BOARD BOOK OF
June 17, 2021

Leo Vasquez III, Chair

Leslie Bingham, Vice-Chair

Paul Braden, Member

Sharon Thomason, Member

Ajay Thomas, Member

Brandon Batch, Member

Texas Department of Housing and Community Affairs

PROGRAMMATIC IMPACT

Fiscal Year 2021 (*figures below through March 31, 2021*)

Owner Financing and Down Payment

- 30-year, fixed interest rate mortgage loans
- Mortgage credit certificates
- Down payment, closing cost assistance
- Homebuyer education

Programs:

- Single Family Homeownership

Expended Funds: $1,510,406,108
Total Households Served: 7,414

Energy Related Assistance

- Utility bill payment assistance
- Energy consumption education
- Weatherization for energy efficiency, TRR utility assistance

Programs:

- Comprehensive Energy Assistance Program (CEAP)
- Weatherization Assistance Program (WAP) ,

Expended Funds: $89,927,916
Total Households Served: 55,336

Multifamily New Construction

- Affordable rental units financed and developed

Programs:

- 9% Housing Tax Credits (HTC)
- 4% Housing Tax Credits (HTC)
- Multifamily Bonds
- Multifamily Direct Loan Program*

Expended Funds: $57,063,692
Total Households Served: 4,886

Homelessness Services

- Shelter building rehabilitation, conversion, operations
- Essential services e.g., health services, transportation, job training, employment services

Programs:

- Emergency Solutions Grant Program (ESG)
- Homeless Housing and Services Program (HHSP)

Expended Funds: $7,747,715
Total Individuals Served: 13,054

Multifamily Rehab Construction

- Affordable rental units financed and rehabilitated

Programs:

- 9% Housing Tax Credits (HTC)
- 4% Housing Tax Credits (HTC)
- Multifamily Bonds

Expended Funds: $43,958,306
Total Households Served: 1,168

Supportive Services

Provides administrative support for essential services for low income individuals through Community Action Agencies

Program:

- Community Services Block Grant Program (CSBG)

Expended Funds: $34,867,160
Total Individuals Served: 191,183

Owner Rehabilitation Assistance

- Home rehabilitation, reconstruction
- Manufactured housing unit replacement
- Accessibility modifications e.g., ramp, grab bar installation

Programs:

- Homeowner Reconstruction Assistance Program (HRA)*
- Amy Young Barrier Removal Program

Expended Funds: $6,947,247
Total Households Served: 121

Rental Assistance

- Short, long term rent payment help
- Assistance linked with services, Transitional assistance
- Security, utility deposits

Programs:

- Tenant-Based Rental Assistance (TBRA)*
- Section 8 Housing Choice Vouchers
- Section 811, CDBG Cares, Texas rent relief

Expended Funds: $10,169,575
Total Households Served: 3,713

Single Family Development

- Single family development, reconstruction, rehabilitation
- NSP, Do-it-yourself, “sweat equity” construction (bootstrap), rehabilitation, Contract for Deed refinance

Programs:

- Single Family Development Program (SFD)*
- Contract for Deed (CFD)

Expended Funds: $1,380,291
Total Households Served: 30

Total Expended Funds: 1,762,468,010
Total Households Served: 276,905

All FY2021 data as reported in TDHCA's 2021 performance measures.

Note: Some households may have been served by more than one TDHCA program. For some programs, allocation is used as a proxy for expenditures. Because of timing of funds request, the funds expended for the quarter may be readjusted substantially by year end.

* Administered through the federally funded HOME Investment Partnerships Program

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
GOVERNING BOARD MEETING

A G E N D A
9:00 AM
June 17, 2021

Meeting Location: In light of the March 13, 2020, disaster declaration by the Office of the Governor, and the subsequent waivers of portions of Tex. Gov't Code, Ch. 551*, this meeting of the TDHCA Governing Board will be accessible to the public via the telephone and web link information, below. In order to engage in two-way communication during the meeting, persons must first register (at no cost) to attend the webinar via the link provided. Anyone who calls into the meeting without registering online will not be able to ask questions or provide comments, but the meeting will still be audible. A recording of the meeting will be made available to the public as soon as possible following the meeting.

Governing Board Webinar registration:
https://attendee.gotowebinar.com/register/3614837305911894032

Dial-in number: +1 (213) 929-4212, access code 374-973-001 (persons who use the dial-in number and access code without registering online will only be able to hear the Board meeting and will not be able to ask questions or provide comments). Note, this meeting will be proceeding as a videoconference under Tex. Gov't Code §551.127, as modified by waiver.

If the GoToWebinar terminates prior to adjournment of the meeting (i.e. if the webinar session "crashes") the meeting will be recessed. A new link to the meeting will be posted immediately on the TDHCA Board meetings web page (https://www.tdhca.state.tx.us/board/meetings.htm) along with the time the meeting will resume. The time indicated to resume the meeting will be within six hours of the interruption of the webinar. Please note that in this contingency, the original meeting link will no longer function, and only the new link (posted on the TDHCA Board meetings web page) will work to return to the meeting.

CALL TO ORDER
ROLL CALL **Leo Vasquez, Chair**
CERTIFICATION OF QUORUM

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

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

* The list of Open Meeting laws subject to temporary suspension effective March 16, 2020, is available at: https://www.texasattorneygeneral.gov/sites/default/files/images/admin/2020/Press/Open%20Meeting%20Laws%20Subject%20to%20Temporary%20Suspension.pdf

CONSENT AGENDA

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

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

EXECUTIVE

a) Presentation, discussion, and possible action on Board meeting minutes summaries for March 11, 2021; April 8, 2021; and May 13, 2021 — **Beau Eccles**, General Counsel

ASSET MANAGEMENT

b) Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Land Use Restriction Agreement — **Rosalio Banuelos**, Director of Asset Management

14428	Aloysius A. Ochoa Apartments	El Paso
060014	Nacogdoches Senior Village	Nacogdoches
96038	2100 Memorial	Houston

c) Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application

17239	Abbington Ranch	Boerne
14429	Lyndon B. Johnson Memorial Apartments	El Paso

d) Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application and Land Use Restriction Agreement

92176	Oaks at Mustang	Alvin

COMMUNITY AFFAIRS

e) Presentation, discussion, and possible action on the 2022-2023 Community Services Block Grant State Plan for submission to the U.S. Department of Health and Human Services and approval of the associated 2022 awards — **Michael De Young**, Director of Community Affairs

f) Presentation, discussion, and possible action on approval of the 2022 Low Income Home Energy Assistance Program State Plan for submission to the U.S. Department of Health and Human Services and approval of the associated 2022 awards

g) Presentation, discussion and possible action on the Low Income Household Water Assistance Program funded through the Consolidated Appropriations Act of 2021 and the American Rescue Plan Act of 2021 and authorization to program and award such funds

HOUSING RESOURCE CENTER

h) Presentation, Discussion, and Possible Action on the final 2021 State of Texas Consolidated Plan: One-Year Action Plan — **Elizabeth Yevich**, Director of Housing Resource Center

LEGAL

i) Presentation, discussion, and possible action regarding the adoption of an Agreed Final Order concerning White Rock Hills (HTC 07001 / CMTS 4431) — **Jeff Pender**, Deputy General Counsel

MULTIFAMILY FINANCE

j) Presentation, discussion, and possible action to amend the 2021-1 Multifamily Direct Loan Notice of Funding Availability — **Marni Holloway**, Director of Multifamily Finance

CONSENT AGENDA REPORT ITEMS

ITEM 2: THE BOARD ACCEPTS THE FOLLOWING REPORTS:

a) Media Analysis and Outreach Report (April 2021) — **Michael Lyttle**, Director of External Affairs

b) Report on Activities Related to the Department's Response to COVID-19 Pandemic — **Brooke Boston**, Deputy Director of Programs

c) Housing Finance Activity Report — **Cathy Gutierrez**, Director of Texas Homeownership

ACTION ITEMS

ITEM 3: BOARD

Presentation, discussion, and possible action on the election from the board membership of an assistant presiding officer (or "Vice Chair") of the Governing Board for the upcoming biennium pursuant to Tex. Gov't Code §2306.030 — **Leo Vasquez**, Chair

ITEM 4: EXECUTIVE

a) Executive Director's Report — **Bobby Wilkinson**, Executive Director, TDHCA

b) Presentation, discussion, and possible action to authorize the issuance of the Housing Stabilization Services Notice of Funding Availability and publication in the Texas Register — **Brooke Boston**, Deputy Director of Programs

ITEM 5: INTERNAL AUDIT

Report on the meeting of the Internal Audit and Finance Committee — **Sharon Thomason**, Chair of Audit and Finance Committee

ITEM 6: FINANCIAL ADMINISTRATION

a) Approval of the FY 2022 Operating Budget — **Joe Guevara**, Director of Financial Administration

b) Approval of the FY 2022 Housing Finance Division Budget

ITEM 7: BOND FINANCE

a) Presentation, discussion, and possible action approving a plan to be submitted to the U.S. Department of the Treasury with respect to administration of the Homeowner Assistance Fund, established pursuant to the American Rescue Plan Act, for the State of Texas, and to accept public comment on the plan — **Monica Galuski**, Director of Bond Finance

b) Presentation, discussion, and possible action on Resolution No. 21-031 authorizing the filing of one or more applications for reservation to the Texas Bond Review Board with respect to Qualified Mortgage Bonds and containing other provisions relating to the subject

c) Report on the closing of the Department's Residential Mortgage Revenue Bonds, Series 2021A and Residential Mortgage Revenue Refunding Bonds, Series 2021B (Taxable) — **Michelle Straley**, Senior Financial Analyst

d) Presentation, discussion and possible action on Resolution No. 21-032 regarding Amendments to Funding Loan Agreements relating to certain Governmental Lender Notes issued by the Department — **Teresa Morales**, Director of Multifamily Bonds

e) Presentation, discussion and possible action on Resolution No. 21-033 amending previously adopted resolution relating to the Issuance of a Governmental Note for Caroline Lofts Series 2021 and the re-issuance of a Determination Notice of 4% Housing Tax Credits

ITEM 8: MULTIFAMILY FINANCE

a) Presentation, discussion, and possible action regarding a waiver of 10 TAC §11.101(b)(5) of the 2021 Qualified Allocation Plan relating to Common Amenities for El Rosario Homes (#21423) in Mission and La Merced Homes (#21424) in Mercedes

Teresa Morales
Director of Multifamily Bonds

b) Presentation, discussion, and possible action regarding a waiver of 10 TAC §11.101(b)(1)(A)(ii) of the Qualified Allocation Plan (QAP) and the issuance of a Determination Notice for 4% Housing Tax Credits for Yager Flats (#21435)

c) Presentation, discussion, and possible action on a waiver relating to 10 TAC §11.101(b)(1)(B)(i) relating to Ineligibility of Elderly Developments for Historic Oaks of Allen Parkway Village in Houston

d) Presentation, Discussion, and Possible Action on a waiver relating to 10 TAC §11.101(b)(2) of the Qualified Allocation Plan (QAP), related to Development Size Limitations for Narrows Apartments in Hutto

e) Presentation, discussion and possible action regarding eligibility under 10 TAC §11.101(b)(1)(C) related to Ineligibility of Developments within Certain School Attendance Zones for Villas at Shriner's Point (#21612) in San Angelo

f) Presentation, discussion, and possible action regarding the issuance of a Determination Notice for 4% Housing Tax Credits for Westmoreland Station (#21417) in Dallas

g) Report on requests to re-issue Determination Notices for 2021 Non-competitive 4% Housing Tax Credit applications due to the impact of increased construction costs

h) Presentation, discussion and possible action on timely filed appeals

Marni Holloway
Director of Multifamily Finance

21128	Fisher Street Apartments	Houston
21131	Boulevard 61	Houston

i) Presentation, discussion and potential action of a waiver of requirements under 10 TAC 11.8(b)(2)(B) related to Notification Recipients

j) Report of Third Party Request for Administrative Deficiency under 10 TAC §11.10 of the 2021 Qualified Allocation Plan

k) Presentation, discussion, and possible action to issue a list of approved Applications for 2021 Housing Tax Credits (HTC) in accordance with Tex. Gov't Code §2306.6724(e)

l) Presentation, discussion and possible action regarding eligibility under 10 TAC §11.101(b)(1)(C) related to Ineligibility of Developments within Certain School Attendance Zones for 800 Middle in Houston

m) Presentation, discussion, and possible action regarding the approval for publication in the Texas Register of the 2021-3 Multifamily Direct Loan Notice of Funding Availability

ITEM 9: COMMUNITY AFFAIRS

Presentation, discussion, and possible action on an appeal of Galveston County Community Action Council's terminated application to administer the Comprehensive Energy Assistance Program in Brazoria, Fort Bend, Galveston, and Wharton counties

Gavin Reid
Manager of Planning and Training

ITEM 10: ASSET MANAGEMENT

a) Presentation, discussion, and possible action regarding a resolution of a dispute concerning the Carryover Agreement

Rosalio Banuelos
Director of Asset Management

16258	Provision at West Bellfort	Sugar Land

b) Presentation, discussion, and possible action on timely filed appeal under the Department's Multifamily Program Rules

95007	The Heights at Post Oak Apartments	Houston

PUBLIC COMMENT ON MATTERS OTHER THAN ITEMS FOR WHICH THERE WERE POSTED AGENDA ITEMS

EXECUTIVE SESSION

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

Leo Vasquez
Chair

The Board may go into Executive Session Pursuant to Tex. Gov't 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;

Pursuant to Tex. Gov't Code §551.071(1) to seek the advice of its attorney about pending or contemplated litigation or a settlement offer;

Pursuant to Tex. Gov't Code §551.071(2) for the purpose of seeking the advice of its attorney about a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Tex. Gov't Code Chapter 551; including seeking legal advice in connection with a posted agenda item;

Pursuant to Tex. Gov't Code §551.072 to deliberate the possible purchase, sale, exchange, or lease of real estate because it would have a material detrimental effect on the Department's ability to negotiate with a third person; and/or

Pursuant to Tex. Gov't Code §2306.039(c) the Department's internal auditor, fraud prevention coordinator or ethics advisor may meet in an executive session of the Board to discuss issues related to fraud, waste or abuse.

OPEN SESSION

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

ADJOURN

To access this agenda and details on each agenda item in the board book, please visit our website at www.tdhca.state.tx.us or contact Michael Lyttle, 512-475-4542, TDHCA, 221 East 11th Street, Austin, Texas 78701, and request the information. If you would like to follow actions taken by the Governing Board during this meeting, please follow TDHCA account (@tdhca) on Twitter.

Individuals who require auxiliary aids, services or sign language interpreters for this meeting should contact Nancy Dennis, at 512-475-3959 or Relay Texas at 1-800-735-2989, at least five days before the meeting so that appropriate arrangements can be made. Non-English speaking individuals who require interpreters for this meeting should contact Elena Peinado, 512-475-3814, at least five days before the meeting so that appropriate arrangements can be made.

Personas que hablan español y requieren un intérprete, favor de llamar a Elena Peinado, al siguiente número 512-475-3814 por lo menos cinco días antes de la junta para hacer los preparativos apropiados.

CONSENT AGENDA

1a

BOARD ACTION REQUEST

BOARD SECRETARY

JUNE 17, 2021

Presentation, discussion, and possible action on Board meeting minutes summaries for March 11, 2021; April 8, 2021; and May 13, 2021

RECOMMENDED ACTION

Approve the Board meeting minutes summaries for March 11, 2021; April 8, 2021; and May 13, 2021

RESOLVED, that the Board meeting minutes summaries for March 11, 2021; April 8, 2021; and May 13, 2021, are hereby approved as presented.

Texas Department of Housing and Community Affairs Governing Board
Board Meeting Minutes Summary
March 11, 2021

On Thursday, the eleventh day of March 2021, at 9:04 a.m., the regular meeting of the Governing Board (Board) of the Texas Department of Housing and Community Affairs (TDHCA or the Department) was held online via telephone and web link.

The following members, constituting a quorum, were present and voting:

- Leo Vasquez, Chair
- Leslie Bingham, Vice Chair
- Paul A. Braden
- Ajay Thomas
- Sharon Thomason

Leo Vasquez served as Chair, and James "Beau" Eccles, TDHCA General Counsel, served as secretary.

1) The Board unanimously approved a resolution recognizing April as Fair Housing Month in Texas.

2) The Board unanimously approved the Consent Agenda as presented.

3) Action Item 3 – Executive Director's Report – was presented by Bobby Wilkinson, TDHCA Executive Director. The Board heard the report and took no further action.

4) Action Item 4(a) – Review and possible acceptance of the State Auditor's Office audit of the TDHCA Financial Statement – was presented by Robert Pagenkopf, State Auditor's Office. The Board unanimously approved a motion to accept the audit.

5) Action Item 4(b) – Report on the meeting of the Internal Audit and Finance Committee – was presented by Sharon Thomason, Chair of the TDHCA Governing Board Audit and Finance Committee. The Board heard the report and took no further action.

6) Action Item 5 – Media Analysis and Outreach Report January 2021 – was presented by Michael Lyttle, TDHCA Director of External Affairs. The Board heard the report and took no further action.

7) Action Item 6(a) – Presentation, discussion, and possible action on proposed amendments to 10 TAC Chapter 7 Subchapter C, Section 7.33, Apportionment of ESG Funds, concerning the Emergency Solutions Grants, and directing their publication for public comment in the Texas Register – was presented by Abigail Versyp, TDHCA Director of Single Family and Homeless

Programs. The Board unanimously approved staff recommendation to publish the draft amendments for public comment.

8) Action Item 6(b) – Presentation, discussion, and possible action on a transfer and change of final eligible use for property purchased under the Neighborhood Stabilization Program to the City of Dallas for creation and expansion of municipal parkland – was presented by Ms. Versyp. The Board unanimously approved staff recommendation to allow transfer and change of final eligible use of the property in question.

9) Action Item 7 – Housing Finance Activity Report – was presented by Cathy Gutierrez, TDHCA Director of Texas Homeownership Programs, with additional information from Monica Galuski, TDHCA Director of Bond Finance, and Mr. Wilkinson. The Board heard the report and took no further action.

10) Chairman Vasquez took up agenda items not in order as presented and Ms. Galuski presented Action Item 8(b) – Presentation, discussion, and possible action on Resolution No. 21-018 authorizing the issuance, sale and delivery of Texas Department of Housing and Community Affairs Residential Mortgage Revenue Bonds, Series 2021A and Residential Mortgage Revenue Refunding Bonds, Series 2021B (Taxable), approving the form and substance of related documents, authorizing the execution of documents and instruments necessary or convenient to carry out the purposes of this resolution, and containing other provisions relating to the subject. The Board unanimously approved staff recommendation to approve the resolution.

11) Action Item 8(a) – Presentation, discussion, and possible action on Resolution No. 21-017 authorizing the filing of one or more applications for reservation with the Texas Bond Review Board with respect to qualified mortgage bonds, authorizing state debt application, and containing other provisions relating to the subject – was presented by Ms. Galuski. The Board unanimously approved staff recommendation to approve the resolution.

