appeals Board for their review.
  2. If the documentation DOES change the initial eligibility or calculation determination, the Appeals Group will notify the verification team who will make the appropriate changes and notify the applicant of eligibility, or grant/loan increase.

### II. Required Documentation:

- A. Appeal Request Form
- B. Any additional supporting documentation

### III. Verification Procedures:

- A. The applicant must submit the original Appeal Request Form and check the next level appeal box.
- B. The Appeals Group will review any additional documentation provided by the applicant. If the documentation does not change the original eligibility or calculation determination, the appeal will be elevated to the PM Appeal Board. If the documentation DOES change the initial eligibility or calculation determination, the Appeals Group will make the appropriate changes and notify the applicant of eligibility, or grant/loan increase.
- C. The elevated appeal will be scheduled for review at the next scheduled PM Appeals Board meeting.
- D. The PM Appeals Board will review the case, render a decision, and submit the appeal decision by a letter to the applicant. The letter will include the Appeal Decision as well as the amended Appeal Request Form.



## Policy and Procedures Approval Form

Policy Number: AP 1.3

Program: HAP/SPRP

Date: 2/14/08

Policy Name: TDHCA Executive Director External Appeals

### I. Policy Details:

#### TDHCA-Level Appeals

##### Executive Director

- A. If an applicant would like to further appeal the PM Appeals Board decision, they must provide in writing no later than 7 calendar days after the date on their notification letter. The applicant must send in the amended Appeal Request form as well as any additional documentation for the appeal. The applicant must indicate on the Appeal Request Form that he or she is appealing to the Executive Director.
- B. If the applicant submits any additional information, the Appeals Group will review the additional documentation to determine if the documentation will have any impact on the initial eligibility or calculation determination.
  1. If the documentation does not provide any change to the initial eligibility or calculation determination, or the applicant does not submit any additional documentation, the Appeals Group will submit all documentation to the TDHCA Executive Director for his review.
  2. If the documentation DOES change the initial eligibility or calculation determination, the Appeals Group will make the appropriate changes and notify the applicant of eligibility, or grant/loan increase.
- C. The amended Appeal Request form will be sent to the Appeals Group and will be elevated to the TDHCA staff and the Executive Director.
- D. The Executive Director shall respond in writing to the Appeal no later than the fourteenth day after the date of receipt of the Appeal.

### II. Required Documentation:

- A. Appeal Request Form
- B. Any additional supporting documentation

### III. Verification Procedures:

- A. The applicant must submit the amended Appeal Request Form and check the next level appeal box.
- B. The Appeals Group will review any addition documentation provided by the applicant. If the documentation does not change the original eligibility or calculation determination, the appeal will be elevated to the TDHCA staff and Executive Director. If the documentation DOES change the initial eligibility or calculation determination, the Appeals Group will make the appropriate changes and notify the applicant of eligibility, or grant/loan increase.
- C. The Executive Director will review the appeal and render a decision within 14 days of receiving the appeal.
- D. The Executive Director may take one of the following actions:
  - (1) Concur with the Appeal and make the appropriate adjustments to the staff's decision; or
  - (2) Disagree with the Appeal and provide the bases for rejecting the Appeal to the applicant.
- E. The Executive Director will submit the appeal decision by a letter to the applicant. The letter will include the Appeal Decision as well as the amended Appeal Request Form.



## Policy and Procedures Approval Form

Policy Number: AP 1.4

Program: HAP/SPRP

Date: 2/14/08

Policy Name: TDHCA Appeals Board

### I. Policy Details:

#### TDHCA-Level Appeals

##### TDHCA Board

- A. If the Appealing Party is not satisfied with the Executive Director's response to the Appeal, they may appeal in writing directly to the Board within seven days after the date of the Executive Director's response.
- B. The applicant must send in the amended Appeal Request form as well as any additional documentation for the appeal. The applicant must indicate on the Appeal Request Form that he or she is appealing to the TDHCA Board.
- C. The amended Appeal Request form will be sent to the Appeals Group and will be elevated to the TDHCA Board.
- D. If the applicant sends in any additional information, the Appeals Group will review the additional documentation to determine if the documentation will have any impact on the initial eligibility or calculation determination.
  1. If the documentation does not provide any change to the initial eligibility or calculation determination, or the applicant does not submit any additional documentation, the Appeals Group will submit all documentation to the TDHCA Board for their review.
  2. If the documentation DOES change the initial eligibility or calculation determination, the Appeals Group will make the appropriate changes and notify the applicant of eligibility, or grant/loan increase.
- E. In order to be placed on the next Board agenda, the appeal must be received by the TDHCA at least fourteen days prior to the next scheduled board meeting.

### II. Required Documentation:

- A. Appeal Request Form
- B. Any additional supporting documentation

### III. Verification Procedures:

- A. The applicant must submit the amended Appeal Request Form and check the next level appeal box.
- B. The Appeals Group will review any additional documentation provided by the applicant.
- C. If the documentation does not change the original eligibility or calculation determination, the Appeals Group and Executive Director will prepare an Applicant appeal file for the Boards review based on the information provided. If the documentation DOES change the initial eligibility or calculation determination, the Appeals Group will make the appropriate changes and notify the applicant of eligibility, or grant/loan increase.
- D. The Board will review the Appeal and will consider all information provided by TDHCA to make the final decision. The Board will submit the appeal decision to the applicant, by a letter.

No items available at this time. Pending further discussion we will deliver items to Board Members and have available for the public at the Board Meeting.



**DISASTER RECOVERY DIVISION**

**BOARD ACTION REQUEST**

**November 8, 2007**

**Action Item**

Presentation, Discussion and Possible Approval of Requests for Amendments to CDBG Disaster Recovery contracts

**Requested Action**

Approve the request for an amendment related to Houston-Galveston Area Council's housing contract under Round I of the CDBG Disaster Recovery Program.

**Background**

The U. S. Department of Housing and Urban Development approved the State of Texas Action Plan (Action Plan) related to the *CDBG Disaster Recovery Funds to Areas Most Impacted & Distressed by Hurricane Rita* specifically states that contract amendments that vary more than 5% must be approved by the TDHCA Board.

**Houston-Galveston Area Council (H-GAC) Contract Number C060001**

**Summary of Request**

H-GAC is requesting to transfer \$669,068 from the rehabilitation budget category to the reconstruction budget category. This request will reduce the rehabilitation category to \$250,000, and increase the reconstruction budget category to \$6,027,954.

**Budget**

	Amend #1	This Request	Change	Percent Change
Emergency Repair	\$0	\$0		0.0%
Rehabilitation	\$919,068	\$250,000	(\$669,068)	72.8%
Reconstruction	\$5,358,886	\$6,027,954	\$669,068	12.5%
<b>TOTAL</b>	<b>\$6,277,954</b>	<b>\$6,277,954</b>		

**Beneficiaries**

	Amend #1 Beneficiaries	This Request	Change	Percent Change
Emergency Repair	0	0	0	0.0%
Rehabilitation	100	27	(73)	-73.0%
Reconstruction	243	270	27	11.1%
<b>TOTAL</b>	<b>343</b>	<b>297</b>	<b>(46)</b>	

**Households**

	Amend #1 Household	This Request	Change	Percent Change
Emergency Repair	0	0	0	0.0%
Rehabilitation	37	10	(27)	-73.0%
Reconstruction	90	100	10	11.1%
<b>TOTAL</b>	<b>127</b>	<b>110</b>	<b>(17)</b>	

This change is requested because H-GAC's the original budget categories were projected and provided during July 2006 before the intake of applications and housing inspections had begun. H-GAC's revised their estimates during October 2007 through Amendment #1 based on a review of the types of damages being encountered. Now that the applicant pool has been identified and file review for their needs is complete, H-GAC is requesting a corresponding adjustment in budget categories and beneficiaries.

**Requested Action**

Approve the request to transfer \$669,068 from the rehabilitation budget category to the reconstruction budget category. This request will reduce the rehabilitation category to \$250,000, and increase the reconstruction budget category to \$6,027,954. The required beneficiaries will be reduced by 46 and required households will be reduced by 17 accordingly.

**MULTIFAMILY FINANCE PRODUCTION DIVISION**

**BOARD ACTION REQUEST**

**March 13, 2008**

**Action Item**

Housing Tax Credit Amendments.

**Requested Action**

Approve, amend or deny the requests for amendments.

**Background and Recommendations**

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

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

**Limitations on the Approval of Amendment Requests**

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

**Penalties for Amendment Requests**

§50.9(c), 2008 Qualified Allocation Plan and Rules, entitled, “Adherence to Obligations,” states in part:

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

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

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

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

(B) Prohibit eligibility to apply for Housing Tax Credits for a Tax-Exempt Bond Development that are [sic] submitted by an Applicant or Affiliate related to the Development Owner of the non-conforming Development for up to 24 months from the date that the non-conforming aspect, or lack of financing, was recognized by the Department of the need for the amendment; the placed in service date; or the date the amendment is accepted by the Board, less any time delay caused by the Department.

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

## **HTC No. 05613, Providence Mockingbird**

**Summary of Request:** The development consisted of the adaptive reuse of an eight story hotel into 155 residential units and an additional 96 units created by new construction. In this amendment request, the owner requested the Department's acceptance of the development without the installation of ceiling fans in the living rooms and all bedrooms of the 155 units developed in the hotel. The owner stated that the installation of ceiling fans was impractical because of the eight foot concrete ceilings, i.e., the low ceilings were deemed unsuitable for hanging fixtures and the concrete was an obstacle to wiring. The owner stated that the ceiling fans were installed in the 96 units that were new construction but were never planned for the units that were a part of the rehabilitation.

The owner stated, and the Department confirmed that where there were checkboxes for "ceiling fans" in the application, they were not check-marked. The Department also noted that ceiling fans were not a part of the improvements proposed in the application's property condition assessment. However, ceiling fans were a Threshold requirement and the owner signed the Development Certification Form, thereby certifying that the development would contain ceiling fans in the living room and bedrooms in all units.

The owner states the following amenities were added subsequent to the application a health screen room, service coordinator's office, sundry convenience store, beauty salon, and a community sitting area on each floor.

Governing Law:	§2306.6712, Texas Government Code. The code states that the Board must approve material alterations of a development, including any modification considered significant by the Board.
Owner:	Hines 68, LP
General Partner:	Hines 68 GP, LLC
Developers:	Provident Realty Development, LP
Principals/Interested Parties:	Leon Backes
Syndicator:	Related Capital
Construction Lender:	Charter Mac
Permanent Lender:	TDHCA Tax Exempt Bond Financing
Other Funding:	NA
City/County:	Dallas/Dallas
Set-Aside:	NA – Tax Exempt Bond Financing
Type of Area:	Urban
Type of Development:	Rehabilitation and New Construction
Population Served:	General Population
Units:	251 HTC units
2005 Allocation:	\$811,971
Allocation per HTC Unit:	\$3,235
Prior Board Actions:	7/05 – Approved award of tax credits
Underwriting Reevaluation:	The cost ceiling fans was not included in the rehabilitation cost estimates. Therefore, REA concluded that the amendment would have no impact on the underwriting analysis, nor change the recommended allocation.

**Staff Recommendation:** Staff recommends denying the request because the change represents a failure to comply with Threshold requirements.

**Penalty Assessment:** If the Board approves the request, staff recommends the assessment of appropriate penalties pursuant to §50.9(c) of the QAP because the amendment request was after implementation of the changes.

**HTC No. 07091, City Walk at Akard (forward commitment, formerly 060086)**

Summary of Request: The owner requested approval to change the tax credit development from a total of 209 units with 200 tax credit units and nine (9) market rate units to a total of 200 units, all to be tax credit units. Although the amended building plan would contain six market rate units, the market rate units would be distinct from the tax credit units by being sold as individual condo units, the only units on the top (fifteenth) floor of the building, and served by a private elevator for the exclusive use of market rate tenants. Only the tax credit units and the associated common areas on floors four through fourteen of the fifteen story building would be a part of the tax credit development.

The unit mix of the tax credit units is also proposed to change from 132 efficiencies and 68 one bedroom units to 145 efficiencies, 33 one bedroom units and 22 two bedroom units. The rents of the tax credit units would change from 179 units at 60% of AMGI and 21 units at 30% of AMGI rents to 180 units at 60% of AMGI and 20 units at 30% of AMGI. All 30% units were, and still would be, efficiencies. The net rentable area of the tax credit units would change from 87,369 square feet to 82,039 square feet. The common area of the tax credit development would be approximately 25,072 square feet.

Redesigning the units and reconfiguring the floor layouts of the building were required as a condition of financing, partly to separate the market rate units from the tax credit units and partly to eliminate units with no windows that existed in the original design. A plan to add windows to the building was prohibited by the State Historical Preservation Office. Similarly, the plan to mix market rate units with the tax credit units was unacceptable to the syndicator due to concerns about marketability. The syndicator wanted the market rate units to be physically separated from the low income units.

In contrast to the two new elevators originally proposed, all four of the existing elevators were found to be repairable and are now proposed to be rehabilitated, with one for the exclusive use of the market rate units.

Governing Law:	§2306.6712, Texas Government Code. The code states that the Board must approve material alterations of a development, including any modification considered significant by the board.
Owner:	Akard Walk, L.P.
General Partner:	Central Dallas CDC
Developers:	Central Dallas CDC; McCaslin Development Company
Principals/Interested Parties:	Central Dallas CDC; J.D. McCaslin; Carl McCaslin
Syndicator:	Enterprise Community Investments
Construction Lender:	JP Morgan Chase
Permanent Lender:	City of Dallas
Other Funding:	TDHCA HTF; Corporation for Supportive Housing (grant)
City/County:	Dallas/Dallas
Set-Aside:	General Population
Type of Area:	Urban
Type of Development:	Acquisition/Rehabilitation (adaptive reuse)
Population Served:	General Population
Units:	200 HTC units and 9 market rate units
2006 Allocation:	\$1,242,595

Allocation per HTC Unit: \$6,213  
Prior Board Actions: 7/06 – Approved award of tax credits as a forward commitment  
Underwriting Reevaluation: The amount of the original tax credit recommendation remains unchanged subject to the conditions and concerns stated in the underwriting addendum of February 21, 2008.

**Staff Recommendation: Staff recommends the approval of the amendments. The changes would not negatively impact the development and would not have adversely affected the selection of the application.**

**Penalty Assessment: No penalty assessment is recommended because the change request is made prior to their implementation.**



### **HTC No. 07164 Covington Townhomes**

**Summary of Request:** The owner requested approval to enlarge the development site from 8.76 acres to 11.81 acres, change the building count from 17 to 29 residential buildings and change the site plan to accommodate the other changes. The owner stated that the number of units, unit mix and net rentable area would not change. The changes are being made to improve the development plan and to add more green space.

**Governing Law:** §2306.6712, Texas Government Code. The code states that the Board must approve material alterations of a development, including any modification considered significant by the Board.

**Owner:** Texarkana Two Neighborhood Ventures Limited

**General Partner:** Texarkana Two Neighborhood Ventures GP, LLC

**Developers:** Braziel & Associates, Ltd.

**Principals/Interested Parties:** Housing Authority of the City of Texarkana; Melvin Braziel

**Syndicator:** Red Capital

**Construction Lender:** Red Capital

**Permanent Lender:** Red Capital

**Other Funding:** Housing Authority of the City of Texarkana

**City/County:** Texarkana/Bowie

**Set-Aside:** General Population

**Type of Area:** Urban/Exurban

**Type of Development:** Reconstruction

**Population Served:** General Population

**Units:** 126 HTC units

**2007 Allocation:** \$1,200,000

**Allocation per HTC Unit:** \$9,524

**Prior Board Actions:** 10/07 – Approved award of tax credits

**Underwriting Reevaluation:** Based on the information provided by the Applicant, the requested amendment has no material effect on the application as underwritten or on the recommended tax credit award.

**Staff Recommendation:** **Staff recommends denying the request. The owner confirmed that the land to be added was not under the applicant's control throughout the application review period. Therefore, the application would have lost its Pre-Application points and would not have received an award without the Pre-Application points.**

**Penalty Assessment:** **If the board chooses to approve the request, staff recommends the assessment of appropriate penalties pursuant to §50.9(c) of the QAP.**

**HTC No. 07249, Bluffs Landing Senior Village**

**Summary of Request:** The owner requested approval to dedicate the driveway from Old Settlers Boulevard to the subject property as public right-of-way. The change concerns approximately 1.514 acres of the original 8 acre tract purchased for the development. The original tract had the shape of a flag extending east from the top of a flagpole, with the flagpole being the driveway, Bluffs Landing Way. Bluffs Landing Way extends south to Old Settlers Boulevard. The final area of the development site would include only the flag portion of the original site or approximately 6.486 acres of land instead of the original 8.0 acres. According to the Applicant the change was required by the City of Round Rock. The difference, between the development as originally proposed in the application and the development as approved by the city, is the right-of-way that would be public instead of private.

**Governing Law:** §2306.6712, Texas Government Code. The code states that the Board must approve a significant modification of the site plan.

**Owner:** DDC RRTC, Ltd.

**General Partner:** DDC RRTC GP, LLC

**Developers:** DDC Investments, Ltd.

**Principals/Interested Parties:** Crossroads Housing Development Corporation (Nonprofit, Owner); Colby Denison (Developer)

**Syndicator:** MMA Financial

**Construction Lender:** MMA Financial

**Permanent Lender:** JPMorgan Chase

**Other Funding:** TDHCA HOME Funds (\$900,000 recommended)  
W Building and Design, LLC (Predevelopment loan)

**City/County:** Round Rock/Williamson

**Set-Aside:** General

**Type of Area:** Exurban

**Type of Development:** New Construction

**Population Served:** Elderly

**Units:** 144 HTC units

**2007 Allocation:** \$1,189,481

**Allocation per HTC Unit:** \$8,260

**Prior Board Actions:** 7/07 – Approved award of tax credits

**Underwriting Reevaluation:** The application was presented in such a way that the costs associated with changing the character of access to the subject property, from a private driveway to a public right-of-way, were taken into account in the original underwriting as ineligible off-site costs. No changes in the amount of the original recommendations were warranted.

**Staff Recommendation:** **Staff recommends approving the request. The changes would not materially alter the development in a negative manner and would not have adversely affected the selection of the application.**

**Penalty Assessment:** **No penalty assessment is recommended because the change request is made prior to their implementation.**

**HINES 68, LP**  
5400 LBJ FREEWAY, SUITE 975  
DALLAS, TEXAS 75240  
TEL 972.385.4131  
FAX 972.385.9088

January 21, 2008

02-04-08P01:53 RCVD

Mr. Ben Sheppard  
TDHCA  
221 East 11<sup>th</sup>  
Austin, Texas 78711

RE: Application Amendment -- 2005 4% LIHTC Application #05613 Providence Mockingbird

Dear Mr. Sheppard,

Enclosed please find the application amendment for the referenced project. The applicant for this project is Hines 68, LP.

Mr. Kimbal Thompson has notified us that a request to amend the application is required due to a threshold requirement in the 2005 QAP that ceiling fans be provided in living rooms and bedrooms. Enclosed is a copy of the latest correspondence on this.

The request is that ceiling fans not be required on the portion of this project that is acquisition/rehabilitation.

The deficiency was noted for the portion of the project that is acquisition/rehabilitation, which involved conversion and rehabilitation of a former eight-story hotel into 155 units of senior affordable housing. A portion of this project is New Construction containing 96 units of family housing which includes ceiling fans in all living rooms and bedrooms.

From the beginning we have known that ceiling fans would not be practical in the rehabilitation portion of the project because the ceiling heights are eight feet and the floor plates are solid concrete. Because of this we never committed ceiling fans as an amenity in the tax credit application.

As a substitute for the lack of ceiling fans on a portion of this project, other amenities that were not committed in the application but have been provided include: equipped business center with computers and copier/fax/scanner/printer machine, gazebo with sitting area in a community courtyard, health screening room, service coordinator office in addition to leasing offices, picnic area, library, sundry convenience store, beauty salon, eight community laundry rooms (one on each floor), and community seating areas on each floor.

There are no affected Forms to submit due to no changes to the project cost, unit mix, rents, expenses, sources and uses, etc.

Please contact me if you have any questions or require additional information at 972-385-4131 or [mharris@providentrealty.net](mailto:mharris@providentrealty.net). Thank you.

Yours Truly,



Matt Harris

Enclosure

cc: Kimbal Thompson

**PART A. DEVELOPMENT CERTIFICATION FORM**

(Development Owner, or entity having controlling interest in the Development Owner, must complete this form.)

**A. Basic Amenities**

I (We) certify that we will satisfy at least the minimum point threshold for amenities as further described in §49.9(f)(4)(A) of the QAP (Common Amenities). The amenities selected will be made available for the benefit of all tenants. If fees in addition to rent are charged for amenities reserved for an individual tenant's use, then the amenity is not included among those provided to complete this exhibit. I (We) also understand that any future changes in these amenities or substitution of these amenities may result in a decrease in awarded credits if the substitution or change includes a decrease in cost or in a cancellation of a Commitment Notice or Carryover Allocation if the Threshold Criteria are no longer met.

**B. Unit Amenities**

I (We) certify that the Development will have all of the following Unit Amenities as further described in §49.9(f)(4)(B). I (We) understand that if fees in addition to rent are charged for amenities, then the amenity may not be included among those provided to complete this exhibit. I (We) also understand that any future changes in these amenities, or substitution of these amenities, may result in a decrease in awarded credits if the substitution or change includes a decrease in cost or in a cancellation of a Commitment Notice or Carryover Allocation if the Threshold Criteria are no longer met.

- All New Construction Units must be built with three networks: One network inst: phone using CAT5e or better wiring; a second network for data installed using C. better wiring; and a third network for TV services using COAX cable
- Mini blinds or window coverings for all windows
- Dishwasher and Disposal (not required for TX-USDA-RHS Developments)
- Refrigerator
- Oven/Range
- Exhaust/vent fans in bathrooms
- Ceiling fans in living areas and bedrooms

**C. Texas Property Code**

I (We) certify as further described in §49.9(f)(4)(C) that the Development will adhere to the Texas Property Code relating to security devices and other applicable requirements for residential tenancies, and will adhere to local building codes or if no local building codes are in place then to the most recent version of the International Building Code.

**D. Compliance with State and Federal Laws**

I (We) certify as further described in §49.9(f)(4)(D) that Applicant is in compliance with state and federal laws, including but not limited to, fair housing laws, including Chapter 301, Property Code, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. Section 3601 et seq.), and the Fair Housing Amendments Act of 1988 (42 U.S.C. Section 3601 et seq.); the Civil Rights Act of 1964 (42 U.S.C. Section 2000a et seq.); the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12101 et seq.); the Rehabilitation Act of 1973 (29 U.S.C. Section 701 et seq.); Fair Housing Accessibility; the Texas Fair Housing Act; and that the Development is designed consistent with the Fair Housing Act Design Manual produced by HUD, the Code Requirements for Housing Accessibility 2000 (or as amended from time to time) produced by the International Code Council and the Texas Accessibility Standards. (2306.257; 2306.6705(a)(7))

**E. Attempting to Ensure Involvement of Minority Owned Businesses**

I (We) certify as further described in §49.9(f)(4)(E) that the Applicant will attempt to ensure that at least 30% of the construction and management businesses with which the Applicant contracts in connection with the TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS - UNIFORM APPLICATION (ALL HOUSING DEVELOPMENT APPLICATIONS) 05-MF-UniformApp1-041119\_Bond App mbh050201.docLast printed 2/2/2005 8:23 PM

Development are Minority Owned Businesses, and that the Applicant will submit a report at least once in each 90-day period following the date of the Commitment Notice until the Cost Certification is submitted, in a format prescribed by the Department and provided at the time a Commitment Notice is received, on the percentage of businesses with which the Applicant has contracted that qualify as Minority Owned Businesses.

**F. Units for Persons with Disabilities**

I (We) certify as further described in §49.9(f)(4)(F) that the Development will comply with the accessibility standards that are required under Section 504, Rehabilitation Act of 1973 (29 U.S.C. Section 794), and specified under 24 C.F.R. Part 8, Subpart C. The Applicant must provide a certification from an accredited architect or Department-approved third party accessibility specialist, that the Development will comply with the accessibility standards that are required under Section 504, Rehabilitation Act of 1973 (29 U.S.C. Section 794), and specified under 24 C.F.R. Part 8, Subpart C and this subparagraph. This includes that for all new construction Developments, a minimum of five percent of the total dwelling Units or at least one Unit, whichever is greater, shall be made accessible for individuals with mobility impairments. A Unit that is on an accessible route and is adaptable and otherwise compliant with sections 3-8 of the Uniform Federal Accessibility Standards (UFAS), shall be deemed to meet this requirement. An additional two percent of the total dwelling Units, or at least one Unit, whichever is greater, shall be accessible for individuals with hearing or vision impairments. Additionally, in Developments involving new construction where some Units are two-stories and are normally exempt from Fair Housing accessibility requirements, a minimum of 20% of each Unit type (i.e. one bedroom, two bedroom, three bedroom) must provide an accessible entry level in compliance with the Fair Housing Guidelines, and include a minimum of one bedroom and one bathroom or powder room at the entry level. A similar certification will also be required after the Development is completed. Any Developments designed as single family structures must also satisfy the requirements of 2306.514, Texas Government Code.

**G. Minimum Standard Energy Saving Devices**

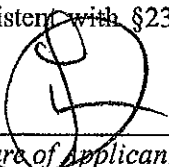
I (We) certify that as further described in §49.9(f)(4)(G) the Development will adhere to the 2003 International Energy Conservation Code (IECC) in the construction of each tax credit Unit, unless historic preservation codes permit otherwise for a Development involving historic preservation. All Units must be air-conditioned or utilize evaporative coolers. The measures must be certified by the Development architect as being included in the design of each tax credit Unit at the time the 10% Test Documentation is submitted and in actual construction upon Cost Certification.

**H. General Contractor Requirement**

I (We) certify as further described in §49.9(f)(4)(H) that the Development will be built by a General Contractor that satisfies the requirements of the General Appropriation Act, Article VII, Rider 7(c) applicable to the Department which requires that the General Contractor hired by the Development Owner or the Applicant, if the Applicant serves as General Contractor, must demonstrate a history of constructing similar types of housing without the use of federal tax credits.

**I. Reserve Account**

I(We) certify as further described in §49.9(f)(4)(I) that the Development Owner agrees to establish a reserve account consistent with §2306.186 Texas Government Code and as further described in Section 1.37 of 10 TAC.

By:                       02/01/05                      Its: PRESIDENT  
*Signature of Applicant/Owner*                      *Date*

December 18, 2007

Mr. Ben Sheppard  
Multifamily Finance Production Division  
Texas Department of Housing and Community Affairs  
211 East 11<sup>th</sup> Street  
Austin, TX 78701

*RE: Amendment to TDHCA Application #07091 (060086) CityWalk@Akard*

Dear Mr. Sheppard:

Please accept our amendment request for HTC application #07091 (2007 forward commitment of application #060086), CityWalk@Akard in Dallas. Because of requirements of the syndicator and State Historic Preservation Office (SHPO), we have had to revise to the total number of units and the unit mix. In addition, we are requesting a few minor adjustments to the floor plans as originally submitted with the application.

In the original application to TDHCA, 209 total units were planned on floors 4-15 of the building, 9 of which were market rate. At the request of our syndicator, the following changes are being requested by the applicant. An explanation of the specific changes follows.

#### **Market Rate Unit Requested Changes**

In the original application, the market rate units were distributed among the affordable units, but were to be primarily on the 15<sup>th</sup> floor of the building. The development's investors expressed concerns regarding the marketability of the units as proposed (adjacent to lower income tenants and physically accessible to formerly homeless individuals). Specifically they were concerned that the proposed market rate rents would be hard to achieve without a physical separation and additional amenities for those units.

In order to comply with the syndicator's requests to offer separate amenities and access for the market rate units and conform with Sec. 42 requirements regarding parity between market rate and tax credit units, we are proposing to "condo off"/separate the 15<sup>th</sup> floor (all the market rate units) similar to the retail/commercial space in the building. This removes the 9 market rate units from the tax credit finance structure, but will still allow the development to retain a mixed income use.

To meet market demands regarding unit size, the space has been redesigned from 9 units to 6 individual condominiums.

#### **Elevators**

The original review of the mechanics of the existing four elevators indicated that they would not be able to be repaired. The plans submitted to TDHCA proposed moving the elevators and only supplying two. Subsequent analysis has shown that the original elevators can be repaired, thus the new floor plans reflect this change.



Also, per the syndicator's request, one of the elevators will be for the exclusive use of tenants on floor 15.

**Misc. Configuration Changes**

Because this is a rehabilitation/adaptive re-use project, some of the units located on floors 4-6 were placed in areas of the building that do not currently have windows. Original plans called for adding windows during the rehabilitation process. However, the State Historic Preservation Office did not approve changes that would have allowed for these new windows, resulting in windowless units. While this may have met local standards, the investors did not feel that the market would tolerate windowless units and requested, *as a condition of financing*, that we remove any windowless units. Complying with this request resulted in new floor plans and new unit plans.

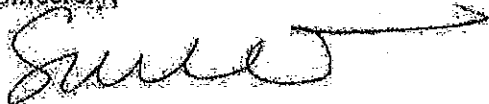
In addition, please note that laundry and management space was originally to be on the 3<sup>rd</sup> floor of the building but has been moved to the 4<sup>th</sup> floor requiring re-configuration of those floors.

In summation we are requesting the following: (1) a separation of the market rate units from the tax credit structure, and (2) minor changes to the original floor plans/configurations as submitted with the application. The revised rent schedule and architectural plans reflect these changes. The separation of the market rate units results in no change in the number of low-income units, which remains at 200.

We understand that these revisions, if approved, will result in changes to the financial projections for the project and we will provide the new financials for Underwriting to review. In addition, we have enclosed the appropriate revised forms from the Uniform Application and submitted revised architectural renderings.

Please contact me directly if you have any follow up questions regarding this amendment request. I can be reached at 512/498-6516, via cell phone at 512/698-3369, or at [sarah@salvageevanguard.org](mailto:sarah@salvageevanguard.org).

Sincerely,



Sarah H. Andre  
Consultant, CityWalk@Akard



February 12, 2008

Mr. Ben Sheppard  
Texas Department of Housing and Community Affairs  
507 Sabine, Suite 400  
Austin, TX 78701

Dear Mr. Sheppard:

We would like to request that the amount of acreage and the legal description of said acreage associated with Covington Townhomes (TDHCA #07164) be amended to reflect additional land that has been acquired for the project. The City of Texarkana, Texas has granted an additional 3.05 acres of land on the East side of the proposed site at no cost to the project and requested that we incorporate much more green space and lower the overall density of the development. We have done so in the attached, revised site plan while holding the number, size and mix of units constant.

We do not believe this amendment should result in any penalty under section 49.9(c) of the 2007 QAP because we are making changes that affect neither the Threshold Criteria nor Selection Criteria. The design of each unit will change slightly, but the amenities, unit mix and square footage will remain unchanged. The design changes will only be to accommodate individual driveways instead of all on-street parking as in the original application.

We also think penalties under section 49.17(d) of the 2007 QAP are not applicable because while the site will be materially altered in acreage and density, it will be in a positive manner and will not negatively affect the development.

Lastly, because the additional land is being acquired at no cost to the development, additional credits will not be required and the budget will not be affected.

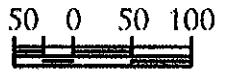
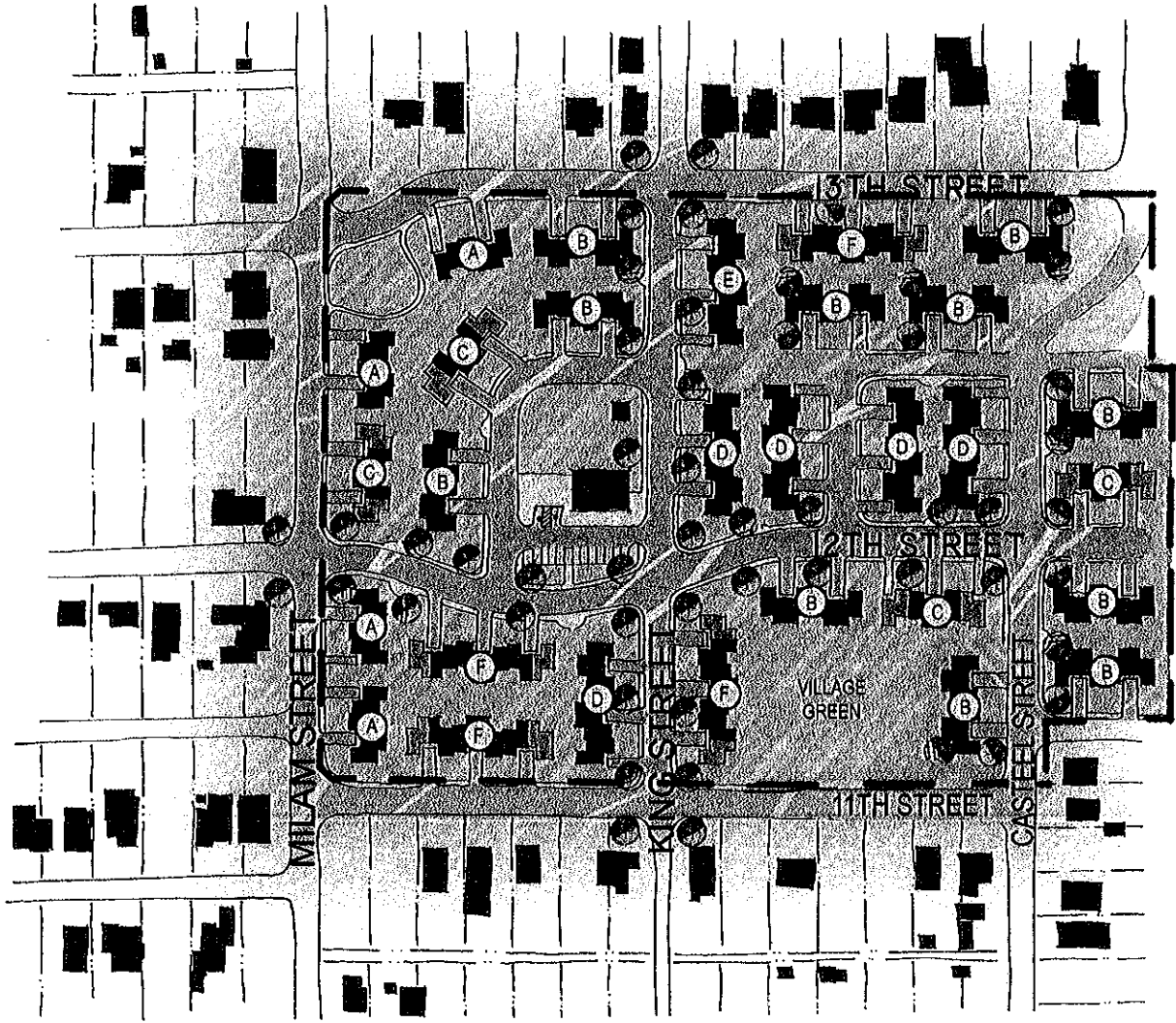
I've enclosed the original and revised site plans, a comparison of the current and proposed unit and building mixes and an amendment request check of \$2,500. We will submit a revised survey and legal description as soon as they are available.

Thank you for your time on this matter. Should you have any questions, please feel free to call me at (972) 980-9810.

Sincerely,

Will Henderson  
Assistant Director of Affordable Housing,  
Carleton Development, Ltd., consultant  
Of Covington Townhomes

enclosures



DATE: 02-12-08

### Proposed Site Plan For COVINGTON HOMES







07249

02-04-08 AIL:JU RCVD

February 1, 2008

Ben Sheppard  
TDHCA  
RE: 07249 -- Bluffs Landing Senior Village Amendment Request

Dear Ben,

Please accept this letter as our request for an amendment to our application for a reduction in land size from 8 acres to 6.486 acres. When we made our original application, the city did not instruct us during our many predevelopment meetings that the road connecting our development to Old Settlers Blvd. would be a dedicated public road. We applied assuming the road would be private and part of our property. We have come to discover that the City of Round Rock will require the road to be dedicated as a public road, and the acreage needed for the approved road will be 1.514 acres. We will be required to construct and fund the road and utility improvements within this dedicated land area.

Our development cost schedule submitted at carryover included a certified cost estimate from our engineer. This certified estimate included these offsite costs, so no changes have been made on our financial budgets so we do not believe the application needs to be re-underwritten. Tom Gouris was made aware of this situation.

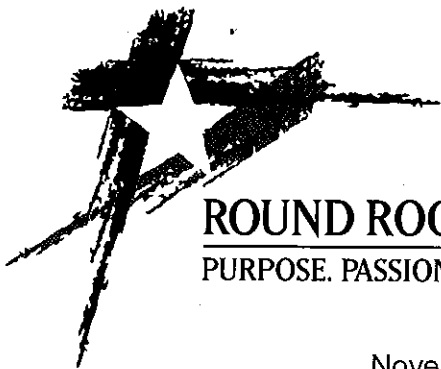
I spoke to Robbye Meyer at the application workshop, and she thought this amendment could be processed administratively. We have been waiting to request the amendment until we were certain of the exact land area required to be dedicated. We have submitted preliminary site plans and on site and offsite civil construction plans, and based on their review, we are confident this will be the approved layout.