12) The Board returned to the order of the agenda as presented and took up Action Item 8(c) – Presentation, discussion, and possible action on Inducement Resolution No. 21-019 for Multifamily Housing Revenue Bonds Regarding Authorization for Filing Applications for Private Activity Bond Authority for 21610 Delafield Villas in Dallas – presented by Teresa Morales, TDHCA Director of Multifamily Bonds. The Board unanimously approved staff recommendation to approve the resolution.

13) Action Item 8(d) – Presentation, discussion, and possible action regarding the Issuance of Multifamily Green Tax-Exempt Bonds (Green M-TEBS – Pineview at Grogan's Mill Apartments) Series 2021, Resolution No. 21-020, and a Determination Notice of Housing Tax Credits – was presented by Ms. Morales. The Board unanimously approved staff recommendation to grant the associated waiver, issue the bonds, and award the 4% housing tax credits.

14) Action Item 8(e) – Presentation, discussion, and possible action regarding the Issuance of Multifamily Green Tax-Exempt Bonds (Green M-TEBS – Ridgewood at Panther Creek Apartments) Series 2021, Resolution No. 21-021, and a Determination Notice of Housing Tax Credits – was presented by Ms. Morales. The Board unanimously approved staff recommendation to grant the associated waiver, issue the bonds, and award the 4% housing tax credits.

15) Action Item 9(a) – Presentation, discussion, and possible action on a Determination Notice for Housing Tax Credits and an Award of Direct Loan Funds (#21407 Espero Austin at Rutland, Austin) – was presented by Marni Holloway, TDHCA Director of Multifamily Finance. Following public comment (listed below), the Board unanimously approved staff recommendation to issue the 4% housing tax credits and award the Direct Loan funds.

- Zenobia Joseph, Austin resident, testified in opposition to staff recommendation
- Jennifer Hicks, True Casa Consulting and consultant to the applicant, testified in support of staff recommendation

16) Action Item 9(b) – Presentation, discussion, and possible action regarding the issuance of a Determination Notice for 4% Housing Tax Credits for Sandpiper Cove (#20705) in Galveston – was presented by Ms. Morales with additional information from Mr. Wilkinson. Following public comment (listed below), the Board unanimously approved staff recommendation to issue the 4% housing tax credits with the underwriting and compliance conditions specified in the Board materials.

- Michael Lyttle, TDHCA Director of External Affairs, read a letter into the record from the Honorable Randy Weber, Congressman for the 14th Congressional District of Texas, in support of staff recommendation.
- Chris Akbari, ITEX Group and the developer, testified in support of staff recommendation
- Elizabeth Roehm, Texas Housers, testified in opposition to staff recommendation
- Harry Kelly, Nixon Peabody LLP, affiliated with the applicant, testified in support of staff recommendation
- Tamea Dula, Coats Rose Law Firm, affiliated with the applicant, testified in support of staff recommendation
- Blair Korndorffer, architect affiliated with the applicant, provided information on the item
- Ray Richardson testified in support of the application
- Miranda Sprague, ITEX Group and the developer, testified in support of staff recommendation
- Bobken Simonians, ITEX Group and the developer, testified in support of staff recommendation
- Joe Compian, Mayor Pro Tem of La Marque, testified in support of staff recommendation

17) Action Item 10(a) – Presentation, discussion, and possible action approving actions taken by the Executive Director, and authorizing the Executive Director to take further special actions to meet the emergency needs of low-income Texans economically impacted by Winter Storm Uri using federal funds administered by the Community Affairs Division – was presented by Michael De Young, TDHCA Director of Community Affairs. The Board unanimously adopted staff recommendation to approve the Executive Director's previous and future actions as they relate to meeting emergency needs of impacted low-income Texans by Winter Storm Uri.

18) Action Item 10(b) – Presentation, discussion, and possible action on approval of the draft 2021 Department of Energy Weatherization Assistance Program state plan for public comment – was presented by Mr. De Young. The Board unanimously approved staff recommendation to publish the draft plan for public comment.

19) Action Item 10(c) – Presentation, discussion and possible action on the amendment of Community Services Block Grant CARES Act discretionary contracts from the Texas Eviction Diversion Pilot program to Community Services Block Grant CARES Act direct service activities – was presented by Mr. De Young. The Board unanimously approved staff recommendation to adopt the amendment.

20) Action Item 10(d) – Presentation, discussion, and possible action regarding termination of Galveston County Community Action Council, Inc.'s Low Income Home Energy Assistance Program Comprehensive Energy Assistance Program contracts and future funding; award of 24.99% of the 2020 and CARES Act Comprehensive Energy Assistance Program awards for the service area covered by Galveston County Community Action Council, Inc., to temporary provider(s); and the authorization of staff to identify a permanent provider(s), through release and subsequent award of a Request for Application or through a direct designation, to administer the Comprehensive Energy Assistance Program in Brazoria, Fort Bend, Galveston, and Wharton counties (the areas served by Galveston County Community Action Council, Inc.) – was presented by Mr. De Young with additional information from Mr. Wilkinson, Mr. Eccles, and Brooke Boston, TDHCA Director of Programs. Following public comment (listed below), the Board unanimously approved staff recommendation to terminate the aforementioned contracts, award the funds to a temporary provider, and authorize staff to identify a permanent service provider of the aforementioned funds to Brazoria, Fort Bend, Galveston, and Wharton counties.

- Robert Quintero, Galveston County Community Action Council, testified in opposition to staff recommendation
- Rose Pickens, Galveston County Community Action Council Board, testified in opposition to staff recommendation
- Joe Compian, Galveston County Community Action Council, testified in opposition to staff recommendation

21) Action Item 10(e) – Presentation, discussion, and possible action on initiation of proceedings to remove the eligible entity status of Galveston County Community Action

Council, Inc. and terminate Community Services Block Grant contracts and future funding – was presented by Mr. De Young with additional information from Mr. Eccles. Following public comment (listed below), the Board unanimously approved staff recommendation to initiate removal proceedings of Galveston County Community Action Council, Inc., as an eligible provider of CSBG funds.

- Robert Quintero, Galveston County Community Action Council, provided information on the item
- Rose Pickens, Galveston County Community Action Council Board, provided information on the item
- Joe Compian, Galveston County Community Action Council, provided information on the item
- Lorie Chinn, Seeds of Abraham Community Action Group, testified in support of staff recommendation

Except as noted otherwise, all materials presented to and reports made to the Board were approved, adopted, and accepted. These minutes constitute a summary of actions taken. The full transcript of the meeting, reflecting who made motions, offered seconds, etc., questions and responses, and details of comments, is retained by TDHCA as an official record of the meeting.

There being no further business to come before the Board, the meeting adjourned at 12:36 p.m. The next meeting was set for Thursday, April 8, 2021.

____
Secretary

Approved:

____
Chair

Texas Department of Housing and Community Affairs Governing Board
Board Meeting Minutes Summary
April 8, 2021

On Thursday, the eighth day of April 2021, at 9:04 a.m., the regular meeting of the Governing Board (Board) of the Texas Department of Housing and Community Affairs (TDHCA or the Department) was held online via telephone and web link.

The following members, constituting a quorum, were present and voting:

- Leo Vasquez, Chair
- Leslie Bingham, Vice Chair
- Paul A. Braden
- Ajay Thomas
- Sharon Thomason

Leo Vasquez served as Chair, and James “Beau” Eccles, TDHCA General Counsel, served as secretary.

1) The Board unanimously adopted a resolution celebrating May as Community Action Month in Texas.

2) The Board unanimously approved the Consent Agenda as presented.

3) Chairman Vasquez exercised his discretion as Board chair to take up agenda items out of order and Bobby Wilkinson, TDHCA Executive Director, presented Action Item 3(b) – Executive Director’s Report. The Board heard the report and took no further action.

4) Action Item 3(a) – Report on Activities Related to the Department’s Response to COVID-19 Pandemic – was presented by Brooke Boston, TDHCA Deputy Executive Director of Programs, with additional information from Mr. Wilkinson. The Board heard the report and took no further action.

5) The Board resumed the order of the agenda as posted and Rosalio Banuelos, TDHCA Director of Asset Management, presented Action Item 4(a) – Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application and Land Use Restriction Agreement for 02469 Murdeaux Villas in Dallas. Following public comment (listed below), the Board unanimously approved staff recommendation to approve the material amendment.

Bill Fisher, representing the developer of 02469 Murdeaux Villas, testified in support of staff recommendation

6) Action Item 5(a) – Presentation, discussion, and possible action regarding the Issuance of a Multifamily Housing Revenue Note (Murdeaux Villas) Series 2021, Resolution No. 21-024, and a Determination Notice of Housing Tax Credits – was presented by Teresa Morales, TDHCA Director of Multifamily Bonds. The Board unanimously approved staff recommendation to adopt the financing resolution and determination notice for the 4% housing tax credits.

7) Action Item 5(b) – Presentation, discussion, and possible action on Inducement Resolution No. 21-025 for Multifamily Housing Revenue Bonds Regarding Authorization for Filing Applications for Private Activity Bond Authority for Providence on the Park (#21618) in Dallas – was presented by Ms. Morales. The Board unanimously approved staff recommendation to adopt the bond inducement resolution.

8) Action Item 5(c) – Presentation, discussion and possible action on Resolution No. 21-026 regarding a Modification Agreement relating to Multifamily Housing Revenue Bonds Series 2019 for McMullen Square Apartments – was presented by Ms. Morales. The Board unanimously approved staff recommendation by adopting the resolution regarding the modification agreement.

9) Action Item 5(d) – Presentation, discussion, and possible action regarding the Issuance of Multifamily Housing Revenue Bonds (Corona Del Valle Apartments) Series 2021 Resolution No. 21-027, and a Determination Notice of Housing Tax Credits – was presented by Ms. Morales. The Board unanimously approved staff recommendation by adopting the bond issuance resolution and approving the determination notice for 4% housing tax credits.

10) Action Item 5(e) – Presentation, discussion, and possible action regarding the Issuance of Multifamily Housing Revenue Bonds (Palladium Simpson Stuart Apartments) Series 2021 Resolution No. 21-028, and a Determination Notice of Housing Tax Credits – was presented by Ms. Morales. The Board unanimously approved staff recommendation by adopting the bond issuance resolution and approving the determination notice for 4% housing tax credits.

11) Action Item 6(a) – Presentation, discussion, and possible action on a Determination Notice for 4% Housing Tax Credits and an Award of Direct Loan Funds for Trinity Oaks (#21443) in Sulphur Springs – was presented by Ms. Morales. The Board unanimously approved staff recommendation to the Direct Loan funds and determination notice for 4% housing tax credits.

12) Action Item 6(b) – Presentation, discussion, and possible action on a Determination Notice for 4% Housing Tax Credits for Pine Terrace (#21444) in Mount Pleasant – was presented by Ms. Morales. The Board unanimously adopted staff recommendation to approve the determination notice for 4% housing tax credits.

13) Action Item 6(c) – Presentation, discussion, and possible action regarding the issuance of Determination Notices for 4% Housing Tax Credit Applications 21402 Belmont, 21411 Gateway Oak Cliff, 21414 Waterview, 21410 Life at DeSoto, 21408 Residences at Arbor Oaks, 21404 Agave, 20481 Villas at Echo East, 21412 Celebration Arlington, and 21400 The Oaks – was

presented by Ms. Morales. The Board unanimously adopted staff recommendation to approve the determination notices for 4% housing tax credits.

14) Action Item 6(d) – Presentation, discussion, and possible action on a waiver relating to 10 TAC §11.01(b)(2) of the Qualified Allocation Plan (QAP) concerning Development Size Limitations and a Determination Notice for Housing Tax Credits for Bluebonnet Ridge (#21403) in Ennis – was presented by Ms. Morales. The Board unanimously approved staff recommendation to grant the waiver request.

15) Action Item 6(e) – Presentation, discussion, and possible action regarding streamlining 4% Housing Tax Credit Applications and Associated Waivers – was presented by Ms. Morales. The Board unanimously approved staff recommendation to grant the requested waiver of the particular sections of the rule, as reflected in the item, which require determination notices for 4% housing tax credit (HTC) applications be brought to the Board for approval where the application is not seeking Direct Loan funds and does not involved TDHCA issued bonds. The Board also unanimously approved staff recommendation to grant the waiver of the particular sections of the rule, as reflected in the item, to reduce unnecessary or redundant review by TDHCA of certain 4% HTC applications.

16) Action Item 7(a) – Presentation, discussion, and possible action on release of the draft 2022 Low Income Home Energy Assistance Program State Plan for public comment – was presented by Michael De Young, TDHCA Director of Community Affairs. The Board unanimously approved staff recommendation to release the draft LIHEAP plan for public comment.

17) Action Item 7(b) – Presentation, discussion and possible action on the programming of Low Income Home Energy Assistance Program funds available to Texas through the American Rescue Plan Act of 2021 and authorization to award such funds and update on administrative flexibilities – was presented by Mr. De Young. The Board unanimously approved staff recommendation to grant authority to the executive director to create guidance and flexibilities regarding the Low Income Home Energy Assistance Program to execute Comprehensive Energy Assistance Program and LIHEAP contracts for funds received under the American Rescue Plan Act of 2021, and de-obligate and re-obligate such funds to subrecipients on the basis of subrecipients' ability to effectively expend such funds, all as reflected in the Board action request on this item.

Except as noted otherwise, all materials presented to and reports made to the Board were approved, adopted, and accepted. These minutes constitute a summary of actions taken. The full transcript of the meeting, reflecting who made motions, offered seconds, etc., questions and responses, and details of comments, is retained by TDHCA as an official record of the meeting.

There being no further business to come before the Board, the meeting adjourned at 10:50 a.m. The next meeting was set for Thursday, May 13, 2021.

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Secretary

Approved:

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Chair

Texas Department of Housing and Community Affairs Governing Board
Board Meeting Minutes Summary
May 13, 2021

On Thursday, the thirteenth day of May 2021, at 9:04 a.m., the regular meeting of the Governing Board (Board) of the Texas Department of Housing and Community Affairs (TDHCA or the Department) was held online via telephone and web link.

The following members, constituting a quorum, were present and voting:

- Leo Vasquez, Chair
- Leslie Bingham, Vice Chair
- Brandon Batch
- Paul A. Braden
- Ajay Thomas
- Sharon Thomason

Leo Vasquez served as Chair, and James "Beau" Eccles, TDHCA General Counsel, served as secretary.

1) The Board unanimously adopted a resolution celebrating May as National Mobility Awareness Month.

2) The Board unanimously approved the Consent Agenda except for the following item moved to the Action Item Agenda: 1(c) – Presentation, discussion, and possible action regarding approval of a Multifamily Direct Loan re-subordination for Westridge Villas (HOME #1002295 and TCAP #13150015502).

3) The Board went into Executive Session at 9:17 a.m. and reconvened in open session at 9:47 a.m. During the executive session, the Board did not adopt any policy, position, resolution, rule, regulation, take any formal action, or vote on any item.

4) Action Item 3(a) – Presentation, Discussion and Possible Approval of an Award of Emergency Rental Assistance Funds to the Texas Access to Justice Foundation for Housing Stabilization Services – was presented by Brooke Boston, TDHCA Deputy Executive Director of Programs. The Board unanimously approved staff recommendation for an award of ERA funds to the Texas Access to Justice Foundation.

5) Ms. Boston also presented Action Item 3(b) – Report on Activities Related to the Department's Response to COVID-19 Pandemic. The Board heard the report and took no further action.

6) Action Item 3(c) – Executive Director's Report – was presented by Bobby Wilkinson, TDHCA Executive Director. The Board heard the report and took no further action.

7) Chairman Vasquez honored outgoing board member Leslie Bingham with a proclamation from the Governor.

8) Action Item 1(c) – Presentation, discussion, and possible action regarding approval of a Multifamily Direct Loan re-subordination for Westridge Villas (HOME #1002295 and TCAP #13150015502) – was presented by Rosalio Banuelos, TDHCA Director of Asset Management. Following public comment (listed below), the Board unanimously adopted staff recommendation to approve the loan re-subordination.

- John Shackelford, attorney representing Westridge Villas, testified in support of staff recommendation
- Keller Webster, KWA Construction Company, testified in opposition to staff recommendation
- Terri Anderson, developer with Westridge Villas, testified in support of staff recommendation

9) Action Item 4(a) – Presentation, discussion, and possible action regarding the Issuance of a Governmental Note (Caroline Lofts) Resolution No. 21-029 and a Determination Notice of Housing Tax Credits – was presented by Teresa Morales, TDHCA Director of Multifamily Bonds. The Board unanimously adopted staff recommendation to approve the bond resolution and the issuance of the 4% housing tax credit determination notice.

10) Action Item 4(b) – Presentation, discussion, and possible action regarding the Issuance of Governmental Notes (The Citadel Apartments) Series 2021 Resolution No. 21-030, and a Determination Notice of Housing Tax Credits – was presented by Ms. Morales. The Board unanimously adopted staff recommendation to approve the bond resolution and the issuance of the 4% housing tax credit determination notice.

11) Action Item 4(c) – Presentation, discussion, and possible action authorizing publication of a Notice of Public Hearing for the issuance of Single Family Mortgage Revenue Bonds – was presented by Monica Galuski, TDHCA Director of Bond Finance. The Board unanimously approved staff recommendation to publish the public hearing notice.

12) Item 5(a) – Presentation, discussion, and possible action on an Award of Direct Loan Funds from the 2020-1 Multifamily Direct Loan Notice of Funding Availability and a Determination Notice for 4% Housing Tax Credits for The Enchanted Gardens in Victoria – was presented by Marni Holloway, TDHCA Director of Multifamily Finance. The Board unanimously approved staff recommendation to make the Direct Loan award and issue the 4% housing tax credits determination notice.

13) Action Item 5(b) – Presentation, discussion and possible action regarding an Award of Direct Loan Funds from the 2020-1 Multifamily Direct Loan Notice of Funding Availability for Manor Town Apartments Phase 2 in Manor – was presented by Ms. Holloway. The Board unanimously approved staff recommendation to award the Direct Loan funds to the proposed development in Manor.

14) Ms. Holloway continued presenting with Action Item 5(c) – Report on potential assistance to 2020 competitive 9% Housing Tax Credits due to the impact of increased construction costs. The Board heard the report and public comment (listed below) but took no further action.

- Janine Sisak, Texas Affiliation of Affordable Housing Provider, provided comments and information on the item
- Donna Rickenbacker, MREC Companies, provided comments and information on the item
- Quinn Gormley, Housing Trust Group, provided comments and information on the item
- Robbye Meyer, Arx Advantage, provided comments and information on the item

15) Ms. Holloway presented Action Item 5(d) – Presentation, discussion and possible action on timely filed appeals of scoring of HTC Applications, and request for Board waiver of rule, under the Qualified Allocation Plan for 21016 Houston Willow Chase Living, Houston; 21139 Cypress Creek Apartments, Dallas; and 21144 Mariposa Apartment Homes at Plano Parkway, Plano – and indicated that sub item 21016 was withdrawn by the applicant. Following public comment (listed below), the Board unanimously approved staff recommendation to deny the rule waiver request and appeals associated with the item.

- Brandon O'Donald, Pape-Dawson Engineers, provided information on sub item 21139
- Scott Marks, attorney with Coats Rose, testified in opposition to staff recommendation
- Zachary Krochtengel, Sycamore Strategies, testified in opposition to staff recommendation

16) Action Item 5(e) – Report on the 2022 and 2023 QAP Planning Process – was presented by Ms. Holloway. The Board heard the report and took no further action.

17) Action Item 6 – Presentation, discussion, and possible action on the Community Development Block Grant Coronavirus Aid, Relief, and Economic Security Act Texas Emergency Mortgage Assistance Program awards and any timely filed appeals – was presented by Rudy Bentancourt, TDHCA Director of the CDBG-CARES Program. The Board unanimously approved staff recommendation to make the awards subject to the conditions, including reallocation authority, which are stated in the item.

18) Outgoing member Ms. Bingham provided gracious comments on her 13 ½-year term on the Board, thanking Chairman Vasquez, Mr. Wilkinson, fellow Board members, agency staff, the affordable housing advocacy community, and State Senator Eddie Lucio, Jr.

Except as noted otherwise, all materials presented to and reports made to the Board were approved, adopted, and accepted. These minutes constitute a summary of actions taken. The full transcript of the meeting, reflecting who made motions, offered seconds, etc., questions and responses, and details of comments, is retained by TDHCA as an official record of the meeting.

There being no further business to come before the Board, the meeting adjourned at 12:05 p.m. The next meeting was set for Thursday, June 17, 2021.

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Secretary

Approved:

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Chair

1b

BOARD ACTION REQUEST

ASSET MANAGEMENT DIVISION

JUNE 17, 2021

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Land Use Restriction Agreement for Aloysius A. Ochoa Apartments (HTC #14428)

RECOMMENDED ACTION

WHEREAS, Aloysius A. Ochoa Apartments (the Development) received an award of 4% Housing Tax Credits (HTCs) in 2014 for the acquisition and rehabilitation of 70 units of multifamily housing in El Paso, El Paso County;

WHEREAS, although the HTC Application for the Development initially selected to serve the elderly population, this selection was revised by the applicant to general population during the underwriting process to comply with the understood HUD Rental Assistance Demonstration (RAD) requirements in place at the time, and this revision was included in the Land Use Restriction Agreement (LURA) for the Development;

WHEREAS, a representative for El Paso RAD I, Ltd. (the Development Owner or Owner) has submitted a request to amend the LURA for the Development to replace the general population requirement with an elderly preference requirement, in accordance with RAD guidelines issued by HUD;

WHEREAS, Board approval is required for changes to the Target Population, as directed in 10 TAC §10.405(b)(2)(C), and the Owner has complied with the amendment requirements therein; and

WHEREAS, the requested change does not negatively affect the Development, impact the viability of the transaction, impact the scoring of the application, or effect the amount of the tax credits awarded;

NOW, therefore, it is hereby

RESOLVED, that the requested LURA amendment for Aloysius A. Ochoa Apartments is approved as presented at this meeting, and the Executive Director and his designees are each authorized, directed, and empowered to take all necessary action to effectuate the foregoing.

BACKGROUND

Aloysius A. Ochoa Apartments received a 4% Housing Tax Credit award in 2014 to acquire and rehabilitate 70 units of existing elderly housing in El Paso, El Paso County. Rehabilitation of the Development has been completed, and the cost certification documentation is currently under review by staff. At the time of Application, the Development Owner originally intended the Development to continue under the elderly preference already in place as part of the HUD public housing designation at the time. However, ambiguity regarding the interpretation of the newly applicable regulation that went into effect when the property underwent the HUD Rental Assistance Program (RAD) conversion caused the elderly preference not to be included in the underwriting report or implemented in the HTC LURA.

In a letter dated May 14, 2021, Satish Bhaskar, representative for the Owner, requested a material amendment to the LURA for the Development. The amendment request letter states that, to preserve the intent of using the Development predominantly for elderly housing, the Development Owner would like to amend the LURA to include a HUD allowed elderly preference for single elderly individuals, which permits individual applicants who are 62 or older to be selected from the waiting list for one-bedroom unit types (which is all the units at the Development) and housed before other eligible families/individuals. This change is in line with the elderly designation originally proposed in the Application, but a change to the Target Population requires Board approval under 10 TAC §10.405(b)(2)(C). However, because the change for this Development is more of a correction rather than an amendment due to the misunderstanding of the RAD conversion requirements by the Department and the Owner, the amendment fee required under 10 TAC §11.901(10) is not being recommended by Department staff.

The Development Owner has complied with the amendment and notification requirements under 10 TAC §10.405(b). The Development Owner held a public hearing on the matter on May 19, 2021. No public comment was received regarding the requested amendment.

Staff has reviewed the original Application against this amendment request and has concluded that the change described above would not have affected the award and has concluded that this change would not affect the tax credit allocation awarded. The final tax credit recommendation will be determined upon finalization of the cost certification review process.

Staff recommends approval of the material amendment as presented herein.

EP RAD I

May 14, 2021

Karen Treadwell
Asset Manager
Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, Texas 78711-3941

RE: Material LURA Amendment Request - Aloysius Ochoa Apartments (LIHTC #14428)

Dear Ms. Treadwell,

HACEP RAD I, Ltd., ("Owner") of the Aloysius Ochoa Apartments, CMTS ID 5072 (the "Development"), by and through its duly authorized representative identified below, hereby requests that a material amendment be made to the Development's Land Use Restriction Agreement (LURA) for the purpose of establishing an authorized single elderly person selection preference.

The Low-Income Housing Tax Credit Application originally intended for the Development to have an elderly preference, since the property's elderly designation under the U.S. Department of Housing and Urban Development's ("HUD") Public Housing program restricted occupancy to residents who were 62 years of age or older. However, this designation was no longer applicable or allowed when the property underwent conversion under the HUD's Rental Assistance Program ("RAD"), as the Project was converted to HUD's Section 8 Project Based Rental Assistance, which does not allow property designations.

To resolve the complexity and preserve the intent of using Ochoa predominately for elderly housing, the Owner I sought to implement a HUD-approved selection preference for single elderly individuals which permits individual applicants who are 62 or older to be selected from the waiting list and housed before other eligible families/individuals. However, ambiguity regarding the interpretation of the newly applicable regulations that went in effect when the property underwent HUD RAD conversion caused the preference to not be implemented during the original LURA recordation.

Subsequent discussions between the Owner TDHCA staff clarified any issues regarding the implementation of a RAD-authorized owner adopter preference, which allows owners to adopt a selection preference for individual applicants who are 62 years of age or older to be selected from the waiting list and housed before other eligible families/individuals. The Owner requests the LURA amendment as a means to give priority to elderly qualified applicants seeking admission to the Project.

This Certification is made by and signed by a Duly Authorized representative of the Owner, who is so authorized by reason of his position as an officer of the general partner.

All the foregoing statements, as well as the date, signature, and identifying information of the signer are HEREBY CERTIFIED as true and accurate this 14th day of May 2021.

DocuSigned by:
BY: Signature: Satish Bhaskar
E7E23837C129451...
Printed Name: Satish Bhaskar
Title: CFO & Executive Vice President/Authorized Owner Representative

BOARD ACTION REQUEST

ASSET MANAGEMENT DIVISION

JUNE 17, 2021

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Land Use Restriction Agreement for Nacogdoches Senior Village (HTC #060014)

RECOMMENDED ACTION

WHEREAS, Nacogdoches Senior Village (the Development) received a 9% Housing Tax Credit (HTC) award in 2006 to construct 36 multifamily units in Nacogdoches, Nacogdoches County;

WHEREAS, the HTC application for the Development received points and/or other preferences for agreeing to provide a Right of First Refusal (ROFR) to purchase the Development over a two-year ROFR period, and this provision is reflected in the Land Use Restriction Agreement (LURA) for the Development;

WHEREAS, in 2015, the 84th Texas Legislature, Regular Session, amended Tex. Gov't Code §2306.6725 and §2306.6726 to allow, among other things, for a 180-day ROFR period and to permit a Qualified Entity to purchase a property under ROFR, and defined a Qualified Entity to mean an entity described by, or as amended, an entity controlled by an entity described by, 26 U.S.C. §42(i)(7)(A), Internal Revenue Code of 1986;

WHEREAS, Nacogdoches-Charger Properties LP (the Development Owner or Owner) requests to amend the LURA for the Development to incorporate changes made to Tex. Gov't Code §2306.6725 and §2306.6726 in 2015; and

WHEREAS, amendment to the ROFR period in the LURA is a material change requiring Board approval under 10 TAC §10.405(b)(2)(E), and the Development Owner has complied with the procedural amendment requirements in 10 TAC §10.405(b) to place this request before the Board, including holding a public hearing;

NOW, therefore, it is hereby

RESOLVED, that the material LURA amendment for Nacogdoches Senior Village is approved as presented to this meeting, and the Executive Director and his designees are hereby authorized, empowered, and directed to take all necessary action to effectuate the foregoing.

BACKGROUND

Nacogdoches Senior Village received a 9% HTC award in 2006 to construct 36 multifamily units in Nacogdoches, Nacogdoches County. In a letter dated April 25, 2021, Bonita Williams, Managing Member for Charger Affiliates LLC, the General Partner of the Development Owner, requested approval to amend the HTC LURA related to the ROFR provision.

In 2006, the Housing Tax Credit application allotted one point to the Development Owner in exchange for a two-year ROFR period. Upon completion of the Development, the Owner entered into a Declaration of Land Use Restrictive Covenants/Land Use Restriction Agreement for Low-Income Housing Tax Credits recorded in Nacogdoches County on December 15, 2008.

As approved in 2006, the additional use restrictions in the current HTC LURA would require, among other things, a two-year ROFR to sell the Development based on a set order of priority to a community housing development organization (as defined for purposes of the federal HOME Investment Partnerships Program at 24 CFR Part 92), to a qualified nonprofit organization (as defined in Internal Revenue Code §42(h)(5)(C)), a tenant organization or to the Department, if at any time after the 15th year of the Compliance Period the Owner decides to sell the property. The property is currently in the 14th year of the Compliance Period specified in the LURA. However, the Owner desires to exercise its rights under Tex. Gov't Code §2306.6726 to amend the LURA to allow for a 180-day ROFR period.

In 2015, the 84th Texas Legislature, Regular Session, passed HB 3576, which amended Tex. Gov't Code §2306.6725 to allow for a 180-day ROFR period and Tex. Gov't Code §2306.6726 to allow for a Qualified Entity to purchase a development under a ROFR provision of the LURA and satisfy the ROFR requirement. Additionally, Tex. Gov't Code §2306.6726, as amended by HB 3576, defines Qualified Entity to mean an entity described by, or an entity controlled by an entity described by, §42(i)(7)(A) of the Internal Revenue Code of 1986. The Department's Uniform Multifamily Rules, Subchapter E, include administrative procedures to allow a Development Owner to conform to the new ROFR provisions described in the amended statute.

The Development Owner has complied with the amendment and notification requirements under 10 TAC §10.405(b). The Development Owner held a public hearing on the matter on April 30, 2021. Though the meeting was well attended by the resident community, no public comment was received regarding the requested amendment.

Staff recommends approval of the material LURA amendment as presented herein.

Nacogdoches Senior Village
605 Harris Street
Nacogdoches, TX 75964
_936-462-8688_

April 25, 2021

Karen Treadwell
Texas Department of Housing and Community Affairs
221 East 11th St.
Austin TX 78701

RE: Nacogdoches Senior Village File #060014 CMTS #4355
Request to Amend the Right of First Refusal Period

Dear Ms. Treadwell,

The undersigned, being the Managing General Partner of Nacogdoches-Charger Properties LP (the Partnership), the current owner of Nacogdoches Senior Village (the Property) requests an amendment to the Land Use Restriction Agreement (LURA) to modify the two year Right of First Refusal (ROFR) period.

Request to Amend the ROFR Period

In 2015, Texas Government Code §2306.6726 was amended to allow for a 180-day ROFR period. Currently the LURA for the Property requires a two-year ROFR period. The owner desires to exercise its rights under Texas Government Code §2306.6726 to amend the LURA to allow for a 180-day ROFR period.

The Partnership is delivering a fee in the amount of $2500. The Partnership commits to hold a public hearing and to notify all residents, lenders, and investors. The Partnership will provide the Department with minutes and a sign-in sheet following the public meeting. We respectfully request staff recommendation in support of this request and to be considered at the next TDHCA board meeting.

Kind regards,

Nacogdoches-Charger Properties LP
By: Charger Affiliates LLC, its General Partner

Bonita Williams

Bonita Williams
Managing Member

BOARD ACTION REQUEST

ASSET MANAGEMENT DIVISION

JUNE 17, 2021

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Land Use Restriction Agreement for 2100 Memorial (HTC #96038)

RECOMMENDED ACTION

WHEREAS, 2100 Memorial (the Development) received a 9% Housing Tax Credit (HTC) award in 1996 to acquire and rehabilitate 197 units for elderly households in Houston, Harris County;

WHEREAS, Hurricane Harvey's impact to the Development in August 2017 was devastating for the Development, due to major flooding to the parking structure, basement and first floor of the building, resulting in pervasive damage to the electrical system and other life safety systems, which make the Development no longer safe or suitable for habitation;

WHEREAS, the Development Owner is now in the process of re-syndication of the Development using Tax-Exempt Bond financing with 4% Housing Tax Credits, which will include demolishing the existing structure and rebuilding on site;

WHEREAS, on September 5, 2019, the Board approved a material amendment to the Land Use Restriction Agreement (LURA) that suspends monitoring for years 2021 and 2022, but in no case longer than December 31, 2022, to allow time for the demolition and re-construction and to further extend the Extended Use Period for an additional five years to 45 years;

WHEREAS, due to delays caused by litigation and the COVID-19 pandemic, the current construction schedule for the Development indicates that construction will not be completed until 2023;

WHEREAS, the Development Owner now requests an additional LURA amendment to suspend monitoring under the LURA for one additional year through December 31, 2023; and

WHEREAS, this amendment to the LURA is a material change requiring Board approval under 10 TAC §10.405(b)(2)(G), and the Development Owner has complied with the procedural amendment requirements in 10 TAC §10.405(b) to place this request before the Board;

NOW, therefore, it is hereby

RESOLVED, that the request to suspend monitoring under the LURA for this Development for an additional year, but no longer than December 31, 2023, to allow sufficient time for construction completion is approved as presented to this meeting;

RESOLVED, that LURA will also be amended to extend the term of the LURA for the Development by an additional year to compensate for the period of time that the units in the Development are not available for occupancy;

RESOLVED, that the Executive Director and his designees are hereby authorized, empowered, and directed to take all necessary action to effectuate the foregoing; and

FURTHER RESOLVED, that the Executive Director or designee is authorized and empowered to provide an additional extension of up to one year, if necessary and justified.

BACKGROUND

2100 Memorial received a 9% HTC award in 1996 for the Adaptive Reuse of a former Holiday Inn originally built in 1969. The award created 197 multifamily units for elderly households in Houston, Harris County. The HTC LURA restricts 148 units (75%) for low income households. The Development placed in service in October 1998 and began the credit period in 1999. The Development is in Year 21 of the extended Compliance Period.

The Development is owned by Memorial Drive Elderly, L.P. (Developer Owner or Owner), which is an affiliate of the Houston Housing Authority (HHA). HHA owns the fee title to the land on which the Development is located, and the Owner has a long-term leasehold estate.

Hurricane Harvey's impact in August 2017 was devastating for the Development. The parking structure, the basement, and the first floor of the building were flooded, and there was no access points into the building that could be reached by emergency vehicles, leaving the residents stranded. In the aftermath of the flood, inspectors found that substantial damage had been incurred, particularly to the electrical system which is primarily located in the basement. Although the tenants of the building never experienced a prolonged loss of electricity, examination of the facilities uncovered pervasive damage to the electrical system due to water damage. Other types of damage caused by the hurricane include life safety systems, including the laundry, trash, elevator, leasing office and all business equipment, mail room, and meeting space. The window walls leaked and caused sheetrock damage. The roof is also compromised and would need to be replaced.

The hurricane damage was so pervasive that the Owner and HHA determined that the Development was no longer safe or suitable for habitation and needed to be vacated in order to accomplish repairs. Notices were sent to tenants that leases were being terminated due to the extensive damage and health and safety concerns arising from the damage. While most tenants relocated, a number of tenants initially refused to move and obtained an injunction against the Owner, preventing the termination of leases to repair, renovate, or rebuild the Development.

HHA and the Owner are in process of re-syndication of the Development using Tax-Exempt Bond financing with 4% Housing Tax Credits in order to demolish the existing structure and rebuild on site, which was ultimately determined as the best option. The 4% HTC award (HTC #21419) was approved by the Board at its meeting of February 11, 2021.

To accomplish the reconstruction, the Development Owner requested that the existing LURA be amended and monitoring be suspended for a period of up to three years to remove noncompliance issues associated with Hurricane Harvey damage, and to permit time to demolish and reconstruct the Development.

On September 5, 2019, the Board approved a material amendment to the LURA that suspends monitoring for years 2021 and 2022, but in no case longer than December 31, 2022, to allow time for the demolition and re-construction, and to further extend the Extended Use Period for an additional five years to 45 total years.

When tenants were notified that they would need to move out pending reconstruction, approximately 26 tenants had refused to leave and ended up litigating whether HHA should be entitled to reconstruct. After a lengthy period, a resolution of the litigation was reached and all tenants moved out by October 28, 2020.

Litigation with tenants took many months to settle, and during 2020, some of the remaining tenants were afraid to move to new apartments due to the COVID-19 pandemic and health concerns. As a result, the Development Owner realized that the two-year suspension period previously agreed upon is not going to provide sufficient time to demolish the existing improvements and get the new building constructed. Financing closed on May 25, 2021, to begin the demolition phase. The construction schedule is 31 months and the 19 months between now and December 31, 2022, are insufficient to complete the project. As a result, in a letter dated May 25, 2021, Tamea A. Dula, representative for the Development Owner, now requests an additional LURA amendment to suspend monitoring under the LURA for one additional year through December 31, 2023.

Due to the fact that the Development is vacant, the public hearing typically required under 10 TAC §10.405(b)(3), was not required for this request.

Staff recommends approval to suspend monitoring of the LURA for one additional year, but no longer than December 31, 2023, to allow for the re-syndication and reconstruction of the Development. Additionally, the staff recommends that the term of the LURA also be extended by one additional year to compensate for the period of time that the units in the Development are not available for occupancy. Staff further recommends that the Executive Director or designee be granted the authority to approve a further extension of up to an additional year, if it is needed and justified.