We closed on the same eight acre property as shown in our application, and currently still own this 8 acre parcel. The road dedication will occur upon recordation of the plat. The City will not release the plat for recordation until such time as we post fiscal assurance for the cost of the road and utility improvements. We anticipate this occurring within the next 6 weeks.

Thank you for your attention to this request, and please contact me should you need any further information. Attached is the Final Plat (unrecorded) showing the 1.514 acre parcel out of the 8 acre parcel set to be dedicated to the city. The attached site plan shows the remaining 6.486 acres.

Sincerely,

Colby Denison, Authorized Representative  
DDC RRTC, Ltd.



**ROUND ROCK, TEXAS**  
PURPOSE. PASSION. PROSPERITY.

12-04-07 14:31 RCVD

November 28, 2007

Ms. Robbye Meyer  
Texas Department of Housing and Community Affairs  
P.O.Box 13941  
Austin, TX 78711-3941

Re: Bluff's Landing Senior Housing Project **07249**

Dear Ms. Meyer:

It has come to our attention that the acreage under the applicant/owner's control may be an issue for (continued) state tax credit funding of his proposal. Mr. Denison submitted to the City of Round Rock his affordable senior housing proposal earlier this year. The proposal has always been an 8-acre site, and throughout the zoning and subdivision processes, it has been treated as a unified site consisting of a residential component and dedicated public right-of-way.

The necessity for public right-of-way stems from multiple ordinance requirements, among them the City's requirement for dual access to the site. Two access points from a private driveway or easement (in lieu of a publicly maintained street) would not meet our standards for the provision of emergency services. Furthermore, although this public right-of-way will be a building block of our planned future roadway network, it is immediately required at this point so as not to "land lock" the remaining parent property, which would be a violation of our subdivision ordinance. In short, the public right-of-way is required to comply with codified health and safety standards, as well as general planning requirements.

As noted above, the project was considered a unified site throughout the zoning and platting processes. When the zoning for this project was reviewed by our Planning and Zoning (P&Z) Commission, staff presented them with a Planned Unit Development (PUD) that specifically identified the proposed right-of-way as public right-of-way. Our P&Z Commission recommended adoption of this zoning designation and our City Council subsequently approved the application.

Throughout the application and review processes, reviewers and governing bodies understood there were essentially two land uses or components to the project: the senior housing site itself, consisting of various buildings, parking, and attendant uses, and the public road serving it. As part of the subdivision process, Mr. Denison, as the developer, is responsible not only for dedicating

**Mayor**  
Nyle Maxwell

**Mayor Pro-tem**  
Alan McGraw

**Councilmembers**  
Rufus Honeycutt  
Joe Clifford  
Carlos T. Salinas  
Scott Rhode  
Kris Whitfield

**City Manager**  
James R. Nuse, P.E.

**City Attorney**  
Stephan L. Sheets



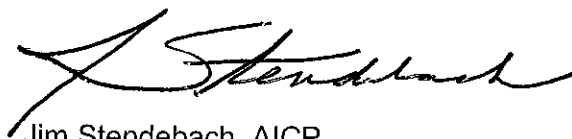
public right-of-way to serve the project, but for constructing his fair share of the actual roadway improvements and for posting fiscal surety to guarantee the performance of that construction.

Although legally Mr. Denison will no longer own the right-of-way acreage once the subdivision plat has been recorded, the City certainly has been considering him the owner and responsible party. In this sense, we view the right-of-way as under his control and his responsibility, and that it would remain so until the City accepts the completed roadway. As further example of the City's perspective regarding "ownership" of the right-of-way, the City has a parkland dedication ordinance that requires Mr. Denison to contribute fees for the entire 8-acre site; he was allowed no discount or waiver for the acreage which he would donate as public right-of-way.

Moreover, whether this portion of the property is public right-of-way or private property with some form of access easement does not change the specific underlying usage of this acreage. Functionally, access is access; but an easement is not the legal equivalent of the required public right-of-way. Additionally, when the PUD zoning was approved, it was done so with an understanding that density and/or unit allowances, street setbacks, landscaping requirements, location of utility easements, and so forth, were based on a residential use abutting public right-of-way.

In conclusion, the 144-unit project as proposed by Mr. Denison has been reviewed and approved as a unified 8-acre site consisting of public right-of-way and senior housing. The City is supportive of this project, and we encourage decision makers at the TDHCA to consider that the proposed function of the acreage in question – access – will not change, even if the ownership will.

Sincerely,

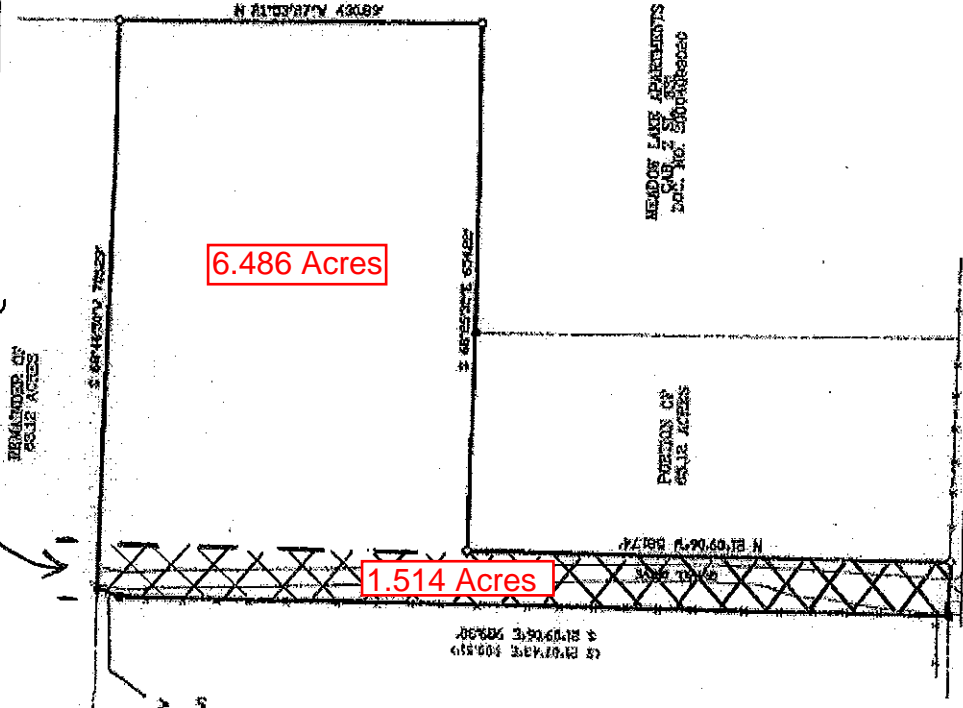
A handwritten signature in black ink, appearing to read "Jim Stendebach". The signature is fluid and cursive, with a large initial "J" and "S".

Jim Stendebach, AICP  
Planning Director

AREA TO BE DEDICATED

6.486 Acres

1.514 Acres



REMANINDER OF 60.12 ACRES

REMANINDER OF 60.12 ACRES

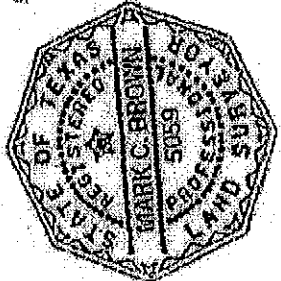
2200 OLD SETTLERS BLVD.  
(FROM DATES)



LEGEND

- BOUNDARY MARK
- BOUNDARY MARK
- BOUNDARY LINE
- BOUNDARY LINE

EDWARD P. NIXON, Sr.  
P.L.C. No. 2000000734  
27.00 AC.

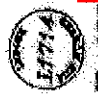


*Mark C. Brown*



*Mark C. Brown*

ALL POINTS SURVEYING  
41 SOUTH CHURCH AVENUE - SUITE 100  
DALLAS, TEXAS 75204  
Phone: (214) 442-1111 - Fax: (214) 442-1118



NO.	DATE	DESCRIPTION
1	11/11/11	...
2	...	...
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4	...	...
5	...	...
6	...	...
7	...	...
8	...	...
9	...	...
10	...	...



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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

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Tomas Cardenas, P.E.  
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Juan S. Muñoz, Ph.D.  
Gloria Ray

February 12, 2008

Ben Sheppard

Re: 05613 Providence Mockingbird Apartments Amendment Request

Ben,

Providence Mockingbird Apartments has submitted a request to amend its original application such that ceiling fans not be required on the portion of the project that is acquisition/rehabilitation. This is a corrective action for a deficiency identified by the Portfolio Management and Compliance Division at the Final Development Inspection. PMC pointed out that ceiling fans in all bedrooms and living areas was a threshold requirement for all units of all developments under the 2005 QAP. The subject development is a combination of the rehabilitation of an existing hotel into 155 senior units, and the new construction of 96 family units. Ceiling fans have been appropriately included in all the new units. However, the Applicant claims they believed that ceiling fans were not required for the rehabilitation units. Furthermore, the Applicant indicates that "From the beginning we have known that ceiling fans would not be practical in the rehabilitation portion of the project because the ceiling heights are eight feet and the floor plates are solid concrete."

The Real Estate Analysis Division has reviewed the original underwriting analysis and report. The underwriting estimate for rehabilitation costs were based on the Property Condition Assessment submitted by the Applicant. There is no provision in the PCA estimates for the cost of ceiling fans, which would seem to confirm the Applicant's contention that there was never an intention to provide ceiling fans in the rehabilitation units.

Since the cost of ceiling fans was not included in the rehabilitation cost estimates, the Real Estate Analysis Division concludes that the requested amendment would have no impact on the underwriting analysis, and would not change the recommended allocations.

Sincerely,  
Thomas Cavanagh  
Real Estate Analysis



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

**DATE:** February 21, 2008      **PROGRAM:** 9% HTC      **FILE NUMBER:** 060086/07091

**DEVELOPMENT NAME**

City Walk at Akard

**APPLICANT**

**Name:** Akard Walk, L.P.      **Contact:** John P. Greenan  
**Address:** 3902 Elm  
**City:** Dallas      **State:** TX      **Zip:** 75226  
**Phone:** (214) 827-1000 x21      **Fax:** (214) 827-1340      **Email:** jgreenan@cdm-hope.org

**KEY PARTICIPANTS**

**Name:** Central Dallas CDC      **Title:** 1% Managing General Partner/Co-Developer  
**Name:** McCaslin Development Company      **Title:** Co-Developer  
**Name:** J.D. McCaslin      **Title:** 50% Owner of McCaslin Development Company  
**Name:** Carl G. "Butch" McCaslin      **Title:** 50% Owner of McCaslin Development Company  
**Name:** S. Anderson Consulting (Sarah Anderson)      **Title:** Consultant

**PROPERTY LOCATION**

**Location:** 511 North Akard  
**City:** Dallas      **Zip:** 75201  
**County:** Dallas      **Region:** 3       QCT       DDA

**REQUEST**

<u>Program</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Amortization</u>	<u>Term</u>
HTC	\$1,200,000	N/A	N/A	10
<b>Proposed Use of Funds:</b>	Acquisition/rehab	<b>Type:</b>	Multifamily/Supportive Housing	
<b>Target Population:</b>	Family	<b>Other:</b>	Urban/Exurban, Nonprofit	

**RECOMMENDATION**

RECOMMEND APPROVAL OF A HOUSING TAX CREDIT ALLOCATION NOT TO EXCEED \$1,242,595<sup>1</sup> ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.

**CONDITIONS**

- Receipt, review and acceptance of documentation that the recommendations of the Phase I ESA have been addressed in particular with regard to asbestos remediation prior to demolition and construction, an asbestos O & M plan after the construction has been completed if any asbestos is believed to

<sup>1</sup> The recommended tax credit allocation incorporates the July 28, 2006 TDHCA Board approval to raise the underwriting applicable percentage rates for the 2006 Application Round to 3.69% and 8.46% for the 30% and the 70% credit, respectively. In addition the Board approved a waiver to the \$1.2M per property credit limit at the August 30, 2006 Board meeting to allow a proportionate increase based on the increase in the applicable percentage i.e. \$1,242,595

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

- remain and resolution to the removal and proper disposal of the drums and containers of chemicals found at the site by cost certification;
2. Receipt, review, and acceptance of documentation by cost certification that no portion of the \$715K grant funds has been used for the residential portion of the development or that these grant funds have been removed from basis and do not impact the credit allocation; and,
  3. Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit/allocation amount may be warranted.

**ADDENDUM**

The underwriting analysis has been revised to reflect the Applicant's most recently proposed amendments to the original underwriting which was completed on October 25, 2006. In December, 2007, the Applicant revised the building floor plans and unit mix in order to exclude nine market rate units. As a result, the Applicant submitted revisions of the following documents: development cost schedule and sources and uses of funds, particularly: the amount of the permanent loan and syndication proceeds, the inclusion of \$50K in additional grant funds, and a substantial increase in the amount of deferred developer fee. The Applicant also made changes to their anticipated rent and operating expenses, and slightly changed the total square footage for each unit type. Finally, at the request of the Underwriter, the Applicant submitted an updated Property Condition Assessment (PCA). While these changes have been evaluated in the following report, additional unchanged information is not described in this addendum. Therefore this addendum should be reviewed in conjunction with the original underwriting report to enable the reader to have a full picture of the development and the whole underwriting analysis.

In response to their syndicator's request to offer separate amenities and access to the market rate units, the Applicant has provided a new rent schedule to exclude the nine market rate units from the development. The Applicant's request proposes to "condo off" the 15<sup>th</sup> floor, thus eliminating the 9 market rate units. This brings the total number of planned units to 200 low income units only. This is the same number of low income units as originally proposed but the separation of the market units requires a change to the gross rent and operating expenses as well as the applicable percentage and the total eligible cost. After considering these changes, the Applicant's revised effective gross rent continues to be within 5% of the Underwriter's revised estimate.

The Applicant's revised total annual operating expense projection at \$4,152 per unit is within 5% of the Underwriter's revised estimate of \$3,979, based on a smaller number of rental units in the development.

The Applicant's net operating income is not within 5% of the Underwriter's revised estimate; therefore, the Underwriter's year one proforma will be used to determine the development's new debt capacity. The proposed permanent financing structure results in an initial year's debt coverage ratio (DCR) of 1.26, which is within the Department's current DCR guideline of 1.15 to 1.35 and therefore acceptable as presented.

The underwriting 30-year proforma utilizes a 3% annual growth factor for income and a 4% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Underwriter's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cashflow. Therefore, the development can be characterized as feasible for the long-term.

Of note, the Applicant's adjusted site cost estimate was calculated based on a portion of the total building cost, square footage and total number of floors. As in the original underwritten application, the Applicant has utilized a 75% building to acquisition cost ratio based on an unspecified calculation to determine an acquisition eligible basis for the buildings of \$3,411,150. The Underwriter, however, utilized the same proportionate value of the tax credit portion of the acquisition as identified in the appraisal (59%) to establish a maximum acquisition eligible basis of \$2,047,884. However the Applicant is using a lower total acquisition cost and it is not clear if this is based upon a renegotiated total acquisition price or an additional prorata calculation that takes into account some if not all of the appraisers adjustment. Moreover the development appears to have sufficient rehabilitation eligible basis to meet the maximum credit allocation without the use of any acquisition basis and therefore further analysis of this issue is not warranted at this time. Should acquisition credits ultimately be relied upon to support the eligible basis necessary to claim all of the

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

allocated credits, additional acquisition cost verification would be needed.

The PCA provider revised the report to more fully incorporate the revised scope of work and support the higher construction costs provided by the Applicant. The PCA provider's total site work and direct costs for the rehabilitation work were revised from \$179,102 to \$61,420 and \$7,971,108 to \$12,209,641 respectively. While these are substantial changes, they are generally consistent with the Applicant's revised budget estimate. The Applicant understated site work costs by \$5K compared to the PCA and overstated reserves by \$182K compared to the Department standard and thus the Underwriter's revised estimate reflects these differences.

The Underwriter's cost schedule was derived from information generally presented by the Applicant. Any deviations from the Applicant's estimates are due to program and underwriting guidelines and inconsistencies in the Applicant's revised development cost schedule. Thus, the Underwriter's development cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$17,751,747 (adjusted down by the \$2.6M in Historic Tax Credits on the residential portion) support annual tax credits of \$1,781,577 after the higher applicable percentage rate approved by the TDHCA Board on July 28, 2006 and the revised 100% applicable fraction adjustments are applied. This figure is compared to the Applicant's previously approved tax credits and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation. It should be noted, the Applicant's previously approved credits exceed the \$1.2M credit per development limit in the QAP; however the TDHCA Board effectively raised this limit at the August 2006 Board meeting to \$1,242,595 based on the approved increase in the applicable percentage. The Development remains limited to this \$1,242,595 maximum. The Applicant indicates that the proceeds from the \$765K in grant funds are to be used exclusively for the construction of the commercial space; therefore, these funds have not been removed from basis. This addendum is conditioned upon documentation by cost certification that no portion of the \$765K grant funds has been used for the residential portion of the development or that deducting these grant funds from basis do not reduce the eligible basis credit amount to less than the originally allocated credit amount.

The most notable changes to the financing structure include a \$776K decrease in the permanent loan amount, an additional \$50K in grant funds, and a total of \$563K in additional equity.

The Applicant submitted updated commitments from EF&A Funding, LLC and Central Dallas Ministries indicating permanent funds totaling \$5.5M.

A letter dated June 19, 2006 from The Real Estate Council Foundation Board substantiates the additional \$50K in grant funds provided to the development.

Finally, the Applicant provided an updated Letter of Interest from Alliant Capital, offering to purchase the tax credits for \$0.93 per dollar of credit. This is an increase from \$0.89 per dollar of credit offered at carryover. Of note, in the current market, the syndication price of \$0.93 per \$1.00 tax credit is at the high end of expectations and any drop in price would increase the needed amount of deferred developer fee. However, it appears the development has sufficient developer fee capacity to be able to withstand a drop in price as low as \$0.71 per \$1.00 and still be financially feasible.

The Underwriter's recalculated cost estimate less the revised permanent loan of \$5.5M indicates the need for \$18,067,170 in gap funds. This is reduced by the anticipated historic tax credit syndication of \$3,200,435, \$1.75M City loan, \$37,500 TDHCA HTF funds, and \$765K in grant funds to \$12,258,031. Based on the submitted syndication terms, a tax credit allocation \$1,318,068 in credit to fill the gap. Of the three possible tax credit calculations: Applicant's previously approved credits of (\$1,242,595), the revised gap-driven amount (\$1,318,068), and eligible basis-derived estimate (\$1,781,577), the originally approved amount of \$1,242,595 as the most conservative continues to be recommended.

The Underwriter's revised recommended financing structure indicates the need for \$701,900 in additional permanent funds. Deferred developer and contractor fees in this amount appear to be repayable from development cashflow within ten years of stabilized operation.

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

**SUMMARY OF SALIENT RISKS AND ISSUES**

- Significant inconsistencies in the application could affect the financial feasibility of the development.
- Significant environmental risks exist regarding asbestos and chemical containers found on the site.
- The principals of the Applicant may not appear to have the development experience/financial capacity to support the project if needed.
- The property's project-based rent subsidy is subject to Federal funding and may not be provided as anticipated.
- The anticipated ad valorem property tax exemption may not be received or may be reduced, which could affect the financial feasibility of the development.
- The significant financing structure changes being proposed have not been reviewed/accepted by the Applicant, lenders, and syndicators, and acceptable alternative structures may exist.

**Underwriter:**

\_\_\_\_\_  
*Diamond Thompson*

**Date:**

\_\_\_\_\_  
February 22, 2008

**Manager of Real Estate Analysis:**

\_\_\_\_\_  
*Raquel Morales*

**Date:**

\_\_\_\_\_  
February 22, 2008

**MULTIFAMILY COMPARATIVE ANALYSIS**

City Walk at Akard, Dallas, 9% HTC #060086

Type of Unit	Number	Bedrooms	No. of Baths	Size In SF	Gross Rent Lmt.	Rent Collected	Rent per Month	Rent per SF	Int-Pd Ubl	Wr, Swr, Trsh
TC 80%	11	0	1	312	\$699	\$490	5,390	1.57	\$63.00	\$28.00
TC 80%	11	0	1	325	\$699	\$490	5,390	1.51	\$63.00	\$28.00
TC 80%	11	0	1	326	\$699	\$490	\$5,390	\$1.50	\$63.00	\$28.00
TC 80%	11	0	1	333	\$699	\$490	5,390	1.47	\$63.00	\$28.00
TC 30%	10	0	1	343	\$348	\$348	3,480	1.01	\$63.00	\$28.00
TC 80%	8	0	1	343	\$699	\$490	3,920	1.43	\$63.00	\$28.00
TC 60%	18	0	1	343	\$699	\$490	8,820	1.43	\$63.00	\$28.00
TC 80%	11	0	1	350	\$699	\$699	7,689	2.00	\$63.00	\$28.00
TC 30%	10	0	1	351	\$348	\$348	3,480	0.99	\$63.00	\$28.00
TC 80%	8	0	1	351	\$699	\$699	5,592	1.89	\$63.00	\$28.00
TC 80%	11	0	1	363	\$699	\$699	7,689	1.93	\$63.00	\$28.00
TC 80%	11	0	1	375	\$699	\$699	7,689	1.86	\$63.00	\$28.00
TC 80%	11	0	1	383	\$699	\$699	7,689	1.78	\$63.00	\$28.00
TC 80%	1	0	1	681	\$699	\$699	699	1.03	\$63.00	\$28.00
TC 80%	2	0	1	691	\$699	\$699	1,398	1.01	\$63.00	\$28.00
TC 80%	11	1	1	423	\$748	\$748	8,228	1.77	\$63.00	\$28.00
TC 80%	11	1	1	426	\$748	\$748	8,228	1.76	\$77.00	\$33.00
TC 80%	11	1	1	548	\$748	\$748	8,228	1.36	\$77.00	\$33.00
TC 80%	11	2	1	587	\$898	\$800	8,800	1.36	\$97.00	\$38.00
TC 80%	1	2	1	729	\$898	\$898	898	1.23	\$97.00	\$38.00
TC 60%	10	2	1	821	\$898	\$898	8,980	1.09	\$97.00	\$38.00
<b>TOTAL:</b>	<b>200</b>		<b>AVERAGE:</b>	<b>410</b>	<b>\$694</b>	<b>\$615</b>	<b>\$123,067</b>	<b>\$1.50</b>	<b>\$68.28</b>	<b>\$29.65</b>

**INCOME** Total Net Rentable Sq Ft: **82,039**

<b>POTENTIAL GROSS RENT</b>			
Secondary Income	Per Unit Per Month:	\$5.00	
Other Support Income: (describe)			
<b>POTENTIAL GROSS INCOME</b>			
Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%	
Employee or Other Non-Rental Units or Concessions			
<b>EFFECTIVE GROSS INCOME</b>			

TDHCA Amend	TDHCA at CO	APP at CO	APP Amend
\$1,476,804	\$1,519,296	\$1,519,284	\$1,384,128
12,000	12,540	12,540	12,000
0	0		
\$1,488,804	\$1,531,836	\$1,531,824	\$1,396,128
(111,660)	(114,886)	(76,596)	(76,404)
0	0		
\$1,377,144	\$1,416,948	\$1,455,228	\$1,319,724

Comptroller's Region	3
IREM Region	Dallas
Per Unit Per Month	
Per Unit Per Month	
% of Potential Gross Income	-5.47%

EXPENSES	% OF EQ	PER UNIT	PER SQ FT
General & Administrative	3.87%	\$268	0.65
Management	3.90%	280	0.65
Payroll & Payroll Tax	13.41%	923	2.25
Repairs & Maintenance	4.85%	314	0.78
Utilities	13.05%	942	2.30
Water, Sewer, & Trash	4.12%	284	0.69
Property Insurance	3.02%	208	0.51
Property Tax	2.98486	433	1.08
Reserve for Replacements	4.36%	300	0.73
sec. compl fees	0.63%	40	0.10
<b>TOTAL EXPENSES</b>	<b>67.76%</b>	<b>\$3,979</b>	<b>\$9.70</b>

TOTAL EXPENSES	TOTAL EXPENSES	TOTAL EXPENSES	TOTAL EXPENSES
\$53,287	\$58,285	\$31,727	\$29,450
53,726	55,279	35,889	51,543
184,674	192,985	229,080	229,080
62,708	68,576	73,452	68,180
188,453	191,365	190,900	177,199
56,769	62,217	71,050	65,951
41,557	45,447	57,270	53,160
86,561	90,456	89,546	87,810
60,000	62,700	62,700	60,000
8,000	8,000	8,000	8,000
\$795,736	\$835,289	\$849,614	\$830,372

PER SQ FT	PER UNIT	% OF EQ
\$0.36	\$147	2.23%
0.63	268	3.81%
2.70	1,145	17.36%
0.83	341	5.17%
2.16	886	13.43%
0.80	330	5.00%
0.65	268	4.03%
1.07	439	6.65%
0.73	300	4.55%
0.10	40	0.61%
<b>\$10.12</b>	<b>\$4,162</b>	<b>62.92%</b>
\$5.96	\$2,447	37.06%

<b>NET OPERATING INC</b>	42.22%	\$2,907	\$7.09
<b>DEBT SERVICE</b>			
EF&A & CDM	33.61%	\$2,307	\$5.63
TDHCA HTF	0.00%	\$0	\$0.00
Additional Financing	0.00%	\$0	\$0.00
<b>NET CASH FLOW</b>	<b>8.71%</b>	<b>\$600</b>	<b>\$1.48</b>

DEBT SERVICE	DEBT SERVICE	DEBT SERVICE	DEBT SERVICE
\$461,482	\$510,222	\$526,625	\$412,764
0	0		
0	0		
\$119,927	\$71,437	\$78,989	\$76,588

\$5.03	\$2,064	31.28%
\$0.00	\$0	0.00%
\$0.00	\$0	0.00%
\$0.93	\$383	5.60%

AGGREGATE DEBT COVERAGE RATIO **1.26**  
 RECOMMENDED DEBT COVERAGE RATIO **1.19**

CONSTRUCTION COST	Factor	% of TOTAL	PER UNIT	PER SQ FT
Acquisition Cost (site or bldg)	19.30%		\$22,739	\$55.44
Off-Sites	0.00%		0	0.00%
Sitework	0.20%		307	0.76
Direct Construction	51.61%		61,048	148.83
Contingency	9.25%		5,674	13.83
General Req'ts	6.06%		3,106	7.67
Contractor's G & A	1.24%		761	1.86
Contractor's Profit	4.06%		2,602	6.10
Indirect Construction	3.96%		4,671	11.39
Ineligible Costs	0.53%		628	1.53
Developer's G & A	1.10%		1,000	2.44
Developer's Profit	11.00%		10,000	24.38
Interim Financing	2.17%		2,683	6.25
Reserves	2.41%		2,839	6.92
<b>TOTAL COST</b>	<b>100.00%</b>		<b>\$117,838</b>	<b>\$287.27</b>

TDHCA Amend	TDHCA at CO	APP at CO	APP Amend
\$4,547,884	\$6,315,000	\$6,315,000	\$4,547,884
0	60,000	60,000	0
61,420	179,102	179,102	56,248
12,209,641	7,971,108	7,971,108	12,209,641
1,134,887	747,105	747,105	1,134,887
621,170	431,234	431,234	621,170
152,218	143,745	143,745	152,218
500,472	431,234	431,234	500,472
934,106	967,201	967,201	934,106
125,126	2,302,478	2,302,478	125,126
200,000	200,000	200,000	200,000
2,000,000	2,000,000	2,000,000	2,000,000
512,500	1,054,697	1,054,697	512,500
567,746	566,408	566,408	750,000
\$23,567,170	\$23,369,312	\$23,369,312	\$23,744,252

PER SQ FT	PER UNIT	% of TOTAL
\$55.44	\$22,739	19.15%
0.00	0	0.00%
0.69	281	0.24%
148.83	61,048	51.42%
13.83	5,674	4.76%
7.57	3,106	2.62%
1.86	761	0.64%
6.10	2,602	2.11%
11.39	4,671	3.93%
1.53	628	0.53%
2.44	1,000	0.84%
24.38	10,000	8.42%
6.25	2,683	2.16%
0.14	3,750	3.15%
<b>\$288.43</b>	<b>\$118,721</b>	<b>100.00%</b>
\$178.87	\$73,373	61.85%

SOURCES OF FUNDS	Factor	% of TOTAL	PER UNIT	PER SQ FT
EF&A & CDM	23.34%		\$27,500	\$67.04
TDHCA HTF	0.18%		\$188	\$0.46
City of Dallas	7.43%		\$8,750	\$21.33
CSH/FLHB	3.25%		\$3,826	\$9.32
HTC Syndication Proceeds	49.03%		\$57,775	\$140.85
Historic Tax Credit Synd Proceeds	13.02%		\$16,283	\$39.70
Def Dev Fee				
Additional (Excess) Funds Req'd	2.68%		\$3,616	\$8.67
<b>TOTAL SOURCES</b>			<b>\$117,838</b>	<b>\$287.27</b>

TDHCA Amend	TDHCA at CO	APP at CO	APP Amend
\$5,500,000	\$6,276,394	\$6,276,394	\$5,500,000
37,500	37,500	37,500	37,500
1,750,000	1,750,000	1,750,000	1,750,000
765,000	715,000	714,082	765,000
11,554,978	11,048,400	11,048,400	11,554,978
3,256,638	3,200,425	3,200,425	3,256,638
			880,136
703,054	341,593	342,511	(2)
\$23,567,170	\$23,369,312	\$23,369,312	\$23,744,252

RECOMMENDED	RECOMMENDED	RECOMMENDED
\$5,500,000	\$5,500,000	\$5,500,000
\$37,500	\$37,500	\$37,500
1,750,000	1,750,000	1,750,000
765,000	765,000	765,000
11,554,978	11,554,978	11,554,978
3,256,638	3,256,638	3,256,638
701,900	701,900	701,900
0	0	0
\$23,567,170	\$23,567,170	\$23,567,170

**PAYMENT COMPUTATION**

Primary	\$5,500,000	Amort	360
Int Rate	7.50%	DCR	1.28
Secondary		Amort	
Int Rate	0.00%	Subtotal DCR	1.28
Additional		Amort	
Int Rate		Aggregate DCR	1.28

**RECOMMENDED FINANCING STRUCTURE:**

Primary Debt Service	\$461,482
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	\$119,927

Primary	\$5,500,000	Amort	360
Int Rate	7.50%	DCR	1.28
Secondary	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.28
Additional	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.28

**OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE**

INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
POTENTIAL GROSS RENT	\$1,476,804	\$1,521,106	\$1,566,741	\$1,613,744	\$1,662,156
Secondary Income	12,000	12,360	12,731	13,113	13,506
Other Support Income: (describe)	0	0	0	0	0
POTENTIAL GROSS INCOME	1,488,804	1,533,466	1,579,472	1,626,858	1,675,662
Vacancy & Collection Loss	(111,660)	(115,010)	(118,460)	(122,014)	(125,675)
Employee or Other Non-Rental	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$1,377,144	\$1,418,456	\$1,461,012	\$1,504,844	\$1,549,987
EXPENSES at 4.00%					
General & Administrative	\$53,287	\$55,418	\$57,635	\$59,940	\$62,338
Management	53,726	55,338	56,968	58,708	60,498
Payroll & Payroll Tax	104,874	102,061	100,744	207,734	218,043
Repairs & Maintenance	62,708	65,217	67,825	70,538	73,300
Utilities	188,453	195,891	203,831	211,984	220,463
Water, Sewer & Trash	66,789	69,040	71,401	73,857	76,412
Insurance	41,557	43,220	44,949	46,747	48,616
Property Tax	88,661	90,023	93,824	97,369	101,264
Reserve for Replacements	60,000	62,400	64,806	67,492	70,192
Other	8,000	8,320	8,653	8,999	9,359
TOTAL EXPENSES	\$795,738	\$827,028	\$859,555	\$893,368	\$928,515
NET OPERATING INCOME	\$581,406	\$591,430	\$601,456	\$611,474	\$621,472
DEBT SERVICE					
First Lien Financing	\$461,482	\$461,482	\$461,482	\$461,482	\$461,482
Second Lien	0	0	0	0	0
Other Financing	0	0	0	0	0
NET CASH FLOW	\$119,927	\$129,949	\$139,975	\$149,993	\$159,990
DEBT COVERAGE RATIO	1.28	1.28	1.30	1.33	1.35

YEAR 10	YEAR 15	YEAR 20	YEAR 30
\$1,626,894	\$2,233,799	\$2,589,565	\$3,460,185
15,957	18,151	21,042	28,279
0	0	0	0
1,942,552	2,251,950	2,610,627	3,508,464
(145,601)	(168,696)	(195,797)	(263,135)
0	0	0	0
\$1,796,951	\$2,083,254	\$2,414,830	\$3,245,329
\$75,844	\$92,275	\$112,267	\$168,183
70,100	81,265	94,209	128,609
262,949	319,796	389,081	575,835
89,253	108,590	132,117	195,565
268,227	326,339	397,042	597,719
80,800	98,305	119,604	177,043
59,149	71,964	87,555	129,603
123,203	149,696	182,371	269,953
65,399	103,601	126,411	187,119
11,366	13,853	16,855	24,949
\$1,126,211	\$1,366,168	\$1,657,511	\$2,440,678
\$870,849	\$718,869	\$757,319	\$804,651
\$461,482	\$461,482	\$461,482	\$461,482
0	0	0	0
0	0	0	0
\$209,167	\$255,366	\$295,837	\$343,170
1.45	1.55	1.64	1.74

**HTC ALLOCATION ANALYSIS - City Walk at Akard, Dallas, 9% HTC #060086**

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S ACQUISITION ELIGIBLE BASIS	TDHCA ACQUISITION ELIGIBLE BASIS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
<b>(1) Acquisition Cost</b>						
Purchase of land	\$1,136,734	\$2,500,000				
Purchase of buildings	\$3,411,150	\$2,047,884	\$3,411,150	\$2,047,884		
<b>(2) Rehabilitation/New Construction Cost</b>						
On-site work	\$56,248	\$61,420			\$56,248	\$61,420
Off-site improvements						
<b>(3) Construction Hard Costs</b>						
New structures/rehabilitation hard costs	\$12,209,641	\$12,209,641			\$12,209,641	\$12,209,641
<b>(4) Contractor Fees &amp; General Requirements</b>						
Contractor overhead	\$152,218	\$152,218			\$152,218	\$152,218
Contractor profit	\$500,472	\$500,472			\$500,472	\$500,472
General requirements	\$621,170	\$621,170			\$621,170	\$621,170
<b>(5) Contingencies</b>	\$1,134,887	\$1,134,887			\$1,134,887	\$1,134,887
<b>(6) Eligible Indirect Fees</b>	\$934,106	\$934,106			\$934,106	\$934,106
<b>(7) Eligible Financing Fees</b>	\$512,500	\$512,500			\$512,500	\$512,500
<b>(8) All Ineligible Costs</b>	\$125,128	\$125,128				
<b>(9) Developer Fees</b>						
Developer overhead	\$200,000	\$200,000	\$34,928	\$22,536	\$165,072	\$177,464
Developer fee	\$2,000,000	\$2,000,000	\$349,281	\$225,360	\$1,650,719	\$1,774,640
<b>(10) Development Reserves</b>	\$750,000	\$567,746	\$11,672,500	\$307,183	\$2,418,186	\$2,418,962
<b>TOTAL DEVELOPMENT COSTS</b>	<b>\$23,744,252</b>	<b>\$23,567,170</b>	<b>\$3,795,359</b>	<b>\$2,295,780</b>	<b>\$17,937,033</b>	<b>\$18,078,518</b>

<b>Deduct from Basis:</b>						
All grant proceeds used to finance costs in eligible basis						
B.M.R. loans used to finance cost in eligible basis						
Non-qualified non-recourse financing						
Non-qualified portion of higher quality units [42(d)(3)]						
Historic Credits (on residential portion only)					\$2,622,551	\$2,622,551
<b>TOTAL ELIGIBLE BASIS</b>			<b>\$3,795,359</b>	<b>\$2,295,780</b>	<b>\$15,314,482</b>	<b>\$15,455,967</b>
High Cost Area Adjustment					130%	130%
<b>TOTAL ADJUSTED BASIS</b>			<b>\$3,795,359</b>	<b>\$2,295,780</b>	<b>\$19,908,826</b>	<b>\$20,092,756</b>
Applicable Fraction			100%	100%	100%	100%
<b>TOTAL QUALIFIED BASIS</b>			<b>\$3,795,359</b>	<b>\$2,295,780</b>	<b>\$19,908,826</b>	<b>\$20,092,756</b>
Applicable Percentage			3.56%	3.56%	8.46%	8.46%
<b>TOTAL AMOUNT OF TAX CREDITS</b>			<b>\$135,115</b>	<b>\$81,730</b>	<b>\$1,684,287</b>	<b>\$1,699,847</b>

Syndication Proceeds	0.9300	\$1,256,567	\$760,087	\$15,663,863	\$15,808,576
<b>Total Tax Credits (Eligible Basis Method)</b>				<b>\$1,819,401</b>	<b>\$1,781,577</b>
Syndication Proceeds				\$16,920,430	\$16,568,663
Previously Approved Credits				\$1,242,595	
Syndication Proceeds				\$11,556,131	
<b>Gap of Syndication Proceeds Needed</b>				<b>\$18,244,252</b>	<b>\$18,067,170</b>
<b>Total Tax Credits (Gap Method)</b>				<b>\$1,961,748</b>	<b>\$1,942,707</b>



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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**Memorandum**

**To:** Ben Sheppard, MFFP

**From:** Diamond Unique Thompson, REA

**cc:** File

**Date:** February 19, 2008

**Re:** Amendment request for Covington Townhomes (TDHCA #07164) in Texarkana, TX

I have reviewed the Applicant's request, dated February 12, 2008, for an Amendment to the proposed site plan for the subject development. The Applicant intends to include an additional 3.05 acres of land granted by the City, to be used as additional green space. The submitted revised site plan makes accommodations for individual driveways instead of all on-street parking and 12 additional buildings for a total of 29. The Applicant indicates that the design of each unit will change only slightly without affecting any of the original amenities or unit mix, and only minimally impacting the building configurations. Moreover, the Underwriter has confirmed with the Applicant that the proposed changes will not affect the development costs originally underwritten. Therefore, based upon the information provided by the Applicant, the requested amendment has no material effect on the application as underwritten or on the recommended 9% Housing Tax Credit Award.

Should any further changes be requested, the transaction should be reevaluated and an adjustment to the 9% HTC recommendation may be warranted. A copy of the Applicant's request is attached.





TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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**Memorandum**

**To:** Ben Sheppard, MFFP  
**From:** Cameron Dorsey, REA  
**cc:** Raquel Morales, REA  
**Date:** February 6, 2008  
**Re:** **Amendment for Bluff's Landing Senior Village #07249**

The Applicant of the subject development has requested an amendment to the application as a result of a requirement that the City of Round Rock has imposed on the proposed development. Specifically, the City of Round Rock will require that the driveway connecting the site to East Old Settlers Road be a dedicated roadway. This causes a reduction in the site acreage by the amount of land required to construct the roadway. As such, the Applicant has submitted a revised survey reflecting a reduction in the original acreage of 8.0 acres to 6.486 acres. This reduction in acreage has no effect on the acquisition cost because the purchase of the 1.514 acres and construction of the roadway is a condition of the development moving forward. This has been confirmed in a letter from the Planning Director for the City of Round Rock dated November 28, 2007.

The Applicant has indicated that all of the costs of constructing this roadway will be born by the developer as off-site costs. Generally, such a request would require an evaluation of the additional costs associated with the roadway. However, the Applicant included these costs in the development cost schedule submitted with the carryover package in December 2007 and the Underwriter reevaluated the transaction with the said off-site costs. At the time, it appeared that the costs were solely associated with off-site utilities. However, based on the Underwriter's review of the documentation provided for the amendment and information provided at carryover, it is clear that the costs of constructing the dedicated roadway have already been fully evaluated in the Addendum to the original underwriting report and were verified by a third-party engineer.

For the above reasons, additional investigation and a change to the tax credit award is not warranted at this time.

None at this time

**MULTIFAMILY FINANCE PRODUCTION DIVISION**

**BOARD ACTION REQUEST**

**March 13, 2008**

**Action Item**

Amendment to the Financing Agreement and Trust Indenture for the Town Ridge Apartments, #04602.

**Requested Action**

Approve, amend or deny the request for the amendment to the Financing Agreement and Trust Indenture.

**Background**

Tower Ridge Apartments, a private activity bond and housing tax credit application, was originally approved by the Board on April 7, 2005 and the Department served as the Issuer. The financing structure at the time of closing was a variable rate publicly offered transaction with credit enhancement during the construction phase provided by JP Morgan Chase Bank, N.A. At conversion, Red Stone Partners, LLC or Prudential Mortgage Capital Company, LLC would provide the permanent financing for the Development. The Applicant is proposing to replace Red Stone Partners, LLC with Fannie Mae which would result in a more favorable bond rating from Aa3/VMIG1 to AAA.

The Financing Agreement or the Trust Indenture dated April 1, 2005 does not include a provision to substitute the credit facility provider prior to conversion. While it is a relatively minor change, this action must be brought back before the Board since it would constitute a change to the bond documents to which the Department is a party. Attached to this write-up are the Amendments to the Financing Agreement and the Trust Indenture which effectively allows the Applicant the ability to substitute the credit facility provider prior to conversion of the bonds to permanent.

**Recommendations**

Staff recommends the Board approve the amendments as stated in the First Supplemental to the Financing Agreement and Trust Indenture for the Tower Ridge Apartments.

## **RESOLUTION NO. 08-016**

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST SUPPLEMENTAL TRUST INDENTURE AND A FIRST SUPPLEMENTAL FINANCING AGREEMENT IN CONNECTION WITH VARIABLE RATE DEMAND MULTIFAMILY HOUSING REVENUE BONDS (TOWER RIDGE APARTMENTS) SERIES 2005 IN CONNECTION WITH THE SUBSTITUTION OF THE CREDIT FACILITY; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the Texas Department of Housing and Community Affairs (the "Issuer") has been duly created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as amended (the "Act"), for the purpose, among others, of providing a means of financing the costs of residential ownership, development and rehabilitation that will provide decent, safe, and affordable living environments for individuals and families of low, very low and extremely low income (as defined in the Act) and families of moderate income (as defined in the Act and determined by the Governing Board of the Issuer (the "Board")) from time to time); and

WHEREAS, the Issuer issued its Variable Rate Demand Multifamily Housing Revenue Bonds (Tower Ridge Apartments) Series 2005 in the original aggregate principal amount of \$15,000,000 (the "Bonds") pursuant to that certain Trust Indenture dated as of April 1, 2005 (the "Original Indenture") by and between the Issuer and The Bank of New York Trust Company, N.A., successor to JPMorgan Trust Company, National Association, as trustee (the "Trustee"); and

WHEREAS, the proceeds of the Bonds were loaned by the Issuer to Tower Ridge Corinth 1, LTD., a limited partnership organized and existing under the laws of the State of Texas (the "Borrower"), for the purpose of financing the acquisition, construction and equipping of a multifamily housing project located in the City of Corinth, Texas, pursuant to that certain Financing Agreement dated as of April 1, 2005 (the "Original Financing Agreement") among the Issuer, the Borrower and the Trustee; and

WHEREAS, subject to the terms and conditions of the Original Indenture, the Borrower will cause Fannie Mae to execute and deliver to the Trustee its Direct Pay Irrevocable Transferable Credit Enhancement Instrument as an "Alternate Credit Facility" in substitution for the "Credit Facility" (each as defined in the Original Indenture) then in effect (such substitution is hereinafter referred to as the "Substitution"); and

WHEREAS, Section 12.01(i) of the Original Indenture provides that the Issuer and the Trustee may, without the consent of the Bondholders, but with the prior written consent of the Bank and the Conversion Obligation Provider (each as defined in the Original Indenture), enter into an indenture supplementing the Original Indenture in order to modify, alter, amend or supplement the Original Indenture if, (A) such amendments will take effect on a Mandatory Tender Date following the purchase of Tendered Bonds or (B) notice of the proposed supplemental indenture is given to Bondholders (in the same manner as notices of redemption are given) at least 30 days before the effective date of such amendment, modification, alteration or supplement and, on or before such effective date, the Bondholders have the right to demand purchase of their Bonds pursuant to Section 4.01 of the Original Indenture; and

WHEREAS, Section 8.02 of the Original Financing Agreement provides that the Issuer, the Trustee and the Borrower may, without the consent of the Bondholders, but with the prior written consent of the Bank, the Loan Servicer and the Conversion Obligation Provider, enter into a financing agreement supplementing the Original Financing Agreement in connection with any change; and

WHEREAS, in connection with the Substitution, the Borrower has requested certain modifications to the Original Indenture and the Original Financing Agreement pursuant to the terms of (i) a First Supplemental Trust Indenture (the "First Supplemental Indenture") between the Issuer and Trustee, and consented to by JPMorgan Chase Bank, National Association, as Bank, Red Stone, L.L.C., as Conversion Obligation Provider, and the Borrower and (ii) a First Supplemental Financing Agreement (the "First Supplemental Financing Agreement") among the Issuer, the Trustee and the Borrower, and consented to by the Bank, the Loan Servicer and the Conversion Obligation Provider; and

WHEREAS, the Issuer now desires to take certain actions with respect to the First Supplemental Indenture and the First Supplemental Financing Agreement;

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

Section 1. The First Supplemental Indenture, in substantially the form presented at this meeting and approved by counsel to the Issuer, is hereby approved and adopted by the Issuer, and the Chairman of the Board is hereby authorized and empowered to execute and deliver the First Supplemental Indenture on behalf of the Issuer, with such changes as may be approved by the Issuer's counsel and the officer executing the same, such approval to be evidenced by such officer's execution thereof.

Section 2. The First Supplemental Financing Agreement, in substantially the form presented at this meeting and approved by counsel to the Issuer, is hereby approved and adopted by the Issuer, and the Chairman of the Board Issuer is hereby severally authorized and empowered to execute and deliver the First Supplemental Financing Agreement on behalf of the Issuer, with such changes as may be approved by the Issuer's counsel and the officer executing the same, such approval to be evidenced by such officer's execution thereof.

Section 3. The actions and obligations of the Issuer authorized in Sections 1 and 2 of this resolution shall be conditional upon the delivery to the Issuer of evidence satisfactory to it of: (i) (a) written consent to the First Supplemental Indenture by the Trustee, the Bank, the Conversion Obligation Provider and the Borrower (and to the extent of any variance in the terms of the First Supplemental Indenture presented to the Board, evidence of the approval of such variance by the Trustee, the Bank, the Conversion Obligation Provider and the Borrower by their execution of such First Supplemental Indenture), and (b) receipt by the Issuer of an opinion of Vinson & Elkins L.L.P. to the effect that the First Supplemental Indenture is authorized or permitted by the Act and is authorized under Original Indenture, and that First Supplemental Indenture will, upon the execution and delivery thereof, be valid and binding upon the Issuer in accordance with its terms and will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds; and (ii) written consent to the First Supplemental Financing Agreement by the Trustee, the Borrower, the Loan Servicer, the Bank and the Conversion Obligation Provider (and to the extent of any variance in the terms of the First Supplemental Financing Agreement as presented to the Board, evidence of the approval of such variance by the Trustee, the Borrower, the Loan Servicer, the Bank and the Conversion Obligation Provider by their execution of such First Supplemental Financing Agreement).

Section 4. The officers of the Board and the employees and agents of the Issuer, and each of them, shall be and each is expressly authorized, empowered and directed from time to time and at any time to do and perform all acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the Issuer all certificates, financing statements, instruments and other papers, whether or not herein mentioned, as they may determine to be necessary or desirable in order to carry out the terms and provisions of this resolution, as well as the terms and provisions of the First Supplemental Indenture and the First Supplemental Financing Agreement, such determination to be

conclusively evidenced by the performance of such acts and things and the execution of any such certificate, financing statement, instrument or other paper.

Section 5. Written notice of the date, hour and place of the meeting of the Board at which this resolution was considered and of the subject of this resolution was furnished to the Secretary of State and posted on the Internet for at least seven (7) days preceding the convening of such meeting; that during regular office hours a computer terminal located in a place convenient to the public in the office of the Secretary of State was provided such that the general public could view such posting; that such meeting was open to the public as required by law at all times during which this resolution and the subject matter hereof was discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended; and that written notice of the date, hour and place of the meeting of the Board and of the subject of this resolution was published in the Texas Register at least seven (7) days preceding the convening of such meeting, as required by the Administrative Procedure and Texas Register Act, Chapters 2001 and 2002, Texas Government Code, as amended. Additionally, all of the materials in the possession of the Department relevant to the subject of this resolution were sent to interested persons and organizations, posted on the Department's website, made available in hard-copy at the Department, and filed with the Secretary of State for publication by reference in the Texas Register not later than seven (7) days before the meeting of the Board as required by Section 2306.032, Texas Government Code, as amended.

Section 6. This resolution shall be in full force and effect from and upon its adoption.

*(Execution page follows)*

PASSED AND APPROVED this 13th day of March, 2008.

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Chairman, Governing Board

ATTEST:

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Secretary to the Governing Board

(SEAL)

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FIRST SUPPLEMENTAL FINANCING AGREEMENT

between

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
as Issuer

THE BANK OF NEW YORK TRUST COMPANY, NATIONAL ASSOCIATION  
(successor to J.P. Morgan Trust Company, National Association),  
as Trustee

and

TOWER RIDGE CORINTH 1, LTD.

Dated as of March \_\_, 2008

Relating to:

\$15,000,000  
Texas Department of Housing and Community Affairs  
Variable Rate Demand Multifamily Housing Revenue Bonds  
(Tower Ridge Apartments)  
Series 2005

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## FIRST SUPPLEMENTAL FINANCING AGREEMENT

THIS FIRST SUPPLEMENTAL FINANCING AGREEMENT (this “First Supplemental Financing Agreement”), made and entered into as of March \_\_, 2008, by and between the TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS, a public and official state agency of the State of Texas (the “Issuer”), THE BANK OF NEW YORK TRUST COMPANY, NATIONAL ASSOCIATION (successor to J.P. Morgan Trust Company, National Association), a national banking association (together with any successor trustee hereunder, the “Trustee”) and TOWER RIDGE CORINTH 1, LTD., a limited partnership organized and existing under the laws of the State of Texas (the “Borrower”).

### RECITALS

A. The Issuer and the Trustee have previously executed and delivered a Trust Indenture dated as of April 1, 2005 (the “Original Indenture”), which Original Indenture secures the Issuer’s \$15,000,000 original principal amount of Variable Rate Demand Multifamily Housing Revenue Bonds (Tower Ridge Apartments) Series 2005 (the “Bonds”), presently outstanding in the aggregate principal amount of \$\_\_\_\_\_.

B. The proceeds of the Bonds were loaned by the Issuer to the Borrower for the purpose of financing the acquisition, construction and equipping of a multifamily housing project (the “Project”) located in the City of Corinth, Texas, pursuant to the Financing Agreement among the Issuer, the Borrower and the Trustee, dated as of April 1, 2005 (the “Original Financing Agreement”).

C. Under Section 8.02 of the Original Financing Agreement, the Issuer, the Borrower and the Trustee may, without the consent of the Bondholders, but with the prior written consent of the Bank, the Conversion Obligation Provider and the Loan Servicer (each as defined in the Original Indenture), enter into a financing agreement supplementing the Original Financing Agreement in connection with any change.

D. The Borrower has requested that the Issuer and the Trustee enter into this First Supplemental Financing Agreement for the purpose of making certain changes hereinafter set forth.

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

Section 1. Section 2.04 of the Original Financing Agreement is hereby amended to add the following new Section 2.04(d):

(d) **Substitution on any Substitution Date.** The Borrower may at any time, upon satisfaction of the conditions set forth in Section 8.04 of the Indenture, arrange for

the delivery to the Trustee of an Alternate Credit Facility on any Substitution Date in substitution for the Credit Facility then in effect.

Section 2. Effective Date. This First Supplemental Financing Agreement shall be effective as of \_\_\_\_\_, 2008.

Section 3. Original Financing Agreement in Effect. The provisions of the Original Financing Agreement, as amended and supplemented by this First Supplemental Financing Agreement, shall continue in full force and effect.

Section 4. Severability. In the event any provision of this First Supplemental Financing Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof, and each such other provision shall be construed as though the invalid or unenforceable provision were not included herein.

Section 5. Execution Counterparts. This First Supplemental Financing Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 6. Law Governing Construction of Financing Agreement. This First Supplemental Financing Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

IN WITNESS WHEREOF, the Issuer, the Borrower and the Trustee have caused this First Supplemental Financing Agreement to be executed and delivered by duly authorized officers thereof as of the day and year first written above.

TEXAS DEPARTMENT OF HOUSING AND  
COMMUNITY AFFAIRS

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

THE BANK OF NEW YORK TRUST  
COMPANY, NATIONAL ASSOCIATION  
(successor to J.P. Morgan Trust Company, National  
Association), as Trustee

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

TOWER RIDGE CORINTH 1, LTD.,  
as Borrower

By: NDG-Tower Ridge Corinth 1, LLC,  
its general partner

By: \_\_\_\_\_  
Robert G. Hoskins, Manager

[SIGNATURE PAGE TO SUPPLEMENTAL FINANCING AGREEMENT]

Consented to this \_\_\_\_ day of March, 2008:

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION,  
as Bank

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

RED STONE, L.L.C.,  
as Conversion Obligation Provider

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

PRUDENTIAL MORTGAGE CAPITAL COMPANY, LLC,  
as Loan Servicer

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[CONSENT PAGE TO SUPPLEMENTAL FINANCING AGREEMENT]

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FIRST SUPPLEMENTAL TRUST INDENTURE

between

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
as Issuer

and

THE BANK OF NEW YORK TRUST COMPANY, NATIONAL ASSOCIATION  
(successor to J.P. Morgan Trust Company, National Association),  
as Trustee

Dated as of March \_\_, 2008

Relating to:

\$15,000,000  
Texas Department of Housing and Community Affairs  
Variable Rate Demand Multifamily Housing Revenue Bonds  
(Tower Ridge Apartments)  
Series 2005

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## FIRST SUPPLEMENTAL TRUST INDENTURE

THIS FIRST SUPPLEMENTAL TRUST INDENTURE (this “First Supplemental Indenture”), made and entered into as of March \_\_, 2008, by and between the TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS, a public and official state agency of the State of Texas (the “Issuer”), and THE BANK OF NEW YORK TRUST COMPANY, NATIONAL ASSOCIATION (successor to J.P. Morgan Trust Company, National Association), a national banking association (together with any successor trustee hereunder, the “Trustee”).

### RECITALS

A. The Issuer and the Trustee have previously executed and delivered a Trust Indenture dated as of April 1, 2005 (the “Original Indenture”), which Original Indenture secures the Issuer’s \$15,000,000 original principal amount of Variable Rate Demand Multifamily Housing Revenue Bonds (Tower Ridge Apartments) Series 2005 (the “Bonds”), presently outstanding in the aggregate principal amount of \$\_\_\_\_\_.

B. The proceeds of the Bonds were loaned by the Issuer to Tower Ridge Corinth 1, LTD., a limited partnership organized and existing under the laws of the State of Texas (the “Borrower”), for the purpose of financing the acquisition, construction and equipping of a multifamily housing project (the “Project”) located in the City of Corinth, Texas.

C. Under Section 12.01(i) of the Original Indenture, the Issuer and the Trustee may, without the consent of the Bondholders, but with the prior written consent of the Bank and the Conversion Obligation Provider (each as defined in the Original Indenture), enter into an indenture supplementing the Original Indenture in connection with any change provided that notice thereof is given to all Bondholders at least ten (10) days before the effective date of such supplemental indenture, and that such effective date will be on a Mandatory Tender Date (as defined in the Indenture).

D. The Borrower has requested that the Issuer and the Trustee enter into this First Supplemental Indenture for the purpose of making certain changes hereinafter set forth.

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

Section 1. Defined Terms. Capitalized terms used but not otherwise defined in this First Supplemental Indenture shall have the meanings given to them in the Original Indenture.

Section 2. Definitions. Section 1.01 of the Original Indenture is hereby amended and supplemented by amending and restating the following definitions thereto:

“*Credit Facility Documents*” means the Reimbursement Agreement, Pledge Agreement, the Certificate of Borrower, all Collateral Agreements (as that term is defined in the Security Instrument), the Hedge Documents, the Hedge Security Agreement and all other agreements and documents securing the Credit Provider or otherwise relating to the provision of a Credit Facility, as any such agreement may be amended, supplemented or restated from time to time.

“*Hedge Documents*” has the meaning given that term in the Hedge Security Agreement.

“*Hedge Security Agreement*” means the Hedge Security Agreement among the Borrower, the Loan Servicer and the Credit Provider, as amended, supplemented or restated from time to time.

“*Loan Servicer*” or “*Servicer*” means the multifamily mortgage loan servicer designated from time to time by the Credit Provider.

“*Pledge Agreement*” means the Pledged Bonds Custody and Security Agreement among the Borrower, The Bank of New York Trust Company, National Association, as collateral agent for the Credit Provider, and the Credit Provider, as such agreement may be amended, supplemented or restated from time to time, or any agreement entered into in substitution therefor.

“*Substitution Date*” means the date upon which an Alternate Credit Facility is to be substituted for the Credit Facility then in effect, which date must be (i) during any period that a Credit Facility issued by Fannie Mae is in effect, an Interest Payment Date during a Daily Variable Rate Period or Weekly Variable Rate Period or an Adjustment Date which immediately follows a Reset Period, (ii) during any period that a Credit Facility issued by Fannie Mae is not in effect, any Business Day during a Daily Variable Rate Period or Weekly Variable Rate Period or an Adjustment Date which immediately follows a Reset Period, and (iii) a date on which the Credit Facility for which substitution is being made is available to be accessed or drawn upon. An extension of any Extension Date by reason of the extension of a Credit Facility is not a Substitution Date.

Section 3.     References. The Original Indenture is hereby amended by providing that the following references shall be of no further force or effect and shall be disregarded for all purposes of the Indenture and the other Bond Documents: (i) Bank, (ii) Bank Documents, (iii) Conversion, (iv) Conversion Date, (v) Conversion Notice, (vi) Conversion Obligation Provider, (vii) Forward Commitment Agreement, (viii) Letter of Credit, (ix) Letter of Credit Expiration Date, (x) Permanent Phase Credit Facility, (xi) Permanent Phase, (xii) Permanent Phase Credit Facility Provider, (xiii) Permanent Phase Reimbursement Agreement, (xiv) Permanent Phase Pledge Agreement, (xv) Permanent Phase Hedge Security Agreement, (xvi) PMCC, and (xvii) Red Stone.

Section 4.     Fannie Mae. It is hereby acknowledged and agreed that Fannie Mae has executed and delivered to the Trustee effective on the Effective Date (as defined below) its Direct Pay Irrevocable Transferable Credit Enhancement Instrument which shall constitute an

Alternate Credit Facility under the Original Indenture, and thus Fannie Mae shall constitute an Alternate Credit Provider. It is acknowledged and agreed that all Assigned Rights will be assigned by the Bank to Fannie Mae, as Credit Provider, as of the Effective Date.

Section 5. Notices. All notices under the Bond Documents required to be given to the Credit Provider shall be given as follows:

To Fannie Mae:

Fannie Mae  
3900 Wisconsin Avenue, NW  
Drawer AM  
Washington, D.C. 20016-2899  
Attention: Director, Multifamily Asset Management  
Telephone: (301) 204-8008  
Facsimile: (301) 280-2065  
RE: \$15,000,000 Texas Department of Housing  
and Community Affairs Variable Rate Demand  
Multifamily Housing Revenue Bonds (Tower Ridge  
Apartments) Series 2005/PNC ARCS LLC

and

Fannie Mae  
3900 Wisconsin Avenue, NW  
Drawer AM  
Washington, D.C. 20016-2899  
Attention: Vice President, Multifamily Operations  
Telephone: (301) 204-8422  
Facsimile: (202) 752-8369  
RE: \$15,000,000 Texas Department of Housing and  
Community Affairs Variable Rate Demand  
Multifamily Housing Revenue Bonds (Tower Ridge  
Apartments) Series 2005/PNC ARCS LLC

with a copy to:

Arent Fox LLP  
1050 Connecticut Avenue, NW  
Washington, D.C. 20036-5339  
Attention: William C. Basil  
Telephone: (202) 857-8949  
Facsimile: (202) 857-6395

solely with respect to any notice required to be delivered to the Credit Provider pursuant to Section 4.01, 4.02 or 4.03 will be addressed as follows:



Fannie Mae  
3900 Wisconsin Avenue, N.W.  
Washington, D.C. 20016-2899  
Attention: Director, Fiscal Agency Relations and  
Treasury Backoffice  
Telephone: (202) 752-7916  
Facsimile: (202) 752-6087  
RE: \$15,000,000 Texas Department of Housing and  
Community Affairs Variable Rate Demand  
Multifamily Housing Revenue Bonds (Tower Ridge  
Apartments) Series 2005/PNC ARCS LLC

and

Fannie Mae  
3900 Wisconsin Avenue, N.W.  
Washington, D.C. 20016-2899  
Attention: Director, Multifamily Asset  
Management  
Telephone: (301) 204-8008  
Facsimile: (301) 280-2065  
RE: \$15,000,000 Texas Department of Housing and  
Community Affairs Variable Rate Demand  
Multifamily Housing Revenue Bonds (Tower Ridge  
Apartments) Series 2005/PNC ARCS LLC

(For courier to all Fannie Mae addresses use 4000  
Wisconsin Avenue, N.W. and delete any reference  
to Drawer AM)

With a copy  
to the Loan Servicer:

PNC ARCS LLC  
26901 Agoura Road, Suite 200  
Calabasas Hills, California 91301-5109  
Attention: Loan Administration Manager  
Telephone: (818) 676-3264  
Facsimile: (818) 880-3313

Section 6. Effective Date. This First Supplemental Indenture shall be effective as of \_\_\_\_\_, 2008, which date shall be a Mandatory Tender Date.

Section 7. Indenture in Effect. The provisions of the Original Indenture, as amended and supplemented by this First Supplemental Indenture, shall continue in full force and effect.

Section 8. Severability. In the event any provision of this First Supplemental Indenture shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof, and each such

other provision shall be construed as though the invalid or unenforceable provision were not included herein.

Section 9. Execution Counterparts. This First Supplemental Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 10. Law Governing Construction of First Supplemental Indenture. This First Supplemental Indenture shall be governed by and construed in accordance with the laws of the State of Texas.

IN WITNESS WHEREOF, the Issuer and the Trustee have caused this Supplemental Indenture to be executed and delivered by duly authorized officers thereof as of the day and year first written above.

TEXAS DEPARTMENT OF HOUSING AND  
COMMUNITY AFFAIRS

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

THE BANK OF NEW YORK TRUST  
COMPANY, NATIONAL ASSOCIATION  
(successor to J.P. Morgan Trust Company, National  
Association), as Trustee

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[SIGNATURE PAGE TO SUPPLEMENTAL TRUST INDENTURE]

Consented to this \_\_\_\_ day of March, 2008:

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION,  
as Bank

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

RED STONE, L.L.C.  
as Conversion Obligation Provider

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

TOWER RIDGE CORINTH 1, LTD,  
as Borrower

By: NDG-Tower Ridge Corinth 1, LLC,  
its general partner

By: \_\_\_\_\_  
Robert G. Hoskins, Manager

[CONSENT PAGE TO SUPPLEMENTAL TRUST INDENTURE]

GENBUS/586147.3

**Housing Tax Credit Program  
Board Action Request  
March 13, 2008**

**Action Item**

Request review and board determination of two (2) four percent (4%) tax credit applications with other issuers for tax-exempt bond transactions.

**Recommendation**

Staff is recommending that the board review and approve the issuance of two (2) four percent (4%) Tax Credit Determination Notices with **other issuers** for the tax-exempt bond transactions known as:

<b>Development No.</b>	<b>Name</b>	<b>Location</b>	<b>Issuer</b>	<b>Total Units</b>	<b>LI Units</b>	<b>Total Development</b>	<b>Applicant Proposed Tax Exempt Bond Amount</b>	<b>Requested Credit Allocation</b>	<b>Recommended Credit Allocation</b>
08408	Park Shadows Apartments	Beaumont	Jefferson County HFC	150	150	\$14,190,496	\$6,950,000	\$517,131	\$504,949
08409	Seville Row Apartments	Beaumont	Jefferson County HFC	90	90	\$8,428,503	\$4,810,000	\$304,229	\$300,616

**MULTIFAMILY FINANCE PRODUCTION DIVISION**  
**BOARD ACTION REQUEST**  
**March 13, 2008**

**Action Item**

Presentation, Discussion and Possible Issuance of Determination Notices for Housing Tax Credits associated with Mortgage Revenue Bond Transactions with other Issuers.

**Requested Action**

Approve, Amend or Deny the staff recommendation for Park Shadows Apartments, #08408.

**Summary of the Transaction**

*Background and General Information:* The application was received on January 11, 2008. The Issuer for this transaction is Jefferson County HFC with a reservation of allocation that expires on July 12, 2008. The development consists of the acquisition and rehabilitation of 150 total units targeting the general population and 100% of the units are proposed to be restricted at 60% AMFI. The proposed development will be located in Beaumont, Jefferson County. The site is currently zoned for this type of development.

Staff notes this Development was presented before the Board in December 2007 and approved; however, the Applicant was unable to close the bond transaction due to timing issues with the financing parties.

*Organizational Structure and Compliance:* The Borrower is Beaumont Leased Housing Associates I, L.P. and the General Partner is Beaumont Leased Housing Associates I, LLC, of which David L. Brierton has 20% ownership interest, Jack W. Safar has 20% ownership interest, Armand E. Brachman has 20% ownership interest, Paul R. Sween has 20% ownership interest and Mark S. Moorhouse has 20% ownership interest. The Compliance Status Summary completed on February 19, 2008 reveals that the principals of the general partner do not have any properties that have been monitored by the Department.

*Census Demographics:* The development is to be located at 1075 Pinchback Road Beaumont. Demographics for the census tract (13.02) include AMFI of \$64,557; the total population is 2,905; the percent of population that is minority is 38.24%; the percent of population that is below the poverty line is 14.29%; the number of owner occupied units is 778; the number of renter units is 304 and the number of vacant units is 46. (Census information from FFIEC Geocoding for 2007).

*Public Comment:* The Department has received one letter of support from Jefferson County Judge Ronald L. Walker and no letters of opposition.

**Recommendation**

Staff recommends the Board approve the issuance of a Determination Notice of \$504,949 in Housing Tax Credits for Park Shadows Apartments.



**MULTIFAMILY FINANCE PRODUCTION DIVISION**

March 13, 2008

**Development Information, Public Input and Board Summary  
Park Shadow Apartments, TDHCA Number 08408**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 1075 Pinchback Road Development #: 08408  
 City: Beaumont Region: 5 Population Served: General  
 County: Jefferson Zip Code: 77707 Allocation: Urban  
 HOME Set Asides:  CHDO  Preservation  General Purpose/Activity: ACQ/R  
 Bond Issuer: Jefferson County HFC

HTC Purpose/Activity: NC=New Construction, ACQ=Acquisition, R=Rehabilitation, NC/ACQ=New Construction and Acquisition,  
 NC/R=New Construction and Rehabilitation, ACQ/R=Acquisition and Rehabilitation

**OWNER AND DEVELOPMENT TEAM**

Owner: Beaumont Leased Housing Associates I, Limited Partnership  
 Owner Contact and Phone Mark Moorhouse (763) 354-5613  
 Developer: Beaumont Leased Housing Development I, LLC  
 Housing General Contractor: Benson-Orth Associates, Inc.  
 Architect: BKV Group  
 Market Analyst: Integra Realty Resources  
 Syndicator: Richman  
 Supportive Services: Dominion Management Services, Inc.  
 Consultant: Not Utilized

**UNIT/BUILDING INFORMATION**

<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	Total Restricted Units:	150
0	0	0	150	0	40	62	44	4	0	Market Rate Units:	0
Type of Building: <input checked="" type="checkbox"/> 4 units or more per building										Owner/Employee Units:	0
<input type="checkbox"/> Duplex	<input type="checkbox"/> Detached Residence									Total Development Units:	150
<input type="checkbox"/> Triplex	<input type="checkbox"/> Single Room Occupancy									Total Development Cost:	\$14,190,496
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Transitional									Number of Residential Buildings:	11
<input type="checkbox"/> Townhome										HOME High Total Units:	0
										HOME Low Total Units:	0

Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	<u>Applicant Request</u>	<u>Department Analysis</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
4% Housing Tax Credits with Bonds:	\$517,131	\$504,949	0	0	0%
TDHCA Bond Allocation Amount:	\$0	\$0	0	0	0%
HOME Activity Fund Amount:	\$0	\$0	0	0	0%
HOME CHDO Operating Grant Amount:	\$0	\$0			



MULTIFAMILY FINANCE PRODUCTION DIVISION

March 13, 2008

Development Information, Public Input and Board Summary
Park Shadow Apartments, TDHCA Number 08408

PUBLIC COMMENT SUMMARY

Guide: "O" = Oppose, "S" = Support, "N" = Neutral, "NC" or Blank = No comment

State/Federal Officials with Jurisdiction:

TX Senator: Williams, District 4 NC US Representative: Poe, District 2, NC
TX Representative: Ritter, District 21 NC US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: Becky Ames, Mayor, City of Beaumont - Resolution of Support from Local Government [ ]
NC

Individuals/Businesses: In Support 0 In Opposition 0

Neighborhood Input:

General Summary of Comment:

The Department has received one letter of support from Jefferson County Judge Ronald L. Walker and no letters of opposition.

CONDITIONS OF COMMITMENT

- 1. Per §50.12(c) of the Qualified Allocation Plan and Rules, all Tax Exempt Bond Development Applications "must provide an executed agreement with a qualified service provider for the provision of special supportive services that would otherwise not be available for the tenants. The provision of such services will be included in the Declaration of Land Use Restrictive Covenants ("LURA")."
2. Approval of a tax credit allocation for Seville Row Apartments (TDHCA #08409) at the March 13, 2008 TDHCA Board meeting.
3. Receipt, review, and acceptance, by closing, of documentation that the Applicant has locked in a syndication price of \$0.90 per dollar of credit.
4. Receipt, review, and acceptance, by cost certification, of documentation that asbestos containing material was removed in accordance with federal, state, and local requirements or that the material is being managed in place through an O&M Program per the Phase I ESA.
5. Receipt, review, and acceptance, by closing, of documentation confirming that the contract rents for the subject property can exceed the comparable market rents per HUD guidelines.
6. Receipt, review, and acceptance, by cost certification, of approval of an increase over the current HAP contract rents of at least 9.5% in order to maintain financial feasibility.
7. Receipt, review, and acceptance, by cost certification, of documentation that the permanent phase tax-exempt bonds amount to greater than 50% aggregate basis as required by IRC Section 42(h)(4)(B).
8. Receipt, review, and acceptance, by closing, of confirmation that the third-party contractor is willing defer up to 100% of the contractor fees.
9. Should the terms or amounts of the proposed debt or equity change, the transaction should be reevaluated and an adjustment to the credit amount may be warranted.





MULTIFAMILY FINANCE PRODUCTION DIVISION

March 13, 2008

Development Information, Public Input and Board Summary

**Park Shadow Apartments, TDHCA Number 08408**

**RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:**

4% Housing Tax Credits:	Credit Amount:	\$504,949
Recommendation: Recommend approval of a Housing Tax Credit Allocation not to exceed \$504,949 annually for ten years, subject to conditions.		
TDHCA Bond Issuance:	Bond Amount:	\$0
Recommendation:		
HOME Activity Funds:	Loan Amount:	\$0
HOME CHDO Operating Expense Grant:	Grant Amount:	\$0
Recommendation:		



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

REPORT DATE: 02/26/08 PROGRAM: 4% HTC FILE NUMBER: 08408

**DEVELOPMENT**

Park Shadows Apartments

Location: 1075 Pinchback Road Region: 5  
 City: Beaumont County: Jefferson Zip: 77707  OCT  DDA  
 Key Attributes: Family, Urban/exurban, Acquisition/rehabilitation

**ALLOCATION**

TDHCA Program	REQUEST*			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
Housing Tax Credit (Annual)	\$517,131			\$504,949		

**CONDITIONS**

- 1 Approval of a tax credit allocation for Seville Row Apartments (TDHCA #08409) at the March 13, 2008 TDHCA Board meeting.
- 2 Receipt, review, and acceptance, by closing, of documentation that the Applicant has locked in a syndication price of \$0.90 per dollar of credit.
- 3 Receipt, review, and acceptance, by cost certification, of documentation that asbestos containing material was removed in accordance with federal, state, and local requirements or that the material is being managed in place through an O&M Program per the Phase I ESA.
- 4 Receipt, review, and acceptance, by closing, of documentation confirming that the contract rents for the subject property can exceed the comparable market rents per HUD guidelines.
- 5 Receipt, review, and acceptance, by cost certification, of approval of an increase over the current HAP contract rents of at least 9.5% in order to maintain financial feasibility.
- 6 Receipt, review, and acceptance, by cost certification, of documentation that the permanent phase tax-exempt bonds amount to greater than 50% aggregate basis as required by IRC Section 42(h)(4)(B).
- 7 Receipt, review, and acceptance, by closing, of confirmation that the third-party contractor is willing defer up to 100% of the contractor fees.
- 8 Should the terms or amounts of the proposed debt or equity change, the transaction should be reevaluated and an adjustment to the credit amount may be warranted.

**SALIENT ISSUES**

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
60% of AMI	60% of AMI	150

**PROS**

- The application proposes the rehabilitation of a 27 year old HUD property and renewal of the existing HAP contract for 100% of the units.

**CONS**

- If the third-party contractor is unwilling to defer fee and/or at least a 9.5% increase in the HAP contract rents is not received, the transaction may not be financially viable.