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A PROFESSIONAL CORPORATION

TAMEA A. DULA
OF COUNSEL

tdula@coatsrose.com
Direct Dial
(713) 653-7322
Direct Fax
(713) 890-3918

May 25, 2021

By Email to bobby.wilkinson@tdhca.state.tx.us
Bobby Wilkinson, Executive Director
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

RE: HTC #96038 – 2100 Memorial Drive, Houston, Harris County, Texas;
Request for Amendment Suspending LURA Effects through **December 31, 2023.**

Dear Mr. Wilkinson:

On behalf of our client, the Houston Housing Authority ("HHA"), and its developer partner, New Columbia Residential, LLC ("Developer"), we ask that the TDHCA extend the time during which the Land Use Restriction Agreement, as currently amended (collectively, the "LURA") for the 197-unit development (the "Project") is suspended pending reconstruction of the Project pursuant to a 4% Tax Credit and Tax-Exempt Bond financing (HTC #21419). Currently, the effects of the LURA have been suspended until reconstruction of the Project is completed, but in no event longer than until December 31, 2022. Due to delays caused by litigation and COVID-19, the current construction schedule for the Project indicates that it will not be completed until 2023.

By way of background, 2100 Memorial Drive is hotel conversion into Elderly affordable rental housing that was financed with 9% Housing Tax Credits awarded in 1996. In 2017 the property sustained substantial flooding damage from Hurricane Harvey, and ultimately the decision was made by the property owner (HHA) to demolish the existing improvements and reconstruct a building that would comply with updated regulations for building in a flood zone. When tenants were notified that they would need to move out pending reconstruction, approximately 26 tenants refused to leave and ended up litigating whether HHA should be entitled to reconstruct. After a lengthy period, a resolution of the litigation was reached and all tenants had moved out by October 28, 2020.

While settlement was under negotiation, HHA requested the TDHCA's permission to demolish the improvements and construct a new building that would meet current floodplain requirements. The TDHCA Board approved this material amendment to the LURA on September 5, 2019. A Third Amendment to the LURA was executed and recorded, reflecting the Board's agreement that the LURA's effects would be suspended for two years, until the reconstruction could be completed, and that the term of the Extended Use Period would be extended for an additional five (5) years. In exchange for a two-year suspension period, HHA and the Developer agreed to an additional five (5) years of extended compliance.

Unfortunately, the litigation took many months to settle, and then during 2020 some of the remaining tenants were afraid to move to new apartments because of the COVID-19 pandemic and health concerns. As a result, the two-year suspension period previously agreed upon is not going to provide sufficient time to demolish the existing improvements and get the new building constructed. Financing is being closed today to begin the demolition phase. The construction schedule is 31-months and the 19 months between now and December 31, 2022 are insufficient to complete the Project.

On behalf of HHA and the Developer, we respectfully request that Staff recommend that the TDHCA Board approve a further LURA amendment that will suspend the effects of the LURA through **December 31, 2023**. This amendment will permit the completion of the reconstruction and commencement of the lease-up, so that previous tenants with rights to return may move into the Project as soon as possible.

Thank you for your consideration of this request for a material LURA Amendment.

Sincerely,

Tamea A. Dula

Tamea A. Dula

Attachments

cc: Rosalio Banuelos
Lucy Trevino
Mark Thiele
Cody Roskelley
Keland Lewis
Ray Kuniansky
Barry Palmer
Lauren Hodge

1c

BOARD ACTION REQUEST

ASSET MANAGEMENT DIVISION

JUNE 17, 2021

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application for Abbington Ranch (HTC #17239)

RECOMMENDED ACTION

WHEREAS, Abbington Ranch (the Development) received an award of 9% Housing Tax Credits (HTCs) in 2017 for the construction of 48 units of multifamily housing in Boerne, Kendall County;

WHEREAS, Boerne Abbington Ranch, LP (the Development Owner or Owner) is requesting approval for a modification of the residential density of 5.175% due to the fact that the City of Boerne required the dedication of 0.246 acre for right-of-way for widening of Cascade Caverns Road and utility infrastructure improvements;

WHEREAS, Board approval is required for a modification of the residential density of at least five percent as directed in Tex. Gov't Code §2306.6712(d)(6) and 10 TAC §10.405(a)(4)(F), and the Owner has complied with the amendment requirements therein; and

WHEREAS, the requested change does not materially alter the Development in a negative manner, was not reasonably foreseeable or preventable by the Owner at the time of Application, and would not have adversely affected the selection of the Application;

NOW, therefore, it is hereby

RESOLVED, that the requested material amendment to the Application for Abbington Ranch is approved as presented at this meeting, and the Executive Director and his designees are each hereby authorized, directed, and empowered to take all necessary action to effectuate the foregoing.

BACKGROUND

Abbington Ranch was awarded a 9% Housing Tax Credit award in 2017 and consists of 48 general multifamily housing units located in Boerne, Kendall County. Construction of the Development has been completed, and the cost certification documentation is currently under review by staff. In a letter dated May 4, 2021, C. Breck Kean, representative for the Development Owner, requested approval for a change in the acreage and residential density noted in the original Application.

At Application, the proposed site consisted of five acres. However, at Cost Certification, the Owner provided a survey that states the site is 4.754. This change in acreage increased the residential density from 9.6 units per acre to 10.097 units per acre, a difference of 5.175%. Board approval is required for a modification of the residential density of at least five percent as directed in Tex. Gov't Code §2306.6712(d)(6) and 10 TAC §10.405(a)(4)(F).

The Owner stated the difference is due to right-of-ways that were not identified at application. According to the Owner, during permitting and construction, the City of Boerne required the dedication of 0.246 acre for widening of Cascade Caverns Road and utility infrastructure improvements. The Owner indicated that this additional right-of-way was within the required setback, and therefore, no alteration to the site plan was required.

This amendment will not have a financial impact on the Development, as it does not change any financial sources, terms, conditions, or amounts of financing. Additionally, this amendment was not foreseeable or preventable at application. The project will still serve the same number of families as those at application, and the reduction in acreage will not impact the financial characteristics of the Development, the amenities offered, or the general layout of the Development.

Staff has reviewed the original Application against this amendment request and has concluded that the change described above would not have affected the award. The final tax credit recommendation will be determined upon finalization of the cost certification review process.

Staff recommends approval of the requested material amendment to the Application.

BOERNE ABBINGTON RANCH, LP
2964 Peachtree Road NW
Atlanta, Ga 30305

May 4, 2021

Mr. Mark Fugina
Senior Asset Manager
TDHCA
221 E. 11th Street
Austin, TX 78701

Re: Abbington Ranch HTC #17239

Dear Mark,

On behalf of Boerne Abbington Ranch, LP, I am contacting you to request an Application Amendment related to site density on Abbington Ranch, HTC #17239. At initial application and acquisition of the development site, the survey reflected 5.000 acres as shown on Attachment 1. The proposed density was 9.60 units per acre (48 units/5.00 acres). During permitting and construction, the City of Boerne required additional Right-of-Way for widening of Cascade Caverns Road and utility infrastructure improvements. The ROW was within the required setback so no alteration to the site plan was required.

The as-built survey upon completion, less the required ROW, reflects 4.754 acres as shown on Attachment 2. The density upon completion is 10.0968 (48 units/4.754 acres). This is a 5.175% increase in density from original application. The density upon completion is well below the allowable density of 24 units per acre and has no adverse impact upon the site or improvements. The change does not adversely affect the selection of the application and the modification was not reasonably foreseeable or preventable at the time the application was submitted.

As we exceed the 5% variance threshold, we request placement on the next available Board agenda to request approval of this Application Amendment.

Thank you for your prompt consideration and please let me know if any additional information is required.

Sincerely,

C. Breck Kean

C. Breck Kean

Attachment #1 – Survey at application
Attachment #2 – As-Built survey

ATTACHMENT #1

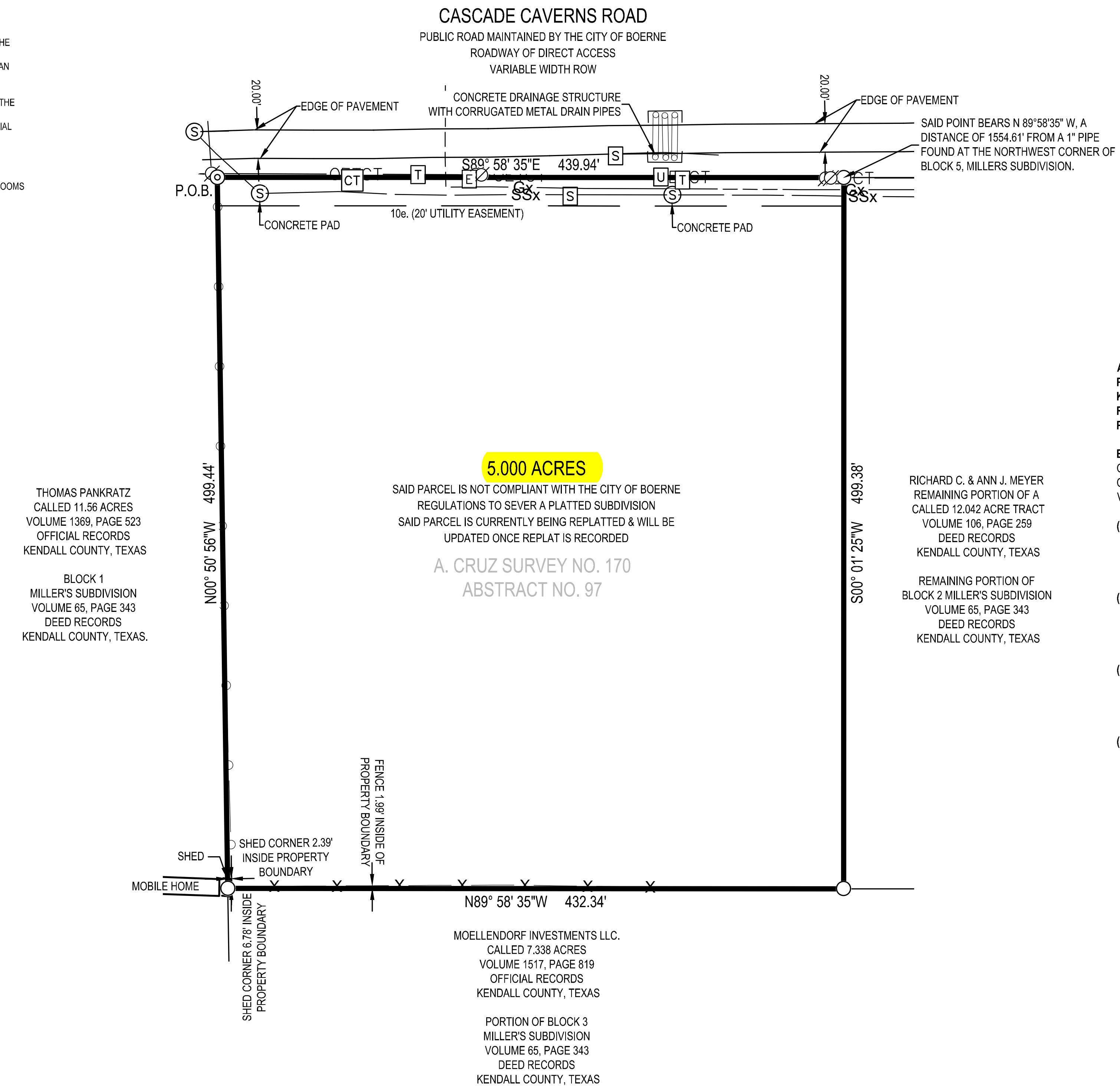
NOTES:

1) BASIS OF BEARING: WAS ESTABLISHED USING THE TRIMBLE VRS NETWORK, NAD83, TEXAS STATE PLANE COORDINATE SYSTEM, SOUTH CENTRAL ZONE, 4204, US SURVEY FOOT, GRID.
2) ADDRESS: NO ADDRESS FOR SUBJECT TRACT, PARENT TRACT ADDRESS (25 CASCADE CAVERNS ROAD)
3) DATE OF FIELD WORK: SEPTEMBER 22, 2017
4) AN ADDITIONAL SET OF THE METES AND BOUNDS DESCRIPTION WAS PREPARED BY A SEPARATE DOCUMENT.
5) FENCES ALONG BOUNDARY LINE MEANDER.
6) ALL UNDERGROUND UTILITIES SHOWN HEREON WERE MARKED IN THE FIELD BY OTHERS, SAID MARKINGS WERE FOUND AT THE LOCATIONS SHOWN HEREON BY UNDERGROUND UTILITY LINETYPES.
7) NO PORTIONS OF THIS TRACT LIE WITHIN FLOOD ZONE "X" ACCORDING TO FLOOD INSURANCE RATE MAP 48259C0415F, WITH AN EFFECTIVE DATE OF DECEMBER 10, 2010.
8) THERE WERE NO BUILDINGS/STRUCTURES LOCATED ON SUBJECT TRACT AT THE TIME OF THIS SURVEY.
9) NEAREST INTERSECTING STREET (SHADE TREE) IS LOCATED APPROXIMATELY 104 FEET IN AN WESTERLY DIRECTION ALONG THE SOUTHERLY RIGHT-OF-WAY LINE OF CASCADE CAVERNS RD.
10) ZONING LETTER PROVIDED BY CITY OF BOERNE, DATED OCTOBER 27, 2017, PROPERTY IS ZONE R4: MULTI-FAMILY RESIDENTIAL
    i). FRONT YARD REQUIREMENTS: MINIMUM 15'(TOTAL FRONT AND REAR = 50'), SIDE: 5', REAR: 20'
    ii). DENSITY: 6,000 SQFT FOR FIRST TWO UNITY, PLUS 1,200 SQFT FOR EACH ADDITIONAL UNIT
    iii). HEIGHT LIMITATION: 4 STORY - 50'
    iv). MINIMUM LOT SIZE: NONE
    v). PARKING REQUIREMENTS: 1.5 FOR EACH STUDIO, ONE OR TWO BEDROOM UNIT; 2 FOR EACH UNIT WITH 3 OR MORE BEDROOMS
11) NO WETLAND DELINEATION MARKERS WERE OBSERVED AT THE TIME OF THE SURVEY.
12) THE SURVEY LEGAL DESCRIPTION AND COMMITMENT LEGAL DESCRIPTION DESCRIBE THE SAME PROPERTY.
13) NO TAX PARCEL ID FOR THE SUBJECT PROPERTY (PARENT TRACT PARCEL ID:24323).
14) SUBJECT TRACT IS CONTIGUOUS TO ALL APPLICABLE BENEFICIAL EASEMENTS.
15) CASCADE CAVERNS ROAD PROVIDES DIRECT ACCESS TO THE SUBJECT PROPERTY.
16) UTILITIES ARE ON-SITE & THE SUBJECT PROPERTY HAS DIRECT ACCESS TO THEM THROUGH A PUBLIC ROW.
17) THERE ARE NO VISIBLE CEMETERIES OR FAMILY BURIAL SITES LOCATED ON THE SUBJECT PROPERTY.
18) THIS SURVEY IS BASED ON A TITLE COMMITMENT ISSUED BY OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY, G.F. NUMBER 5141002915 ISSUED DATE OF OCTOBER 2, 2017 EFFECTIVE DATE OF SEPTEMBER 24, 2017 AND IS SUBJECT TO ALL TERMS, CONDITIONS, LEASES AND ENCUMBRANCES STIPULATED THEREIN. THIS TITLE COMMITMENT WAS RELIED UPON FOR ALL EASEMENTS. THE SURVEYOR DID NOT COMPLETE AN ABSTRACT OF TITLE.

SCHEDULE B EXCEPTIONS, PER TITLE COMMITMENT ISSUED BY OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY, G.F. 5141002915, ISSUED DATE OF OCTOBER 2, 2017, WITH EFFECTIVE DATE OF SEPTEMBER 24, 2017.

1. RESTRICTIVE COVENANTS OF RECORD:
- NONE LISTED

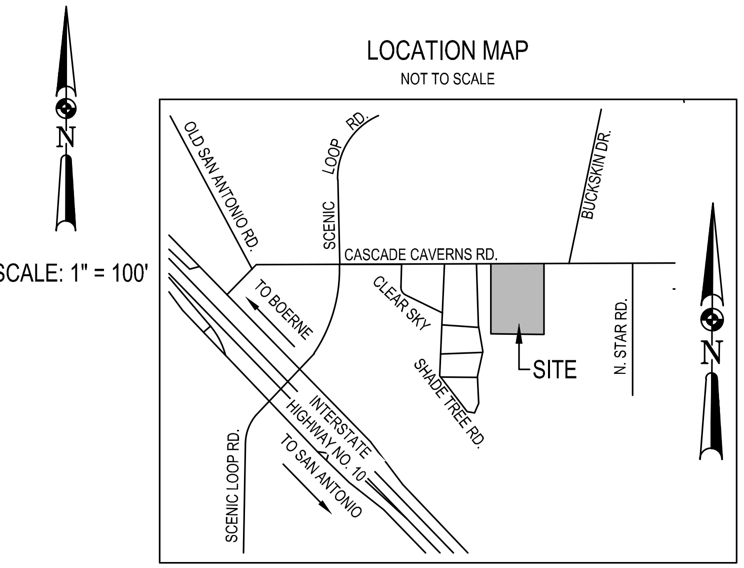
10. EVIDENCE OF MATTERS:
e. EASEMENT RECORDED IN/UNDER VOLUME 1433, PAGE 257, OF THE OFFICIAL RECORDS OF KENDALL COUNTY, TEXAS - APPLIES & SHOWN HEREON
    - UTILITY EASEMENT - SHOWN HEREON



SCALE: 1" = 100'

LOCATION MAP

NOT TO SCALE



LEGEND

P.O.B.	POINT OF BEGINNING
( )	RECORD PER VOLUME 1433, PAGE 257 OFFICIAL RECORDS KENDALL COUNTY, TEXAS.
◎	FOUND 1/2" IRON ROD WITH A RED "MATKIN-HOOVER ENG. & SURVEY." PLASTIC CAP
○	SET 1/2" IRON ROD WITH A RED "MATKIN-HOOVER ENG. & SURVEY." PLASTIC CAP
S	TRAFFIC SIGN
E	ELECTRIC BOX
∅	UTILITY POLE
∅	UTILITY POLE WITH GUY WIRE
T	TELEPHONE PEDESTAL
CT	CABLE TELEVISION PEDESTAL
Ⓢ	SANITARY SEWER MANHOLE
U	UTILITY SIGN
—X—	WIRE FENCE
—○—	CHAIN-LINK FENCE
—OETCT—	ELECTRIC/TELEPHONE/CABLE TV (OVERHEAD)
—Gx—	GAS
—SSx—	SANITARY SEWER