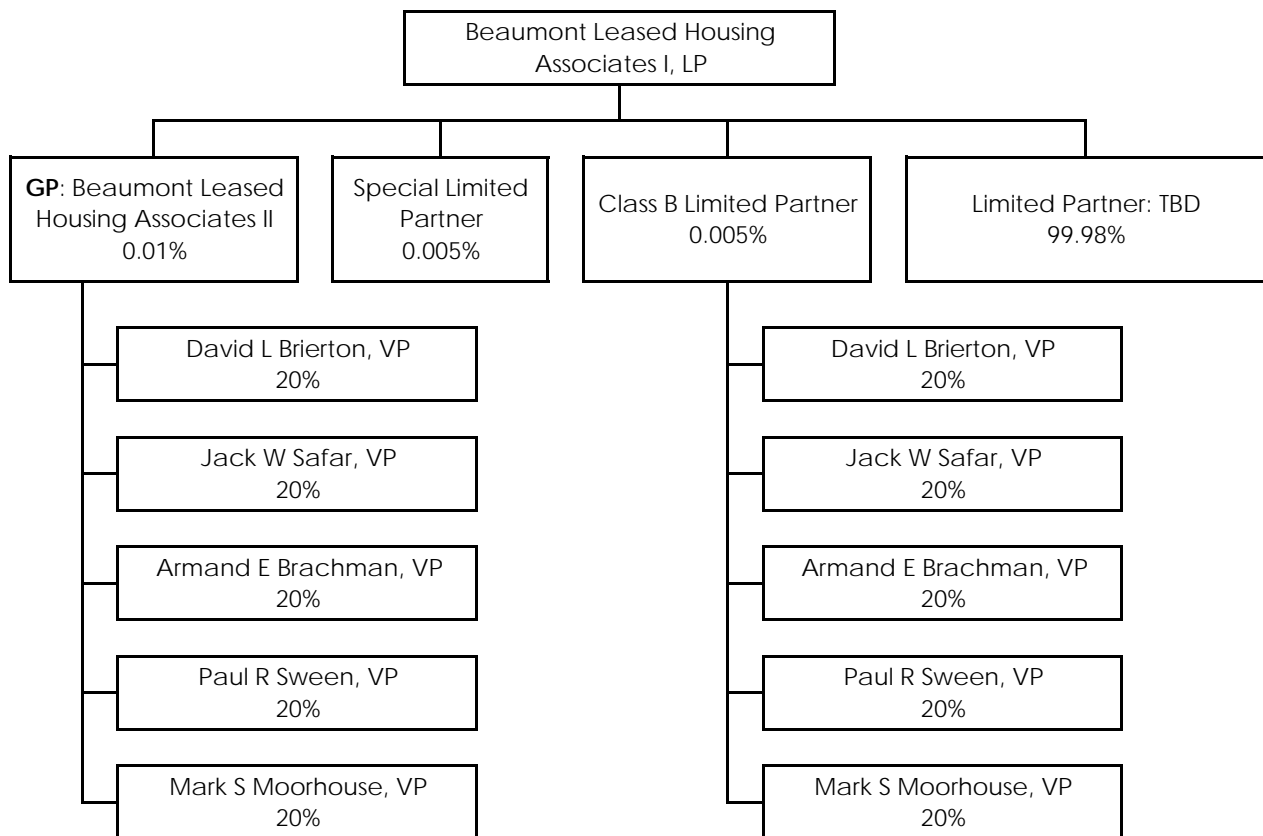
- The property is currently operating at stabilized occupancy of 93% and most of the tenants will likely remain at the property due to the project-based Section 8 assistance.
- The viability of the transaction is dependent upon 100% deferral of developer fees and deferral of most of the contractor fees. The total deferred fees are projected to be repayable over 15 years.
- Any increase in the interest rate on the bonds or decrease in the credit pricing may jeopardize the financial viability of the transaction.
- The structure of the acquisition with the assumption of existing debt may put eligibility for the 4% HTC's in jeopardy and will leave a large portion of the bonds unused until the assumed debt can be extinguished.

### PREVIOUS UNDERWRITING REPORTS

The subject was originally underwritten in December 2007 with a slightly different financing structure and a tax-exempt bond reservation from the 2007 private activity cap. Although not recommended due to violation of the 60-day rule, the TDHCA board approved the previous application for a 4% HTC allocation of \$546,051 annually. The Applicant indicated that they were unable to close prior to the 150 day deadline for the bond reservation as a result of issues with syndication of the tax credits. It should be noted that the credit price has dropped from \$0.97 to \$0.90 since the previous underwriting.

### DEVELOPMENT TEAM

#### OWNERSHIP STRUCTURE



**CONTACT**

Contact: Mark Moorhouse Phone: 763.354.5613 Fax: 763.354.5633  
 Email: mmoorhouse@dominiuminc.com

**KEY PARTICIPANTS**

Name	Net Assets	Liquidity <sup>1</sup>	# Completed Developments
Beaumont Leased Housing Associates II, LP	No material assets		Not Yet Formed
David L Brierton	Confidential		0 LIHTC Developments in Texas
Jack W Safar	Confidential		0 LIHTC Developments in Texas
Armand E Brachman	Confidential		0 LIHTC Developments in Texas
Paul R Sween	Confidential		0 LIHTC Developments in Texas
Mark S Moorhouse	Confidential		0 LIHTC Developments in Texas

<sup>1</sup> Liquidity = Current Assets - Current Liabilities

**Comments:**

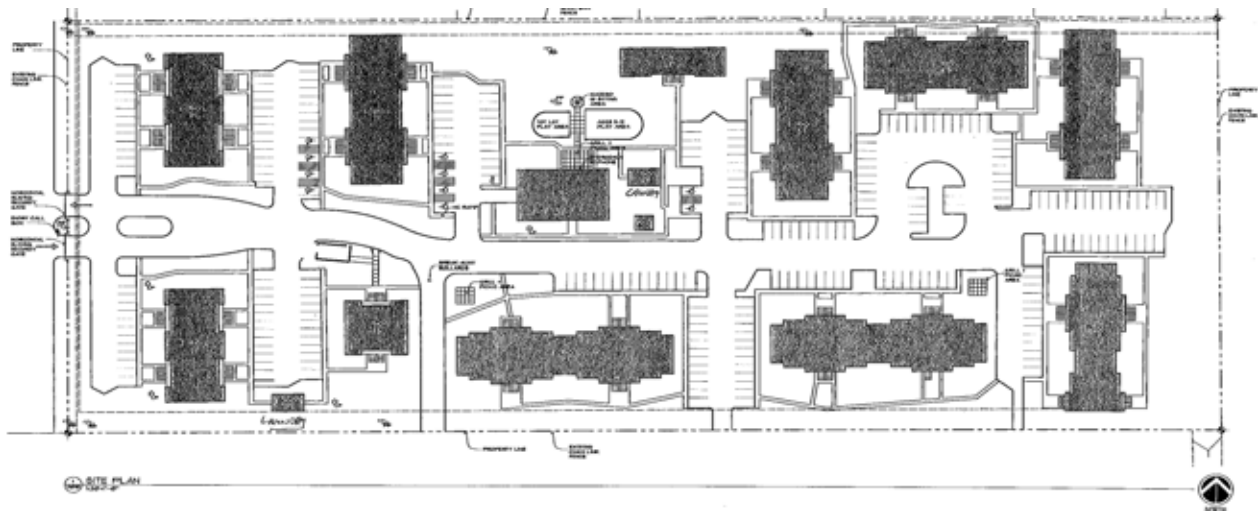
While the development team participants have no experience with the LIHTC program in Texas, the participants appear to have significant experience with the acquisition and rehabilitation of properties in several other states.

**IDENTITIES of INTEREST**

- The Applicant, Developer, supportive service provider, and property manager are related entities. These are common relationships for HTC-funded developments.
- The Applicant's latest revised financing structure reflects a loan from the related party property manager, Dominion Management Services, to fill a portion of the financing gap. As underwritten, the transaction would not meet the Department's feasibility criteria without this source of financing.
- The application submitted in 2007 was structured with a below market seller note that resulted in an inflated purchase price and use of additional 4% tax credits. Staff expressed concerns about this structure and the Applicant restructured the purchase to exclude the seller note. The restructured acquisition reduced the purchase price by the amount of the seller note (\$1,425,000).

**PROPOSED SITE**

**SITE PLAN**



**BUILDING CONFIGURATION**

Building Type	A	B	C	D	E	F	G				Total Buildings
Floors/Stories	2	2	2	2	2	2	2				
Number	2	1	2	1	3	1	1				<b>11</b>

BR/BA	SF	Units									Total Units	Total SF
1/1	618	16	8								40	24,720
2/1	767					16	14				62	47,554
3/1.5	993			16	12						44	43,692
4/2	1,108							4			4	4,432
Units per Building		16	8	16	12	16	14	4			<b>150</b>	<b>120,398</b>

**Rehabilitation Plan:**

The Applicant provided a Property Condition Assessment with one revision that included the following scope of work: landscaping; parking lot repairs; upgrade site lighting; rebuild trash enclosures; replace site concrete as needed; replacement of signage; clean out sewer lines; upgrade laundry buildings; renovation of clubhouse; upgrade common area kitchen and bathrooms; replace roofs; repair/replace siding; repair exterior stairs; reglaze windows; replace entry doors; replace kitchen appliances, floors, cabinets, and sinks; replace HVAC units and condensers as needed (Approx 75%); new flooring throughout units; replace bathroom fixtures; new interior doors; replace closet shelving; retexture and paint walls; repair drywall as needed; add plumbing access panels.

**Relocation Plan:**

The Applicant has indicated that a "rolling rehabilitation" will be performed to minimize the temporary relocation of existing tenants. According to the relocation plan submitted, between 6 and 16 units will be vacated to allow for rehabilitation.

**SITE ISSUES**

Total Size:	<u>9.36</u> acres	Scattered site?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Flood Zone:	<u>X</u>	Within 100-yr floodplain?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Zoning:	<u>RM-High Density</u>	Needs to be re-zoned?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No <input type="checkbox"/> N/A

**TDHCA SITE INSPECTION**

Inspector: Manufactured Housing Staff Date: 10/5/2007

Overall Assessment:

Excellent  Acceptable  Questionable  Poor  Unacceptable

Surrounding Uses:

North: undeveloped land, retail and commercial

South: undeveloped land followed by athletic complex

East: undeveloped land

West: Pinchback Road followed by undeveloped land and commercial and residential

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**HIGHLIGHTS of ENVIRONMENTAL REPORTS**

Provider: Peer Engineering Date: 8/8/2007

Recognized Environmental Concerns (RECs) and Other Concerns:

- "Limited sampling of suspect asbestos-containing materials (ACM) was conducted during the 2007 assessment. Based on the laboratory analysis, cream sink undercoating and 12" x 12" tan with brown streaks floor tile were determined to be regulated non-friable ACM" (Add). "If the sinks must be replaced as part of renovation, they should be removed and disposed by a licensed asbestos abatement contractor in accordance with applicable federal, state, or local requirements. Depending on renovation plans, the 12" x 12" asbestos-containing floor tile could be either covered over with a new flooring system or removed and disposed by a licensed asbestos abatement contractor. If either the sink undercoating or asbestos-containing floor tile is left in place, then these materials should be managed in good condition through an O&M Program" (p. 16).

Comments:

Receipt, review, and acceptance, by cost certification, of documentation that asbestos containing material was removed in accordance with federal, state, and local requirements or that the material is being managed in place through an O&M Program per the Phase I ESA is a condition of this report.

**MARKET HIGHLIGHTS**

Provider: Integra Realty Resources Date: 10/10/2007

Contact: Mark R Lamb Phone: 972.960.1222 Fax: --

Number of Revisions: 0 Date of Last Applicant Revision: N/A

Primary Market Area (PMA): 167.6 square feet (7.3 mile radius)

"We consider the market area for the subject to consist of the following zip codes located within the City of Beaumont: 77701, 77702, 77703, 77706, 77707, 77708, 77710, 77713" (p. 17).

Secondary Market Area (SMA):

The Market Analyst did not delineate a secondary market area.

PROPOSED, UNDER CONSTRUCTION & UNSTABILIZED COMPARABLE DEVELOPMENTS				
PMA				SMA
Name	File #	Total Units	Comp Units	N/A
Timber Creek at Sienna	060239	36	36	
Stone Hearst Apartment	04228	104	83	
Regent I	07416	160	160	

Comments:

The Market Analyst included 158 comparable unstabilized units in the total inclusive capture rate calculation; however, it is unclear what properties these units are from. The market study indicates that this is the number of HTC units coming online within the next 24 months (p. 54). The Market Analyst does not include the 150 units from the subject development due to the high current occupancy of 93%. The Underwriter has included all of the 150 units at the subject development and all of the comparable unstabilized units currently known (identified in the above chart), which results in a total number of unstabilized comparable units of 429.

INCOME LIMITS						
Jefferson						
% AMI	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
60	\$21,240	\$24,300	\$27,300	\$30,360	\$32,760	\$35,220

MARKET ANALYST'S PMA DEMAND by UNIT TYPE							
Unit Type	Turnover Demand	Growth Demand	Other Demand	Total Demand	Subject Units	Unstabilized Comparable (PMA)	Capture Rate
1 BR/ 60% Rent Limit	1,875	0	0	1,875	40	Not included	2%
2 BR/ 60% Rent Limit	658	0	0	658	62		9%
3 BR/ 60% Rent Limit	570	0	0	570	44		8%
4 BR/ 60% Rent Limit	613	0	0	613	4		1%

Comments:

The methodology used by the Market Analyst results in overlapping demand for the three and four bedroom units. The Analyst assumed that all one and two person households would demand a one-bedroom unit, all three-person households would demand a two bedroom unit and four and five person households would demand a three or four bedroom unit. Generally, the overlapping demand for three and four bedroom units would result in overstated demand. However, the Analyst used the number of existing rental units as the basis for determining turnover. The estimated existing rental units is lower than the estimated number of households that rent. Because the TDHCA methodology uses households as the basis for turnover, ultimately the Analyst's methodology may result in a lower demand calculation than the Underwriter's.

Also of note, the Market Analyst did not include unstabilized units to calculate an inclusive capture rate by unit type. However, the property is currently at stabilized occupancy (93%) and the calculation of a capture rate may not be a meaningful tool for calculating demand.

OVERALL DEMAND									
	Target Households		Household Size		Income Eligible		Tenure		Demand
PMA DEMAND from TURNOVER									
Market Analyst p. 54									65% 3,715
Underwriter	100%	39,820	99%	39,282	44%	17,185	39%	6,685	65% 4,345
PMA DEMAND from HOUSEHOLD GROWTH									
Market Analyst p. 54									0
Underwriter			99%	-48	44%	-21	39%	-8	100% -8
INCLUSIVE CAPTURE RATE									
	Subject Units	Unstabilized Comparable (PMA)	Unstabilized Comparable (25% SMA)	Total Supply	Total Demand (w/25% of SMA)	Inclusive Capture Rate			
Market Analyst p. 55	0	158	0	0	3,715	4.3%			
Underwriter	150	279	0	429	4,337	9.9%			

Comments:

The Market Analyst did not include any of the subject units in the capture rate calculation because the property is currently at stabilized occupancy. While this is inconsistent with the methodology used by the Department which includes all of the subject units in order to develop the capture rate calculation, current occupancy levels do play a role in the interpretation of the inclusive capture rate calculation.

Also of note, the Analyst used the sum of the unit type demand to determine the total demand. The potential effects of the Analyst's methodology are described above. Moreover, the Analyst's lower demand is primarily the result of the differences in methodology described above.

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Despite these issues, the Market Analyst provided sufficient demographic data to allow for the independent calculation of demand in accordance with the Department's guidelines. The Underwriter has accordingly derived an inclusive capture rate of 9.89%, which is below the Department guideline. In this case because the property is well over 90% occupied and the tenant population is not expected to change, the inclusive capture rate calculation is not a meaningful tool to determine financial feasibility.

**Primary Market Occupancy Rates:**

"The average occupancy rates for LIHTC properties within the PMA is 98%" (p. 38). The average occupancy for Section 8 and low-income properties within the PMA is 95%" (p. 39). "As of the effective date of this report, the occupancy of the subject is 93%, which is considered stabilized occupancy" (p. 41).

**Absorption Projections:**

"No new projects have recently been completed within the PMA. Thus, we are unable to analyze absorption trends specific to the PMA. As of the effective date of this report, the occupancy of the subject is 93%, which is considered stabilized occupancy" (p. 41).

RENT ANALYSIS (Tenant-Paid Net Rents)						
Unit Type (% AMI)	Current Contract Rent	Proposed Contract Rent	Market Rent	Underwriting Rent	Increase Over Contract	
1 BR 618 SF 60%	\$530	\$583	\$525	\$583	\$53	
2 BR 767 SF 60%	604	664	625	664	60	
3 BR 993 SF 60%	717	789	750	789	72	
4 BR 1,108 SF 60%	765	842	875	842	77	

**Market Impact:**

The Market Analyst did not explicitly discuss the market impact. However, the Analyst indicates that the property is currently stabilized, and therefore the Underwriter believes the rehabilitation will have no impact on existing properties.

**Comments:**

As indicated above, the Market Analyst's methodology for determining demand is inconsistent with the Department guidelines. However, the Analyst provided sufficient data for the Underwriter to derive a capture rate that is within the Department's guideline. Moreover, the property is currently operating at a stabilized occupancy of 93%; therefore, use of the inclusive capture rate is not an effective tool for estimating demand. The market study provides sufficient information on which to base a funding recommendation.

**OPERATING PROFORMA ANALYSIS**

Income:      Number of Revisions:          0          Date of Last Applicant Revision:          N/A    

The Applicant's net rents are equal to the program gross rent limits less utility allowances as reflected in the property's current HAP contract. The Applicant included the difference between the projected HAP rents and the program net rents as a source of secondary income. However, the Underwriter has used the full projected HAP rents to determine potential gross rent. Despite this methodological difference, the Applicant's HAP subsidy plus rent collected is roughly comparable to the Underwriter's potential gross rent estimate.

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The Applicant expects to receive a 10% increase from the current HAP contract rents, and the Underwriter has based the proforma analysis on the higher projected rents. As indicated above, the market rents determined by the Market Analyst are significantly lower than the projected HAP rents. Rent increases must generally be supported by comparable market rents; however, there are some exceptions allowed by HUD. The Applicant has indicated that the subject property will be exempt from the comparable market rent cap on the contract rents due to the non-HUD/FHA insured mortgage proposed. This was not confirmed with supporting documentation; therefore, receipt, review, and acceptance, by closing, of documentation confirming that the contract rents for the subject property can exceed the comparable market rents per HUD guidelines is a condition of this report.

Assuming that above market contract rents can be secured, the HAP contract indicates two mechanisms for increases in the contract rents: (1) increases based on the Operating Cost Adjustment Factor (OCAF); or (2) budget-based rent increases. The OCAF is applied to the current contract rent less the debt service attributed to each unit. Therefore, the 5.1% 2008 OCAF is likely to allow for a 2.54% increase over the current rents after debt service is considered (the 2008 OCAF is effective Feb 2008). The Underwriter ran a sensitivity analysis on the minimum rent increase needed in order to maintain financial feasibility and determined that the property needs at least a 9.5% increase over the current HAP contract rents.

Based on the recent historical OCAF increases, the HUD is unlikely to approve a 2009 OCAF large enough to achieve the full 9.5% increase over the current contract rents during 2009. Therefore, the Applicant may be required to seek a budget-based rent increase in order to ensure that the total increase amounts to the 9.5% required for financial feasibility. The HUD budget-based increase guidelines indicate that the "original" debt service can be expensed for the purpose of determining a budget-based increase in the contract rents. The property had an original 221(d)(4) mortgage of \$4,128,100, and it is unclear if this lower original debt amount will adversely affect the Applicant's ability to support the rent increase needed as the terms of the original financing were not provided.

The Underwriter contacted the HAP Contract Administrator and confirmed that similar increases in HAP contract rents had been recently approved for properties rehabilitated and restructured with conventional debt, although no opinion regarding the subject property was given. Due to the large contract rent increase needed, receipt, review, and acceptance, by cost certification, of approval of an increase over the current HAP contract rents of at least 9.5% is a condition of this report.

The Applicant has included typical secondary income of \$15 per unit per month, which is in line with Department standards. Therefore, the Underwriter has used secondary income of \$15 per unit per month. The Underwriter has used vacancy and collection loss of 5% due to the maintenance of the existing HAP contract and the current 94% occupancy.

The Applicant's effective gross income estimate is within 5% of the Underwriter's.

Expense:    Number of Revisions:        0        Date of Last Applicant Revision:      N/A  

The Applicant has indicated total expenses of \$4,266 per unit which is within 5% of the Underwriter's estimate of \$4,305 per unit derived from actual 2005 and 2006 operations of the development, the TDHCA database, IREM, and other sources.

The Underwriter relied heavily on the 2005 and 2006 audited financial statements to derive a number of the estimates, particularly utility and water, sewer and trash costs. It should be noted that the Underwriter's and Applicant's estimates are each well below the actual operations based on the financials provided. However, the Underwriter expects that some additional efficiency may be achieved by bringing in a new owner and the Applicant provided solid information to support the lower projected operating costs.

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Conclusion:

The Applicant's estimates of effective gross income, total expense, and net operating income are each within 5% of the Underwriter's estimates. Therefore, the Applicant's Year One proforma will be used to determine the development's debt capacity and debt coverage ratio (DCR). The proforma results in a DCR within the Department's current guideline of 1.15 to 1.35.

Feasibility:

The underwriting 30-year proforma utilizes a 3% annual growth factor for income and a 4% growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Applicant's base year effective gross income, expense and net operating income were utilized, and after necessary adjustments to the terms and/or amounts of the anticipated debt, the 30-year proforma reflects a debt coverage ratio that remains above 1.15 and continued positive cashflow. Therefore, the development can be characterized as feasible.

ACQUISITION INFORMATION

APPRAISED VALUE

Table with 3 columns: Item, Value, As of. Rows include Provider (Integra Realty Resources), Date (11/15/2007), Number of Revisions (0), Date of Last Applicant Revision (N/A), Land Only (9.36 acres, \$610,000), Existing Buildings (as-is, \$3,650,000), HAP Contract (\$696,000), Cash Reserves (\$444,000), and Total Development (as-is, \$6,010,000).

ASSESSED VALUE

Table with 3 columns: Item, Value, Tax Year/Valuation by/Tax Rate. Rows include Land Only (9.36 acres, \$203,860), Existing Buildings (\$1,714,700), Total Assessed Value (\$1,918,560), Tax Year (2006), Valuation by (Jefferson CAD), and Tax Rate (2.727382).

EVIDENCE of PROPERTY CONTROL

Form with fields for Type (Purchase Agreement with Four Amendments), Acreage (N/A), Contract Expiration (3/31/2008), Valid Through Board Date (Yes/No), Acquisition Cost (\$5,400,000), Other, Seller (Park Shadows Apartments, Ltd), and Related to Development Team? (Yes/No).

Comments: The First Amendment to the Purchase Agreement indicates that closing is contingent upon a simultaneous closing of the subject and Seville Row Apartments, which has also been underwritten for 4% HTCs. As such, this report is conditioned upon the approval of a tax credit allocation for Seville Row Apartments (TDHCA #08409).

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## CONSTRUCTION COST ESTIMATE EVALUATION

*COST SCHEDULE* Number of Revisions: 1 Date of Last Applicant Revision: 2/21/2008

### Acquisition Value:

As indicated above, the subject transaction originally submitted application in 2007. At this time the acquisition was structured to include a \$1,425,000 below-market seller note. The inclusion of the seller note resulted in an inflated purchase price which increased eligible acquisition basis and the requested 4% tax credit amount. However, staff expressed significant concerns about the structure of the transfer due to the inflation of the tax credit amount. Subsequently, the Applicant and seller negotiated a revised purchase price that excludes any seller financing and that reflects a \$1,425,000 decrease in the acquisition price. The revised purchase price is documented in the Second Amendment to the Purchase Agreement.

According to the purchase agreement and amendments, the majority of the purchase price will consist of the transfer of the existing first lien on the property. The Applicant has indicated that covenants in the existing note prevent prepayment of the existing first lien until September 2009. At that time, the mortgage can be extinguished but such action will result in a prepayment penalty at that time. Based on the application information, the estimated outstanding balance on the note is \$3,916,169. The remainder of the \$5,400,000 contract price will consist of cash at closing and already escrowed funds.

According to the Applicant, the loan will be assumed at closing at which time a Guaranteed Investment Contract will be funded with the tax-exempt bonds. The interest income from the GIC will go to pay principal and interest while the assumed loan is outstanding (until September 2009). Additionally, the Applicant has included approximately \$165K in "defeasance costs" that will go to pay any principal and interest on the assumed first lien that is not covered by the GIC income. In late 2009 the assumed loan will be extinguished using the bonds and a portion of the \$165K will go to pay prepayment penalties.

Due to the structure of the transaction, it is unclear if the IRS would consider the housing of the bonds for future payment of the assumed permanent loan to go directly to the acquisition of the buildings. Specifically, the structure suggests that a majority of the bond proceeds will be used to extinguish an existing first lien at a future date rather than to directly fund the acquisition. It is also slightly different from the typical structure of financing the acquisition with a conventional interim loan and then extinguishing the interim loan with bond proceeds. The structure as presented is untested in Texas as far as the Underwriter can determine. If the bonds are not going to fund the acquisition then the 50% test for the bonds may present a real risk.

In order for the development to be eligible for 4% HTC's, the tax exempt bonds must amount to more than 50% of the aggregate basis of the transaction. In some cases, IRS private letter rulings have suggested the 50% test should be applied to the acquisition and rehabilitation separately. For the subject transaction, if the bonds are not considered to fund the acquisition and the 50% test is applied to the acquisition separate from the rehabilitation, then the application may not qualify for a 4% tax credit allocation.

When the transaction was underwritten originally in 2007, the Underwriter presented these concerns to the Applicant and requested a legal opinion addressing this matter. The legal opinion suggests that the structure of the transaction would satisfy the 50% test because the test should be applied to the entire aggregate basis (not separately to acquisition and rehabilitation) and that the bond closing documents will specifically and explicitly reserve a portion of the bond proceeds for acquisition. The letter states, "It will be clear from the bond documents that a portion of the bond proceeds must be used to finance the acquisition of the Development through reimbursement or repayment of the advances made under the Existing Mortgage" (letter dated 12/4/2007).

Despite the concerns expressed above, the Underwriter has accepted the legal opinion but also maintains that the structure is a risk associated with this transaction.

The Applicant has indicated that the existing reserve balance will transfer with the property. This amount has been estimated at \$435,898, which is consistent with the latest audited financial statements provided. This balance will be maintained by the partnership and has therefore also been reflected as a comparable source and use of funds. The reserve balance is not included in the contract price.

For determination of eligible basis, the Applicant has calculated the eligible building value as the contract price less the assessed land value (\$5,400,000 - 203,860). The Underwriter has applied the ratio of appraised land value to total value (12.31%) to the contract price of \$5,400,000 to derive an eligible building value of \$4,735,351.

**Sitework Cost:**

The Applicant has estimated sitework costs of \$1,656 per unit which is slightly less than the property condition assessment (PCA) value of \$1,667 per unit. Per the Department's guidelines, the Underwriter has used the PCA estimate.

**Direct Construction Cost:**

The Applicant's direct construction cost estimate is 0.25% higher than the Underwriter's cost estimate derived from the revised PCA provided by the Applicant. The revised PCA estimate appears to be based on the scope of work provided by the developer.

**Imputed Interest Expense:**

The Applicant's cost schedule reflects that imputed interest expense on the LP equity contributions and a small amount of operating expenses incurred during construction will be included as an eligible cost to the development. As such, the Applicant has included \$424,482 in eligible basis for these costs. The Underwriter has treated this cost as eligible interim interest expense. The \$424K is within the Department's maximum eligible interest expense of one-year of fully drawn interest on the construction financing.

**Contingency & Fees:**

The Applicant has allocated developer fees between the acquisition and the rehabilitation disproportionately. This results in a 30% boost on a portion of the developer fee that should be attributed to the acquisition. The Underwriter has adjusted the allocation of developer fees according to the Department's guidelines.

**Conclusion:**

The Underwriter's cost schedule was derived from the revised third-party Property Condition Assessment (PCA) provided by the Applicant and the information presented in the application. The revised PCA was well documented and appeared to cover the scope of work provided by the Applicant. Thus, the Underwriter's development cost schedule, as derived from the revised PCA, will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$11,927,624 supports annual tax credits of \$504,949. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

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**FINANCING STRUCTURE**

*SOURCES & USES* Number of Revisions: 2 Date of Last Applicant Revision: 2/22/2008

Issuer: Jefferson County HFC  
 Source: Dougherty & Company, LLC Type: Interim to Permanent Bond Financing

Tax-Exempt: \$6,950,000 Interest Rate: 6.0%  Fixed Amort: 420 months

Comments:

The Applicant has a reservation of tax-exempt Mortgage Revenue Bonds for up to \$8,500,000. The lender's commitment and Applicant's revised sources and uses of funds indicate that \$6,950,000 will be utilized. The interest rate is estimated; the actual rate is subject to market conditions at the time of the sale. Any increase in the actual interest rate could have a significant impact on the viability of the transaction. The proforma reflects a DCR close to the underwriting minimum of 1.15 and 100% of the developer fee and contractor fees are projected to be deferred based on the Underwriter's evaluation. Therefore, an increase in the interest rate could decrease the development's capacity to service debt and increase the financing gap to a level that cannot be satisfied by additional deferral of fees.

Source: Dominium Management Services Type: Permanent Financing

Principal: \$60,000 Interest Rate: 0.0%  Fixed Amort: 240 months

Comments:

As a result of the significant gap in financing the Applicant has provided an additional source of funds in the form of a 0% interest loan from Dominion Management Services, which is the proposed management company and a related party in this transaction. The Applicant has indicated that Dominion Management routinely provides this type of gap financing for developments in other states, although generally to satisfy selection criteria. Without this source of favorable financing the transaction would fail to meet the Department's underwriting guidelines.

Source: Alliant Type: Syndication

Proceeds: \$4,456,630 Syndication Rate: 90% Anticipated HTC: \$495,280

Comments:

The Applicant originally anticipated a syndication rate of 97% and provided a commitment from Richman Ohio Affordable Housing with the application. Subsequently, the Applicant has indicated that pricing has declined significantly. An updated letter from Alliant reflecting a syndication rate of 90% was provide during underwriting. Based on the current economic environment, this new credit price is still at the high end of current levels. The Underwriter has performed a sensitivity test and determined that any decrease in the credit price would increase the gap in financing and the transaction would fail to meet the Department's feasibility criteria. In phone correspondence with the Underwriter the Applicant indicated that they will be locking this pricing if possible. Receipt, review, and acceptance, by closing, of documentation that the Applicant has locked a syndication price of \$0.90 per dollar of credit is a condition of this report.

Amount: \$388,482 Type: Capitalized Operations

Comments:

The Applicant has included imputed interest expense and a small amount of capitalized expenses incurred during rehabilitation in the development costs as an eligible substitute for eligible interest expense. The Applicant has included \$388,482 as a source of funds and \$424,482 as an eligible use of funds. The inclusion of the imputed expenses as a source of funds implies that an actual cost will not be incurred and therefore a phantom source should offset the phantom imputed expense. The Underwriter has not included this as a source of funds and has treated the amount claimed as a development cost as eligible interest expense actually incurred.

Amount: \$20,068 Type: GIC/Interest Income

Comments:

The Applicant has included GIC interest income from the bonds during the construction period. The estimated income from this source is relatively small due to the large portion of the bonds that will be utilized to purchase the property prior to construction. The Underwriter has blended this source with developer fee to be deferred due to the risk associated with projected future interest earnings.

Amount: \$435,898 Type: Existing Reserves

Comments:

The existing reserve account will be transferred to the partnership at closing. The Applicant has included the estimated existing reserve balance as both a source and use of funds. Therefore, the reserve account has no net effect on the transaction. The balance indicated is consistent with the audited financial statements provided.

Amount: \$1,935,606 Type: Deferred Fees

### CONCLUSIONS

Recommended Financing Structure:

The Underwriter's total development cost estimate less the estimated permanent loan of \$6,950,000 and \$435,898 in cash reserves indicates the need for \$6,804,598 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$756,217 annually would be required to fill this gap in financing. Of the three possible tax credit allocations, Applicant's revised request (\$517,131), the gap-driven amount (\$756,217), and eligible basis-derived estimate (\$504,949), the eligible basis-derived estimate of \$504,949 is recommended. The resulting syndication proceeds would be \$4,543,630 based on a syndication rate of 90%.

The Underwriter's recommended financing structure indicates the need for \$2,200,968 in additional permanent funds. This amount is in excess of the available developer fee; however, if the general contractor is willing to defer a portion of the contractor fee, the \$2,200,968 in deferred developer and contractor fees is projected to be repayable within 15 years of stabilized operation. This amounts to 99.9% of the available contractor and developer fees, which is a concern of the Underwriter's. In addition, if the syndicator requires repayment of deferred fees over a period less than the Department's 15 year requirement, the viability of the transaction may be jeopardized.

When underwritten in 2007, the Applicant provided a signed letter from the third-party contractor indicating that the contractor is willing to defer contractor fee for the subject development, if necessary, in order to balance the overall development budget. However, such a letter was not provided for the 2008 application. Therefore, receipt, review, and acceptance, by closing, of confirmation that the third-party contractor is willing defer up to 100% of the contractor fees is a condition of this report.

Additionally, the bonds must exceed 50% of the depreciable basis plus land (aggregate basis). Based upon the Applicant's projected costs, the Underwriter estimates the PAB bonds amount to be approximately 52% of aggregate basis. Based upon the Underwriter's costs, the NOI supported bond amount is approximately 53% of aggregate basis. If the final bond amount is reduced by \$300,000 or more or development costs increase by \$600,000 or more, the development will no longer meet the 50% test. Therefore, receipt, review, and acceptance, by cost certification, of documentation that the permanent phase tax-exempt bonds amount to greater than 50% aggregate basis as required by IRC Section 42(h)(4)(B) is a condition of this report.

Underwriter: \_\_\_\_\_ Date: 2/26/2008

*Cameron Dorsey*

Reviewing Underwriter: \_\_\_\_\_ Date: 2/26/2008

*Raquel Morales*

Director of Real Estate Analysis: \_\_\_\_\_ Date: 2/26/2008

*Tom Gouris*

**MULTIFAMILY COMPARATIVE ANALYSIS**

**Park Shadows Apartments, Beaumont, 4% HTC #08408**

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Rent Collected		Rent per Month	Rent per SF	Tnt-Pd Util	WS&T
TC 60%/HAP	40	1	1	618	\$569	\$583		\$23,320	\$0.94	\$55.00	\$47.00
TC 60%/HAP	62	2	1	767	682	664		41,193	0.87	89.00	56.00
TC 60%/HAP	44	3	1.5	993	789	789		34,703	0.79	89.00	65.00
TC 60%/HAP	4	4	2	1,108	880	842		3,366	0.76	155.00	75.00
<b>TOTAL:</b>	<b>150</b>		<b>AVERAGE:</b>	<b>803</b>		<b>\$684</b>		<b>\$102,582</b>	<b>\$0.85</b>	<b>\$81.69</b>	<b>\$56.75</b>

<b>INCOME</b>				Total Net Rentable Sq Ft:	120,398	<b>TDHCA</b>	<b>TDHCA 2007</b>	<b>APP 2007</b>	<b>APPLICANT</b>	<b>COUNTY</b>	<b>IREM REGION</b>	<b>COMPT. REGION</b>	
<b>POTENTIAL GROSS RENT</b>						\$1,230,979	\$1,230,979	\$1,092,312	\$1,092,312	Jefferson		5	
Secondary Income		Per Unit Per Month:	\$15.00		27,000	27,000	13,500	27,000	\$15.00	Per Unit Per Month			
GIC/Interest Income					0	0	21,192	0	\$0.00	Per Unit Per Month			
HAP Subsidy					0	0	131,952	138,672	\$77.04	Per Unit Per Month			
<b>POTENTIAL GROSS INCOME</b>						\$1,257,979	\$1,257,979	\$1,258,956	\$1,257,984				
Vacancy & Collection Loss		% of Potential Gross Income:	-5.00%		(62,899)	(62,899)	(61,212)	(61,548)	-4.89%	of Potential Gross Income			
Employee or Other Non-Rental Units or Concessions					0	0	0	0					
<b>EFFECTIVE GROSS INCOME</b>						\$1,195,080	\$1,195,080	\$1,197,744	\$1,196,436				
<b>EXPENSES</b>				% OF EGI	PER UNIT	PER SQ FT	<b>TDHCA</b>	<b>TDHCA 2007</b>	<b>APP 2007</b>	<b>APPLICANT</b>	<b>PER SQ FT</b>	<b>PER UNIT</b>	<b>% OF EGI</b>
General & Administrative		3.67%	\$292	0.36	\$43,846	\$43,846	\$31,500	\$43,846	\$0.36	\$292	0.36	3.66%	
Management		5.00%	398	0.50	59,754	59,754	59,887	53,839	0.45	359	0.45	4.50%	
Payroll & Payroll Tax		12.96%	1,033	1.29	154,937	154,937	177,500	154,937	1.29	1,033	1.29	12.95%	
Repairs & Maintenance		7.00%	558	0.69	83,665	83,665	82,500	83,665	0.69	558	0.69	6.99%	
Utilities		4.04%	322	0.40	48,296	48,296	40,274	48,295	0.40	322	0.40	4.04%	
Water, Sewer, & Trash		7.52%	599	0.75	89,834	89,834	81,768	89,834	0.75	599	0.75	7.51%	
Property Insurance		3.61%	287	0.36	43,094	43,094	43,094	43,094	0.36	287	0.36	3.60%	
Property Tax	2.727382	5.13%	409	0.51	61,366	61,366	52,236	61,366	0.51	409	0.51	5.13%	
Reserve for Replacements		3.77%	300	0.37	45,000	45,000	45,000	45,000	0.37	300	0.37	3.76%	
TDHCA Compliance Fees		0.50%	40	0.05	6,000	6,000	6,000	6,000	0.05	40	0.05	0.50%	
Other: Security		0.84%	67	0.08	10,000	10,000	10,000	10,000	0.08	67	0.08	0.84%	
<b>TOTAL EXPENSES</b>				54.04%	\$4,305	\$5.36	\$645,791	\$645,791	\$629,759	\$639,877	\$5.31	\$4,266	53.48%
<b>NET OPERATING INC</b>				45.96%	\$3,662	\$4.56	\$549,289	\$549,289	\$567,985	\$556,559	\$4.62	\$3,710	46.52%
<b>DEBT SERVICE</b>							<b>TDHCA</b>	<b>TDHCA 2007</b>	<b>APP 2007</b>	<b>APPLICANT</b>			
Mortgage Revenue Bonds		39.79%	\$3,170	\$3.95	\$475,538	\$482,577	\$455,102	\$482,560	\$4.01	\$3,217	\$4.01	40.33%	
Related Party Loan		0.25%	\$20	\$0.02	3,000	0	0	0	\$0.00	\$0	\$0.00	0.00%	
Additional Financing		0.00%	\$0	\$0.00	0	0	0	0	\$0.00	\$0	\$0.00	0.00%	
<b>NET CASH FLOW</b>				5.92%	\$472	\$0.59	\$70,751	\$66,712	\$112,883	\$74,000	\$0.61	\$493	6.18%
<b>AGGREGATE DEBT COVERAGE RATIO</b>						1.15	1.14	1.25	1.15				
<b>RECOMMENDED DEBT COVERAGE RATIO</b>								1.18	1.16				

<b>CONSTRUCTION COST</b>					<b>TDHCA</b>	<b>TDHCA 2007</b>	<b>APP 2007</b>	<b>APPLICANT</b>	<b>PER SQ FT</b>	<b>PER UNIT</b>	<b>% of TOTAL</b>		
Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	\$6,054,317	\$6,053,402	\$6,053,402	\$6,054,317	\$50.29	\$40,362	42.50%		
Acquisition Cost (site or bldg)		42.66%	\$40,362	\$50.29	0	0	0	0	0.00	0	0.00%		
Off-Sites		0.00%	0	0.00	250,000	250,000	248,429	248,429	2.06	1,656	1.74%		
Stework		1.76%	1,667	2.08	3,900,000	3,900,000	3,890,329	3,890,329	32.31	25,936	27.31%		
Direct Construction		27.48%	26,000	32.39	206,938	242,938	242,938	206,938	1.72	1,380	1.45%		
Contingency	4.99%	1.46%	1,380	1.72	579,425	579,425	579,425	579,425	4.81	3,863	4.07%		
Contractor's Fees	13.96%	4.08%	3,863	4.81	228,500	228,500	228,500	228,500	1.90	1,523	1.60%		
Indirect Construction		1.61%	1,523	1.90	444,441	441,146	441,146	444,441	3.69	2,963	3.12%		
Ineligible Costs		3.13%	2,963	3.69	1,555,777	1,560,367	1,627,798	1,623,209	13.48	10,821	11.39%		
Developer's Fees	15.00%	10.96%	10,372	12.92	471,633	466,230	466,230	471,633	3.92	3,144	3.31%		
Interim Financing		3.32%	3,144	3.92	499,465	489,868	489,868	499,465	4.15	3,330	3.51%		
Reserves		3.52%	3,330	4.15	\$14,190,496	\$14,211,876	\$14,268,065	\$14,246,686	\$118.33	\$94,978	100.00%		
<b>TOTAL COST</b>				100.00%	\$94,603	\$117.86							
<b>Construction Cost Recap</b>				34.79%	\$32,909	\$41.00	\$4,936,363	\$4,972,363	\$4,961,121	\$4,925,121	\$40.91	\$32,834	34.57%

<b>SOURCES OF FUNDS</b>				<b>RECOMMENDED</b>						
Mortgage Revenue Bonds	48.98%	\$46,333	\$57.73	\$6,950,000	\$6,850,000	\$6,850,000	\$6,950,000	\$6,950,000	Developer Fee Available	
Related Party Loan	0.42%	\$400	\$0.50	60,000	0	0	60,000	60,000	\$1,623,209	
Existing Reserves	3.07%	\$2,906	\$3.62	435,898	435,898	435,898	435,898	435,898	Contractor Fee Available	
HTC Syndication Proceeds	31.41%	\$29,711	\$37.02	4,456,630	4,940,730	4,940,730	4,456,630	4,543,630	\$579,425	
GIC/Interest Income	0.00%	\$0	\$0.00	0	0	24,324	20,068	0		
Capitalized Operations	0.00%	\$0	\$0.00	0	0	386,560	388,482	0	% of Dev. Fee Deferred	
Deferred Developer Fees	13.64%	\$12,904	\$16.08	1,935,606	1,612,803	1,612,803	1,935,606	2,200,968	136%	
Additional (Excess) Funds Req'd	2.48%	\$2,349	\$2.93	352,362	372,445	17,750	2	0	15-Yr Cumulative Cash Flow	
<b>TOTAL SOURCES</b>					\$14,190,496	\$14,211,876	\$14,268,065	\$14,246,686	\$14,190,496	\$2,259,734

**MULTIFAMILY COMPARATIVE ANALYSIS (continued)**

*Park Shadows Apartments, Beaumont, 4% HTC #08408*

**PAYMENT COMPUTATION**

<b>Primary</b>	\$6,950,000	Amort	420
Int Rate	6.000%	DCR	1.16

<b>Secondary</b>	\$60,000	Amort	
Int Rate		Subtotal DCR	1.15

<b>Additional</b>	\$4,456,630	Amort	
Int Rate		Aggregate DCR	1.15

**RECOMMENDED FINANCING STRUCTURE APPLICANT'S NOI:**

Primary Debt Service	\$475,538
Secondary Debt Service	3,000
Additional Debt Service	0
<b>NET CASH FLOW</b>	<b>\$78,021</b>

<b>Primary</b>	\$6,950,000	Amort	420
Int Rate	6.000%	DCR	1.17

<b>Secondary</b>	\$60,000	Amort	240
Int Rate	0.00%	Subtotal DCR	1.16

<b>Additional</b>	\$4,456,630	Amort	0
Int Rate	0.00%	Aggregate DCR	1.16

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

INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$1,092,312	\$1,125,081	\$1,158,834	\$1,193,599	\$1,229,407	\$1,425,219	\$1,652,220	\$1,915,376	\$2,574,105
Secondary Income	27,000	27,810	28,644	29,504	30,389	35,229	40,840	47,345	63,627
GIC Interest Income	0	0	0	0	0	0	0	0	0
HAP Subsidy	138,672	142,832	147,117	151,531	156,077	180,936	209,754	243,162	326,790
POTENTIAL GROSS INCOME	1,257,984	1,295,724	1,334,595	1,374,633	1,415,872	1,641,384	1,902,814	2,205,883	2,964,522
Vacancy & Collection Loss	(61,548)	(64,786)	(66,730)	(68,732)	(70,794)	(82,069)	(95,141)	(110,294)	(148,226)
Employee or Other Non-Rental Unit	0	0	0	0	0	0	0	0	0
<b>EFFECTIVE GROSS INCOME</b>	<b>\$1,196,436</b>	<b>\$1,230,937</b>	<b>\$1,267,865</b>	<b>\$1,305,901</b>	<b>\$1,345,078</b>	<b>\$1,559,315</b>	<b>\$1,807,673</b>	<b>\$2,095,588</b>	<b>\$2,816,296</b>
EXPENSES at 4.00%									
General & Administrative	\$43,846	\$45,600	\$47,424	\$49,321	\$51,294	\$62,407	\$75,927	\$92,377	\$136,740
Management	53,839	55,392	57,054	58,765	60,528	70,169	81,345	94,301	126,733
Payroll & Payroll Tax	154,937	161,134	167,580	174,283	181,254	220,524	268,301	326,429	483,195
Repairs & Maintenance	83,665	87,012	90,492	94,112	97,876	119,081	144,881	176,270	260,922
Utilities	48,295	50,227	52,236	54,326	56,499	68,739	83,632	101,751	150,617
Water, Sewer & Trash	89,834	93,427	97,164	101,051	105,093	127,862	155,563	189,267	280,161
Insurance	43,094	44,818	46,610	48,475	50,414	61,336	74,625	90,793	134,395
Property Tax	61,366	63,821	66,373	69,028	71,790	87,343	106,266	129,289	191,379
Reserve for Replacements	45,000	46,800	48,672	50,619	52,644	64,049	77,925	94,808	140,339
Other	16,000	16,640	17,306	17,998	18,718	22,773	27,707	33,710	49,898
<b>TOTAL EXPENSES</b>	<b>\$639,877</b>	<b>\$664,871</b>	<b>\$690,912</b>	<b>\$717,978</b>	<b>\$746,109</b>	<b>\$904,283</b>	<b>\$1,096,172</b>	<b>\$1,328,993</b>	<b>\$1,954,379</b>
<b>NET OPERATING INCOME</b>	<b>\$556,559</b>	<b>\$566,067</b>	<b>\$576,954</b>	<b>\$587,924</b>	<b>\$598,969</b>	<b>\$655,032</b>	<b>\$711,501</b>	<b>\$766,595</b>	<b>\$861,917</b>
DEBT SERVICE									
First Lien Financing	\$475,538	\$475,538	\$475,538	\$475,538	\$475,538	\$475,538	\$475,538	\$475,538	\$475,538
Second Lien	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Other Financing	0	0	0	0	0	0	0	0	0
<b>NET CASH FLOW</b>	<b>\$78,021</b>	<b>\$87,528</b>	<b>\$98,416</b>	<b>\$109,386</b>	<b>\$120,431</b>	<b>\$176,494</b>	<b>\$232,963</b>	<b>\$288,057</b>	<b>\$383,378</b>
DEBT COVERAGE RATIO	1.16	1.18	1.21	1.23	1.25	1.37	1.49	1.60	1.80

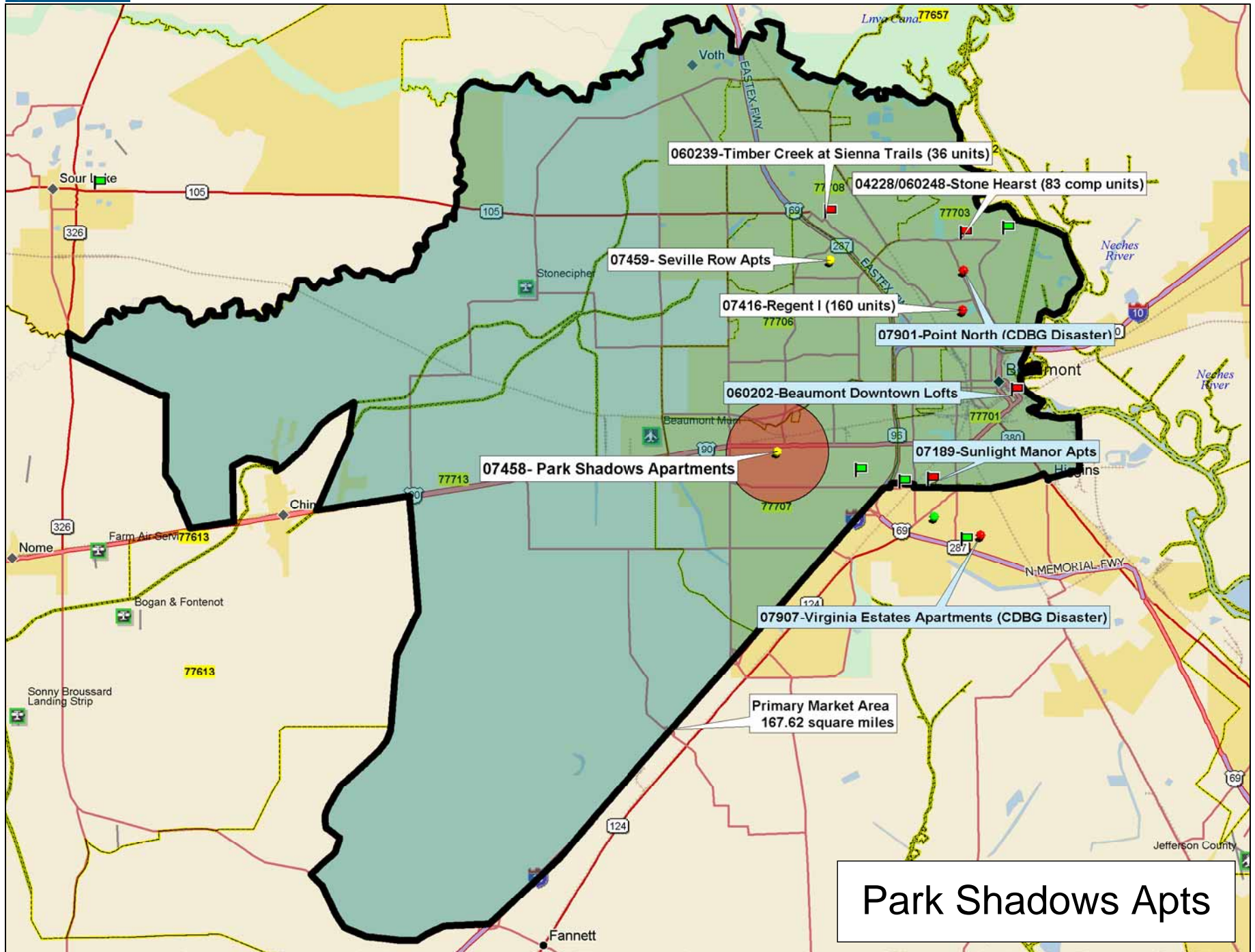


**HTC ALLOCATION ANALYSIS -Park Shadows Apartments, Beaumont, 4% HTC #08408**

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S ACQUISITION ELIGIBLE BASIS	TDHCA ACQUISITION ELIGIBLE BASIS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
<b>Acquisition Cost</b>						
Purchase of land	\$858,177	\$1,318,966				
Purchase of buildings	\$5,196,140	\$4,735,351	\$5,196,140	\$4,735,351		
<b>Off-Site Improvements</b>						
<b>Sitework</b>	\$248,429	\$250,000			\$248,429	\$250,000
<b>Construction Hard Costs</b>	\$3,890,329	\$3,900,000			\$3,890,329	\$3,900,000
<b>Contractor Fees</b>	\$579,425	\$579,425			\$579,425	\$579,425
<b>Contingencies</b>	\$206,938	\$206,938			\$206,938	\$206,938
<b>Eligible Indirect Fees</b>	\$228,500	\$228,500			\$228,500	\$228,500
<b>Eligible Financing Fees</b>	\$471,633	\$471,633			\$471,633	\$471,633
<b>All Ineligible Costs</b>	\$444,441	\$444,441				
<b>Developer Fees</b>				\$710,303		\$845,474
Developer Fees	\$1,623,209	\$1,555,777	\$779,421		\$843,788	
<b>Development Reserves</b>	\$499,465	\$499,465				
<b>TOTAL DEVELOPMENT COSTS</b>	<b>\$14,246,686</b>	<b>\$14,190,496</b>	<b>\$5,975,561</b>	<b>\$5,445,654</b>	<b>\$6,469,042</b>	<b>\$6,481,970</b>

<b>Deduct from Basis:</b>						
All grant proceeds used to finance costs in eligible basis						
B.M.R. loans used to finance cost in eligible basis						
Non-qualified non-recourse financing						
Non-qualified portion of higher quality units [42(d)(3)]						
Historic Credits (on residential portion only)						
<b>TOTAL ELIGIBLE BASIS</b>			\$5,975,561	\$5,445,654	\$6,469,042	\$6,481,970
High Cost Area Adjustment					130%	130%
<b>TOTAL ADJUSTED BASIS</b>			\$5,975,561	\$5,445,654	\$8,409,755	\$8,426,562
Applicable Fraction			100%	100%	100%	100%
<b>TOTAL QUALIFIED BASIS</b>			\$5,975,561	\$5,445,654	\$8,409,755	\$8,426,562
Applicable Percentage			3.64%	3.64%	3.64%	3.64%
<b>TOTAL AMOUNT OF TAX CREDITS</b>			\$217,510	\$198,222	\$306,115	\$306,727

<b>Syndication Proceeds</b>	<b>0.8998</b>	<b>\$1,957,203</b>	<b>\$1,783,640</b>	<b>\$2,754,486</b>	<b>\$2,759,990</b>
<b>Total Tax Credits (Eligible Basis Method)</b>				<b>\$523,625</b>	<b>\$504,949</b>
<b>Syndication Proceeds</b>				<b>\$4,711,688</b>	<b>\$4,543,630</b>
<b>Requested Tax Credits</b>				<b>\$517,131</b>	
<b>Syndication Proceeds</b>				<b>\$4,653,250</b>	
<b>Gap of Syndication Proceeds Needed</b>				<b>\$6,860,788</b>	<b>\$6,804,598</b>
<b>Total Tax Credits (Gap Method)</b>				<b>\$762,462</b>	<b>\$756,217</b>



# Park Shadows Apts

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# Applicant Evaluation

Project ID # **08408**

Name: **Park Shadow Apartments**

City: **Beaumont**

LIHTC 9%     LIHTC 4%     HOME     BOND     HTF     SECO     ESGP     Other   
 No Previous Participation in Texas                       Members of the development team have been disbarred by HUD

National Previous Participation Certification Received:     N/A                       Yes                       No

Noncompliance Reported on National Previous Participation Certification:     Yes                       No

## Portfolio Management and Compliance

Total # of Projects monitored:   0  

Projects in Material Noncompliance

# in noncompliance:   0  

Projects zero to nine:   0    
 grouped ten to nineteen:   0    
 by score twenty to twenty-nine:   0  

Yes                       No

# monitored with a score less than thirty:   0  

Projects not reported Yes   
 in application No

# not yet monitored or pending review:   0  

# of projects not reported   0  

### Contract Monitoring

### Single Audit

Monitoring review not applicable   
 Review found no unresolved issues   
 HOME RHD outstanding monitoring issues   
 Audit finding or questioned/disallowed costs -  
 in corrective action period   
 Unresolved audit finding or questioned/  
 disallowed costs (comments attached)

Single audit review not applicable   
 Single audit review found no unresolved issues   
 Late certification (comments attached)   
 Past due single audit or unresolved single  
 audit issue (comments attached)

Reviewer: Wendy Quackenbush                      Date 2/14/2008

### **Multifamily Finance Production**

Not applicable   
 Review pending   
 No unresolved issues   
 Unresolved issues found   
 Unresolved issues found that  
 warrant disqualification  
 (Comments attached)

Reviewer Shannon Roth  
 Date 2/19/2008

### **HOME**

Not applicable   
 Review pending   
 No unresolved issues   
 Unresolved issues found   
 Unresolved issues found that  
 warrant disqualification  
 (Comments attached)

Reviewer Lora Lange  
 Date 2/13/2008

### **Real Estate Analysis (Workout)**

Not applicable   
 Review pending   
 No unresolved issues   
 Unresolved issues found   
 Unresolved issues found that  
 warrant disqualification  
 (Comments attached)

Reviewer D. Burrell  
 Date 2/19/2008

### **Community Affairs**

No relationship   
 Review pending   
 No unresolved issues   
 Unresolved issues found   
 Unresolved issues found that  
 warrant disqualification  
 (Comments attached)

Reviewer AMO  
 Date 2/14/2008

### **Office of Colonia Initiatives**

Not applicable   
 Review pending   
 No unresolved issues   
 Unresolved issues found   
 Unresolved issues found that  
 warrant disqualification  
 (Comments attached)

Reviewer RAUL GONZALES  
 Date 2/13/2008

### **Financial Administration**

No delinquencies found   
 Delinquencies found   
 (Comments attached)

Reviewer Melissa M. Whitehead  
 Date 2/12/2008

**MULTIFAMILY FINANCE PRODUCTION DIVISION**  
**BOARD ACTION REQUEST**  
**March 13, 2008**

**Action Item**

Presentation, Discussion and Possible Issuance of Determination Notices for Housing Tax Credits associated with Mortgage Revenue Bond Transactions with other Issuers.

**Requested Action**

Approve, Amend or Deny the staff recommendation for Seville Row Apartments, #08409.

**Summary of the Transaction**

*Background and General Information:* The application was received on January 11, 2008. The Issuer for this transaction is Jefferson County HFC with a reservation of allocation that expires on July 12, 2008. The development consists of the acquisition and rehabilitation of 90 total units targeting the elderly population and 100% of the units are proposed to be restricted at 60% AMFI. The proposed development will be located in Beaumont, Jefferson County. The site is currently zoned for this type of development.

Staff notes this Development was presented before the Board in December 2007 and approved; however, the Applicant was unable to close the bond transaction due to timing issues with the financing parties.

*Organizational Structure and Compliance:* The Borrower is Beaumont Leased Housing Associates II, L.P. and the General Partner is Beaumont Leased Housing Associates II, LLC, of which David L. Brierton has 20% ownership interest, Jack W. Safar has 20% ownership interest, Armand E. Brachman has 20% ownership interest, Paul R. Sween has 20% ownership interest and Mark S. Moorhouse has 20% ownership interest. The Compliance Status Summary completed on February 19, 2008 reveals that the principals of the general partner do not have any properties that have been monitored by the Department.

*Census Demographics:* The development is to be located at 4325 Crow Road Beaumont. Demographics for the census tract (3.01) include AMFI of \$68,432; the total population is 7,027; the percent of population that is minority is 30.35%; the percent of population that is below the poverty line is 8.01%; the number of owner occupied units is 1,553; the number of renter units is 1,810 and the number of vacant units is 253. (Census information from FFIEC Geocoding for 2007).

*Public Comment:* The Department has received no letters of support and no letters of opposition.

**Recommendation**

Staff recommends the Board approve the issuance of a Determination Notice of \$300,616 in Housing Tax Credits for Seville Row Apartments.



**MULTIFAMILY FINANCE PRODUCTION DIVISION**  
**March 13, 2008**  
**Development Information, Public Input and Board Summary**  
**Seville Row Apartments, TDHCA Number 08409**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 4325 Crow Road Development #: 08409  
 City: Beaumont Region: 5 Population Served: Elderly  
 County: Jefferson Zip Code: 77706 Allocation: Urban  
 HOME Set Asides:  CHDO  Preservation  General Purpose/Activity: ACQ/R  
 Bond Issuer: Jefferson County HFC

HTC Purpose/Activity: NC=New Construction, ACQ=Acquisition, R=Rehabilitation, NC/ACQ=New Construction and Acquisition, NC/R=New Construction and Rehabilitation, ACQ/R=Acquisition and Rehabilitation

**OWNER AND DEVELOPMENT TEAM**

Owner: Beaumont Leased Housing Associates II,LP  
 Owner Contact and Phone: Mark Moorhouse (763) 354-5613  
 Developer: Beaumont Leased Housing Development II, LLC  
 Housing General Contractor: Benson-Orth Associates, Inc.  
 Architect: BKV Group  
 Market Analyst: Integra Realty Resources  
 Syndicator: Richman  
 Supportive Services: Dominion Management Services, Inc.  
 Consultant: Not Utilized

**UNIT/BUILDING INFORMATION**

<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	Total Restricted Units:	90
0	0	0	90	16	68	6	0	0	0	Market Rate Units:	0
Type of Building: <input checked="" type="checkbox"/> 4 units or more per building <span style="float:right">Owner/Employee Units: 0</span>											
<input type="checkbox"/> Duplex	<input type="checkbox"/> Detached Residence									Total Development Units:	90
<input type="checkbox"/> Triplex	<input type="checkbox"/> Single Room Occupancy									Total Development Cost:	\$8,428,503
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Transitional									Number of Residential Buildings:	1
<input type="checkbox"/> Townhome											
<span style="float:right">HOME High Total Units: 0</span>											
<span style="float:right">HOME Low Total Units: 0</span>											

Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	<u>Applicant Request</u>	<u>Department Analysis</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
4% Housing Tax Credits with Bonds:	\$304,229	\$300,616	0	0	0%
TDHCA Bond Allocation Amount:	\$0	\$0	0	0	0%
HOME Activity Fund Amount:	\$0	\$0	0	0	0%
HOME CHDO Operating Grant Amount:	\$0	\$0			



**MULTIFAMILY FINANCE PRODUCTION DIVISION**  
**March 13, 2008**  
**Development Information, Public Input and Board Summary**  
**Seville Row Apartments, TDHCA Number 08409**

**PUBLIC COMMENT SUMMARY**

Guide: "O" = Oppose, "S" = Support, "N" = Neutral, "NC" or Blank = No comment

**State/Federal Officials with Jurisdiction:**

TX Senator: Williams, District 4	NC	US Representative: Poe, District 2, NC
TX Representative: Ritter, District 21	NC	US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: Becky Ames, Mayor, City of Beaumont - Resolution of Support from Local Government   
 NC

**Individuals/Businesses:** In Support **0** In Opposition **0**

**Neighborhood Input:**

**General Summary of Comment:**

The Department has received no letters of support and no letters of opposition.

**CONDITIONS OF COMMITMENT**

1. Per §50.12(c) of the Qualified Allocation Plan and Rules, all Tax Exempt Bond Development Applications "must provide an executed agreement with a qualified service provider for the provision of special supportive services that would otherwise not be available for the tenants. The provision of such services will be included in the Declaration of Land Use Restrictive Covenants ("LURA")."
2. Approval of a tax credit allocation for Park Shadows Apartments (TDHCA #08408) at the March 13, 2008 TDHCA Board meeting.
3. Receipt, review, and acceptance, by cost certification, of documentation that asbestos containing material was removed in accordance with federal, state, and local requirements or that the material is being managed in place through an O&M program.
4. Receipt, review, and acceptance, by cost certification, of a renewal of the existing HAP contract as proposed.
5. Receipt, review, and acceptance, by cost certification, of approval of an increase over the current HAP contract rents of at least 8.5% in order to maintain financial feasibility.
6. Should the terms or amounts of the proposed debt or equity change, the transaction should be reevaluated and an adjustment to the credit amount may be warranted.



MULTIFAMILY FINANCE PRODUCTION DIVISION  
March 13, 2008  
Development Information, Public Input and Board Summary  
**Seville Row Apartments, TDHCA Number 08409**

**RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:**

4% Housing Tax Credits:	Credit Amount:	\$300,616
Recommendation: Recommend approval of a Housing Tax Credit Allocation not to exceed \$300,616 annually for ten years, subject to conditions.		
TDHCA Bond Issuance:	Bond Amount:	\$0
Recommendation:		
HOME Activity Funds:	Loan Amount:	\$0
HOME CHDO Operating Expense Grant:	Grant Amount:	\$0
Recommendation:		



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

REPORT DATE: 02/26/08 PROGRAM: 4% HTC FILE NUMBER: 08409

**DEVELOPMENT**

Seville Row Apartments

Location: 4325 Crow Road Region: 5  
 City: Beaumont County: Jefferson Zip: 77706  OCT  DDA  
 Key Attributes: Elderly, Urban/exurban, Acquisition/rehabilitation

**ALLOCATION**

TDHCA Program	REQUEST*			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
Housing Tax Credit (Annual)	\$304,229			\$300,616		

\* The Applicant's credit request decreased slightly as a result of a revised development cost schedule submitted on 2/22/2008.

**CONDITIONS**

- 1 Approval of a tax credit allocation for Park Shadows Apartments (TDHCA #08408) at the March 13, 2008 TDHCA Board meeting.
- 2 Receipt, review, and acceptance, by cost certification, of documentation that asbestos containing material was removed in accordance with federal, state, and local requirements or that the material is being managed in place through an O&M Program.
- 3 Receipt, review, and acceptance, by cost certification, of a renewal of the existing HAP contract as proposed.
- 4 Receipt, review, and acceptance, by cost certification, of approval of an increase over the current HAP contract rents of at least 8.5% in order to maintain financial feasibility
- 5 Should the terms or amounts of the proposed debt or equity change, the transaction should be reevaluated and an adjustment to the credit amount may be warranted.

**SALIENT ISSUES**

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
60% of AMI	60% of AMI	90

**PROS**

- The application proposes the rehabilitation of a 27 year old HUD property and renewal of the existing HAP contract for 100% of the units.
- The property is currently operating at stabilized occupancy of 97%.
- The Applicant's expense to income ratio is 47%, which reflects a healthy operating margin.

**CONS**

- If the HAP contract rents are limited by the market rents per HUD guidelines, the transaction may not be financially viable.
- The recommended financing structure indicates that up to 87% of the developer fee may be deferred.
- If the credit price ultimately decreases more than 4-cents per dollar, the viability of the transaction may be jeopardized.

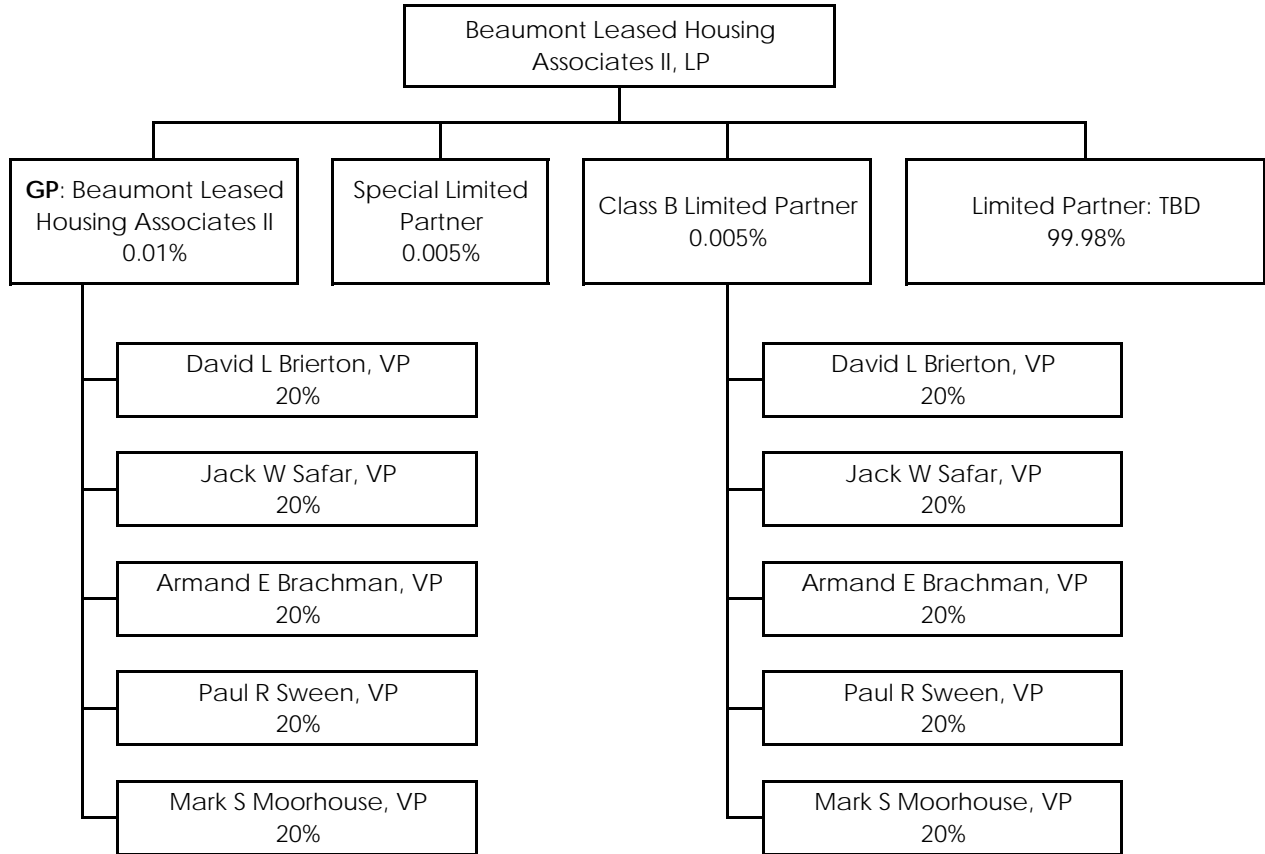


**PREVIOUS UNDERWRITING REPORTS**

The subject was originally underwritten in December 2007 with a slightly different financing structure and a tax-exempt bond reservation from the 2007 private activity cap. Although not recommended due to violation of the 60-day rule, the TDHCA board approved the previous application for a 4% HTC allocation of \$308,379 annually. The Applicant indicated that they were unable to close prior to the 150 day deadline for the bond reservation as a result of issues with syndication of the tax credits. It should be noted that the credit price has dropped from \$0.98 to \$0.90 since the previous underwriting.

**DEVELOPMENT TEAM**

**OWNERSHIP STRUCTURE**



**CONTACT**

Contact: Mark Moorhouse Phone: 763.354.5613 Fax: 763.354.5633  
 Email: [mmoorhouse@dominiuminc.com](mailto:mmoorhouse@dominiuminc.com)

**KEY PARTICIPANTS**

Name	Net Assets	Liquidity <sup>1</sup>	# Completed Developments
Beaumont Leased Housing Associates II, LP	No material assets		Not Yet Formed
David L Brierton	Confidential		0 LIHTC Developments in Texas
Jack W Safar	Confidential		0 LIHTC Developments in Texas
Armand E Brachman	Confidential		0 LIHTC Developments in Texas
Paul R Sween	Confidential		0 LIHTC Developments in Texas
Mark S Moorhouse	Confidential		0 LIHTC Developments in Texas

<sup>1</sup> Liquidity = Current Assets - Current Liabilities

**Comments:**

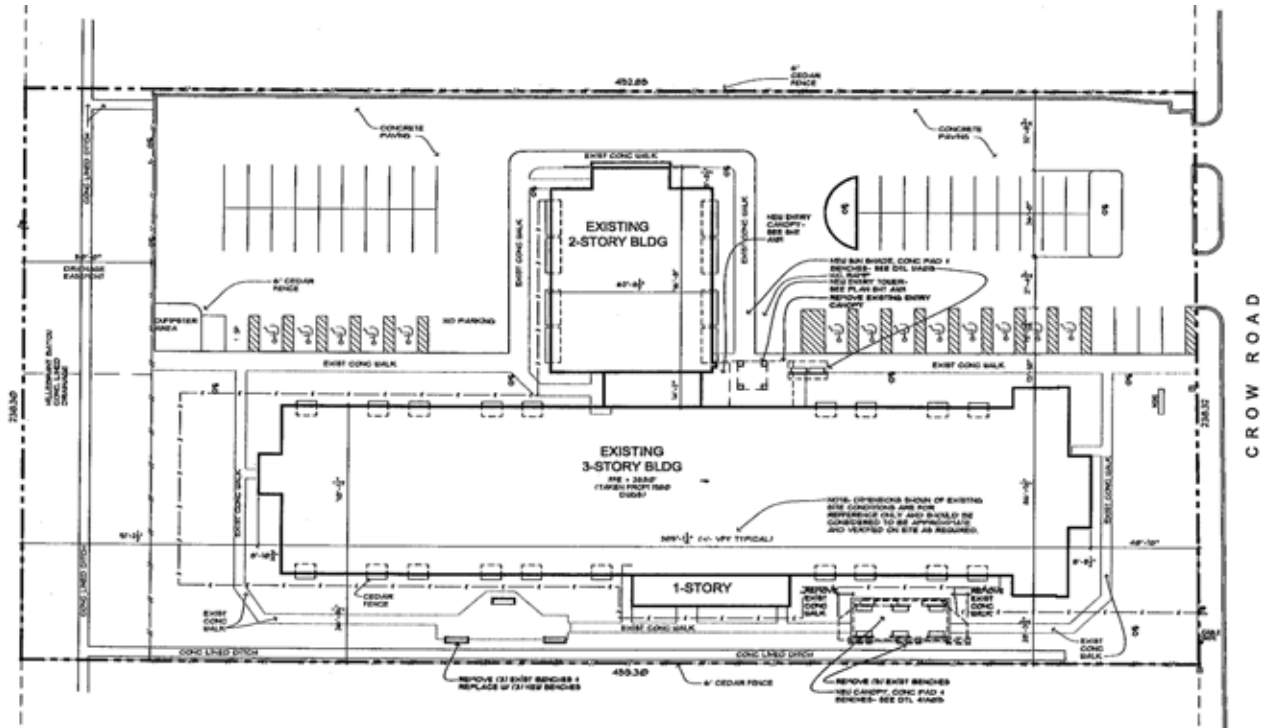
While the development team participants have no experience with the LIHTC program in Texas, the participants appear to have significant experience with the acquisition and rehabilitation of properties in several other states.