A 5.00 ACRE TRACT OF LAND LOCATED IN THE A. CRUZ SURVEY NO. 170, ABSTRACT NO. 97, KENDALL COUNTY, TEXAS, BEING A PORTION OF BLOCK 2 OF MILLER'S SUBDIVISION, A PLAT OF RECORD IN VOLUME 65 PAGE 343 OF THE DEED RECORDS OF KENDALL COUNTY, TEXAS. SAID BLOCK 2 BEING THE SAME TRACT OF LAND AS CONVEYED TO RICHARD C. AND ANN J. MEYER OF RECORD IN VOLUME 106 PAGE 259 OF THE DEED RECORDS OF KENDALL COUNTY, TEXAS. SAID 5.000 TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A ½" IRON ROD WITH A RED "MATKIN-HOOVER ENG. & SURVEY" PLASTIC CAP" FOUND FOR THE NORTHWEST CORNER OF THE HEREIN DESCRIBED TRACT, IN THE SOUTH RIGHT-OF-WAY LINE OF CASCADE CAVERNS ROAD, AT THE NORTHWEST CORNER OF BLOCK 2, MILLER'S SUBDIVISION, THE NORTHEAST CORNER OF BLOCK 1, MILLER'S SUBDIVISION, A PLAT OF RECORD IN VOLUME 65, PAGE 343 OF THE DEED RECORDS OF KENDALL COUNTY, TEXAS;

(1) **THENCE, S 89° 58' 35" E,** WITH THE SOUTH RIGHT-OF-WAY LINE OF CASCADE CAVERNS ROAD, THE NORTH BOUNDARY LINE OF BLOCK 2, THE NORTH BOUNDARY LINE OF THE HEREIN DESCRIBED TRACT, **A DISTANCE OF 439.94'** TO A ½" IRON ROD WITH A RED "MATKIN-HOOVER ENG. & SURVEY" PLASTIC CAP SET FOR NORTHEAST CORNER, SAID POINT BEARS N 89° 58' 35" W, A DISTANCE OF 1554.61 FROM A 1" PIPE FOUND AT THE NORTHWEST CORNER OF BLOCK 5, MILLER'S SUBDIVISION;

(2) **THENCE, S 00° 01' 25" W,** DEPARTING THE SOUTH RIGHT-OF-WAY LINE OF CASCADE CAVERNS ROAD, THE NORTH BOUNDARY LINE OF BLOCK 2, WITH THE EAST BOUNDARY LINE OF THE HEREIN DESCRIBED TRACT, **A DISTANCE OF 499.38** TO A ½" IRON ROD WITH A RED "MATKIN-HOOVER ENG. & SURVEY" PLASTIC CAP SET FOR SOUTHEAST CORNER IN THE SOUTH BOUNDARY LINE OF BLOCK 2, MILLER'S SUBDIVISION, THE NORTH BOUNDARY LINE OF BLOCK 3, MILLER'S SUBDIVISION, A PLAT OF RECORD IN VOLUME 65, PAGE 343 OF THE DEED RECORDS OF KENDALL COUNTY, TEXAS;

(3) **THENCE, N 89° 58' 35" W,** WITH THE NORTH BOUNDARY LINE OF BLOCK 3, THE SOUTH BOUNDARY LINE OF BLOCK 2, THE SOUTH BOUNDARY LINE OF THE HEREIN DESCRIBED TRACT, **A DISTANCE OF 432.34'** TO A ½" IRON ROD WITH A RED "MATKIN-HOOVER ENG. & SURVEY" PLASTIC CAP SET FOR SOUTHWEST CORNER AT THE NORTHWEST CORNER OF BLOCK 3, MILLER'S SUBDIVISION, SAID POINT BEING IN THE EAST BOUNDARY LINE OF BLOCK 1, MILLER'S SUBDIVISION;

(4) **THENCE, N 00° 50' 56" W,** WITH THE EAST BOUNDARY LINE OF BLOCK 1, MILLER'S SUBDIVISION, THE WEST BOUNDARY LINE OF BLOCK 2, MILLER'S SUBDIVISION, THE WEST BOUNDARY LINE OF THE HEREIN DESCRIBED TRACT, **A DISTANCE OF 499.44'** TO THE **POINT OF BEGINNING** AND CONTAINING **5.000 ACRES** OF LAND.

CERTIFY TO: BOERNE ABBINGTON RANCH, LP, GEORGIA LIMITED PARTNERSHIP, ITS SUCCESSORS AND/OR ASSIGNS; ABBINGTON RANCH PARTNER, LLC, A GEORGIA LIMITED LIABILITY COMPANY, ITS SUCCESSORS AND/OR ASSIGNS; OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY, ITS SUCCESSORS AND/OR ASSIGNS; COLEMAN TALLEY LLP; REA VENTURES GROUP, LLC, ITS SUCCESSORS AND/OR ASSIGNS; REA VENTURES GROUP, LLC, ITS SUCCESSORS AND/OR ASSIGNS; AHP HOUSING FUND 172, LLC, A DELAWARE LIMITED LIABILITY COMPANY, ITS SUCCESSORS AND/OR ASSIGNS; SLOSKY & COMPANY; AND STERLING BANK, ITS SUCCESSORS AND/OR ASSIGNS.

THIS MAP OR PLAT AND THE SURVEY ON WHICH IT IS BASED WERE MADE IN ACCORDANCE WITH THE "2016 MINIMUM STANDARD DETAIL REQUIREMENTS FOR ALTA/NSPS LAND TITLE SURVEYS" JOINTLY ESTABLISHED AND ADOPTED BY ALTA AND NSPS, AND INCLUDES ITEMS 1, 2, 3, 4, 6(A) AND (B), 7(A-C), 8, 9, 10(A-B), 11, 13, 14, 16, 17, 18, 19 AND 20 AS SHOWN ON TABLE A THEREOF. PURSUANT TO THE ACCURACY STANDARDS AS ADOPTED BY ALTA AND NSPS AND IN EFFECT ON THE DATE OF THIS CERTIFICATION, UNDERSIGNED FURTHER CERTIFIES THAT IN MY PROFESSIONAL OPINION, AS A LAND SURVEYOR REGISTERED IN THE STATE OF TEXAS, THE RELATIVE POSITIONAL ACCURACY OF THIS SURVEY DOES NOT EXCEED THAT WHICH IS SPECIFIED THEREIN. THE FIELD WORK WAS COMPLETED ON SEPTEMBER 22, 2017.

DATE OF SURVEY: OCTOBER 17, 2017

PRELIMINARY, NOT TO BE RECORDED FOR ANY PURPOSE

JEFF BOERNER DATE: OCTOBER 17, 2017
REGISTERED PROFESSIONAL LAND SURVEYOR
TEXAS REGISTRATION NO. 4939
CONTACT@MATKINHOOVER.COM
JOB NO. 16-4167 - BLOCK 2, MILLERS SUBDIVISION
ANY COMPLAINTS REGARDING THE SERVICES YOU HAVE RECEIVED CAN BE DIRECTED TO:
THE TEXAS BOARD OF PROFESSIONAL LAND SURVEYING
12100 PARK 35 CIRCLE BLDG. A, SUITE 156 MC-230 AUSTIN, TX 78753
PHONE: 512-239-5263 ; FAX: 512-239-5253

ALTA/NSPS LAND TITLE SURVEY OF

A 5.00 ACRE TRACT OF LAND LOCATED IN THE A. CRUZ SURVEY NO. 170, ABSTRACT NO. 97, KENDALL COUNTY, TEXAS, BEING A PORTION OF BLOCK 2 OF MILLER'S SUBDIVISION, A PLAT OF RECORD IN VOLUME 65 PAGE 343 OF THE DEED RECORDS OF KENDALL COUNTY, TEXAS. SAID BLOCK 2 BEING THE SAME TRACT OF LAND AS CONVEYED TO RICHARD C. AND ANN J. MEYER OF RECORD IN VOLUME 106 PAGE 259 OF THE DEED RECORDS OF KENDALL COUNTY, TEXAS.

MATKINHOOVER
ENGINEERING & SURVEYING
P.O. BOX 54
8 SPENCER ROAD SUITE 100
BOERNE, TEXAS 78006
OFFICE: 830.249.0600 FAX:830.249.0099
TEXAS REGISTERED ENGINEERING FIRM F-004512
TEXAS REGISTERED SURVEYING FIRM F-10024000
CIVIL ENGINEERS SURVEYORS LAND PLANNERS
CONSTRUCTION MANAGERS CONSULTANTS

ATTACHMENT #2

NOTES:

1. BEARINGS ARE BASED ON THE STATE PLANE COORDINATE SYSTEM ESTABLISHED FOR THE TEXAS SOUTH CENTRAL ZONE 4204, NORTH AMERICAN DATUM (NAD) OF 1983.
2. THIS TRACT LIES WITHIN FLOOD ZONE "X", AREAS DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOODPLAIN, AS SCALED FROM FEMA FLOOD MAP 415 OF 525, COMMUNITY PANEL NO. 48259C0415F, DATED DECEMBER 17, 2010.
3.THE TRACT SHOWN HEREON MAY BE SUBJECT TO ALL OF CITY OF BOERNE AND KENDALL COUNTY ORDINANCES AND RESTRICTIONS.
4. THE SUBJECT PROPERTY IS CONTIGUOUS TO ALL APPLICABLE BENEFICIAL EASEMENTS AS PROVIDED TO THE SURVEYOR.
5. WATER AND ELECTRIC UTILITIES ARE LOCATED ON SITE. GAS AND SANITARY SEWER UTILITIES ARE ACCESSED THROUGH THE PUBLIC RIGHT-OF-WAY OF CASCADE CAVERNS ROAD.
6. THE REAL ESTATE AS DESCRIBED ON THE PLAT DOES NOT CONSTITUTE AN ILLEGAL SUBDIVISION OF LAND UNDER KENDALL COUNTY AND THE CITY OF BOERNE ORDINANCES AND RESTRICTIONS.
7. THERE ARE NO VISIBLE CEMETERIES OR FAMILY BURIAL SITES LOCATED ON THE SUBJECT PROPERTY.
8. CASCADE CAVERNS ROAD PROVIDES DIRECT ACCESS TO THE SUBJECT PROPERTY.
9. ALL UNDERGROUND UTILITIES SHOWN HEREON WERE MARKED IN THE FIELD BY OTHERS, SAID MARKINGS WERE FOUND AT THE LOCATIONS SHOWN HEREON BY UNDERGROUND UTILITY LINETYPES.
10. ZONING LETTER PROVIDED BY CITY OF BOERNE, DATED DECEMBER 01, 2020. PROPERTY IS ZONED R4: MULTI-FAMILY RESIDENTIAL
    i). FRONT YARD REQUIREMENTS: MINIMUM 15' (TOTAL FRONT AND REAR = 50'), SIDE: 5', REAR: 20'
    ii). DENSITY: 6,000 SQFT FOR FIRST TWO UNITY, PLUS 1,200 SQFT FOR EACH ADDITIONAL UNIT
    iii). HEIGHT LIMITATION: 4 STORY - 50'
    iv). MINIMUM LOT SIZE: NONE
    v). PARKING REQUIREMENTS: 1.5 FOR EACH STUDIO, ONE OR TWO BEDROOM UNIT; 2 FOR EACH UNIT WITH 3 OR MORE BEDROOMS
11. ZONING LETTER PROVIDED BY CITY OF BOERNE, DATED DECEMBER 01, 2020. STATES THE PROPERTY IS WITHIN COMPLIANCE OF ZONE R4: MULTI-FAMILY RESIDENTIAL.
12. ALL STREETS ABUTTING THE SUBJECT PROPERTY (THE "PREMISES") AND ALL MEANS OF INGRESS TO AND EGRESS FROM THE PREMISES HAVE BEEN COMPLETED, DEDICATED AND ACCEPTED FOR PUBLIC MAINTENANCE AND PUBLIC USE BY THE CITY OF BOERNE, TEXAS.
13. ALL KNOWN UTILITIES SERVING THE PREMISES ENTER THE PREMISES FROM ABUTTING PUBLIC STREETS.
14. EXCEPT AS SHOWN, THE PREMISES DOES NOT SERVE ANY ADJOINING PROPERTY FOR DRAINAGE, UTILITIES, OR INGRESS OR EGRESS OF RECORD AS PROVIDED TO THE SURVEYOR.
15. ALL SETBACK RESTRICTIONS DISCLOSED BY APPLICABLE ZONING OR BUILDING CODES ARE PLOTTED ON THE SURVEY.
16. PARKING SPACES = 10 HANDICAPPED & 104 REGULAR = 114 TOTAL PARKING SPACES.
17. EARTHWORK & BUILDING CONSTRUCTION WERE RECENTLY COMPLETED.
18. SURVEYOR UNAWARE OF PROPOSED CHANGES IN THE STREET RIGHT-OF-WAY.
19. NO WETLAND DELINEATION MARKERS WERE OBSERVED AT THE TIME OF THE SURVEY. NO WETLAND REPORT HAS BEEN PROVIDED TO THE SURVEYOR.
20.NEAREST INTERSECTING STREET (SHADE TREE) IS LOCATED APPROXIMATELY 104 FEET IN AN WESTERLY DIRECTION ALONG THE SOUTHERLY RIGHT-OF-WAY LINE OF CASCADE CAVERN

ENCROACHMENTS:

- SHED ENCROACHMENT SHOWN HEREON AT THE SOUTHWESTERN CORNER OF THE SUBJECT PROPERTY. - SEE "DETAIL A".
- FENCES ALONG BOUNDARY MEANDER.

THIS SURVEY IS BASED ON A TITLE COMMITMENT ISSUED BY OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY, G.F. NUMBER 5141004548, QITH AN EFFECTIVE DATE OF OCTOBER 29, 2020, ISSUED DATE OF NOVEMBER 04, 2020, AND IS SUBJECT TO ALL TERMS, CONDITIONS, LEASES AND ENCUMBRANCES STIPULATED THEREIN. THERE MAY BE OTHER EASEMENTS, RESTRICTIONS, OR ENCUMBRANCES NOT SHOWN.THE SURVEYOR DID NOT COMPLETE AN ABSTRACT OF TITLE. THIS TITLE COMMITMENT AS RELIED UPON FOR ALL EASEMENTS.

LEGAL DESCRIPTION OF LAND:
LOT 1, MILLER SUBDIVISION PLAT, BLOCK 2, LOTS 1 & 2, A SUBDIVISION TO KENDALL COUNTY, TEXAS, ACCORDING TO THE REPLAT THEREOF RECORDED IN BOOK 9, PAGE(S) 82 & 83, OF THE DEED AD PLAT RECORDS OF KENDALL COUNTY, TEXAS.

SCHEDULE B:

1. RESTRICTIVE COVENANTS OF RECORD:
    - BOOK 9, PAGES 82-83, D.P.R., KENDALL COUNTY, TEXAS. - PLAT - APPLIES
    - VOLUME 1737, PAGE 806, R.P.R., KENDALL COUNTY, TEXAS. - RESTRICTIVE COVENANTS - APPLIES

a.) RIGHTS OF PARTIES IN POSSESSION - NOT A SURVEY MATTER
b.) RIGHTS OF TENANTS IN POSSESSION UNDER UNREORDED LEASES OR RENTAL AGREEMENTS. - NOT A SURVEY MATTER
d.) THE FOLLOWING, ALL ACCORDING TO PLAT RECORDED IN BOOK 9, PAGE(S) 82 & 83, OF THE DEED AND PLAT RECORDS OF KENDALL COUNTY, TEXAS, AS SHOWN ON SURVEY PREPARED BY KYLE L. PRESSLER, RPLS 6528, DATED MARCH 23, 2020.:
    - PRIVATE DRAINAGE EASEMENT - SHOWN
    - PUBLIC DRAINAGE EASEMENT - SHOWN

e.) TERMS, CONDITIONS AND STIPULATIONS CONTAINED IN BOUNDARY AND OWNERSHIP AFFIDAVIT EXECUTED BY RICHARD C. MEYER AND ANN JONES MEYER, DATED JANUARY 9, 2018, FILED JANUARY 11, 2018, RECORDED IN/UNDER VOLUME 1616, PAGE 867 OF THE REAL PROPERTY RECORDS OF KENDALL COUNTY, TEXAS, AS NOTED ON SURVEY PREPARED BY KYLE L. PRESSLER, RPLS 6528, DATED MARCH 23, 2020. - APPLIES
f.) EASEMENT EXECUTED BY BOERNE ABBINGTON RANCH, LP, TO CITY OF BOERNE, DATED JANUARY 28, 2020, FILED FEBRUARY 7, 2020, RECORDED IN/UNDER VOLUME 1740, PAGE 1115, OF THE REAL PROPERTY RECORDS OF KENDALL COUNTY, TEXAS. - APPLIES, SHOWN.

LOT 1, MILLER SUBDIVISION PLAT, BLOCK 2, LOTS 1&2, A SUBDIVISION TO KENDALL COUNTY, TEXAS, ACCORDING TO THE REPLAT THEREOF RECORDED IN BOOK 9, PAGE(S) 82 & 83, OF THE DEED AND PLAT RECORDS OF KENDALL COUNTY, TEXAS.

FOR INFORMATIONAL PURPOSES ONLY, BELOW IS A DESCRIPTION OF SAID 4.754 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A FOUND ½" IRON ROD WITH A RED PLASTIC CAP STAMPED "MATKIN-HOOVER ENG. & SURVEY" IN THE SOUTH RIGHT-OF-WAY LINE OF CASCADE CAVERNS ROAD, A VARIABLE WIDTH PUBLIC RIGHT-OF-WAY, IN THE EAST LINE OF BLOCK 1, MILLER'S SUBDIVISION, A PLAT OF RECORD IN VOLUME 65, PAGE 343 OF THE DEED RECORDS OF KENDALL COUNTY, TEXAS, FOR THE SOUTHWEST CORNER A 0.246 ACRE RIGHT-OF-0WAY DEDICATION AS SHOWN ON SAID MILLER SUBDIVISION PLAT, FOR THE NORTHWEST CORNER OF SAID LOT 1 AND THE TRACT DESCRIBED HEREIN, FROM WHICH A FOUND ½" IRON ROD WITH A RED PLASTIC CAP STAMPED "MATKIN-HOOVER ENG. & SURVEY" AT THE NORTHEAST CORNER OF SAID BLOCK 1 AND THE NORTHWEST CORNER OF SAID 0.246 ACRE RIGHT-OF-WAY DEDICATION BEARS, N 00° 50' 56" W, A DISTANCE OF 24.80 FEET;

THENCE: N 89° 54' 22" E, WITH THE SOUTH RIGHT-OF-WAY LINE OF CASCADE CAVERNS ROAD, THE SOUTH LINE OF SAID 0.246 ACRE RIGHT-OF-WAY DEDICATION AND THE NORTH LINE OF SAID LOT 1, A DISTANCE OF 439.53 FEET TO A FOUND ½" IRON ROD WITH A RED PLASTIC CAP STAMPED "MATKIN-HOOVER ENG. & SURVEY" FOR THE SOUTHEAST CORNER OF SAID 0.246 ACRE RIGHT-OF-WAY DEDICATION, THE SOUTHWEST CORNER OF A 0.417 ACRE RIGHT-OF-WAY DEDICATION, AS SHOWN ON SAID MILLER SUBDIVISION PLAT, FOR THE NORTHWEST CORNER OF LOT 2, BLOCK 2 OF SAID MILLER SUBDIVISION PLAT, FOR THE NORTHEAST CORNER OF SAID LOT 1 AND THE TRACT DESCRIBED HEREIN;

THENCE: S 00° 01' 25" W, DEPARTING THE SOUTH RIGHT-OF-WAY LINE OF CASCADE CAVERNS ROAD AND WITH THE COMMON LINE BETWEEN SAID LOT 1 AND LOT 2, A DISTANCE OF 475.49 FEET TO A FOUND ½" IRON ROD WITH A RED PLASTIC CAP STAMPED "MATKIN-HOOVER ENG. & SURVEY" AT THE SOUTHWEST CORNER OF SAID LOT 2, THE SOUTHEAST CORNER OF SAID LOT 1 AND THE TRACT DESCRIBED HEREIN;

THENCE: N 89° 58' 35" W, WITH THE SOUTH LINE OF SAID LOT 1, AT 429.32 FEET A FOUND ½" IRON ROD WITH A RED PLASTIC CAP STAMPED "MATKIN-HOOVER ENG. & SURVEY" FOR REFERENCE, AND CONTINUING FOR A TOTAL DISTANCE OF 432.34 FEET TO A POINT LOCATED WITHIN THE LIMITS OF AN EXISTING SHED, IN THE EAST LINE OF SAID BLOCK 1, MILLER'S SUBDIVISION, FOR THE SOUTHWEST CORNER OF SAID LOT 1 AND THE TRACT DESCRIBED HEREIN;

THENCE: N 00° 50' 56" W, WITH THE COMMON LINE BETWEEN SAID LOT 1 AND SAID BLOCK 1, MILLER'S SUBDIVISION, A DISTANCE OF 474.64 FEET TO THE POINT OF BEGINNING AND CONTAINING 4.754 ACRES OF LAND SITUATED IN THE CITY OF BOERNE, KENDALL COUNTY, TEXAS.