**IDENTITIES of INTEREST**

- The Applicant, Developer, supportive service provider, and property manager are related entities. These are common relationships for HTC-funded developments.
- When submitted in 2007, the transaction was structured with a below market seller note that resulted in an inflated purchase price and use of additional 4% tax credits. Staff expressed concerns about this structure and the Applicant restructured the purchase to exclude the seller note. The restructured acquisition reduced the purchase price by the amount of the seller note (\$630,000).

**PROPOSED SITE**

**SITE PLAN**



**BUILDING CONFIGURATION**

Building Type	A									Total Buildings
Floors/Stories	3									
Number	1									1

BR/BA	SF	Units								Total Units	Total SF
0/1	461	16								16	7,376
1/1	503	68								68	34,204
2/1	700	6								6	4,200
<b>Units per Building</b>		<b>90</b>								<b>90</b>	<b>45,780</b>

**Rehabilitation Plan:**

The Applicant provided a Property Condition Assessment with one revision that included the following scope of work: significant landscaping; upgrade site lighting; rebuild trash enclosures; replacement of signage; renovation of first floor common space; upgrade common area kitchen; replace roofs; replace hardiplank siding; repair stucco; replace entry doors; new mechanical systems; new flooring in common hallways; new secure entry system; replace hallway ceilings; upgrade corridor lighting; replace kitchen appliances, floors, cabinets, and sinks; replace PTAC (air conditioning) units as needed (Approx 50%); new flooring throughout units; replace bathroom fixtures; new interior doors; replace closet shelving.

Relocation Plan:

The Applicant has indicated that a "rolling rehabilitation" will be performed to minimize the temporary relocation of existing tenants. According to the relocation plan submitted, between 6 and 16 units will be vacated to allow for rehabilitation.

SITE ISSUES

Total Size: 2.4707 acres      Scattered site?       Yes       No  
 Flood Zone: A      Within 100-yr floodplain?       Yes       No  
 Zoning: Residential MF      Needs to be re-zoned?       Yes       No       N/A

Comments:

The entire site appears to be located within Zone A, which is identified as "areas inundated by 100-year flood with no base elevations determined." Generally, such a property would be required to meet the Department's new construction standards for developments within the floodplain (cited below); however, the property currently receives rental assistance through a HAP contract with HUD and the Applicant anticipates continuation of the existing HAP contract with a 20 year renewal. If the property continues to receive HUD funds, the property is considered exempt from the floodplain requirements of the QAP as defined below. Should the HAP contract not be renewed by the expiration of the existing contract on June 1, 2008, the Applicant may not be eligible for 4% tax credits. Therefore, receipt, review, and acceptance, by cost certification, of a renewal of the existing HAP contract as proposed in order to meet the Department's floodplain requirements in §49.6 (a) of the 2007 QAP is a condition of this report.

2007 QAP §49.6 (a) Floodplain. Any Development proposing New Construction located within the 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. If no FEMA Flood Insurance Rate Maps are available for the proposed Development, flood zone documentation must be provided from the local government with jurisdiction identifying the 100 year floodplain. No buildings or roads that are part of a Development proposing Rehabilitation, with the exception of Developments with federal funding assistance from HUD or TX USDA-RHS, will be permitted in the 100 year floodplain unless they already meet the requirements established in this subsection for New Construction.

TDHCA SITE INSPECTION

Inspector: Manufactured Housing Staff      Date: 10/5/2007

Overall Assessment:

Excellent       Acceptable       Questionable       Poor       Unacceptable

Surrounding Uses:

North: Multifamily property followed by commercial and retail  
 South: Crow Rd followed by churches, single family, and retail  
 East: Multifamily property followed by single family  
 West: Retail shopping center followed by additional retail

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Peer Engineering      Date: 8/8/2007

Recognized Environmental Concerns (RECs) and Other Concerns:

- A limited sampling of suspect asbestos containing material was performed by Peer Engineering. Two of three samples of sink undercoating were determined to contain 10% asbestos. The report states, "If the sinks must be replaced as part of renovation, they should be removed and disposed by a licensed asbestos abatement contractor in accordance with applicable federal, state, or local requirements. If the sinks will be left in place, then the asbestos-containing undercoating should be managed through an Operations and Maintenance (O&M) Program" (p. 12).

Comments:

Receipt, review, and acceptance, by cost certification, of documentation that asbestos containing material was removed in accordance with federal, state, and local requirements or that the material is being managed in place through an O&M Program is a condition of this report.

**MARKET HIGHLIGHTS**

Provider: Integra Realty Resources Date: 10/10/2007  
 Contact: Mark R Lamb Phone: 972.960.1222 Fax: --  
 Number of Revisions: 0 Date of Last Applicant Revision: N/A

Primary Market Area (PMA): 167.6 square feet (7.3 mile radius)

"We consider the market area for the subject to consist of the following zip codes located within the City of Beaumont: 77701, 77702, 77703, 77706, 77707, 77708, 77710, 77713" (p. 17).

Secondary Market Area (SMA):

The Market Analyst did not delineate a secondary market area.

PROPOSED, UNDER CONSTRUCTION & UNSTABILIZED COMPARABLE DEVELOPMENTS							
PMA				SMA			
Name	File #	Total Units	Comp Units	Name	File #	Total Units	25% Comp Units
None				N/A			

INCOME LIMITS						
Jefferson						
% AMI	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
60	\$21,240	\$24,300	\$27,300	\$30,360	\$32,760	\$35,220

MARKET ANALYST'S PMA DEMAND by UNIT TYPE							
Unit Type	Turnover Demand	Growth Demand	Other Demand	Total Demand	Subject Units	Unstabilized Comparable (PMA)	Capture Rate
0 BR/ 60% Rent Limit	986	20	0	1,006	16	0	2%
1 BR/ 60% Rent Limit	1,131	23	0	1,154	68	0	6%
2 BR/ 60% Rent Limit	1,018	20	0	1,038	6	0	1%

Comments:

The methodology used by the Market Analyst results in overlapping demand for each unit type which lowers the calculated capture rates. However, the capture rate for each unit type is substantially below the Department maximum and the property is currently 97% occupied. Therefore, the capture rate is not an effective tool for estimating demand as indicated below.

OVERALL DEMAND									
	Target Households		Household Size		Income Eligible		Tenure		Demand
PMA DEMAND from TURNOVER									
Market Analyst p.									65% 3,136
Underwriter	39%	15,354	94%	14,463	41%	5,956	39%	2,317	24% 556
PMA DEMAND from HOUSEHOLD GROWTH									
Market Analyst p.									63
Underwriter			94%	-120	41%	-47	39%	-18	100% -18

INCLUSIVE CAPTURE RATE						
	Subject Units	Unstabilized Comparable (PMA)	Unstabilized Comparable (25% SMA)	Total Supply	Total Demand (w/25% of SMA)	Inclusive Capture Rate
Market Analyst p.	0	0	0	0	3,198	0.00%
Underwriter	90	0	0	90	538	16.73%

Comments:

The Analyst's demand estimate is substantially overstated due to the use of the cumulative of the by unit type demand. The Analyst's methodology for calculating demand by unit type includes some households in the demand for more than one unit type. The Market Analyst erred in accumulating these in the total demand for the development because this would effectively double count some households.

The Market Analyst did not include any of the subject units in the capture rate calculation because the property is currently at stabilized occupancy. While this is inconsistent with the methodology used by the Department which includes all of the subject units in order to develop the capture rate calculation, current occupancy levels do play a role in the interpretation of the inclusive capture rate calculation.

The Underwriter has calculated an inclusive capture rate of 16.73%, which is well below the Department guideline. In this case because the property is well over 90% occupied and the tenant population is not expected to change, the inclusive capture rate calculation is not a meaningful tool to determine financial feasibility.

Primary Market Occupancy Rates:

"The average occupancy rates for LIHTC properties within the PMA is 98%" (p. 39). "As of the effective date of this report, the occupancy of the subject is 97%, which is considered stabilized occupancy" (p. 41).

Absorption Projections:

"No new projects have recently been completed within the PMA. Thus, we are unable to analyze absorption trends specific to the PMA. As of the effective date of this report, the occupancy of the subject is 97%, which is considered stabilized occupancy" (p. 41).

RENT ANALYSIS (Tenant-Paid Net Rents)						
Unit Type (% AMI)	Current Contract Rent	Proposed Contract Rent	Market Rent	Underwriting Rent	Increase Over Contract	
0 BR 461 SF 60%	\$553	\$608	\$575	\$608	\$55	
1 BR 503 SF 60%	627	690	625	690	63	
2 BR 700 SF 60%	797	877	775	877	80	

Market Impact:

The Market Analyst did not explicitly discuss the market impact. However, the Analyst indicates that the property is currently stabilized, and therefore the Underwriter believes the rehabilitation will have no impact on existing properties.

Comments:

As indicated above, the Market Analyst's methodology for determining demand is inconsistent with the Department's guideline. However, the Analyst provided sufficient data for the Underwriter to derive a capture rate that is within the Department's guideline. Moreover, the property is currently operating at a stabilized occupancy of 97%; therefore, use of the inclusive capture rate is not an effective tool for estimating demand. The market study provides sufficient information on which to base a funding recommendation.

This section intentionally left blank.

## OPERATING PROFORMA ANALYSIS

Income:      Number of Revisions:          0          Date of Last Applicant Revision:          N/A    

The Applicant's net rents are equal to the program gross rent limits less utility allowances as reflected in the property's current HAP contract. The Applicant included the difference between the projected HAP rents and the program net rents as a source of secondary income. However, the Underwriter has used the full projected HAP rents to determine potential gross rent. Despite this minor accounting difference, the Applicant's HAP subsidy plus rent collected is comparable to the Underwriter's potential gross rent estimate.

The Applicant expects to receive a 10% increase from the current HAP contract rents, and the Underwriter has based the proforma analysis on the higher projected rents. As indicated above, the market rents determined by the Market Analyst are significantly lower than the projected HAP rents. Rent increases must generally be supported by comparable market rents; however, there are some exceptions allowed by HUD. The Applicant has indicated that the subject property will be exempt from the comparable market rent cap on the contract rents due to the non-HUD/FHA insured mortgage proposed. This was not confirmed with supporting documentation, but approval of a rent increase is a condition of this report as reflected below.

Assuming that above market contract rents are acceptable in this case, the HAP contract itself indicates two mechanisms for increases in the contract rents: (1) increases based on the Operating Cost Adjustment Factor (OCAF); or (2) budget-based rent increases. The OCAF is applied to the current contract rent less the debt service attributed to each unit. Therefore, the 5.1% 2008 OCAF is likely to allow for a 2.25% increase over the current rents after debt service is considered (the 2008 OCAF is effective Feb 2008). The Underwriter ran a sensitivity analysis on the minimum rent increase needed in order to maintain financial feasibility and determined that the property needs at least a 8.5% increase over the current HAP contract rents. Therefore, receipt, review, and acceptance, by cost certification, of approval of an increase over the current HAP contract rents of at least 8.5% in order to maintain financial feasibility is a condition of this report.

The Applicant has included typical secondary income of \$15 per unit per month, which is in line with Department standards. The Underwriter has used vacancy and collection loss of 5% due to the maintenance of the existing HAP contract and the current 97% occupancy.

The Applicant's effective gross income estimate is within 5% of the Underwriter's.

Expense:      Number of Revisions:          0          Date of Last Applicant Revision:          N/A    

The Applicant has indicated total expenses of \$3,757 per unit which is within 5% of the Underwriter's estimate of \$3,797 per unit derived from actual historical operations of the development, the TDHCA database, and third-party data sources.

The Applicant's property insurance estimate is at the extreme low end of current estimates within this Gulf Coast region, particularly considering the inclusion of flood insurance premiums for being located within the floodplain. However, the Applicant provided an actual quote for insurance (including flood insurance) for the subject property. The Underwriter has used this quote.

### Conclusion:

The Applicant's estimates of effective gross income, total expense, and net operating income are each within 5% of the Underwriter's estimates. Therefore, the Applicant's Year One proforma will be used to determine the development's debt capacity and debt coverage ratio (DCR). The proforma results in a DCR within the Department's guideline of 1.15 to 1.35.

### Feasibility:

The underwriting 30-year proforma utilizes a 3% annual growth factor for income and a 4% growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Applicant's base year effective gross income, expense and net operating income were utilized, and after necessary adjustments to the terms and/or amounts of the anticipated debt, the 30-year proforma reflects a debt coverage ratio that remains above 1.15 and continued positive cashflow. Therefore, the development can be characterized as feasible.

**ACQUISITION INFORMATION**

**APPRAISED VALUE**

Provider: Integra Realty Resources Date: 11/15/2007  
 Number of Revisions: 0 Date of Last Applicant Revision: N/A  
 Land Only: 2.48 acres \$216,000 As of: 7/25/2007  
 Existing Buildings: (as-is) \$3,234,000 As of: 7/25/2007  
 HAP Contract: \$370,000 As of: 7/25/2007  
 Cash Reserves: (rounded) \$95,000 As of: 7/25/2007  
 Total Development: (as-is) \$3,915,000 As of: 7/25/2007

**ASSESSED VALUE**

Land Only: 2.48 acres \$108,030 Tax Year: 2006  
 Existing Buildings: \$1,092,460 Valuation by: Jefferson CAD  
 Total Assessed Value: \$1,200,490 Tax Rate: 2.727382

**EVIDENCE of PROPERTY CONTROL**

Type: Purchase Agreement with First, Second, & Third Amendments Acreage: N/A  
 Contract Expiration: 3/31/2008 Valid Through Board Date?  Yes  No  
 Acquisition Cost: \$3,447,720 Other: \_\_\_\_\_  
 Seller: Seville Apartments, Ltd Related to Development Team?  Yes  No  
 Comments:

The First Amendment to the Purchase Agreement indicates that closing is contingent upon a simultaneous closing of the subject and Park Shadows Apartments, which has also been underwritten for 4% HTCs. As such, this report is conditioned upon the approval of a tax credit allocation for Park Shadows Apartments (TDHCA #07458).

**CONSTRUCTION COST ESTIMATE EVALUATION**

*COST SCHEDULE* Number of Revisions: 1 Date of Last Applicant Revision: 2/22/2008

Acquisition Value:

As indicated above, the transaction was originally submitted in 2007 and the purchase was structured to include a \$630,000 below market seller note. The inclusion of the seller note resulted in an inflated purchase price which increased eligible acquisition basis and the requested 4% tax credit amount. However, staff expressed significant concerns about the structure of the transfer due to the inflation of the tax credit amount. Subsequently, the Applicant and seller negotiated a revised purchase price that excludes any seller financing and that reflects a \$630,000 decrease in the acquisition price. The revised purchase price is documented in the Second Amendment to the Purchase Agreement.

The Applicant has indicated that the existing reserve balance will transfer with the property. This amount has been estimated at \$77,088, which is consistent with the latest audited financial statements provided. This balance will be maintained by the partnership and has therefore also been reflected as a comparable source and use of funds. The reserve balance is not included in the purchase price. Also of note, the contract price includes a penalty associated with the prepayment of the existing first lien. This amount has been estimated to be \$147,720 but may change slightly based on the outstanding balance at closing.

For determination of eligible basis, the Underwriter and Applicant have used the purchase price of \$3,447,720 less the Applicant's estimated land value of \$351,091 to derive an eligible building value of \$3,096,629. The Applicant's estimated land value is greater than the appraised land value.

Sitework Cost:

The Applicant has estimated sitework costs of \$1,111 per unit which is equal to the property condition assessment (PCA) value. Per the Department's guidelines, the Underwriter has used the PCA estimate.

**Direct Construction Cost:**

The Applicant's direct construction cost estimate is 0.61% higher than the Underwriter's cost estimate derived from the revised PCA provided by the Applicant. The PCA estimate appears to be based on the scope of work provided by the developer.

**Imputed Interest Expense:**

The Applicant's cost schedule reflects that imputed interest expense on the LP equity contributions and a small amount of operating expenses incurred during construction will be included as an eligible cost to the development. As such, the Applicant has included \$180,123 in eligible basis for these costs. The Underwriter has treated this cost as eligible interim interest expense.

**Contingency & Fees:**

The Applicant has allocated developer fees between the acquisition and the rehabilitation unproportionately. This results in a 30% boost on a portion of the developer fee that should be attributed to the acquisition. The Underwriter has adjusted the allocation of developer fees according to the Department's guidelines.

**Conclusion:**

The Underwriter's cost schedule was derived from the revised third-party Property Condition Assessment (PCA) provided by the Applicant and the information presented in the application. The revised PCA was well documented and appeared to cover the scope of work provided by the Applicant. Thus, the Underwriter's development cost schedule, as derived from the revised PCA, will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$7,335,777 supports annual tax credits of \$300,616. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

**FINANCING STRUCTURE**

*SOURCES & USES* Number of Revisions: 1 Date of Last Applicant Revision: 2/22/2008

Issuer: Jefferson County HFC  
Source: Dougherty & Company, LLC Type: Interim to Permanent Bond Financing

Tax-Exempt: \$4,810,000 Interest Rate: 6.125%  Fixed Amort: 420 months

Comments:  
The interest rate is estimated; the actual rate is subject to market conditions at the time of the sale.

Source: Alliant Type: Syndication

Proceeds: \$2,621,840 Syndication Rate: 90% Anticipated HTC: \$291,316

Comments:  
The Applicant originally anticipated a syndication rate of 98% and provided a commitment from Richman Ohio Affordable Housing with the application. Subsequently, the Applicant has indicated that pricing has declined significantly. An updated letter from Alliant reflecting a syndication rate of 90% was provide during underwriting. Based on the current economic environment, this new credit price is still at the high end of current levels. The Underwriter has performed a sensitivity test and determined that the credit price can decline to \$0.86. At this point, 100% of the developer fee would be deferred and the financial viability of the transaction may be jeopardized. Therefore, should the credit price decrease below \$0.86, the transaction should be reevaluated for financial feasibility.

Amount: \$165,123 Type: Capitalized Operations

Comments:  
The Applicant has included imputed interest expense and a small amount of capitalized expenses incurred during rehabilitation in the development costs as an eligible substitute for eligible interest expense. The Applicant has included \$165,123 as a source of funds and \$180,123 as an eligible use of funds. The inclusion of the imputed expenses as a source of funds implies that an actual cost will not be incurred and therefore a phantom source should offset the phantom imputed expense. The Underwriter has not included this as a source of funds and has treated the amount claimed as a development cost as eligible interest expense actually incurred.



Amount: \$18,177 Type: GIC/Interest Income

Comments:

The Applicant has included GIC interest income from the bonds during the construction period. The estimated income from this source is relatively small due to the large portion of the bonds that will be utilized to purchase the property prior to construction. The Underwriter has blended this source with developer fee to be deferred due to the risk associated with projecting future interest earnings.

Amount: \$77,088 Type: Existing Reserves

Comments:

The existing reserve account will be transferred to the partnership at closing. The Applicant has included the estimated existing reserve balance as both a source and use of funds. Therefore, the reserve account has no net effect on the transaction. The balance indicated is consistent with the audited financial statements provided.

Amount: \$774,166 Type: Deferred Developer Fee/Cash Equity

### CONCLUSIONS

Recommended Financing Structure:

The Underwriter's total development cost estimate less the permanent loan of \$4,810,000 and \$77,088 in cash reserves indicates the need for \$3,541,415 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$393,491 annually would be required to fill this gap in financing. Of the three possible tax credit allocations, Applicant's revised request (\$304,229), the gap-driven amount (\$393,491), and eligible basis-derived estimate (\$300,616), the eligible basis-derived estimate of \$300,616 is recommended. The resulting syndication proceeds would be \$2,705,542 based on a syndication rate of 90%.

The Underwriter's recommended financing structure indicates the need for \$835,874 in additional permanent funds. Deferred developer fees in this amount appear to be repayable from development cashflow within ten years of stabilized operation.

Underwriter: \_\_\_\_\_ Date: 2/26/2008  
*Cameron Dorsey*

Reviewing Underwriter: \_\_\_\_\_ Date: 2/26/2008  
*Raquel Morales*

Director of Real Estate Analysis: \_\_\_\_\_ Date: 2/26/2008  
*Tom Gouris*

**MULTIFAMILY COMPARATIVE ANALYSIS**

**Seville Row Apartments, Beaumont, 4% HTC #08409**

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Rent Collected		Rent per Month	Rent per SF	Tnt-Pd Util	WS&T
TC 60%/HAP	16	0	1	461	\$531	\$608		\$9,728	1.32	\$54.00	\$27.00
TC 60%/HAP	68	1	1	503	\$569	690		46,920	1.37	66.00	32.00
TC 60%/HAP	6	2	1	700	\$682	877		5,262	1.25	69.00	37.00
<b>TOTAL:</b>	<b>90</b>		<b>AVERAGE:</b>	<b>509</b>		<b>\$688</b>		<b>\$61,910</b>	<b>\$1.35</b>	<b>\$64.07</b>	<b>\$31.44</b>

<b>INCOME</b>				<b>TOTAL NET RENTABLE SQ FT: 45,780</b>				<b>TDHCA</b>	<b>TDHCA 2007</b>	<b>APP 2007</b>	<b>APPLICANT</b>	<b>COUNTY</b>	<b>IREM REGION</b>	<b>COMPT. REGION</b>
<b>POTENTIAL GROSS RENT</b>												Jefferson		5
Secondary Income		Per Unit Per Month:	\$15.00			\$742,920	\$742,920	\$546,168	\$546,168		\$15.00	Per Unit Per Month		
GIC/Interest Income					0	0	0	14,112	0		\$0.00	Per Unit Per Month		
HAP Subsidy					0	0	196,548	196,548			\$181.99	Per Unit Per Month		
<b>POTENTIAL GROSS INCOME</b>														
Vacancy & Collection Loss		% of Potential Gross Income:	-5.00%			\$759,120	\$759,120	\$764,928	\$758,916					
Employee or Other Non-Rental Units or Concessions					(37,956)	(37,956)	(37,140)	(37,140)			-4.89%	of Potential Gross Income		
<b>EFFECTIVE GROSS INCOME</b>														
					0	0	0	0	0					
					\$721,164	\$721,164	\$727,788	\$721,776						
<b>EXPENSES</b>				<b>% OF EGI</b>	<b>PER UNIT</b>	<b>PER SQ FT</b>	<b>TDHCA</b>	<b>TDHCA 2007</b>	<b>APP 2007</b>	<b>APPLICANT</b>	<b>PER SQ FT</b>	<b>PER UNIT</b>	<b>% OF EGI</b>	
General & Administrative		4.59%	\$368	0.72	\$33,131	\$33,131	\$21,150	\$33,131		\$0.72	\$368	4.59%		
Management		5.00%	401	0.79	36,058	36,058	36,448	32,480		0.71	361	4.50%		
Payroll & Payroll Tax		11.32%	907	1.78	81,626	81,626	102,500	81,626		1.78	907	11.31%		
Repairs & Maintenance		5.72%	458	0.90	41,261	41,261	49,500	41,261		0.90	458	5.72%		
Utilities		4.93%	395	0.78	35,560	35,560	22,583	28,060		0.61	312	3.89%		
Water, Sewer, & Trash		1.19%	95	0.19	8,557	8,557	15,055	16,057		0.35	178	2.22%		
Property Insurance		3.90%	313	0.61	28,127	28,127	27,999	28,127		0.61	313	3.90%		
Property Tax	2.727382	5.11%	409	0.80	36,820	36,820	35,405	36,820		0.80	409	5.10%		
Reserve for Replacements		3.74%	300	0.59	27,000	27,000	27,000	27,000		0.59	300	3.74%		
TDHCA Compliance Fees		0.50%	40	0.08	3,600	3,600	3,600	3,600		0.08	40	0.50%		
Other: Security		1.39%	111	0.22	10,000	10,000	10,000	10,000		0.22	111	1.39%		
<b>TOTAL EXPENSES</b>		<b>47.39%</b>	<b>\$3,797</b>	<b>\$7.46</b>	<b>\$341,740</b>	<b>\$341,740</b>	<b>\$351,241</b>	<b>\$338,162</b>		<b>\$7.39</b>	<b>\$3,757</b>	<b>46.85%</b>		
<b>NET OPERATING INC</b>		<b>52.61%</b>	<b>\$4,216</b>	<b>\$8.29</b>	<b>\$379,424</b>	<b>\$379,424</b>	<b>\$376,547</b>	<b>\$383,614</b>		<b>\$8.38</b>	<b>\$4,262</b>	<b>53.15%</b>		
<b>DEBT SERVICE</b>														
Mortgage Revenue Bonds		46.31%	\$3,711	\$7.30	\$333,973	\$328,293	\$328,293	\$333,973		\$7.30	\$3,711	46.27%		
Additional Financing		0.00%	\$0	\$0.00	0	0	0	0		\$0.00	\$0	0.00%		
Additional Financing		0.00%	\$0	\$0.00	0	0	0	0		\$0.00	\$0	0.00%		
<b>NET CASH FLOW</b>		<b>6.30%</b>	<b>\$505</b>	<b>\$0.99</b>	<b>\$45,451</b>	<b>\$51,131</b>	<b>\$48,254</b>	<b>\$49,641</b>		<b>\$1.08</b>	<b>\$552</b>	<b>6.88%</b>		
<b>AGGREGATE DEBT COVERAGE RATIO</b>					<b>1.14</b>	<b>1.16</b>	<b>1.15</b>	<b>1.15</b>						
<b>RECOMMENDED DEBT COVERAGE RATIO</b>							<b>1.15</b>	<b>1.15</b>						

<b>CONSTRUCTION COST</b>						<b>TDHCA</b>	<b>TDHCA 2007</b>	<b>APP 2007</b>	<b>APPLICANT</b>	<b>PER SQ FT</b>	<b>PER UNIT</b>	<b>% of TOTAL</b>
Description	Factor	% of TOTAL	PER UNIT	PER SQ FT		\$3,564,113	\$3,562,428	\$3,562,428	\$3,564,113	\$77.85	\$39,601	42.10%
Acquisition Cost (site or bldg)		42.29%	\$39,601	\$7.85		0	0	0	0	0.00	0	0.00%
Off-Sites		0.00%	0	0.00		100,000	100,000	100,000	100,000	2.18	1,111	1.18%
Sitework		1.19%	1,111	2.18		2,320,000	2,320,000	2,316,268	2,316,268	50.60	25,736	27.36%
Direct Construction		27.53%	25,778	50.68		118,313	133,313	133,313	118,313	2.58	1,315	1.40%
Contingency	4.89%	1.40%	1,315	2.58		338,277	338,277	338,277	338,277	7.39	3,759	4.00%
Contractor's Fees	13.98%	4.01%	3,759	7.39		195,500	195,500	195,500	195,500	4.27	2,172	2.31%
Indirect Construction		2.32%	2,172	4.27		326,311	311,787	311,787	326,311	7.13	3,626	3.85%
Ineligible Costs		3.87%	3,626	7.13		956,276	956,726	956,726	956,276	20.89	10,625	11.29%
Developer's Fees	14.99%	11.35%	10,625	20.89		210,186	198,179	198,179	210,186	4.59	2,335	2.48%
Interim Financing		2.49%	2,335	4.59		299,527	296,687	322,453	341,150	7.45	3,791	4.03%
Reserves		3.55%	3,328	6.54		\$8,428,503	\$8,412,897	\$8,434,931	\$8,466,394	\$184.94	\$94,071	100.00%
<b>TOTAL COST</b>		<b>100.00%</b>	<b>\$93,650</b>	<b>\$184.11</b>								
<b>Construction Cost Recap</b>		<b>34.13%</b>	<b>\$31,962</b>	<b>\$62.84</b>		<b>\$2,876,590</b>	<b>\$2,891,590</b>	<b>\$2,887,858</b>	<b>\$2,872,858</b>	<b>\$62.75</b>	<b>\$31,921</b>	<b>33.93%</b>

<b>SOURCES OF FUNDS</b>				<b>RECOMMENDED</b>					
Mortgage Revenue Bonds	57.07%	\$53,444	\$105.07	\$4,810,000	\$4,660,000	\$4,660,000	\$4,810,000	\$4,810,000	Developer Fee Available
Existing Reserves	0.91%	\$857	\$1.68	77,088	77,088	77,088	77,088	77,088	\$956,276
HTC Syndication Proceeds	31.11%	\$29,132	\$57.27	2,621,840	2,917,860	2,917,860	2,621,840	2,705,542	Contractor Fee Available
GIC/Interest Income	0.00%	\$0	\$0.00	0	0	17,575	18,177	0	\$338,277
Imputed Expenses	0.00%	\$0	\$0.00	0	0	170,673	165,123	0	% of Dev. Fee Deferred
Deferred Fees	9.19%	\$8,602	\$16.91	774,166	620,456	620,456	774,166	835,874	87%
Additional (Excess) Funds Req'd	1.73%	\$1,616	\$3.18	145,409	137,493	(28,721)	0	0	15-Yr Cumulative Cash Flow
<b>TOTAL SOURCES</b>				<b>\$8,428,503</b>	<b>\$8,412,897</b>	<b>\$8,434,931</b>	<b>\$8,466,394</b>	<b>\$8,428,503</b>	<b>\$1,631,069</b>

**MULTIFAMILY COMPARATIVE ANALYSIS (continued)**

*Seville Row Apartments, Beaumont, 4% HTC #08409*

**PAYMENT COMPUTATION**

<b>Primary</b>	\$4,810,000	Amort	420
Int Rate	6.125%	DCR	1.14

<b>Secondary</b>	\$77,088	Amort	
Int Rate		Subtotal DCR	1.14

<b>Additional</b>	\$2,621,840	Amort	
Int Rate		Aggregate DCR	1.14

**RECOMMENDED FINANCING STRUCTURE APPLICANT'S**

Primary Debt Service	\$333,973
Secondary Debt Service	0
Additional Debt Service	0
<b>NET CASH FLOW</b>	<b>\$49,641</b>

<b>Primary</b>	\$4,810,000	Amort	420
Int Rate	6.125%	DCR	1.15

<b>Secondary</b>	\$77,088	Amort	0
Int Rate	0.00%	Subtotal DCR	1.15

<b>Additional</b>	\$2,621,840	Amort	0
Int Rate	0.00%	Aggregate DCR	1.15

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

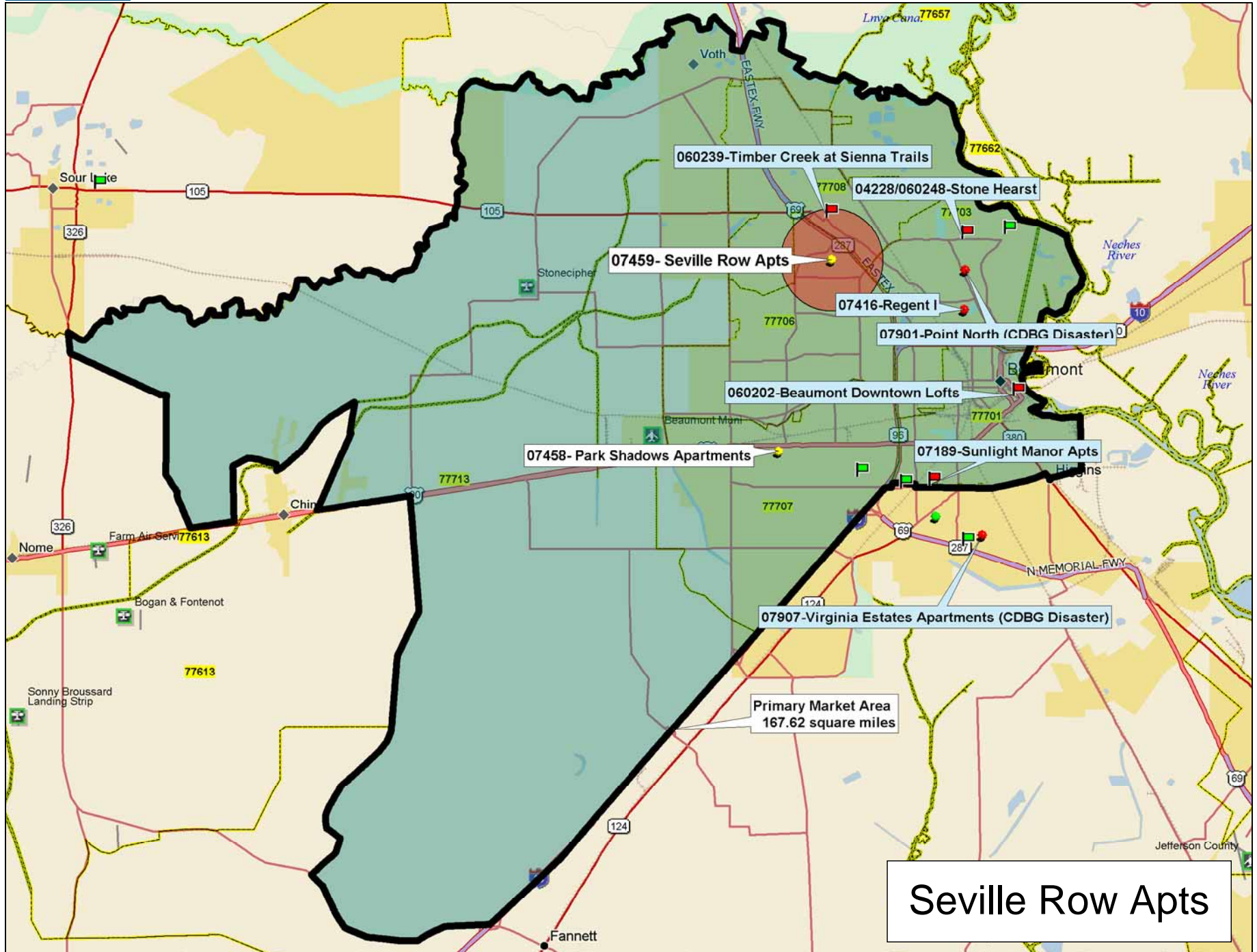
INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$546,168	\$562,553	\$579,430	\$596,813	\$614,717	\$712,625	\$826,128	\$957,709	\$1,287,081
Secondary Income	16,200	16,686	17,187	17,702	18,233	21,137	24,504	28,407	38,176
GIC Interest Income	0	0	0	0	0	0	0	0	0
HAP Subsidy	196,548	202,444	208,518	214,773	221,217	256,451	297,296	344,648	463,178
POTENTIAL GROSS INCOME	758,916	781,683	805,134	829,288	854,167	990,213	1,147,929	1,330,764	1,788,435
Vacancy & Collection Loss	(37,140)	(39,084)	(40,257)	(41,464)	(42,708)	(49,511)	(57,396)	(66,538)	(89,422)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$721,776	\$742,599	\$764,877	\$787,824	\$811,458	\$940,703	\$1,090,532	\$1,264,226	\$1,699,014
EXPENSES at 4.00%									
General & Administrative	\$33,131	\$34,456	\$35,834	\$37,268	\$38,759	\$47,156	\$57,372	\$69,802	\$103,324
Management	32,480	33,417	34,419	35,452	36,516	42,332	49,074	56,890	76,456
Payroll & Payroll Tax	81,626	84,891	88,287	91,818	95,491	116,179	141,350	171,974	254,563
Repairs & Maintenance	41,261	42,911	44,628	46,413	48,270	58,727	71,451	86,931	128,679
Utilities	28,060	29,182	30,350	31,564	32,826	39,938	48,591	59,118	87,509
Water, Sewer & Trash	16,057	16,699	17,367	18,062	18,784	22,854	27,806	33,830	50,076
Insurance	28,127	29,252	30,422	31,639	32,905	40,033	48,707	59,259	87,718
Property Tax	36,820	38,293	39,825	41,417	43,074	52,406	63,760	77,574	114,829
Reserve for Replacements	27,000	28,080	29,203	30,371	31,586	38,429	46,755	56,885	84,204
Other	13,600	14,144	14,710	15,298	15,910	19,357	23,551	28,653	42,414
TOTAL EXPENSES	\$338,162	\$351,326	\$365,045	\$379,303	\$394,120	\$477,412	\$578,416	\$700,916	\$1,029,771
NET OPERATING INCOME	\$383,614	\$391,273	\$399,832	\$408,521	\$417,338	\$463,290	\$512,116	\$563,310	\$669,242
DEBT SERVICE									
First Lien Financing	\$333,973	\$333,973	\$333,973	\$333,973	\$333,973	\$333,973	\$333,973	\$333,973	\$333,973
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$49,641	\$57,300	\$65,859	\$74,548	\$83,365	\$129,317	\$178,143	\$229,337	\$335,269

**HTC ALLOCATION ANALYSIS -Seville Row Apartments, Beaumont, 4% HTC #08409**

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S ACQUISITION ELIGIBLE BASIS	TDHCA ACQUISITION ELIGIBLE BASIS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
<b>Acquisition Cost</b>						
Purchase of land	\$467,484	\$466,888				
Purchase of buildings	\$3,096,629	\$3,097,225	\$3,096,629	\$3,097,225		
<b>Off-Site Improvements</b>						
Sitework	\$100,000	\$100,000			\$100,000	\$100,000
Construction Hard Costs	\$2,316,268	\$2,320,000			\$2,316,268	\$2,320,000
Contractor Fees	\$338,277	\$338,277			\$338,277	\$338,277
Contingencies	\$118,313	\$118,313			\$118,313	\$118,313
Eligible Indirect Fees	\$195,500	\$195,500			\$195,500	\$195,500
Eligible Financing Fees	\$210,186	\$210,186			\$210,186	\$210,186
All Ineligible Costs	\$326,311	\$326,311				
Developer Fees			\$464,494		\$491,782	
Developer Fees	\$956,276	\$956,276		\$464,269		\$492,007
Development Reserves	\$341,150	\$299,527				
<b>TOTAL DEVELOPMENT COSTS</b>	<b>\$8,466,394</b>	<b>\$8,428,503</b>	<b>\$3,561,123</b>	<b>\$3,561,494</b>	<b>\$3,770,326</b>	<b>\$3,774,283</b>

<b>Deduct from Basis:</b>						
All grant proceeds used to finance costs in eligible basis						
B.M.R. loans used to finance cost in eligible basis						
Non-qualified non-recourse financing						
Non-qualified portion of higher quality units [42(d)(3)]						
Historic Credits (on residential portion only)						
<b>TOTAL ELIGIBLE BASIS</b>			<b>\$3,561,123</b>	<b>\$3,561,494</b>	<b>\$3,770,326</b>	<b>\$3,774,283</b>
High Cost Area Adjustment					130%	130%
<b>TOTAL ADJUSTED BASIS</b>			<b>\$3,561,123</b>	<b>\$3,561,494</b>	<b>\$4,901,423</b>	<b>\$4,906,568</b>
Applicable Fraction			100%	100%	100%	100%
<b>TOTAL QUALIFIED BASIS</b>			<b>\$3,561,123</b>	<b>\$3,561,494</b>	<b>\$4,901,423</b>	<b>\$4,906,568</b>
Applicable Percentage			3.55%	3.55%	3.55%	3.55%
<b>TOTAL AMOUNT OF TAX CREDITS</b>			<b>\$126,420</b>	<b>\$126,433</b>	<b>\$174,001</b>	<b>\$174,183</b>

Syndication Proceeds	0.9000	\$1,137,777	\$1,137,896	\$1,566,002	\$1,567,646
Total Tax Credits (Eligible Basis Method)				\$300,420	\$300,616
Syndication Proceeds				\$2,703,780	\$2,705,542
Requested Tax Credits				\$304,229	
Syndication Proceeds				\$2,738,057	
Gap of Syndication Proceeds Needed				\$3,579,306	\$3,541,415
Total Tax Credits (Gap Method)				\$397,701	\$393,491



Primary Market Area  
167.62 square miles

# Seville Row Apts

# Applicant Evaluation

Project ID # **08409**

Name: **Seville Row Apartments**

City: **Beaumont**

LIHTC 9%     LIHTC 4%     HOME     BOND     HTF     SECO     ESGP     Other   
 No Previous Participation in Texas                       Members of the development team have been disbarred by HUD

National Previous Participation Certification Received:     N/A                       Yes                       No

Noncompliance Reported on National Previous Participation Certification:     Yes                       No

## Portfolio Management and Compliance

Total # of Projects monitored:   0  

Projects in Material Noncompliance

# in noncompliance:   0  

Projects zero to nine:   0    
 grouped ten to nineteen:   0    
 by score twenty to twenty-nine:   0  

Yes                       No

# monitored with a score less than thirty:   0  

Projects not reported Yes   
 in application No

# not yet monitored or pending review:   0  

# of projects not reported   0  

### Contract Monitoring

### Single Audit

Monitoring review not applicable   
 Review found no unresolved issues   
 HOME RHD outstanding monitoring issues   
 Audit finding or questioned/disallowed costs -  
 in corrective action period   
 Unresolved audit finding or questioned/  
 disallowed costs (comments attached)

Single audit review not applicable   
 Single audit review found no unresolved issues   
 Late certification (comments attached)   
 Past due single audit or unresolved single  
 audit issue (comments attached)

Reviewer: Wendy Quackenbush                      Date 2/14/2008

### **Multifamily Finance Production**

Not applicable   
 Review pending   
 No unresolved issues   
 Unresolved issues found   
 Unresolved issues found that  
 warrant disqualification  
 (Comments attached)

Reviewer Shannon Roth  
 Date 2/19/2008

### **HOME**

Not applicable   
 Review pending   
 No unresolved issues   
 Unresolved issues found   
 Unresolved issues found that  
 warrant disqualification  
 (Comments attached)

Reviewer Lora Lange  
 Date 2/13/2008

### **Real Estate Analysis (Workout)**

Not applicable   
 Review pending   
 No unresolved issues   
 Unresolved issues found   
 Unresolved issues found that  
 warrant disqualification  
 (Comments attached)

Reviewer D. Burrell  
 Date 2/19/2008

### **Community Affairs**

No relationship   
 Review pending   
 No unresolved issues   
 Unresolved issues found   
 Unresolved issues found that  
 warrant disqualification  
 (Comments attached)

Reviewer AMO  
 Date 2/14/2008

### **Office of Colonia Initiatives**

Not applicable   
 Review pending   
 No unresolved issues   
 Unresolved issues found   
 Unresolved issues found that  
 warrant disqualification  
 (Comments attached)

Reviewer RAUL GONZALES  
 Date 2/13/2008

### **Financial Administration**

No delinquencies found   
 Delinquencies found   
 (Comments attached)

Reviewer Melissa M. Whitehead  
 Date 2/12/2008



# **REQUEST FOR BOARD ACTION Multifamily Finance Production**

**Private Activity Bond Program – Waiting List**

**1 Priority 2 Application for 2008 Waiting List**

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## **TABLE OF EXHIBITS**

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<b>TAB 1</b>	<b>TDHCA Board Presentation – March 13, 2008</b>
<b>TAB 2</b>	<b>Summary of Applications</b>
<b>TAB 3</b>	<b>Inducement Resolution</b>
<b>TAB 4</b>	<b>Prequalification Analysis Worksheet</b>
<b>TAB 5</b>	<b>Map of Development Site</b>

**MULTIFAMILY FINANCE PRODUCTION DIVISION**

**BOARD ACTION REQUEST**

**March 13, 2008**

**Action Item**

Presentation, Discussion and Possible Approval of an Inducement Resolution for Multifamily Housing Revenue Bonds and Authorization for Filing Applications for Private Activity Bond Authority – 2008 Waiting List.

**Requested Action**

Approve the Inducement Resolution to proceed with application submission to the Texas Bond Review Board for possible receipt of State Volume Cap issuance authority from the 2008 Private Activity Bond Program for one (1) application.

**Background**

Each year, the State of Texas is notified of the cap on the amount of private activity tax-exempt revenue bonds that may be issued within the state. Approximately \$440 million is set aside for multifamily until August 7<sup>th</sup> for the 2008 bond program year. TDHCA has a set aside of approximately \$89 million available for new 2008 applications. If the Board approves the Waiting List application listed below it will be submitted to the Texas Bond Review Board.

Inducement Resolution 08-017 includes one (1) application that was received on or before February 7, 2008. The application will reserve approximately \$15 million in 2008 state volume cap. Upon Board approval to proceed, the application will be submitted to the Texas Bond Review Board for placement on the 2008 Waiting List. Board approval of the inducement resolution allows the Department to submit the application to the Bond Review Board to await a reservation of allocation. The Board has previously approved seven (7) applications for the 2008 program year.

Staff notes that this application, Costa Ibiza Apartments, was previously induced at the November 8, 2007 Board meeting and initially requested \$11,500,000 in volume cap; however, due to the current conditions in the market the applicant is requesting an increase in their bond amount to \$15,000,000 and is therefore being placed back on the agenda for approval. After initial Board approval in November the application was submitted to the Bond Review Board in February; however the application has since been withdrawn.

Costa Ibiza Apartments, App. #08602– The proposed new construction will consist of 216 units and will target the general population. It will be located at approximately 17000 Hafer Road, Houston, Harris County. Demographics for the census tract (5503.00) include AMFI of \$50,200; the total population is 9,654; the percent of the population that is minority is 49.08%; the number of owner occupied units is 550; number of renter occupied units is 4,321; and the number of vacant units is 509. (Census Information from FFIEC Geocoding for 2007).

*Public Comment:* The Department has received letters of opposition from State Representative Patricia Harless, Harris County Commissioner Jerry Eversole and the Houston Northwest Chamber of Commerce. Copies of these letters are included in this presentation. The Department has not received any letters of support.



### **Recommendation**

Approve the Inducement Resolution as presented by staff. Staff will present all appropriate information to the Board for a final determination for the issuance of the bonds and housing tax credits during the full application process for the bond issuance.

## Texas Department of Housing and Community Affairs

2008 Multifamily Private Activity Bond Program - Waiting List

Application #	Development Information	Units	Bond Amount	Developer Information	Comments
08602  Priority 2	Costa Ibiza Approximately 17000 Hafer Road City: Houston County: Harris <i>New Construction</i>	216  General	\$ 15,000,000  Score = 77	Costa Ibiza , Ltd. Debra Guerrero 111 Soledad, Suite 1220 San Antonio, Texas 78205 (210) 487-7878	Recommend
<b>Totals for Recommended Applications</b>		<b>216</b>	<b>\$ 15,000,000</b>		

## RESOLUTION NO. 08-017

### RESOLUTION DECLARING INTENT TO ISSUE MULTIFAMILY REVENUE BONDS WITH RESPECT TO RESIDENTIAL RENTAL DEVELOPMENTS; AUTHORIZING THE FILING OF APPLICATIONS FOR ALLOCATIONS OF PRIVATE ACTIVITY BONDS WITH THE TEXAS BOND REVIEW BOARD; AND AUTHORIZING OTHER ACTION RELATED THERETO

WHEREAS, the Texas Department of Housing and Community Affairs (the "Department") has been duly created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as amended, (the "Act") for the purpose, among others, of providing a means of financing the costs of residential ownership, development and rehabilitation that will provide decent, safe, and affordable living environments for persons and families of low, very low and extremely low income and families of moderate income (all as defined in the Act); and

WHEREAS, the Act authorizes the Department: (a) to make mortgage loans to housing sponsors to provide financing for multifamily residential rental housing in the State of Texas (the "State") intended to be occupied by persons and families of low, very low and extremely low income and families of moderate income, as determined by the Department; (b) to issue its revenue bonds, for the purpose, among others, of obtaining funds to make such loans and provide financing, 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 multifamily residential rental development loans, and to mortgage, pledge or grant security interests in such loans or other property of the Department in order to secure the payment of the principal or redemption price of and interest on such bonds; and

WHEREAS, it is proposed that the Department issue its revenue bonds for the purpose of providing financing for multifamily residential rental developments (each a "Development" and collectively, the "Developments") as more fully described in Exhibit A attached hereto. The ownership of each Development as more fully described in Exhibit A will consist of the ownership entity and its principals or a related person (each an "Owner" and collectively, the "Owners") within the meaning of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, on November 8, 2007 the Governing Board of the Department (the "Board") adopted Resolution No. 08-003 approving an issuance of \$11,500,000 for the Development. The Owner has since requested an increase in said amount to \$15,000,000. Accordingly, upon adoption of this Resolution, that portion of Resolution No. 08-003 relating to the Development (but not to those portions related to any other Development described more fully in Exhibit A of that Resolution No. 08-003) will be rescinded; and

WHEREAS, each Owner has made not more than 60 days prior to the date hereof, payments with respect to its respective Development and expects to make additional payments in the future and desires that it be reimbursed for such payments and other costs associated with each respective Development from the proceeds of tax-exempt and taxable obligations to be issued by the Department subsequent to the date hereof; and

WHEREAS, each Owner has indicated its willingness to enter into contractual arrangements with the Department providing assurance satisfactory to the Department that 100 percent of the units of its Development will be occupied at all times by eligible tenants, as determined by the Board pursuant to the Act ("Eligible Tenants"), that the other requirements of the Act and the Department will be satisfied and

that its Development will satisfy State law, Section 142(d) and other applicable Sections of the Code and Treasury Regulations; and

WHEREAS, the Department desires to reimburse each Owner for the costs associated with its Development listed on Exhibit A attached hereto, but solely from and to the extent, if any, of the proceeds of tax-exempt and taxable obligations to be issued in one or more series to be issued subsequent to the date hereof; and

WHEREAS, at the request of each Owner, the Department reasonably expects to incur debt in the form of tax-exempt and taxable obligations for purposes of paying the costs of each respective Development described on Exhibit A attached hereto; and

WHEREAS, in connection with the proposed issuance of the Bonds (defined below), the Department, as issuer of the Bonds, is required to submit for each Development an Application for Allocation of Private Activity Bonds (the "Application") with the Texas Bond Review Board (the "Bond Review Board") with respect to the tax-exempt Bonds to qualify for the Bond Review Board's Allocation Program in connection with the Bond Review Board's authority to administer the allocation of the authority of the state to issue private activity bonds; and

WHEREAS, the Board intends that the issuance of Bonds for any particular Development is not dependent or related to the issuance of Bonds (as defined below) for any other Development and that a separate Application shall be filed with respect to each Development; and

WHEREAS, the Board has determined to declare its intent to issue its multifamily revenue bonds for the purpose of providing funds to each Owner to finance its Development on the terms and conditions hereinafter set forth; NOW, THEREFORE,

BE IT RESOLVED BY THE BOARD THAT:

Section 1--Certain Findings. The Board finds that:

- (a) each Development is necessary to provide decent, safe and sanitary housing at rentals that individuals or families of low and very low income and families of moderate income can afford;
- (b) each Owner will supply, in its Development, well-planned and well-designed housing for individuals or families of low and very low income and families of moderate income;
- (c) the financing of each Development is a public purpose and will provide a public benefit;
- (d) each Owner is financially responsible; and
- (e) each Development will be undertaken within the authority granted by the Act to the Department and each Owner.

Section 2--Authorization of Issue. The Department declares its intent to issue its Multifamily Housing Revenue Bonds (the "Bonds") in amounts estimated to be sufficient to (a) fund a loan or loans to each Owner to provide financing for its Development in an aggregate principal amount not to exceed those amounts, corresponding to each respective Development, set forth in Exhibit A; (b) fund a reserve fund with respect to the Bonds if needed; and (c) pay certain costs incurred in connection with the issuance of the Bonds. Such Bonds will be issued as qualified residential rental development bonds. Final approval of the Department to issue the Bonds shall be subject to: (i) the review by the Department's

credit underwriters for financial feasibility; (ii) review by the Department's staff and legal counsel of compliance with federal income tax regulations and state law requirements regarding tenancy in each Development; (iii) approval by the Bond Review Board, if required; (iv) approval by the Attorney General of the State of Texas (the "Attorney General"); (v) satisfaction of the Board that each Development meets the Department's public policy criteria; and (vi) the ability of the Department to issue such Bonds in compliance with all federal and state laws applicable to the issuance of such Bonds.

Section 3--Terms of Bonds. The proposed Bonds shall be issuable only as fully registered bonds in authorized denominations to be determined by the Department; shall bear interest at a rate or rates to be determined by the Department; shall mature at a time to be determined by the Department but in no event later than 40 years after the date of issuance; and shall be subject to prior redemption upon such terms and conditions as may be determined by the Department.

Section 4--Reimbursement. The Department reasonably expects to reimburse each Owner for all costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition of real property and construction of its Development and listed on Exhibit A attached hereto ("Costs of each respective Development") from the proceeds of the Bonds, in an amount which is reasonably estimated to be sufficient: (a) to fund a loan to provide financing for the acquisition and construction or rehabilitation of its Development, including reimbursing each Owner for all costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition and construction or rehabilitation of its Development; (b) to fund any reserves that may be required for the benefit of the holders of the Bonds; and (c) to pay certain costs incurred in connection with the issuance of the Bonds.

Section 5--Principal Amount. Based on representations of each Owner, the Department reasonably expects that the maximum principal amount of debt issued to reimburse each Owner for the costs of its respective Development will not exceed the amount set forth in Exhibit A which corresponds to its Development.

Section 6--Limited Obligations. The Owner may commence with the acquisition and construction or rehabilitation of its Development, which Development will be in furtherance of the public purposes of the Department as aforesaid. On or prior to the issuance of the Bonds, each Owner will enter into a loan agreement on an installment payment basis with the Department under which the Department will make a loan to the Owner for the purpose of reimbursing each Owner for the costs of its Development and each Owner will make installment payments sufficient to pay the principal of and any premium and interest on the applicable Bonds. The proposed Bonds shall be special, limited obligations of the Department payable solely by the Department from or in connection with its loan or loans to each Owner to provide financing for the Owner's Development, and from such other revenues, receipts and resources of the Department as may be expressly pledged by the Department to secure the payment of the Bonds.

Section 7--The Development. Substantially all of the proceeds of the Bonds shall be used to finance the Developments, each of which is to be occupied entirely by Eligible Tenants, as determined by the Department, and each of which is to be occupied partially by persons and families of low income such that the requirements of Section 142(d) of the Code are met for the period required by the Code.

Section 8--Payment of Bonds. The payment of the principal of and any premium and interest on the Bonds shall be made solely from moneys realized from the loan of the proceeds of the Bonds to reimburse each Owner for costs of its Development.

Section 9--Costs of Development. The Costs of each respective Development may include any cost of acquiring, constructing, reconstructing, improving, installing and expanding the Development. Without limiting the generality of the foregoing, the Costs of each respective Development shall specifically include the cost of the acquisition of all land, rights-of-way, property rights, easements and interests, the cost of all machinery and equipment, financing charges, inventory, raw materials and other supplies, research and development costs, interest prior to and during construction and for one year after completion of construction whether or not capitalized, necessary reserve funds, the cost of estimates and of engineering and legal services, plans, specifications, surveys, estimates of cost and of revenue, other expenses necessary or incident to determining the feasibility and practicability of acquiring, constructing, reconstructing, improving and expanding the Development, administrative expenses and such other expenses as may be necessary or incident to the acquisition, construction, reconstruction, improvement and expansion of the Development, the placing of the Development in operation and that satisfy the Code and the Act. Each Owner shall be responsible for and pay any costs of its Development incurred by it prior to issuance of the Bonds and will pay all costs of its Development which are not or cannot be paid or reimbursed from the proceeds of the Bonds.

Section 10--No Commitment to Issue Bonds. Neither the Owners nor any other party is entitled to rely on this Resolution as a commitment to issue the Bonds and to loan funds, and the Department reserves the right not to issue the Bonds either with or without cause and with or without notice, and in such event the Department shall not be subject to any liability or damages of any nature. Neither the Owners nor any one claiming by, through or under each Owner shall have any claim against the Department whatsoever as a result of any decision by the Department not to issue the Bonds.

Section 11--No Indebtedness of Certain Entities. The Board hereby finds, determines, recites and declares that the Bonds shall not constitute an indebtedness, liability, general, special or moral obligation or pledge or loan of the faith or credit or taxing power of the State, the Department or any other political subdivision or municipal or political corporation or governmental unit, nor shall the Bonds ever be deemed to be an obligation or agreement of any officer, director, agent or employee of the Department in his or her individual capacity, and none of such persons shall be subject to any personal liability by reason of the issuance of the Bonds.

Section 12--Conditions Precedent. The issuance of the Bonds following final approval by the Board shall be further subject to, among other things: (a) the execution by each Owner and the Department of contractual arrangements providing assurance satisfactory to the Department that 100 percent of the units for each Development will be occupied at all times by Eligible Tenants, that all other requirements of the Act will be satisfied and that each Development will satisfy the requirements of Section 142(d) of the Code (except for portions to be financed with taxable bonds); (b) the receipt of an opinion from Vinson & Elkins L.L.P. or other nationally recognized bond counsel acceptable to the Department, substantially to the effect that the interest on the tax-exempt Bonds is excludable from gross income for federal income tax purposes under existing law; and (c) receipt of the approval of the Bond Review Board, if required, and the Attorney General.

Section 13--Certain Findings. The Board hereby finds, determines, recites and declares that the issuance of the Bonds to provide financing for each Development will promote the public purposes set forth in the Act, including, without limitation, assisting persons and families of low and very low income and families of moderate income to obtain decent, safe and sanitary housing at rentals they can afford.

Section 14--Authorization to Proceed. The Board hereby authorizes staff, Bond Counsel and other consultants to proceed with preparation of each Development's necessary review and legal documentation for the filing of an Application for the 2008 program year and the issuance of the Bonds, subject to satisfaction of the conditions specified in Section 2(i) and (ii) hereof. The Board further

authorizes staff, Bond Counsel and other consultants to re-submit an Application that was withdrawn by an Owner so long as the Application is re-submitted within the current or following program year.

Section 15--Related Persons. The Department acknowledges that financing of all or any part of each Development may be undertaken by any company or partnership that is a “related person” to the respective Owner within the meaning of the Code and applicable regulations promulgated pursuant thereto, including any entity controlled by or affiliated with the respective Owner.

Section 16--Declaration of Official Intent. This Resolution constitutes the Department’s official intent for expenditures on Costs of each respective Development which will be reimbursed out of the issuance of the Bonds within the meaning of Sections 1.142-4(b) and 1.150-2, Title 26, Code of Federal Regulations, as amended, and applicable rulings of the Internal Revenue Service thereunder, to the end that the Bonds issued to reimburse Costs of each respective Development may qualify for the exemption provisions of Section 142 of the Code, and that the interest on the Bonds (except for any taxable Bonds) will therefore be excludable from the gross incomes of the holders thereof under the provisions of Section 103(a)(1) of the Code.

Section 17--Authorization of Certain Actions. The Department hereby authorizes the filing of and directs the filing of each Application in such form presented to the Board with the Bond Review Board and each director of the Board are hereby severally authorized and directed to execute each Application on behalf of the Department and to cause the same to be filed with the Bond Review Board.

Section 18--Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

Section 19--Books and Records. The Board hereby directs this Resolution to be made a part of the Department’s books and records that are available for inspection by the general public.

Section 20--Notice of Meeting. Written notice of the date, hour and place of the meeting of the Board at which this Resolution was considered and of the subject of this Resolution was furnished to the Secretary of State of the State of Texas (the “Secretary of State”) and posted on the Internet for at least seven (7) days preceding the convening of such meeting; that during regular office hours a computer terminal located in a place convenient to the public in the office of the Secretary of State was provided such that the general public could view such posting; that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof was discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended; and that written notice of the date, hour and place of the meeting of the Board and of the subject of this Resolution was published in the Texas Register at least seven (7) days preceding the convening of such meeting, as required by the Administrative Procedure and Texas Register Act, Chapters 2001 and 2002, Texas Government Code, as amended. Additionally, all of the materials in the possession of the Department relevant to the subject of this Resolution were sent to interested persons and organizations, posted on the Department’s website, made available in hard-copy at the Department, and filed with the Secretary of State for publication by reference in the Texas Register not later than seven (7) days before the meeting of the Board as required by Section 2306.032, Texas Government Code, as amended.

PASSED AND APPROVED this 13th day of March, 2008.

[SEAL]

By: \_\_\_\_\_  
Chairman, Governing Board

Attest: \_\_\_\_\_  
Secretary to the Governing Board



EXHIBIT "A"

Description of each Owner and its Development

Project Name	Owner	Principals	Amount Not to Exceed
Costa Ibiza	Costa Ibiza, Ltd., to be formed, or other entity	The General Partner may be NRP Costa Ibiza, LLC, to be formed, or other entity, the managing members of which may be J. David Heller, T. Richard Bailey, Jr., and/or Alan F. Scott, or other entity	\$15,000,000
<p>Costs: (i) acquisition of real property located at approximately 17000 Hafer Road, Harris County, Texas; and (ii) the construction thereon of an approximately 216-unit multifamily residential rental housing development, in the amount not to exceed \$15,000,000.</p>			

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

**Costa Ibiza, Houston, TDHCA #08602, Priority 2**

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	2	\$ 609	787	0.77
60% AMI	1BD/1BA	10	\$ 628	787	0.80
60% AMI	2BD/2BA	22	\$ 733	1,004	0.73
60% AMI	2BD/2BA	86	\$ 754	1,004	0.75
60% AMI	3BD/2BA	18	\$ 851	1,234	0.69
60% AMI	3BD/2BA	66	\$ 871	1,234	0.71
60% AMI	4BD/2BA	2	\$ 949	1,575	0.60
60% AMI	4BD/2BA	10	\$ 967	1,575	0.61
					0.00
					0.00
					0.00
					0.00
					0.00
<b>Totals</b>		216	\$ 2,074,080	240,432	\$ 0.72
<b>Averages</b>			\$ 800	1,113	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,620,955	\$ 7,504	\$ 6.74	0.07
Off-sites	80,000	370	0.33	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,700,955</b>	<b>\$ 7,875</b>	<b>\$ 7.07</b>	<b>0.07</b>
Sitework	1,944,000	9,000	8.09	0.08
Direct Construction Costs	11,834,622	54,790	49.22	0.49
General Requirements (6%)	826,717	3,827	3.44	0.03
Contractor's Overhead (2%)	275,572	1,276	1.15	0.01
Contractor's Profit (6%)	826,717	3,827	3.44	0.03
Construction Contingency	486,000	2,250	2.02	0.02
<b>Subtotal Construction</b>	<b>\$ 16,193,629</b>	<b>\$ 74,971</b>	<b>\$ 67.35</b>	<b>0.67</b>
Indirect Construction	1,237,500	5,729	5.15	0.05
Developer's Fee	2,736,000	12,667	11.38	0.11
Financing	2,156,248	9,983	8.97	0.09
Reserves	231,000	1,069	0.96	0.01
<b>Subtotal Other Costs</b>	<b>\$ 6,360,748</b>	<b>\$ 29,448</b>	<b>\$ 26</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 24,255,332</b>	<b>\$ 112,293</b>	<b>\$ 100.88</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 7,970,690	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 13,764,000	6.00%	30	\$ 990,266
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 2,314,880	84.6%	\$421,120	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 190,990	GIC Income	\$ -	
<b>Total Sources</b>	<b>\$ 24,240,560</b>			<b>\$ 990,266</b>

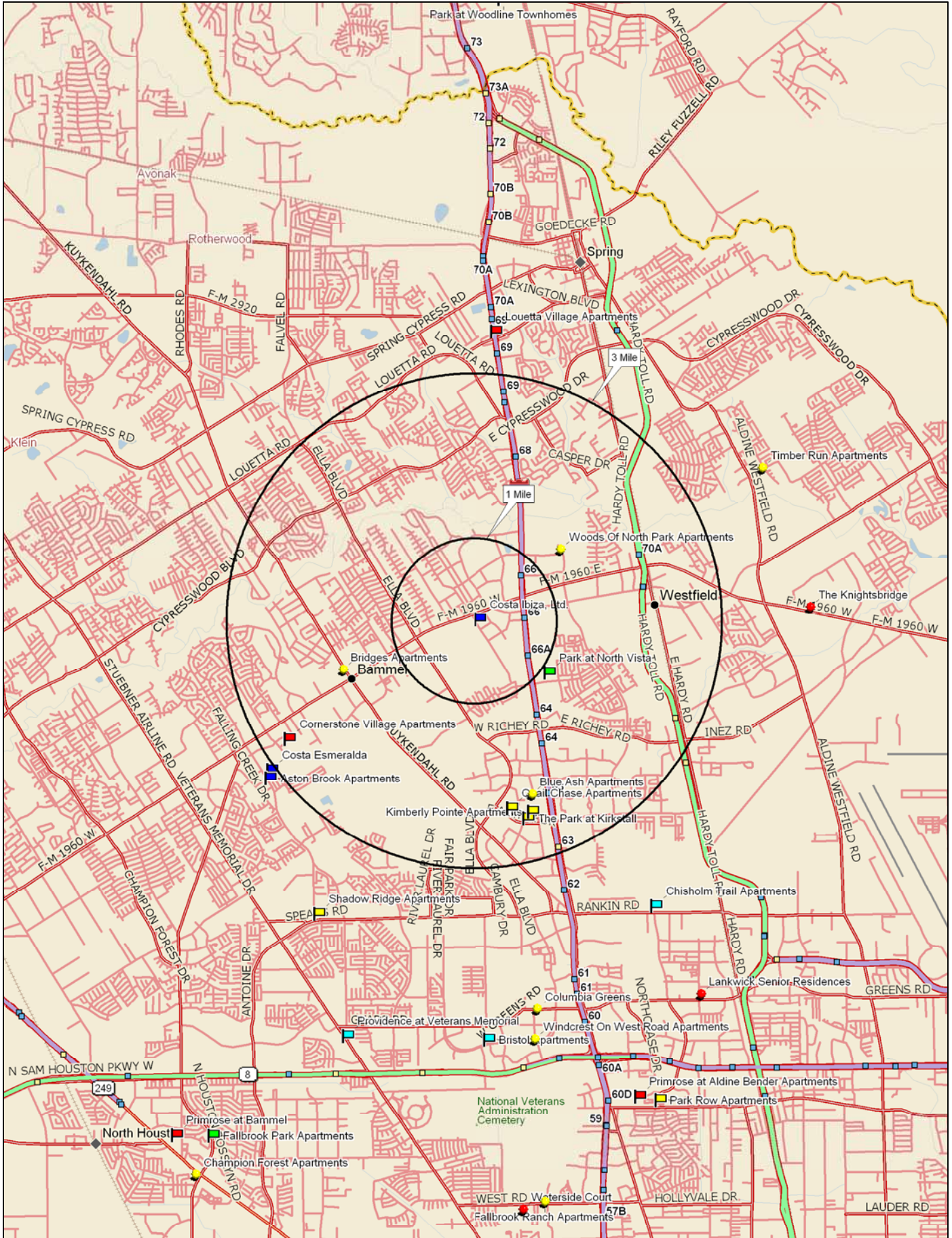
TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 7,970,690	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 12,154,124	6.00%	30	\$ 874,441
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 2,188,800	80.0%	\$ 547,200	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 190,990		\$ -	
<b>Total Sources</b>	<b>\$ 24,255,332</b>			<b>\$ 874,441</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,074,080	\$8.63		
Other Income & Loss	38,880	0.16	180	
Vacancy & Collection	-7.45% (157,476)	-0.65	-729	
Effective Gross Income	\$1,955,484	8.13	9,053	
Total Operating Expenses	\$948,888	\$3.95	\$4,393	
Net Operating Income	\$1,006,596	\$4.19	\$4,660	
Debt Service	990,266	4.12	4,585	
Net Cash Flow	\$16,330	\$0.07	\$76	
Debt Coverage Ratio	1.02			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$16,330	\$0.07	\$76	
DCR after TDHCA Fees	1.02			
Break-even Rents/S.F.	0.67			
Break-even Occupancy	93.49%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,074,080	\$8.63		
Other Income & Loss	38,880	0.16	180	
Vacancy & Collection	7.50% (158,472)	-0.66	-734	
Effective Gross Income	1,954,488	8.13	9,049	
Total Operating Expenses	48.5% \$948,888	\$3.95	\$4,393	
Net Operating Income	\$1,005,600	\$4.18	\$4,656	
Debt Service	874,441	3.64	4,048	
Net Cash Flow	\$131,159	\$0.55	\$607	
Debt Coverage Ratio	1.15			
TDHCA/TSAHC Fees	\$0.00	\$0		
Net Cash Flow	\$131,159	\$0.55	\$607	
DCR after TDHCA Fees	1.15			
Break-even Rents/S.F.	0.63			
Break-even Occupancy	87.91%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$64,800	0.27	300
Management Fees	77,760	0.32	360
Payroll, Payroll Tax & Employee Exp.	194,400	0.81	900
Maintenance/Repairs	86,400	0.36	400
Utilities	145,800	0.61	675
Property Insurance	64,800	0.27	300
Property Taxes	235,008	0.98	1088
Replacement Reserves	54,000	0.22	250
Other Expenses	25,920	0.11	120
<b>Total Expenses</b>	<b>\$948,888</b>	<b>\$3.95</b>	<b>\$4,393</b>

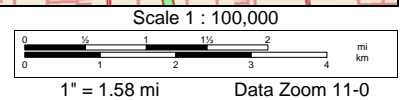
Staff Notes/Comments
Other expenses: support services contract fees: 10,800



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PATRICIA HARLESS  
DISTRICT 126  
HOUSE OF REPRESENTATIVES

P.O. Box 2910  
AUSTIN, TEXAS 78768-2910

(512) 463-0496  
FAX (512) 463-1507  
PATRICIA.HARLESS@HOUSE.STATE.TX.US

August 17, 2007

**Received**

AUG 20 2007

Teresa Morales, Administrator  
Multifamily Finance Production Division  
P.O. Box 13941  
Austin, Texas 78711-3491

Dear Ms. Morales:

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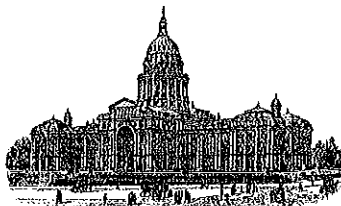
An Affordable Rental Housing Development Application has been proposed in the district I represent. The project, Costa Ibiza, is development #07441, located at approximately 17000 Hafer Road.

After meeting with the community leaders in my area and hearing their concerns, I am writing today to inform you that I oppose the approval of this application.

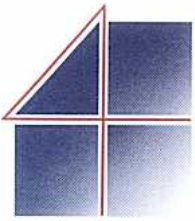
Thank you for the providing me with the notice of this application and allowing me the opportunity to provide my input.

Sincerely,

Patricia Harless  
District 126







**JERRY EVERSOLE, COMMISSIONER**

February 26, 2008

Ms. Teresa Morales  
Multifamily Bond Finance Manager  
Texas Department of Housing and Community Affairs  
P.O. Box 13941  
Austin, Texas 78711-3941

Dear Ms. Morales:

I am opposed to the proposed Costa Ibiza application that has been submitted for 2008's Multifamily Revenue Bond Program and Housing Tax Credit Program through the Texas Department of Housing and Community Affairs to develop an apartment complex in the 17,000 block of Hafer Road, Houston, Harris County, Texas 77090.

The bond would permit the construction of the low-income housing project known as the "Costa Ibiza." The residential community is adamantly opposed to the proposed location of the project in the 17,000 block of Hafer Road in Harris County Precinct 4. Please note, low-income housing developers should labor more diligently in their research and work with surrounding communities to locate areas the community will not oppose.

I urge you to consider my opposition against the application submitted for the Costa Ibiza Apartment development and for the constituents of Harris County Precinct 4. Should you have any questions, please contact my Community Assistance Department or me at (281) 353-8424.

Sincerely,

Jerry Eversole  
County Commissioner  
Precinct 4

JE/MD/sb

cc: D. Turkel, HCC&EDD

[www.HoustonNWChamber.org](http://www.HoustonNWChamber.org)

August 28, 2007

Ms. Teresa Morales  
Multifamily Finance Production Division  
Texas Department of Housing and Community Affairs  
P.O. Box 13941  
Austin, TX 78711-3491

08-30-07 1-1  
#07441  
Costa Ibiza

Dear Ms. Morales:

On behalf of the Houston Northwest Chamber of Commerce, we want to express our concern regarding the proposed construction of an affordable housing apartment complex near 17000 Hafer Road in north Houston. We have enclosed a copy of a resolution passed by our Board of Directors in opposition to the Hafer Road complex. Our Chamber represents 750 businesses in this northwest region.

A group of community leaders, including a representative from Representative Debbie Riddle's office, attended a presentation delivered by the NRP Group, the developers of the proposed complex. While NRP's plans appear sound, we feel that this is not the "highest and best use" for this tract.

We understand that a hearing is scheduled for September 5<sup>th</sup> and we plan to voice our concerns at that time. As indicated in the enclosed resolution, our community is already overburdened by Section 8 housing.

We appreciate your consideration of our position and we look forward to the opportunity to articulate our concerns next month.

Sincerely,



Barbara Thomason  
President

Enclosure

cc: Representative Patricia Harless  
Representative Debbie Riddle



## RESOLUTION

### In Support of Protest Action to Oppose the Construction of New Affordable Housing Units in Northwest Houston

WHEREAS, the Houston Northwest Chamber of Commerce is highly committed to the economic vitality of this region, to the public safety and security of the area and to the success of the business community; and

WHEREAS, the north Houston region is home to an unusually high concentration of Affordable Rental Housing Complexes that serve low-income tenants. We believe that as a community, we have done our part to support low-income housing and that other areas should now support these units; and

WHEREAS, the school districts serving these areas would be required to educate the children of these tenants without the benefit of adequate tax income to offset education expenses; and

WHEREAS, the hospitals in the area are already taxed with uninsured patients; and

WHEREAS, the area in the vicinity of the proposed 17000 Hafer Road project is an area vulnerable to crime and blight, seeing increased crime in recent years; and

WHEREAS, our Chamber and other community groups are taking an active role through Renaissance 1960 to upgrade these areas with higher rent housing, retail and office space, not lower rent housing and commercial space;

NOW, THEREFORE, BE IT RESOLVED by the Houston Northwest Chamber of Commerce that we protest the introduction of the Hafer Road project through the Texas Department of Housing and Community Affairs, Multifamily Finance Production Division.

ADOPTED and approved on this 22nd day of August, 2007.