REQUIRED PARIKING SPACES PER UNIT	
STUDIO/1 BEDROOM:	18 SPACES
2 BEDROOM :	36 SPACES
3 BEDROOM:	24 SPACES
TOTAL:	78
TOTAL PARKING SPACES AVAILABLE	
HANDICAPPED:	10
TYPICAL:	104

MATKINHOOVER ENGINEERING & SURVEYING

HEADQUARTERS
8 SPENCER ROAD SUITE 300
BOERNE, TEXAS 78006
OFFICE: 830.249.0600 FAX:830.249.0099

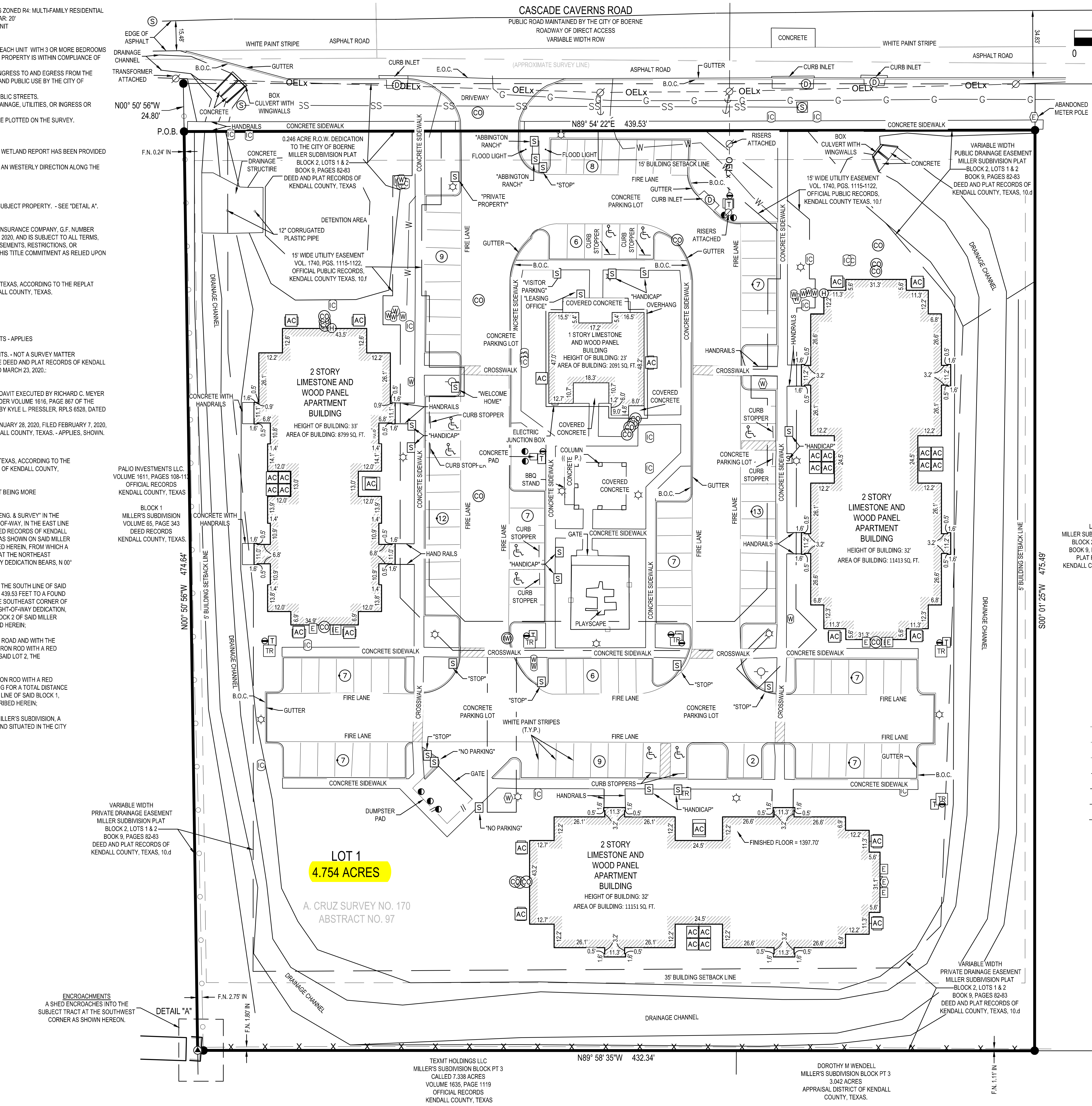
3303 SHELL ROAD SUITE 3
GEORGETOWN, TEXAS 78628
OFFICE: 512.868.2244

GEORGETOWN, TEXAS REGISTERED SURVEYING FIRM F-10194347
BOERNE, TEXAS REGISTERED SURVEYING FIRM F-10024000
BOERNE, TEXAS REGISTERED ENGINEERING FIRM F-004512

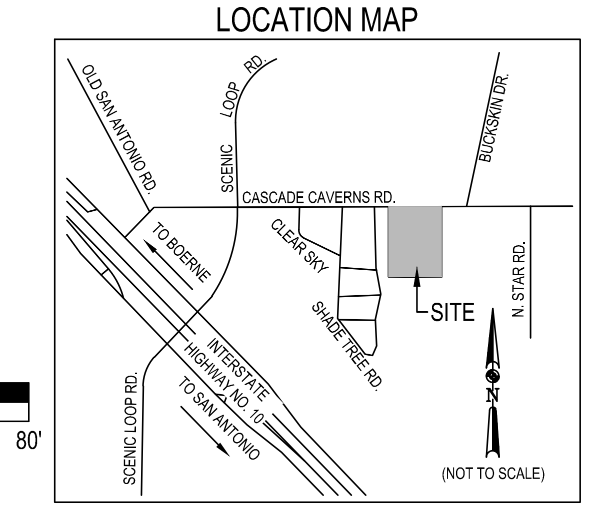
CIVIL ENGINEERS SURVEYORS LAND PLANNERS
CONSTRUCTION MANAGERS CONSULTANTS

ALTA/NSPS LAND TITLE SURVEY FOR ABBINGTON RANCH

LOT 1, MILLER SUBDIVISION PLAT, BLOCK 2, LOTS 1 & 2, A SUBDIVISION TO KENDALL COUNTY, TEXAS, ACCORDING TO THE REPLAT THEREOF RECORDED IN BOOK 9, PAGE(S) 82 & 83, OF THE DEED AND PLAT RECORDS OF KENDALL COUNTY, TEXAS.

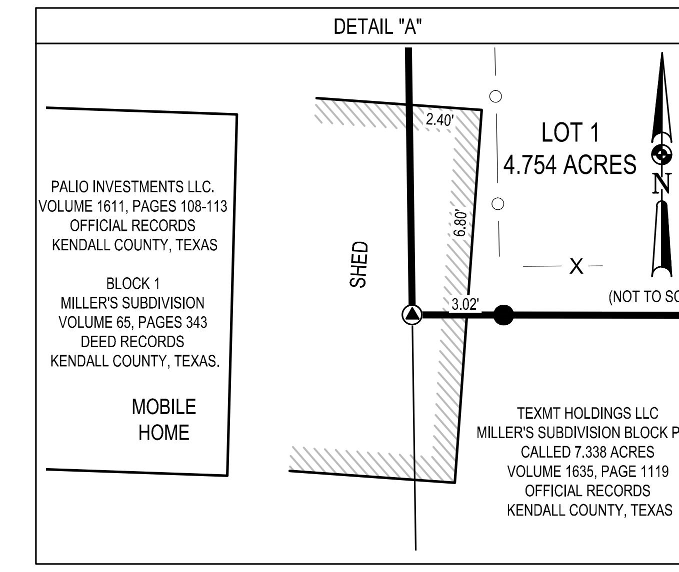


LOCATION MAP



ADDRESS : 19 CASCADE CAVERNS ROAD, TEXAS
KENDALL COUNTY C.A.D. PROPERTY I.D. NO. 24323

DETAIL "A"



LEGEND

- FOUND 1/2" IRON ROD WITH A RED "MATKIN-HOOVER ENG. & SURVEY" PLASTIC CAP
- POINT
- SIGN
- ELECTRIC TRANSFORMER
- ELECTRIC BOX
- ELECTRIC METER
- UTILITY POLE
- UTILITY POLE WITH GUY WIRE
- JUNCTION BOX
- WATER METER
- WATER VALVE
- FIRE HYDRANT
- IRRIGATION CONTROL VALVE
- LIGHT POLE WITH 24" CONCRETE BASE
- STORM DRAIN MANHOLE
- TELEPHONE PEDESTAL
- BOLLARD POST
- SANITARY SEWER MANHOLE
- SANITARY SEWER CLEANOUT
- FIRE DEPARTMENT CONNECTION
- HANDICAP
- UTILITY STUBOUT
- A/C UNIT ON CONCRETE PAD
- WIRE FENCE
- CHAIN-LINK FENCE
- IRON FENCE
- ELECTRIC (OVERHEAD)
- UNDERGROUND GAS LINE
- UNDERGROUND WATER LINE
- UNDERGROUND SANITARY SEWER LINE

E.O.C.	EDGE OF CONCRETE
B.O.C.	BACK OF CURB
P.O.B.	POINT OF BEGINNING
D.P.R.	DEED AND PLAT RECORDS
R.P.R.	REAL PROPERTY RECORDS
O.P.R.	OFFICIAL PUBLIC RECORDS
V.W.D.E	VARIABLE WIDTH DRAINAGE EASEMENT

CERTIFY TO: CHURCHILL MORTGAGE INVESTMENT LLC, TOGETHER WITH ITS SUCCESSORS AN/OR ASSIGNS, AS THEIR INTERESTS MAY APPEAR, BOERNE ABBINGTON RANCH, LP, A GEORGIA LIMITED PARTNERSHIP, AND OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY:

THIS MAP OR PLAT AND THE SURVEY ON WHICH IT IS BASED WERE MADE IN ACCORDANCE WITH THE "2016 MINIMUM STANDARD DETAIL REQUIREMENTS FOR ALTA/NSPS LAND TITLE SURVEYS" JOINTLY ESTABLISHED AND ADOPTED BY ALTA AND NSPS, AND INCLUDES ITEMS 1, 2, 3, 6(A) AND (B), 10(B), 11, 13, 14, 16, 17, 18, 19 AND 20 AS SHOWN ON TABLE A THEREOF. PURSUANT TO THE ACCURACY STANDARDS AS ADOPTED BY ALTA AND NSPS AND IN EFFECT ON THE DATE OF THIS CERTIFICATION, UNDERSIGNED FURTHER CERTIFIES THAT IN MY PROFESSIONAL OPINION, AS A LAND SURVEYOR REGISTERED IN THE STATE OF TEXAS, THE RELATIVE POSITIONAL ACCURACY OF THIS SURVEY DOES NOT EXCEED THAT WHICH IS SPECIFIED THEREIN. THE FIELD WORK WAS COMPLETED ON MARCH 23, 2020.

DATE OF SURVEY: MARCH 23RD, 24TH, NOVEMBER 19TH AND DECEMBER 11TH, 2020

STATE OF TEXAS
REGISTERED
KYLE L. PRESSLER
6528
PROFESSIONAL
LAND SURVEYOR

Kyle L. Pressler

KYLE PRESSLER DATE: DECEMBER 11, 2020
REGISTERED PROFESSIONAL LAND SURVEYOR
TEXAS REGISTRATION NO. 6528
KYLE.PRESSLER@MATKINHOOVER.COM
JOB NO. 16-4167 - LOT 1, MILLER SUBDIVISION

BOARD ACTION REQUEST

ASSET MANAGEMENT DIVISION

JUNE 17, 2021

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application for Lyndon B. Johnson Memorial Apartments (HTC #14429)

RECOMMENDED ACTION

WHEREAS, Lyndon B. Johnson Memorial Apartments (the Development) received an award of 4% Housing Tax Credits (HTCs) in 2014 for the renovation of 126 units of multifamily housing in El Paso, El Paso County;

WHEREAS, El Paso RAD I, Ltd. (the Development Owner or Owner) is requesting approval for a modification of the residential density of 24.47% after realizing that the acreage stated in the HTC Application erroneously included 3.8252 acres of public right-of-ways;

WHEREAS, Board approval is required for a modification of the residential density of at least five percent as directed in Tex. Gov't Code §2306.6712(d)(6) and 10 TAC §10.405(a)(4)(F), and the Owner has complied with the amendment requirements therein; and

WHEREAS, the requested change does not materially alter the Development in a negative manner, was not reasonably foreseeable or preventable by the Owner at the time of Application because the surveyor and title documents did not identify that the roads were owned by the City of El Paso, and would not have adversely affected the selection of the Application;

NOW, therefore, it is hereby

RESOLVED, that the requested material amendment to the Application for Lyndon B. Johnson Memorial Apartments is approved as presented at this meeting, and the Executive Director and his designees are each hereby authorized, directed, and empowered to take all necessary action to effectuate the foregoing.

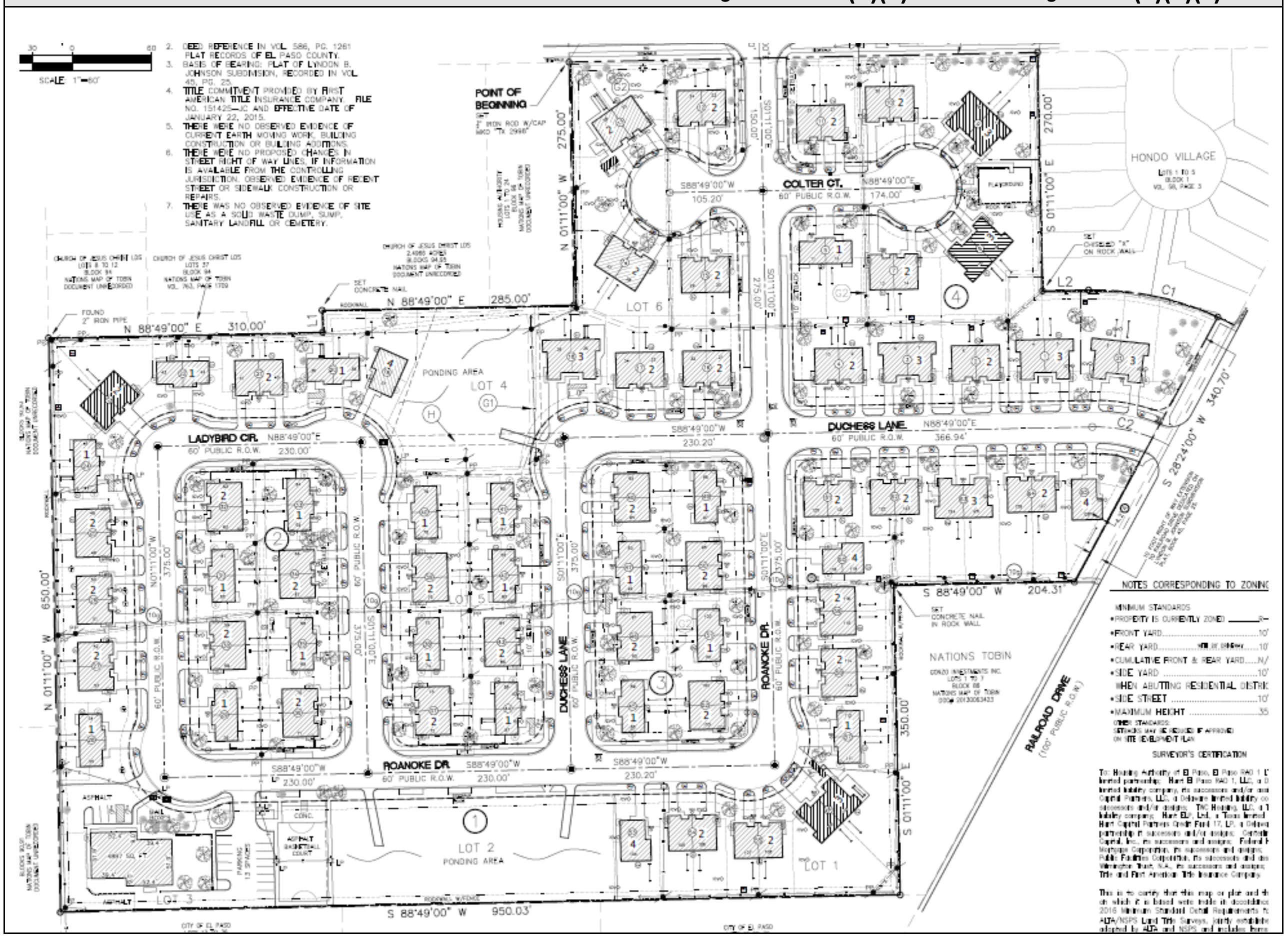
BACKGROUND

Lyndon B. Johnson Memorial Apartments consists of 126 general multifamily housing units and is part of a portfolio in El Paso, El Paso County, that was awarded 4% Housing Tax Credits in

2014 for the acquisition and rehabilitation of 13 separate properties. Construction of the Development has been completed, and the cost certification documentation is currently under review by staff. In a letter dated May 3, 2021, Satish Bhaskar, representative for the Development Owner, requested approval for a change in the acreage and residential density noted in the original Application.

At Application, the Owner stated the site consisted of 20.237 acres. However, at Cost Certification, the Owner provided a letter from the surveyor stating that the total gross area of the site is 20.0828 acres, with several right-of-ways that total 3.8252 acres, resulting in 16.258 net acres for the site. Below is an excerpt from the survey for the Development.