A handwritten signature in black ink, appearing to read 'Tommy Ripley', written over a horizontal line.

Tommy Ripley  
Chairman of the Board

A handwritten signature in black ink, appearing to read 'Barbara Thomason', written over a horizontal line.

Barbara Thomason  
President

# REPORT ITEMS



# ORAL PRESENTATION



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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**Memorandum**

**To:** Michael Gerber  
**From:** Gordon Anderson  
**cc:** Tom Gouris, Michael Lyttle  
**Date:** March 4, 2008  
**Re:** TDHCA Outreach Activities

The attached document highlights outreach activities on the part of TDHCA staff for February 2008. The information provided focuses primarily on activities Executive and staff has taken on voluntarily, as opposed to those mandated by the Legislature (i.e., tax credit hearings, TEFRA hearings, etc.). This list may not account for every activity undertaken by staff, as there may be a limited number of events not brought to my attention.

For brevity sake, the chart provides the name of the event, its location, the date of the event, division(s) participating in the event, and an explanation of what role staff played in the event. Should you wish to obtain additional details regarding these events, I will be happy to provide you with this information.

## TDHCA Outreach Activities, February 2008

*A compilation of activities designed to increase the awareness of TDHCA programs and services or increase the visibility of the Department among key stakeholder groups and the general public*

<b>Event</b>	<b>Location</b>	<b>Date</b>	<b>Division</b>	<b>Purpose</b>
City of Pearsall Technical Assistance Visit	Pearsall	February 1	HOME	Training/Technical Assistance
Texas Interagency Council for the Homeless Meeting	Austin	February 1	Housing Resource Center	Participant
First Thursday Eligibility Training	Austin	February 7	Portfolio Management and Compliance	Training
Disability Advisory Workgroup Meeting	Austin	February 7	Housing Resource Center	Participant
Mental Health Transformation Workgroup	Austin	February 8	Housing Resource Center	Participant
Newton County Technical Assistance Visit	Newton	February 14-15	HOME	Training/Technical Assistance
2008 Weatherization Assistance Program State Plan/Application Hearing	Austin	February 15	Community Affairs	Public Hearing
SETRPC Technical Assistance Visit	Beaumont	February 19-21	HOME	Training/Technical Assistance
Texas Apartment Assn/Tax Credit Training Workshop	San Antonio	February 21	Portfolio Management & Compliance	Training
Disability Advisory Workgroup Meeting	Austin	February 25	Housing Resource Center	Participant
HUD Rental Compliance Training	San Antonio	February 26	HOME	Participant
HOME/HBA Training for Homebuyers with Rehabilitation	Austin	February 26	HOME	Training
Lifetime Independence Technical Assistance Visit	Lubbock	February 27-29	HOME	Training/Technical Assistance

**Texas Department of Housing and Community Affairs**

1st and 2nd Quarter HTC Ownership Transfers for Fiscal Year 2008

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00042	10/19/07	Southpark Apartments Phase II	Lockhart	Caldwell	7	Lockhart Village Partners, LP(GP)	MBS GP 142, LLC (GP)	R - Non-Affiliate of GP replaced GP
96175	10/19/07	Park Village Apartments	Conroe	Montgomery	6	Park Village Development Corporation (GP)	MBS GP 136, LLC (GP)	R - Non-Affiliate of GP replaced GP
96116	10/19/07	Southpark Apartments Phase I	Lockhart	Caldwell	7	Lockhart Village Partners, LP(GP)	MBS GP 139, LLC (GP)	R - Non-Affiliate of GP replaced GP
07234	10/29/07	Tuscany Park at Buda	Buda	Hays	7	MGroup Holdings, Inc. (GP)	TP General 176, LLC (GP)	R - Affiliate of GP replaced GP
07203	11/2/07	The Melbourne Apartments	Alvin	Brazoria	6	SGI Ventures, Inc.(D)	Franklin Development Properties LTD.(D)	R - Change of co-developer and assumption of ownership interest by affiliate.
07235	11/1/07	Woodchase Senior Community	El Paso	El Paso	13	Investment Builders, Inc. (GP); Ike Monty, President.	IBI Woodchase Senior Community, LLC. (GP)	R - Affiliate of GP replaced GP
04425	11/8/07	The Masters Apartments	Dallas	Dallas	3	The Masters Apartments I, LLC (GP)	KF Masters GP, LLC (GP)	R - Non-Affiliate of GP replaced GP
98156	11/8/07	The Meadows Apartments	Kerrville	Kerr	9	Kerrville Meadows Developers, LLC (GP)	KF Meadows GP, LLC (GP)	R - Non-Affiliate of GP replaced GP
04466	11/9/07	Rosemont at University Park	San Antonio	Bexar	9	San Antonio Affordable Housing, Inc. (GP)	Las Varas Public Facility Corporation (GP)	R - Sole member of GP replaced by Affiliate
05179	11/9/07	The Villages at Huntsville	Huntsville	Walker	6	N/A	Duval Construction Specialties (D)	R - Addition of Co-Developer
02457	11/12/07	The Park at Kirkstall	Houston	Harris	6	Southeast Development, LLC (GP)	API GP Holdings, LLC (GP)	R - Sole Member of GP replaced by Non-Affiliate
04482	11/12/07	Rosemont at Sierra Vista	Dallas	Dallas	3	Bright III Community Housing Development Organization (Class C LP)	N/A	R - Removal of Class C Limited Partner and assumption of interest by Affiliate
04191	11/13/07	Providence at Boca Chica	Brownsville	Cameron	11	Longbranch X, Inc. (GP)	Texas Tropical Gardens at Boca Chica GP, LLC (GP)	R - Affiliate of GP replaced GP
04435	11/27/07	Aventine Tarrant Parkway	Keller	Tarrant	3	None	Kimberly Wolcott (Co-owner of current entity)	O - Addition of co-owner of Wolco Development to the ownership description and org chart.
91080	11/28/07	Granada Terrace	Houston	Harris	6	Granada Terrace LTD (O)	2007 South Houston LP (O)	S - Sale of the development
94021	11/28/07	Bristol Court	Houston	Harris	6	Juniper South Court - Bristol, Ltd. (O)	KVA Investments, LLC (O)	S - Sale of the development
00078	11/28/07	Cypress Ridge	Nacogdoches	Nacogdoches	5	Cypress Ridge GP, Inc. (Admin. GP)	BRM Cypress Ridge, LLC (Admin GP)	R - Replacement of Administrative General Partner with non-affiliate entity.
60419	12/3/07	The Gardens of Weatherford	Weatherford	Parker	3	Continental Associates VI, Inc. (O of GP)	Keystone Kansas Development Group, Inc. (O of GP)	R - Removal of 50% owner of GP and assumption of interest by remaining 50% owner
60085	12/7/07	La Estancia II Apts	Sebastian	Willacy	11	HVM Sebastian, Ltd. (O)	HVM Sebastian II, Ltd. (O)	NC - Change in owner name only. No sale.
60420	12/7/07	The Gardens of De Cordova	Granbury	Hood	3	Continental Realty, Inc (Co-owner of GP)	None	R - Co-owner of GP exited the structure. Their interest was assumed by the remaining co-owner of the GP.
70135	12/11/07	Cloverleaf Apartments	Irving	Dallas	3	Cloverleaf Apartments, LTD (O)	Mr. & Mrs. Julio Rico (O)	S - Sale of the development

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05189	12/31/07	Windvale Apartments	Corsicana	Navarro	3	Affordable Caring Housing, Inc. (GP)	WVR Holdings, Inc. (GP)	R - Replacement of GP with single-purpose entity owned by original GP.
07103	1/3/08	Oak Tree Village	Dickenson	Galveston	6	Community Retirement Centre, Inc., JAH Development, LLC and I-Integrity Management, Inc. (GPs)	OTV Partners, LLC (GP)	R - Replacement of GP with single-purpose entity owned by original GP members.
03196	1/8/08	Arcadia Village Apts	Center	Shelby	5	Doug Dowler (LP) and Pineywoods Home Team Affordable Housing, Inc. (GP)	Sun America Housing Fund 1126 (LP) and PAHT, Inc. (GP)	R - Replaced the Limited Partner and the GP. GP replaced with a single-purpose entity owned by original GP.
60026	1/11/08	Villa del Rio Apts	Zapata	Zapata	11	Dennis Hoover (LP)	Countryside Corporate Tax Credits XVI Limited Partnership (LP), and Michel Properties, LLC (SLP)	R - Replaced the Limited Partner and added a Special Limited Partner w/0% ownership interest.
03474	1/23/08	Mayfair Park Apts	Houston	Harris	6	Mayfair Park Development, LLC (GP)	KF Mayfair Park GP, LLC (GP)	R - Replaced GP with non-affiliate entity.
04415	1/23/08	Pinnacle Apartments	Houston	Harris	6	Pinnacle Apartments I, LLC (GP)	KF Pinnacle GP, LLC (GP)	R - Replaced GP with non-affiliate entity.
60424	1/23/08	Lafayette Village Apts	Houston	Harris	6	250 Lafayette Village Development, LLC (GP)	KF Lafayette Village GP, LLC (GP)	R - Replaced GP with non-affiliate entity.
04416	1/23/08	The Bristol Apts	Houston	Harris	6	Bristol Apartments I, LLC (GP)	KF Bristol GP, LLC (GP)	R - Replaced GP with non-affiliate entity.
98032	1/31/08	Villas at Remond	Dallas	Dallas	3	Brian Potashnik (Class B LP), MHMR Senior Housing Development Corporation (GP)	CAH-IDA MHMR Senior Housing Class B LLC (Class B LLC), CAH-IDA MHMR Senior Housing, LLC (GP)	R - Replacd GP and Class B Limited Partner with non-affiliate entities.
99118	1/31/08	Rosemont at Hillsboro	Hillsboro	Hill	8	Villas Buenas, Inc (GP)	CAH-IDA Hillsboro Housing, LLC (GP)	R - Replaced GP with non-affiliate entity.
00003	1/31/08	Villas at Greenville	Greenville	Hunt	3	Brian Potashnik (Class B LP), Greenville Senior Housing Development Coroporation (GP)	CAH-IDA Greenville Senior Housing Class B LLC (Class B LLC), CAH-IDA Greenville Senior Housing, LLC (GP)	R - Replaced GP and Class B Limited Partner with non-affiliate entities.
00014T	1/31/08	Primrose Oaks	Dallas	Dallas	3	Brian Potashnik (Class B LP), Texas Hampton Senior Housing Development Corporation (GP)	CAH-IDA Hampton Senior Housing Class B, LLC (Class B LLC), CAH-IDA Hampton Senior Housing, LLC (GP)	R - Replaced GP and Class B Limited Partner with non-affiliate entities.
00027	1/31/08	Rosemont at Arlington Park	Dallas	Dallas	3	Chattanooga Housing Development Corporation (GP)	CAH-IDA Chattanooga Housing, LLC (GP)	R - Replaced GP with non-affiliate entity.
00029T	1/31/08	Primrose Park at Rolling Hills	DeSoto	Dallas	3	Brian Potashnik (Class B LP), The Parks at Westmoreland Senior Housing Development II, LLC (GP)	CAH-IDA Westmoreland Senior Housing Class B, LLC (Class B LLC), CAH-IDA Westmoreland Senior Housing, LLC (GP)	R - Replaced GP and Class B Limited Partner with non-affiliate entities.
01051	1/31/08	Rosemont of El Dorado	Brownsville	Cameron	11	Tahoe Housing Development, LLC (Co-GP)	CAH-IDA Tahoe Housing, LLC (Co-GP)	R - Replaced the GP with non-affiliate entity.

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01057	1/31/08	Rosemont at Timbercreek	Dallas	Dallas	3	TX Timbercreek Housing Development, LLC (GP)	CAH-IDA Timbercreek Housing, LLC (GP)	R - Replaced the GP with non-affiliate entity.
01058	1/31/08	Rosemont of Highland Gardens	Harlingen	Cameron	11	Highland Gardens Development, LLC (Co-GP)	CAH-IDA Highland Gardens, LLC (Co-GP)	R - Replaced a Co-GP with non-affiliate entity.
01143	1/31/08	Rosemont at Laredo	Laredo	Webb	11	Laredo Vista Housing Development, LLC (GP)	CAH-IDA Laredo Vista Housing, LLC (GP)	R - Replaced the GP with non-affiliate entity.
01406	1/31/08	Rosemont at Pemberton Hill	Dallas	Dallas	3	Brian Potashnik (Class B LP), TX Hillside Development III, LLC (GP)	CAH-IDA Hillside Apartments Class B, LLC (Class B LP), CAH-IDA Hillside Apartments, LLC (GP)	R - Replaced the GP and Class B Limited Partner with non-affiliate entities.
01408	1/31/08	Rosemont at Pecan Creek	Denton	Denton	3	Brian Potashnik (Class B LP), Knollwood Villas Development Corporation (GP)	CAH-IDA Knollwood Villas Class B LLC (Class B LP), CAH-IDA Knollwood Villas, LLC (GP)	R - Replaced the GP and Class B Limited Partner with non-affiliate entities.
01409	1/31/08	Primrose at Sequoia Park	Denton	Denton	3	Brian Potashnik (Class B LP), TX Bluffview Housing Development Corporation (GP)	CAH-IDA Bluffview Housing Class B, LLC (Class B LP), CAH-IDA Bluffview Housing, LLC (GP)	R - Replaced the GP and Class B Limited Partner with non-affiliate entities.
01424	1/31/08	Primrose of Shadow Creek	Austin	Travis	7	Arbors Creekside, LLC (Class B LP)	CAH-IDA Arbors Housing Class B, LLC (Class B LP)	R - Replaced the Class B Limited Partner with non-affiliate entity.
01435	1/31/08	Rosemont of Oak Hollow	Dallas	Dallas	3	Brian Potashnik (Class B LP), Oak Hollow Housing Development II, LLC (GP)	CAH-IDA Oak Hollow Housing Class B, LLC (Class B LLC), CAH-IDA Oak Hollow Housing, LLC (GP)	R - Replaced the GP and Class B Limited Partner with non-affiliate entities.
02002	1/31/08	Primrose at Cedar Hill	Cedar Hill	Dallas	3	Cedar Hill Senior Housing Development, LLC (GP)	CAH-IDA Cedar Hill Senior Housing, LLC (GP)	R - Replaced the GP with a non-affiliate entity.
02073	1/31/08	Rosemont at Williamson Creek	Austin	Travis	7	Pleasant Valley Courtyards Development, LLC (GP)	CAH-IDA Pleasant Valley Courtyards, LLC (GP)	R - Replaced the GP with a non-affiliate entity.
02075	1/31/08	Rosemont at Millers Pond	San Antonio	Bexar	9	None	CAH-IDA Heatherwilde Estates Class B, LLC (Class B LP)	R - Added a Class B Limited Partner.
02413	1/31/08	Rosemont at Oak Valley	Austin	Travis	7	Brian Potashnik (Class B LP), Pleasant Valley Villas Development, LLC (GP)	CAH-IDA Pleasant Valley Villas Class B, LLC (Class B LLC), CAH-IDA Pleasant Valley Villas, LLC (GP)	R - Replaced the GP and Class B Limited Partner with non-affiliate entities.
02417	1/31/08	Rosemont at Bluff Ridge	Dallas	Dallas	3	Brian Potashnik (Class B LP), Clarkridge Villas Development, LLC (GP)	CAH-IDA Clarkridge Villas Class B, LLC (Class B LP), CAH-IDA Clarkridge Villas, LLC.	R - Replaced the GP and Class B Limited Partner with non-affiliate entities.
02433	1/31/08	Rosemont at Heather Bend	Pflugerville	Travis	7	Brian Potashnik (Class B LP), Heatherwilde Villas Development, LLC (GP)	CAH-IDA Heatherwilde Villas Class B, LLC (Class B LP), CAH-IDA Heatherwilde Villas, LLC (GP)	R - Replaced the GP and Class B Limited Partner with non-affiliate entities.

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02438	1/31/08	Rosemont at Hickory Trace	Dallas	Dallas	3	Brian Potashnik (Class B LP), Hickory Trace Development, LLC (GP)	CAH-IDA Hickory Trace Housing Class B, LLC (Class B LP), CAH-IDA Hickory Trace Housing, LLC (GP)	R - Replaced the GP and Class B Limited Partner with non-affiliate entities.
02446	1/31/08	Rosemont at Cedar Crest	Dallas	Dallas	3	Brian Potashnik (Class B LP), Southern Oaks Housing Development, LLC (GP)	CAH-IDA Southern Oaks Housing Class B, LLC (Class B LP), CAH-IDA Southern Oaks Housing, LLC (GP)	R - Replaced the GP and Class B Limited Partner with non-affiliate entities.
02456	1/31/08	Rosemont at Palo Alto	San Antonio	Bexar	9	Brian Potashnik (Class B LP)	CAH-IDA SA II Housing Class B, LLC (Class B LP)	R - Replaced the Class B Limited Partner with non-affiliate entity.
02477	1/31/08	Potter's House at Primrose	Dallas	Dallas	3	Brian Potashnik (Class B LP), Escondido Housing Development, LLC (Co-GP)	CAH-IDA Escondido Housing Class B, LLC (Class B LP), CAH-IDA Escondido Housing, LLC (Co-GP)	R - Replaced the GP and Class B Limited Partner with non-affiliate entities.
02479	1/31/08	Rosemont at Lancaster	Lancaster	Dallas	3	Primrose Houston I Development, LLC (GP)	CAH-IDA Houston I Housing, LLC (GP)	R - Replaced the GP with non-affiliate entity.
03004	1/31/08	Rosemont at Lakewest	Dallas	Dallas	3	Arbor Woods Development, LLC (GP)	CAH-IDA Arbor Woods Housing, LLC (GP)	R - Replaced the GP with non-affiliate entity.
03410	1/31/08	Rosemont at Ash Creek	Dallas	Dallas	3	Primrose Houston South Development, LLC (GP)	CAH-IDA Houston South Housing, LLC (GP)	R - Replaced the GP with non-affiliate entity.
03424	1/31/08	Rosemont at Mayfield Villas	Arlington	Tarrant	3	Arlington Villas SLP, LLC (Class B LP)	CAH-IDA Hampton Villas Class B, LLC (Class B LP)	R - Replaced the Class B Limited Partner with non-affiliate entity.
03432	1/31/08	Primrose at Casa Bella	Houston	Harris	6	Primrose Skyline Apartments SLP, LLC (Class B LP)	CAH-IDA Houston 7 Housing Class B, LLC (Class B LP)	R - Replaced the Class B Limited Partner with non-affiliate entity.
03433	1/31/08	Rosemont at Meadow Lane	Dallas	Dallas	3	Parmer Villas Development, LLC (GP)	CAH-IDA Parmer Villas, LLC (GP)	R - Replaced the GP with a non-affiliate entity.
03441	1/31/08	Primrose at Monticello Park	San Antonio	Bexar	9	Jefferson Plaza SLP, LLC (Class B LP)	CAH-IDA SA IV Housing Class B, LLC (Class B LP)	R - Replaced the Class B Limited Partner with non-affiliate entity.
04222	1/31/08	Primrose at Highland Meadows	Dallas	Dallas	3	TX Tenison Development, LLC (Co-GP)	CAH-IDA Tenison Housing, LLC (Co-GP)	R - Replaced the Co-GP with non-affiliate entity.
04405	1/31/08	Primrose at Del Sol	Houston	Harris	6	TX Aldine-Bender Development, LLC (Class B LP)	CAH-IDA Aldine-Bender Housing Class B, LLC (Class B LP)	R - Replaced the Class B Limited Partner with non-affiliate entity.
04427	1/31/08	Rosemont at Hidden Creek	Austin	Travis	7	TX Old Manor Housing SLP, LLC (Class B LP), Housing Services Inc. (Owner of GP)	CAH-IDA Old Manor Housing Class B, LLC (Class B LP), Spectrum Housing Corporation (Owner of GP)	R - Replaced the Class B Limited Partner and the owner of the GP with non-affiliate entities.
04428	1/31/08	Primrose at Pasadena	Pasadena	Harris	6	TX Pasadena Development, LLC (Class B LP)	CAH-IDA Pasadena Housing Class B, LLC (Class B LP)	R - Replaced the Class B Limited Partner with non-affiliate entity.

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04447	1/31/08	Rosemont at Bethel Place	San Antonio	Bexar	9	TX Acme A South SLP, LLC (Class B LP), Housing Services, Inc (Owner of GP)	CAH-IDA Acme A South Housing Class B, LLC (Class B LP), Spectrum Housing Corporation (Owner of GP)	R - Replaced the Class B Limited Partner and the owner of the GP with non-affiliate entities.
04460	1/31/08	Primrose at Park Place	Garland	Dallas	3	TX Crist Development SLP, LLC (Class B LP)	CAH-IDA Crist Housing Class B, LLC (Class B LLC)	R - Replaced the Class B Limited Partner with non-affiliate entity.
04465	1/31/08	Rosemont at Baytown	Baytown	Harris	6	TX Garth Development, LLC (Class B LP)	CAH-IDA Garth Housing Class B, LLC (Class B LP)	R - Replaced the Class B Limited Partner with non-affiliate entity.
04466	1/31/08	Rosemont at University Park	San Antonio	Bexar	9	TX Pleasanton Housing SLP, LLC (Class B LP)	CAH-IDA Pleasanton Housing Class B, LLC (Class B LP)	R - Replaced the Class B Limited Partner with non-affiliate entity.
04467	1/31/08	Primrose at Heritage Park	Houston	Harris	6	TX Bammel Development, LLC (Class B LP)	CAH-IDA Bammel Housing Class B, LLC (Class B LP)	R - Replaced the Class B Limited Partner with non-affiliate entity.
04476	1/31/08	Rosemont at Mission Trails	Dallas	Dallas	3	TX Laureland Development SLP, LLC (Class B LP)	CAH-IDA Laureland Housing Class B, LLC (Class B LP)	R - Replaced the Class B Limited Partner with non-affiliate entity.
04482	1/31/08	Rosemont at Sierra Vista	Dallas	Dallas	3	TX Scyene Development SLP, LLC (Class B LP)	CAH-IDA Scyene Housing Class B, LLC (Class B LP)	R - Replaced the Class B Limited Partner with non-affiliate entity.
04490	1/31/08	Primrose at Park Villas	Dallas	Dallas	3	TX John West Development SLP, LLC (Class B LP), TX John West Development, LLC (GP)	CAH-IDA John West Housing Class B, LLC (Class B LP), CAH-IDA John West Housing, LLC (GP)	R - Replaced the GP and Class B Limited Partner with non-affiliate entities.
05414	1/31/08	Rosemont at Highland Park	San Antonio	Bexar	9	Clark 05 SLP, LLC (Class B LP)	CAH-IDA Clark 05 Housing Class B, LLC (Class B LP)	R - Replaced the Class B Limited Partner with non-affiliate entity.
05437	1/31/08	Primrose at Mission Hill	San Antonio	Bexar	9	New Braunfels 2 SLP, LLC (Class B LP)	CAH-IDA New Braunfels 2 Housing Class B, LLC (Class B LP)	R - Replaced the Class B Limited Partner with non-affiliate entity.
04408	2/12/08	Hickory Manor Apts	DeSoto	Dallas	3	Colonial Equities, Inc. (SLP)	None	R - Special Limited Partner left structure. Remaining part owner of departing Special Limited Partner assumed vacated interest.
07223	2/9/08	Shady Oaks Apts	Georgetown	Williamson	7	None	DMA Community Ventures, LLC (Class B LP) DMA Development Company (D)	R - Adding a Class B Limited Partner and a co-developer.
07203	2/19/08	Melbourne Apts	Alvin	Brazoria	6	Franklin Development Properties, Ltd. (Co-D)	LDG Multifamily, LLC. (Co-D)	R - Replaced co-developer.
94154	2/19/08	Corona Del Valle Apts.	El Paso	El Paso	13	Corona Del Valle Housing Corporation (SLP), Bricklayers Texas Housing Corporation (GP)	Texas Housing Finance Corporation Special (GP)	R - Removed the Special Limited Partner and replaced the GP with an affiliated entity.



## Texas Department of Housing and Community Affairs

### 2nd Quarter Housing Tax Credit Amendments Approved Administratively

Dev. No.	Date of Approval	Development	City	County	Region	Interested Parties	Subject of Amendment Approved
060133	11/7/07	Canyons Landing	Poteet	Atascosa	9	HVM Management, Dennis Hoover; Benjamin Farmer	Unit amenities replaced by other unit amenities.
04145	11/7/07	Village at Meadowbend II	Temple	Bell	8	Rufino Contreras Affordable Housing Corp.; Bill Encinas	13 SEER ACs replaced self-cleaning ovens
04460	11/9/07	Rosemont at Park Place	Garland	Dallas	3	Southwest Housing; Brian Potashnik	Carports reduced from 178 to 166 replaced by 2,000 s.f. increase in common area, several common amenities & 2 additional open parking spaces.
07117	11/12/07	Deer Creek	Levelland	Hockley	1	Wilhoit Properties; Justin Zimmerman	0.215 acres taken for ROW
07198	11/12/07	West Durango Plaza	San Antonio	Bexar	9	Housing and Community Services, Inc. (NP)	Added 60' x 335' tract for parking
04260	11/15/07	TownePark Fredericksburg II	Fredericksburg	Gillespie	9	Texas Housing Foundation; Kilday Realty Corporation	9 foot ceilings replaced by microwave ovens. Each worth one point in same scoring item.
04255	11/15/07	Freeport Oaks	Freeport	Brazoria	6	Kilday Realty Corporation	Self-cleaning ovens (2 points) replaced by Energy Star appliances (1 point)
04290	11/19/07	LULAC Village	Corpus Christi	Nueces	10	LULAC; David Marquez	Acknowledgement that NRA of finished rehab differed from application because of inclusion vs. exclusion of masonry (i.e. method of measurement).
04469	11/27/07	Louetta Village	Houston	Harris	6	Coach Realty Services; Tom Scott	Two buildings were relocated within the site.
07094	12/11/07	Mesquite Terrace	Pharr	Hidalgo	11	Pharr Housing Authority; Tekoa Partners; Bill Lee	Application site plan correctly stated site dimensions but underwriting report missed one of two ROWs that owner erred in including in site area and repeated owner's mistake in stating site area. No effect on scoring or underwriting.
07234	12/11/07	Tuscany Park	Buda	Hays	7	Laura & Mark Musemeche	Flipped site plan; increased unit and common areas; add carports if later find it feasible.
04036	12/11/07	Villa Del Sol	Brownsville	Cameron	11	Brownsville Housing Authority, Bill Lee, Bill Skeen	Replacement of dishwashers by automatic access doors to elevator lobbies. This fulfilled a condition of a prior Board approval.
04206	12/14/07	Lake Jackson Manor	Lack Jackson	Brazoria	6	Elizabeth & Vernon Young	Security officer will live on-site to furnish "monitored unit security."
060111	12/17/07	Evergreen at Rockwall	Rockwall	Rockwall	3	LifeNet Community Behavioral Healthcare	Clubhouse was separated from residential buildings; clubhouse and common areas increased; garage area was revised/corrected.

## Texas Department of Housing and Community Affairs

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07254	12/17/07	Evergreen at Farmers Branch	Farmers Branch	Dallas	3	LifeNet Community Behavioral Healthcare	Square foot areas of garages, clubhouse and other common area were updated in the underwriting report in response to issues in the original report observed by the owner. Garage area was revised downward while common area was revised upward.
04430	12/20/07	Heatherbrook	Port Arthur	Jefferson	5	Ike Akbari	Acknowledgement that perimeter fence on only three sides was proposed and that use of portable dishwashers is permitted.
04167	12/27/07	Oxford Place	Houston	Harris	6	Housing Authority of the City of Houston	Tile tub/shower replaced by conversion of three market rate units into tax credit units plus other amenities used in Board approval of change in rental targeting.
05094	1/15/08	San Juan Village	San Juan	Hidalgo	11	Volunteers of America	13 SEER ACs and additional ceiling insulation replaced 14 SEER and ice-makers.
05166	1/24/08	Hampton Port	Corpus Christi	Nueces	10	Corpus Christi Housing Authority	Fireplaces reported as 16 because 8 chimneys were thought to serve staged 1st and 2nd story units. Only upper units had fireplaces. Additional parking spaces were substituted.
03176	1/24/08	Artisan at Salado	San Antonio	Bexar	9	American Agape Foundation	Several amenities added to compensate for reducing parking from 367 to 293 spaces.
05024	1/25/08	Figueroa Apartments	Robstown	Nueces	10	Robstown Housing Authority; Realtex Development	Resolved different statements about number of bathrooms present in 2BR units (development is rehabilitation of existing units).
05074	1/25/08	Alamo Village	Alamo	Hidalgo	11	Volunteers of America	13 SEER ACs & additional ceiling insulation, laundry connections in units and laundry room, all replaced 14 SEER HVACs.
04467	1/28/08	Primrose at Heritage Park	Houston	Harris	6	Harris County Housing Authority	Ice makers in all refrigerators added to compensate for reducing parking from 150 carports to 148.
04466	1/30/08	Rosemont at University Park	San Antonio	Bexar	9	San Antonio Affordable Housing, Inc.	Parking was reduced from 414 spaces to 341 in compliance with local code.

## Texas Department of Housing and Community Affairs

2nd Quarter Housing Tax Credit Amendments Approved by the Board

Dev. No.	Board Hearing	Development	City	County	Region	Owners (And Others Penalized)	Subject of Amendment	Approval By	Fee	Penalties Applied
05069	11/8/07	Santa Rosa Village	Santa Rosa	Cameron	11	Volunteers of America (NP)	Approved downgrade from 14 SEER to 12 SEER HVACs with upgrade insulation; & other substitutions without clear equivalency.	Board	\$ 2,500	10 points, 2 yrs.; No 4% penalty
04082	11/8/07	Fenner Square	Goliad	Goliad	10	Gary Driggers, alone, was penalized	Approved various deficiencies without substitutes.	Board	\$ 2,500	1 point, 2 yrs.; No 4% penalty
04160	11/8/07	Maplewood Crossing	League City	Galveston	6	Thomas Scott, et al; Merced Housing Texas	Approved various deficiencies with substitutes.	Board	\$ 2,500	NA
07115	11/8/07	Heights Apts.	Big Spring	Howard	12	Vaughn, Rebecca, Justin & Leah Zimmerman; Kelly Holden	Approved changed site plan and building plans.	Board	\$ 2,500	NA
07118	11/8/07	Lakeside Apts	Mount Pleasant	Titus	4	Vaughn, Rebecca, Justin & Leah Zimmerman; Kelly Holden	Approved changed site plan and building plans.	Board	\$ 2,500	NA
07220	11/8/07	San Gabriel Crossing	Liberty Hill	Huntsville	3	Texas Housing Foundation	Approved increased site size, changed access, rearranged buildings.	Board	\$ 2,500	NA
05127	11/8/07	Navigation Pointe	Corpus Christi	Nueces	10	Merced Housing Texas; Manish Verma	Approved changed site plan; changed building plans; reduced number of residential buildings; replaced 4 1BRs with 4 2BRs; replaced 2.5 baths with 2 baths in 20 units converted from 2 story to one story.	Board	\$ 2,500	NA
06024	11/8/07	Cunningham Manor	Brownsville	Cameron	11	Housing & Community Services (NP)	Approved elimination of HOME loan.	Board	\$ 2,500	NA
01042	11/8/07	Fountains at Tidwell	Houston	Harris	6	Isaac Matthews, Barry Kahn, John Hettig	Approved soccer, baseball, basketball, walking trail, picnic area and parking lot were replaced by putting green & basketball court, only. Approval provided future release of 5.5048 acres from LURA if acreage is awarded 9% credits.	Board	\$ 2,500	NA
04427	12/20/07	Rosemont at Hidden Creek	Austin	Travis	7	Housing Services, Inc.; Southwest Housing	Approved increase in 1BR units, and decreases in 2BR units, NRA and parking spaces.	Board	\$ 2,500	NA
00032T	12/20/07	Victory Apartments	Houston	Harris	6	Housing Authority of the City of Houston	Approved change in income & rent restrictions.	Board	\$ 2,500	NA
04105	12/20/07	Preston Trace	Frisco	Collin	3	Frisco Housing Authority; Alliant Capital	Board gave 90 days for owner to resolve deficiencies (including HUB issue).	Board	\$ 2,500	Pending
04118	12/20/07	Churchill at Commerce	Commerce	Hunt	3	LifeNet Community Behavioral Healthcare	Approved reduction in common area and increase in number of residential buildings.	Board	\$ 2,500	NA
04191	12/20/07	Tropical Gardens at Boca Chica	Brownsville	Cameron	11	Brownsville Housing Authority	Approved changes in unit mix, site plan and other items.	Board	\$ 2,500	NA

## Texas Department of Housing and Community Affairs

2nd Quarter Housing Tax Credit Amendments Approved by the Board

Dev. No.	Board Hearing	Development	City	County	Region	Owners (And Others Penalized)	Subject of Amendment	Approval By	Fee	Penalties Applied
04193	12/20/07	Providence at Edinburg	Edinburg	Hidalgo	11	Edinburg Housing Authority (O); Saleem Jafar (D);	Approved numerous changes, including 21% decrease in NRA, change in unit mix and changes in amenities.	Board	\$ 2,500	1 pt/2 yrs for Bill Fisher and 1 pt/1 yr for PHA
04255	12/20/07	Freeport Oaks	Freeport	Brazoria	6	Richard, Les & Dianne Kilday	Board gave 90 days for owner to replace HUB.	Board	\$ 2,500	Pending
04260	12/20/07	Fredericksburg II	Fredericksburg	Gillespie	9	Texas Housing Foundation (NP,O); Richard, Les & Dianne Kilday (D)	Board gave 90 days for owner to replace HUB.	Board	\$ 2,500	Pending
05004	12/20/07	Samuels Place	Fort Worth	Tarrant	3	Fort Worth Affordability, Inc. (NP,O)	Approved staff recommendation restricting 8 units to 30%.	Board	\$ 2,500	NA
05084	12/20/07	Pecan Village	Wharton	Wharton	6	James W. Fieser	Board gave 90 days to survey tenants & install either carports or dishwashers according to responses.	Board	\$ 2,500	Pending - no penalty if implemented
04167	12/20/07	Oxford Place	Houston	Harris	6	Housing Authority of the City of Houston	Approved decrease in common area of 1,065 s.f. offset by increase in NRA of 10,050 s.f. Energy Star appliances substituted for self-cleaning ovens.	Board	\$ 2,500	NA
07177	1/31/08	Hamilton Senior Villages	Hamilton	Hamilton	8	Louis & Bonita Williams	Approved 2.6 acre reduction of site, added perimeter fence, R-19 & R-30 insulation, laundry room.	Board	\$ 2,500	NA
94114	1/31/08	Villas of Rock Prairie	College Station	Brazos	8	Deborah Griffin	Approved eminent domain taking of 0.38 acres and 4 1BR units.	Board	NA	NA
05026	1/31/08	Mesa Vista	Donna	Hidalgo	11	Donna Housing Authority	Approved increasing site from 4 to 6 acres.	Board	\$ 2,500	NA
04447	1/31/08	Rosemont at Bethel	San Antonio	Bexar	9	Brian Potashnik	Approved site reduction from 20 to 16.4 acres, parking space changes. Clubhouse & GBA increased.	Board	\$ 2,500	1 point, 1 yr.
02040	1/31/08	Residences on Stillhouse Road	Paris	Lamar	4	Mark & Laura Musemeche	Approved change in site plan & building plans. NRA increased from 51,400 to 55,328 s.f.	Board	\$ 2,500	1 point, 1 yr.
01420	1/31/08	Park at Pineywoods	Conroe	Montgomery	6	Trammell Crow	Approved 188 units instead of 208, 16 buildings vs. 26, different unit mix, etc.	Board	\$ 2,500	NA

**EXECUTIVE DIVISION  
BOARD INFORMATION ITEM  
March 13, 2008**

**Information Item**

Presentation and discussion of modifications to the CDBG Disaster Recovery Program.

**Requested Action**

None for Information Purposes Only

**Background**

In 2006, the Governor used his authority to designate TDHCA as the recipient of disaster related grant funds to assist those impacted by Hurricane Katrina and Rita. TDHCA was to work with the Office of Rural Community Affairs, City of Houston, and Harris County in administering these funds. TDHCA, with direction from the Office of the Governor, developed priorities and programs to best utilize the limited funds made available.

At this time, all funds have been programmed and awarded. With this large hurdle now completed and Harris County and City of Houston successfully handling their implementation, continued oversight of the day-to-day management of the infrastructure contracts can be transferred to ORCA and its agency structure thereby capitalizing on the expertise of all the agencies and streamlining the process to expedite the final expenditure of funds.

The TDHCA MOU will be modified to reflect this change and as of this Board meeting, the TDHCA Board will no longer be asked to approve amendments to ORCA infrastructure contracts. TDHCA will still be required to control the entire grant and the Action Plan, so some limited interaction, similar to our relationship with Harris County and City of Houston, may be necessary, but responsibility for review and performance requirements of infrastructure contracts is now within the ORCA structure. This change in the MOU has the support of the Office of the Governor.

**Recommendation**

None. The MOU revisions will be handled by staff and executed by the Executive Director.