Material Alterations as defined in Texas Government Code §2306.6712(d)(6) and 10 TAC §10.405(a)(4)(F)



This change in acreage increased the residential density from 6.23 units per acre to 7.75 units per acre, a difference of approximately 24.47%. Board approval is required for a modification of the residential density of at least five percent as directed in Tex. Gov't Code §2306.6712(d)(6) and 10 TAC §10.405(a)(4)(F).

The Owner stated the error was an oversight made during the application process. However, this amendment will not have a financial impact on the Development, as it does not change any financial sources, terms, conditions, or amounts of financing.

Additionally, this amendment was not foreseeable or preventable at application because the survey and title documents then did not identify that the roads were owned by the City of El Paso. The project will still serve the same number of families as those at application, and the reduction in acreage will not impact the financial characteristics of the Development, the amenities offered, or the general layout of the Development.

Staff has reviewed the original Application against this amendment request and has concluded that the change described above would not have affected the award. The final tax credit recommendation will be determined upon finalization of the cost certification review process.

Staff recommends approval of the requested material amendment to the Application.

Housing Authority of the City of El Paso

May 3, 2021

Mark Fugina
Asset Manager
Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, Texas 78711-3941

RE: Request for Material Amendment to Application – Lyndon B. Johnson (LITHC# 14429)

Dear Mr. Fugina,

The purpose of this correspondence is to request a Material Amendment to the Lyndon B. Johnson ("Johnson") Low Income Housing Tax Credit Application ("Application") to correct a survey-related deficiency that was identified during Johnson's Final Cost Certification ("FCC").

Specifically, the acreage submitted with the application is 20.37 acres. However, this was an incorrect gross acreage amount that did not account for the Public Rights of Way within the property.

During the FCC, it was determined that the correct net acreage is 16.258 acres, which comprises of the correct 20.083 gross acres minus the Public Rights of Way within the property which comprise of 3.8252 acres.

Pursuant to 10 TAC 10.405(a)(4)(F), a modification of the residential density of at least 5% requires a Material Amendment to the Application.

Application Amendment Requested

To correct the abovementioned deficiency, HACEP is requesting that the acreage in the Application be changed from 20.37 acres to 16.258 acres.

The error was an oversight made by the surveyor during the application process. However, this Material Amendment will not have a financial impact on the development as it does not change any financial sources, terms, conditions, or amounts of financing.

The corresponding $2,500 amendment fee will be sent to TDHCA via Electronic Funds Transfer.

Respectfully,

DocuSigned by:
Satish Bhaskar
F7E23837C129451...
Satish Bhaskar
CFO & Executive Vice President

SLI ENGINEERING, INC.

Georges Halloul, P.E.
President

May 12, 2021

Sergio Vasquez
Housing Authority of the City of El Paso
5300 Paisano
El Paso, Texas 79905

RE: LBJ Property, El Paso RAD 1, El Paso, Texas.

Dear Mr. Vasquez

Following is my reply to your question concerning the property listed above:

The total area of the site 20.0828 acres.
There are several public right of ways within the area for a total of 3.8252 acres.
The area of the right of ways are subtracted from the total gross area.
The area of the project owned by HACEP is 16.258 net acres.

Should you have any questions or require additional information, please contact us.

Sincerely;

Georges Halloul
SLI Engineering, Inc.

Civil Engineers
Land Surveyors & Planners
Construction Management

Licensed Registered Engineers
Texas - New Mexico
Arizona - Colorado

6600 Westwind Drive
El Paso, TX 79912
Phone (915) 584-4457
Fax (915) 581-7756

1d

BOARD ACTION REQUEST

ASSET MANAGEMENT DIVISION

JUNE 17, 2021

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application and Land Use Restriction Agreement for Oaks at Mustang (HTC #92176)

RECOMMENDED ACTION

WHEREAS, Oaks at Mustang (the Development) received a 9% Housing Tax Credit (HTC) award in 1992 to acquire and rehabilitate 126 multifamily units in Alvin, Brazoria County;

WHEREAS, the HTC Application proposed 126 units, and the Land Use Restriction Agreement (the LURA) requires that the Development lease 100% of the units to households whose income is 60% or less of the area median gross income;

WHEREAS, the Development does not have separate facilities for use as a centralized leasing and maintenance office to provide for leasing and other services that are made available to the tenants, and has been using one unit for these purposes for many years;

WHEREAS, Oaks at Mustang 2101, LLC (the Development Owner) requests an amendment to reduce the number of low-income units from 126 to 125 to preserve space for a leasing and maintenance office; and

WHEREAS, an amendment to reduce the number of low-income units is a material change requiring Board approval under 10 TAC §10.405(a)(4)(B) and §10.405(b)(2)(A), and the Development Owner has complied with the procedural amendment requirements in 10 TAC §10.405(b) to place this request before the Board, including holding a public hearing;

NOW, therefore, it is hereby

RESOLVED, that the material Application and LURA amendment for Oaks at Mustang is approved as presented to this meeting, and the Executive Director and his designees are hereby, authorized, empowered, and directed to take all necessary action to effectuate the foregoing.

BACKGROUND

Oaks at Mustang received a 9% HTC award in 1992 to acquire and rehabilitate 126 multifamily units in Alvin, Brazoria County. In a letter dated December 9, 2020, a representative of the management company and Siva Palchuru, Sole Owner of Oaks at Mustang 2101, LLC, the Development Owner, requested approval to amend the HTC LURA related to the total number of low-income units.

A Declaration of Land Use Restrictive Covenants for Low-Income Housing Credits (the LURA) was recorded in Brazoria County on March 21, 1995. The LURA requires that 100% of the units be leased to households whose income is 60% or less of the area median gross income. A LURA amendment was recorded in Brazoria County on June 18, 2014, to incorporate updated program requirements. The Extended Use Period of the LURA expires on December 31, 2024.

In a letter from the Department dated October 13, 2020, which addressed outstanding noncompliance issues identified during a monitoring review of the Development, one of the issues identified was that Unit 2 was designated by the Development Owner as a leasing/maintenance office. As a result, this unit was not available for lease to a low-income household, which is a violation of the LURA. According to the Development's prior unit status reports previously submitted to the Compliance Division, Unit 2 has been used as an office since at least January 1, 2000. The Department acknowledged that the unit had been used as an office since that time without being issued a finding of noncompliance. The Development Owner is requesting approval to use Unit 2 as an office.

According to the Development Owner, who acquired the Development in late 2019, Unit 2 had been used as a leasing/maintenance office since prior to taking ownership. There are no ancillary buildings existing on the site that could be used for either a leasing/management office or a maintenance shop.

The Development Owner has complied with the amendment and notification requirements under 10 TAC §10.405(b). The Development Owner held a public hearing on the matter on May 10, 2021. One tenant attended, and no negative public comment was received regarding the requested amendment.

Staff recommends approval of the material Application and LURA amendment as presented herein.

TRINITY MULTIFAMILY

Oaks at Mustang

RE LURA Amendment Request
12/09/2020

TDHCA upon inspection has requested we send a LURA amendment request for the office located at 2101 Mustang Road Alvin, TX 77511; for the property known as Oaks at Mustang. Legal entity Oaks at Mustang 2101 LLC.

Unit 2 has been utilized as a leasing and maintenance office since 2003. The current owners took possession in October 2019. It was brought to our attention during an audit that this unit was not amended for use.

The property has no other buildings or units that can be used for leasing and maintenance on the property. There is only 1 small pool pump house which is no more than 50sqft.

It is vital for us to request this unit be allowed as a leasing office were residents and prospects can come and physically visit the team to place work orders, pay rents, ask questions, fill out applications among other uses.

We kindly request this amendment and have provided all paperwork that has been asked to join this letter as well the fee to amend the LURA.

A video zoom call will be set up for all parties that wish to participate in the request hearing.

Courtney Teasley
Trinity Multifamily
Courtney Teasley
Courtney Teasley (Dec 10, 2020 16:36 CST)

Dec 10, 2020

Siva Palchuru
Owner – Oaks at Mustang 2101 LLC

Siva Palchuru
Siva Palchuru (Dec 10, 2020 16:42 CST)

Dec 10, 2020

1e

BOARD ACTION REQUEST

COMMUNITY AFFAIRS DIVISION

JUNE 17, 2021

Presentation, discussion, and possible action on the 2022-2023 Community Services Block Grant State Plan for submission to the U.S. Department of Health and Human Services and approval of the associated 2022 awards

RECOMMENDED ACTION

WHEREAS, the Texas Department of Housing and Community Affairs (the Department) develops and submits a State Plan to the U.S. Department of Health and Human Services (USHHS) every other year to administer the Community Services Block Grant (CSBG);

WHEREAS, the Board approved a draft 2022-2023 CSBG State Plan on April 8, 2021, which was then made available for public comment from April 23, 2021, through May 24, 2021, wherein no public comment was received;

WHEREAS, as indicated in Section 7.6 of the Plan, 5% of the Department's CSBG allotment is allocated towards state administration expenses, of which a portion will be used to procure a vendor to provide and maintain a database designed to manage Organizational Standards to ensure compliance with USHHS requirements;

WHEREAS, 5% of the Department's CSBG allotment is allocated for discretionary purposes that include activities that may require making funds available through Requests for Applications and will also be used to support the Emergency Housing Voucher program;

WHEREAS, as indicated in Section 7.9 and 7.11 of the Plan, $150,000 annually in discretionary funding is allocated towards a vendor to perform Training and Technical Assistance Services for subrecipient organizations which the Department intends to procure;

WHEREAS, staff is seeking authority to proceed with procurements for an Organizational Standards database and Training and Technical Assistance Services, and to proceed with issuance of Requests for Proposals and use of the funds for the Emergency Housing Voucher program without requiring further board approval; and

WHEREAS, as indicated in Section 7.9 of the Plan, $125,000 annually in discretionary funding is allocated towards the Housing Voucher Program Support Fund which will include funding to assist in the hiring of up to two Article IX Full Time Equivalent (FTE) positions; and

WHEREAS, the final 2022-2023 CSBG State Plan (the Plan) includes the awards to eligible entities of 2022 CSBG funds as recommended by the Executive Award Review and Advisory Committee (EARAC);

NOW, therefore, it is hereby

RESOLVED, that the Executive Director or his designee are hereby authorized, empowered, and directed, for and on behalf of this Board to submit the Plan to USHHS and upon USHHS approval of such Plan to contract for the awards represented in the Plan and in connection therewith to execute, deliver, and cause to be performed such amendments, documents, and other writings such as anticipated grant guidance on development of the Plan from USHHS or to make such non-substantive technical corrections as they or any of them may deem necessary or advisable to effectuate the foregoing;

FURTHER RESOLVED, that if the Texas Grant Management Standards (effective January 1, 2022) requires changes to the Plan, the Board authorizes staff to make any conforming changes as necessary to comply with these standards; and

FURTHER RESOLVED, that the Executive Director or his designee are hereby authorized, empowered, and directed, for and on behalf of this Board to execute, deliver, and cause to be performed such amendments, documents, and other writings and to make decisions as they or any of them may deem necessary or advisable to effectuate the procurement of vendors for an Organizational Standards database and Training and Technical Assistance Services, to proceed with Requests for Proposals, and to hire up to two Article IX FTE positions in support of the Emergency Housing Voucher program.

BACKGROUND

The Department develops and submits a CSBG Plan every other year on or before September 1 to USHHS. USHHS provides a model plan to guide the format and content. The draft, upon approval by the Board on April 8, 2021, was released for public comment. The public comment period was open from April 23, 2021, to May 24, 2021, and two virtual public hearings were held on May 12 and May 13, 2021. No public comment was received.

Because there is often a need for an outside vendor to provide training and technical assistance to subrecipient organizations on a variety of topics, $150,000 in discretionary funding is allocated for Training and Technical Assistance Services as noted within Section 7.9 and 7.11 of the Plan. Such services will be used to assess subrecipient operations and procedures and provide expertise and guidance to subrecipients in a variety of functional areas including, but not limited to cost allocation, application processing, Board management, operations, and reporting. Additionally, eligible entities within the State of Texas are required by USHHS to comply with Organizational Standards, noted within Section 6 of the Plan, and TDHCA is responsible for statewide oversight and reporting of this information to USHHS. To fulfill its federally required responsibilities in this area, TDHCA must solicit a vendor for a software service that will allow Texas' eligible entities to report Organizational Standards data to TDHCA. The selected vendor must provide a service for ongoing maintenance, support, and enhancements of the database. Staff recommends approval for staff to procure these vendors to assist subrecipients in their ongoing efforts to deliver effective services and to ensure compliance with state and federal requirements.

Finally, as also indicated in Section 7.9 of the Plan, approximately $125,000 is allocated to support the Housing Voucher Program Support Fund, a portion of which will go towards the hiring of up to two Article IX FTE positions. The Emergency Housing Voucher Program funded by the American Rescue Plan Act is providing the Department with approximately 500 vouchers for individuals and families who are (1) homeless, (2) at risk of homelessness, (3) fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, or (4) recently homeless. While the EHV assistance does come with some administrative funds, the funds are tied to the timing of when a household is able to identify a unit. To ensure that sufficient staffing can be put in place, the CSBG funds will be used to supplement the EHV admin funds to support anti-poverty efforts and insure appropriate coordination with other federal programs.

It should be noted that the Plan follows a template and series of required responses pre-determined by USHHS with character limitations and specific instructions. Also, the Plan has yet to be reviewed and approved by USHHS. In its review, it is common for USHHS to request corrections to the Plan. Staff recommends approval for staff to make such required changes to ensure USHHS approval.

The Previous Participation Rule (10 TAC, Chapter 1, Subchapter C, §1.302) requires a review of CSBG awards prior to contract execution. These CSBG awards are subject to this review. The review has been performed and the Executive Award and Review Advisory Committee (EARAC) has recommended all of the awards in the Plan without conditions.

2022-2023 CSBG ESTIMATED ALLOCATIONS

January 1, 2022-December 31, 2022

January 1, 2023-December 31, 2023

	ELIGIBLE ENTITY	2022 ALLOCATION	2023 ALLOCATION
1	Aspermont Small Business Development Center, Inc.	$150,000.00	$150,000.00
2	Big Bend Community Action Committee, Inc.	$150,000.00	$150,000.00
3	Brazos Valley Community Action Programs	$1,128,762.00	$1,128,762.00
4	Cameron and Willacy Counties Community Projects, Inc.	$936,461.00	$936,461.00
5	Central Texas Opportunities, Inc.	$183,472.00	$183,472.00
6	City of Austin Health and Human Services Department	$1,095,584.00	$1,095,584.00
7	City of Fort Worth Neighborhood Services Department	$1,868,682.00	$1,868,682.00
8	City of Lubbock Community Development Department	$411,176.00	$411,176.00
9	City of San Antonio Department of Community Initiatives	$2,135,095.00	$2,135,095.00
10	Combined Community Action, Inc.	$202,495.00	$202,495.00
11	Community Action Committee of Victoria, Texas	$290,201.00	$290,201.00
12	Community Action Corporation of South Texas	$323,554.00	$323,554.00
13	Community Action Inc. of Central Texas	$293,726.00	$293,726.00
14	Community Action Social Services and Education	$150,000.00	$150,000.00
15	Community Council of Greater Dallas	$3,206,498.00	$3,206,498.00
16	Community Council of South Central Texas, Inc.	$752,074.00	$752,074.00
17	Community Services of Northeast Texas, Inc.	$431,143.00	$431,143.00
18	Community Services, Inc.	$1,567,522.00	$1,567,522.00
19	Concho Valley Community Action Agency	$228,308.00	$228,308.00
20	Economic Action Committee of the Gulf Coast	$150,000.00	$150,000.00
21	Economic Opportunities Advancement Corporation of Planning Region XI	$495,275.00	$495,275.00
22	El Paso Community Action Program-Project BRAVO	$1,241,701.00	$1,241,701.00
23	Area serving Brazoria, Fort Bend, Galveston, and Wharton counties (currently Galveston County Community Action Council, Inc. - pending eligible entity termination proceedings)*	$987,241.00	$987,241.00
24	Greater East Texas Community Action Program	$946,439.00	$946,439.00
25	Gulf Coast Community Services Association	$5,136,525.00	$5,136,525.00
26	Hidalgo County Community Services Agency	$1,763,417.00	$1,763,417.00
27	Hill Country Community Action Association, Inc.	$530,528.00	$530,528.00
28	Nueces County Community Action Agency	$448,781.00	$448,781.00
29	Panhandle Community Services	$572,039.00	$572,039.00
30	Pecos County Community Action Agency	$150,000.00	$150,000.00
31	Rolling Plains Management Corporation	$472,109.00	$472,109.00
32	South Plains Community Action Association, Inc.	$263,599.00	$263,599.00
33	South Texas Development Council	$231,508.00	$231,508.00
34	Southeast Texas Regional Planning Commission	$482,848.00	$482,848.00
35	Texas Neighborhood Services	$462,632.00	$462,632.00
36	Texoma Council Of Governments	$245,911.00	$245,911.00
37	Tri-County Community Action, Inc.	$331,466.00	$331,466.00
38	Webb County Community Action Agency	$589,926.00	$589,926.00
39	West Texas Opportunities, Inc.	$580,703.00	$580,703.00
40	Williamson-Burnet County Opportunities, Inc.	$334,340.00	$334,340.00
	TOTAL	**$31,921,741.00**	**$31,921,741.00**

Note: All figures are estimates and based on 2021 allocations. Staff will proportionally revise the award amounts according to formula upon Congressional approval and receipt of grant notifications from the U.S. Department of Health and Human Services.

*A hearing before the State Office of Administrative Hearings (SOAH) has been authorized by the Board and is to be scheduled by the Department regarding this eligible entity. In accordance with 10 TAC 2.203(j) and (k): "(j) SOAH will issue a proposal for decision to the TDHCA Governing Board recommending whether there is cause, as defined by the CSBG Act, 42 U.S.C. §9908(c), to terminate or reduce funding to the Eligible Entity. The TDHCA Governing Board will be provided the proposal for decision and it will be considered as part of any final order by the Board in the matter. AND (i) If the TDHCA Governing Board determines that there is cause to terminate or reduce funding, pursuant to 42 U.S.C. §9915, the Department will notify the Eligible Entity that it has the right under 42 U.S.C. §9915 to seek review of the decision by the HHS. If HHS does not overturn the decision, or if the Eligible Entity does not seek HHS review on the 90th calendar day after the TDHCA Governing Board decision, the CSBG funding will be reduced, or the entity will lose its status as an Eligible Entity under the CSBG Act and all active CSBG Contracts will be terminated." Awards and associated contracts under 2022 for this Eligible Entity will proceed in accordance with standard operating procedures until such time as all of the processes cited have had the opportunity to occur.

STATE OF TEXAS FFY 2022 and FFY 2023

COMMUNITY SERVICES BLOCK GRANT APPLICATION

AND STATE PLAN

To be Submitted to

U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

August 2021

by the

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Street Address: 221 East 11th Street, Austin, TX 78701
Mailing Address: PO Box 13941, Austin, TX 78711
Main Number: 512-475-3800 Toll Free: 1-800-525-0657
Email: info@tdhca.state.tx.us Web: www.tdhca.state.tx.us

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SECTION 1

CSBG Lead Agency, CSBG Authorized Official, CSBG Point of Contact, and Official State Designation Letter

1.1. Provide the following information in relation to the lead agency designated to administer CSBG in the State, as required by Section 676(a) of the CSBG Act. The following information should mirror the information provided on the Application for Federal Assistance, SF-424M.

1.1a. Lead agency **[Texas Department of Housing and Community Affairs]**

1.1b. Cabinet or administrative department of this lead agency **[Check One and narrative where applicable]**

- ☐ Community Services Department
- ☐ Human Services Department
- ☐ Social Services Department
- ☐ Governor's Office
- ☒ Community Affairs Department
- ☐ Other, describe:

1.1c. Division, bureau, or office of the CSBG authorized official **[Community Affairs Division]**

1.1d. Authorized official of the lead agency **[Mr. Bobby Wilkinson, Executive Director]**

Instructional note: The authorized official could be the director, secretary, commissioner etc. as assigned in the designation letter (attached under item 1.3). The authorized official is the person indicated as authorized representative on the SF-424M.

1.1e. Street address **[221 East 11th Street]**

1.1f. City **[Austin]**

1.1g. State **[Texas]**

1.1h. Zip **[78701]**

1.1i. Telephone number and extension **[512-475-3800]**

1.1j. Fax number **[512-475-3935]**

1.1k. Email address **[bobby.wilkinson@tdhca.state.tx.us]**

1.1l. Lead agency website **[www.tdhca.state.tx.us]**

1.2. Provide the following information in relation to the designated State CSBG point of contact.

Instructional Note: The State CSBG point of contact should be the person that will be the main point of contact for CSBG within the State.

1.2a. Agency name **[Texas Department of Housing and Community Affairs]**

1.2b. Name of the point of contact **[Michael DeYoung]**

1.2c. Street address **[221 East 11th Street]**

1.2d. City **[Austin]**

1.2e. State **[Texas]**

1.2f. Zip **[78701]**

1.2g. Point of contact telephone number **[512-475-2125]**

1.2h. Fax number **[512-475-3935]**

1.2i. Point of contact email address **[michael.deyoung@tdhca.state.tx.us]**

1.2j. Point of contact agency website **[www.tdhca.state.tx.us]**

1.3. **Designation Letter:** Attach the State's official CSBG designation letter. If either the governor or designated agency has changed, update the letter accordingly. **[Attach a document]**

Instructional Note: The letter should be from the chief executive officer of the State and include, at minimum, the designated State CSBG lead agency and title of the authorized official of the lead agency who is to administer the CSBG grant award.

Per state law, programmatic designations to a State Agency from the Governor remain in effect unless rescinded.

SECTION 2
State Legislation and Regulation

2.1. **CSBG State Legislation:** Does the State have a statute authorizing CSBG? ☒ Yes ☐ No

2.2. **CSBG State Regulation:** Does the State have regulations for CSBG? ☒ Yes ☐ No

2.3. If yes was selected in item 2.1 or 2.2, attach a copy (or copies) of legislation and/or regulations or provide a hyperlink(s), as appropriate. **[Attach a document and/or provide a link] Link:**

Texas Government Code, Section 2105:

http://www.statutes.legis.state.tx.us/Docs/GV/htm/GV.2105.htm

Texas Government Code, Section 2306.092 and 2306.097:

http://www.statutes.legis.state.tx.us/Docs/GV/htm/GV.2306.htm

Texas Administrative Code, 10 TAC, Chapter 1:

https://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=4&ti=10&pt=1&ch=1

Texas Administrative Code, 10 TAC, Chapter 2:

http://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=4&ti=10&pt=1&ch=2

Texas Administrative Code, 10 TAC, Chapter 6, Subchapter A:

http://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=5&ti=10&pt=1&ch=6&sch=A&rl=Y

Texas Administrative Code, 10 TAC, Chapter 6, Subchapter B:

http://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=5&ti=10&pt=1&ch=6&sch=B&rl=Y

Texas Grant Management Standards

https://comptroller.texas.gov/purchasing/grant-management/

2.4. **State Authority:** Select a response for each question about the State statute and/or regulations authorizing CSBG:

2.4a. Did the State legislature enact authorizing legislation, or amendments to an existing authorizing statute, last year? ☐ Yes ☒ No

2.4b. Did the State establish or amend regulations for CSBG last year? ☒ Yes ☐ No

2.4c. Does the State statutory or regulatory authority designate the bureau, division, or office in the State government that is to be the State administering agency?
☒ Yes ☐ No

SECTION 3

State Plan Development and Statewide Goals

3.1. **CSBG Lead Agency Mission and Responsibilities:** Briefly describe the mission and responsibilities of the State agency that serves as the CSBG lead agency. **[Narrative:**

The mission of the Texas Department of Housing and Community Affairs is to administer its assigned programs efficiently, transparently, and lawfully and to invest its resources strategically and develop high quality affordable housing which helps Texas communities to thrive.

The Department accomplishes its mission largely by acting as a conduit for federal assistance 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.

Ensuring compliance with the many state and federal laws that govern housing programs is another important part of the Department's mission. This ensures that TDHCA's housing portfolio is being well maintained and correctly operated, that program funds are being compliantly and effectively administered, and that any misuse of those resources is identified and addressed.

TDHCA, chiefly through its community action network, provides important services to Texans who qualify based on their income level and, through its subrecipients provides affordable housing assistance as well. The Department offers educational materials and technical assistance for housing, housing-related, and community services matters statewide.**]**

3.2. State Plan Goals: Describe the State's CSBG-specific goals for State administration of CSBG under this State Plan. **[Narrative:** The Agency's Strategic Plan for Fiscal Years 2019-2023 includes the following measures related to CSBG:

Objective: To ease the hardship of poverty for 8.89 percent of the homeless and very low income persons each year.

Strategy 1: Administer poverty-related funds through a Network of Agencies.

Output Measures:

1. Number of persons assisted through Homeless and Poverty-related funds (Note: this includes CSBG and other grants)
2. Number of persons assisted that achieve income above poverty level
3. Number of persons assisted by the Community Services Block Grant Program]

Instructional Note: For examples of "goals," see State Accountability Measure 1Sa(i).

Note: This information is associated with State Accountability Measure 1Sa(i) and may pre-populate the State's annual report form.

3.3. State Plan Development: Indicate the information and input the State accessed to develop this State Plan.

3.3a. Analysis of **[Check all that applies and narrative where applicable]**

☒ State Performance Indicators and/or National Performance Indicators (NPIs)
☒ U.S. Census data
☒ State performance management data (e.g., accountability measures, ACSI survey information, and/or other information from annual reports)
☐ Other data (describe) **[Narrative, 2500 characters]**
☒ Eligible entity community needs assessments
☒ Eligible entity plans
☐ Other information from eligible entities, e.g., State required reports (describe)
[Narrative, 2500 characters]

3.3b. Consultation with **[Check all that applies and narrative where applicable]**

☒ Eligible entities (e.g., meetings, conferences, webinars; not including the public hearing)
☒ State community action association and regional CSBG T & TA providers
☒ State partners and/or stakeholders (describe) **[Narrative:** The Department invites consultation with partners and stakeholders through our Executive Board Meeting, intra-agency councils, workgroups, and public hearings. State employees also attend state association conferences and Board meetings.**]**

☐ National organizations (describe) **[Narrative, 2500 characters]**
☐ Other (describe) **[Narrative, 2500 characters]**

3.4. Eligible Entity Involvement

3.4a. Describe the specific steps the State took in developing the State Plan to involve the eligible entities. **[Narrative:** Prior to the development of the State Plan, the Department sent an e-mail to the eligible entities and the State Association to offer an initial opportunity to provide comments on the plan and offered to convene a conference call to discuss specific sections they had an interest in discussing. No comments were received. Additionally, the State included CSBG eligible entities and the State Association in the development of the Plan and the use of CSBG funds by providing the eligible entities and the State Association with the draft Plan prior to presenting it to the TDHCA Governing Board. No comments were received. The plan was then presented to the Department's Board so that it could be released as the draft Plan for an official public comment period lasting 30 days. This period provided the eligible entities and the State Association with a third opportunity to comment on the Plan. There were also two separate virtual public hearings held, one during business hours and one after business hoursto provide input to the Plan. **]**

Note: This information is associated with State Accountability Measures 1Sa(ii) and may pre-populate the State's annual report form.

If this is the first year filling out the automated State Plan, skip the following question.

3.4b. Performance Management Adjustment: How has the State adjusted State Plan development procedures under this State Plan, as compared to past plans, in order 1) to encourage eligible entity participation and 2) to ensure the State Plan reflects input from eligible entities? Any adjustment should be based on the State's analysis of past performance in these areas, and should consider feedback from eligible entities, OCS, and other sources, such as the public hearing. If the State is not making any adjustments, provide further detail.

[The State thoroughly reviewed the results of the ACSI 2019 Survey in developing the Plan. One of the areas of feedback was that eligible entities asked to be able to provide input on the CSBG State Plan prior to the draft being released. In response to that suggestion, prior to beginning revisions, Department sent an e-mail to the eligible entities and the State Association to offer an initial opportunity to provide comments on the plan and offered to convene a conference call to discuss specific sections they had an interest in discussing. The network of eligible entities also requested that the draft Plan be provided to them prior to publication showing the tracked changes and the Department has done so. The State also released a copy of the draft Plan to garner input prior to it being approved by the Board and released for public comment. The State continues to consider the input in the development of training and technical assistance in the areas of development of the Community Needs Assessment and the implementation of ROMA Next Generation. Other input in the 2019 ACSI Survey related to concerns over a lack of coordination with the Department's Compliance Division and the Community Affairs Division Training Section. The two sections are aware of these concerns and continuously strive to communicate and coordinate their communications and guidance to the network to ensure consistent interpretation of state and federal regulations. The State will continue to utilize input from the Network throughout the period covered by this Plan.**]**

Note: This information is associated with State Accountability Measures 1Sb(i) and (ii) and may pre-populate the State's annual report form.

3.5. Eligible Entity Overall Satisfaction: Provide the State's target for eligible entity Overall Satisfaction during the performance period: **[**62**]**

Instructional Note: The State's target score will indicate improvement or maintenance of the States' Overall Satisfaction score from the most recent American Customer Survey Index (ACSI) survey of the State's eligible entities. (See information about the ACSI in the CSBG State Accountability Measures document.)

Note: Item 3.5 is associated with State Accountability Measure 8S and may pre-populate the State's annual report form.

SECTION 4

CSBG Hearing Requirements

4.1. Public Inspection: Describe how the State made this State Plan, or revision(s) to the State Plan, available for public inspection, as required under Section 676(e)(2) of the Act. **[Narrative:** The Draft Application and State Plan was made available for review at the April 8, 2021, meeting of the TDHCA Governing Board. Subsequently, a public comment period occurred from April 23, 2021, through May 24, 2021, whereby input into the Plan could be provided. The State held two virtual public hearings with one occurring during business hours and the other after business hours. The draft Plan was also posted on the Department's website on April 9, 2021, and a link to the website posting was published in the *Texas Register* on April 23, 2021**.** Both the Department's website and the *Texas Register* publication announced the public comment period and the public hearing information**.]**

4.2. Public Notice/Hearing: Describe how the State ensured there was sufficient time and statewide distribution of notice of the public hearing(s) to allow the public to comment on the State Plan, as required under 676(a)(2)(B) of the CSBG Act. **[Narrative:** The State posted notice of the public hearings and the 30-day public comment period on the

Department's website April 9, 2021. CSBG eligible entities and the State Association were also notified by e-mail that same day. Notice of Public Hearings and the Public Comment period were also published in the *Texas Register* on April 23, 2021.**]**

4.3. Public and Legislative Hearings: Specify the date(s) and location(s) of the public and legislative hearing(s) held by the designated lead agency for this State Plan, as required under Section 676(a)(2)(B) and Section 676(a)(3) of the Act. (If the State has not held a public hearing in the prior fiscal year and/or a legislative hearing in the last three years, provide further detail).

Instructional Note: The date(s) for the public hearing(s) must have occurred in the year prior to the first Federal fiscal year covered by this plan. Legislative hearings are held at least every three years, and must have occurred within the last three years prior to the first Federal fiscal year covered by this plan.

Public Hearings:

- Wednesday, May 12, 2021, 2:00 p.m. virtual hearing
- Thursday, May 13, 2021, 6:00 p.m. virtual hearing

Legislative Hearings:

House Committee on Appropriations, February 11, 2019, Texas State Capitol, Austin, Texas
Senate Committee on Finance, January 31, 2019, Texas State Capitol, Austin, Texas

Date	**Location**	**Type of Hearing [Select an option]**
Legislative Hearings: House Committee on Appropriations on -TBD Senate Committee on Finance on -TBD	Texas State Capitol, Austin, Texas	• ☐ Public • ☒ Legislative • ☐ Combined
Public Hearings: Wednesday,	Virtual hearings via GoToWebinar Join meeting from your computer, tablet or smartphone.	• ☒ Public

Date	Location	Type of Hearing [Select an option]
May 12, 2021, 2:00 p.m. Thursday, May 13, 2021, 6:00 p.m.	For the May 12, 2021 hearing: Register at https://attendee.gotowebinar.com/register/7383217695375202320 You can also dial in using your phone. United States: +1 (562) 247-8422 (Persons using the dial in number and access code without registering online will only be able to hear the hearing and will not be able to provide comment) Access Code: 267-578-547 For the May 13, 2021, hearing: Register at https://attendee.gotowebinar.com/register/1364361302557537552 You can also dial in using your phone. United States: +1 (415) 655-0052 (Persons using the dial in number and access code without registering online will only be able to hear the hearing and will not be able to provide comment) Access Code: 990-433-162	• ☐ Legislative • ☐ Combined

ADD a ROW function Note: rows will be able to be added for each additional hearing

4.4. Attach supporting documentation or a hyperlink for the public and legislative hearings. **[Attach a document or provide a hyperlink.]**
https://www.sos.texas.gov/texreg/archive/April232021/In%20Addition/In%20Addition.html#154
Legislative hearing documentation TBD.

SECTION 5
CSBG Eligible Entities

5.1. CSBG Eligible Entities: In the table below, list each eligible entity in the State, and indicate public or private, the type(s) of entity, and the geographical area served by the entity. (This table should include every CSBG Eligible Entity to which the State plans to allocate 90 percent funds, as indicated in the table in item 7.2. Do not include entities that only receive remainder/discretionary funds from the State or tribes/tribal organizations that receive direct funding from OCS under Section 677 of the CSBG Act.)

	CSBG Eligible Entity	Public or Nonprofit	Type of Agency	CSBG Counties Served
1	Aspermont Small Business Development Center, Inc.	Nonprofit	CAA	Haskell, Jones, Kent, Knox, Stonewall, Throckmorton
2	Austin, City of, Health and Human Services Department	Public	Local Government	Travis
3	Big Bend Community Action Committee, Inc.	Nonprofit	CAA	Brewster, Culberson, Hudspeth, Jeff Davis, Presidio
4	Brazos Valley Community Action Programs	Nonprofit	CAA	Brazos, Burleson, Chambers, Grimes, Leon, Liberty, Madison, Montgomery, Robertson, Walker, Waller, Washington
5	Cameron and Willacy Counties Community Projects, Inc.	Nonprofit	CAA	Cameron, Willacy
6	Central Texas Opportunities, Inc.	Nonprofit	CAA	Brown, Callahan, Coleman, Comanche, Eastland, McCulloch, Runnels
7	Combined Community Action, Inc.	Nonprofit	CAA	Austin, Bastrop, Colorado, Fayette, Lee
8	Community Action Committee of Victoria, Texas	Nonprofit	CAA	Aransas, Calhoun, De Witt, Goliad, Gonzales, Jackson, Lavaca, Refugio, Victoria
9	Community Action Corporation of South Texas	Nonprofit	CAA	Bee, Brooks, Duval, Jim Wells, Kenedy, Kleberg, San Patricio
10	Community Action Inc. of Central Texas	Nonprofit	CAA	Blanco, Caldwell, Hays
11	Community Action Social Services & Education	Nonprofit	CAA	Maverick

	CSBG Eligible Entity	Public or Nonprofit	Type of Agency	CSBG Counties Served
12	Community Council of South Central Texas, Inc.	Nonprofit	CAA	Atascosa, Bandera, Comal, Dimmit, Edwards, Frio, Gillespie, Guadalupe, Karnes, Kendall, Kerr, Kinney, LaSalle, Live Oak, McMullen, Medina, Real, Uvalde, Val Verde, Wilson, Zavala
13	Community Services of Northeast Texas, Inc.	Nonprofit	CAA	Bowie, Camp .Cass, Delta, Franklin, Hopkins, Lamar, Marion, Morris, Rains, Red River, Titus
14	Community Services, Inc.	Nonprofit	CAA	Anderson, Collin, Denton, Ellis, Henderson, Hunt, Kaufman, Navarro, Rockwall, Van Zandt
15	Concho Valley Community Action Agency	Nonprofit	CAA	Coke, Concho, Crockett, Irion, Kimble, Menard, Reagan, Schleicher, Sterling, Sutton, Tom Green
16	Community Council of Greater Dallas	Nonprofit	CAA	Dallas
17	Economic Action Committee of the Gulf Coast	Nonprofit	CAA	Matagorda
18	Economic Opportunities Advancement Corporation of Planning Region XI	Nonprofit	CAA	Bosque, Falls, Freestone, Hill, Limestone, McLennan
19	El Paso Community Action Program-Project BRAVO	Nonprofit	CAA	El Paso
20	Fort Worth, City of, Neighborhood Services Department	Public	Local Government	Tarrant
21	***Galveston County Community Action Council, Inc.	Nonprofit	CAA	Brazoria, Fort Bend, Galveston, Wharton
22	Greater East Texas Community Action Program	Nonprofit	CAA	Angelina, Cherokee, Gregg, Houston, Nacogdoches, Polk, Rusk, San Jacinto, Smith, Trinity, Wood
23	Gulf Coast Community Services Association	Nonprofit	CAA	Harris
24	Hidalgo County Community Services Agency	Public	Local Government	Hidalgo
25	Hill Country Community Action Association, Inc.	Nonprofit	CAA	Bell, Coryell, Hamilton, Lampasas, Llano, Mason, Milam, Mills, San Saba
26	Lubbock, City of, Community Development Department	Public	Local Government	Lubbock

	CSBG Eligible Entity	Public or Nonprofit	Type of Agency	CSBG Counties Served
27	Nueces County Community Action Agency	Nonprofit	CAA	Nueces
28	Panhandle Community Services	Nonprofit	CAA	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
29	Pecos County Community Action Agency	Nonprofit	CAA	Crane, Pecos, Terrell
30	Rolling Plains Management Corporation	Nonprofit	CAA	Archer, Baylor, Clay, Cottle, Foard, Hardeman, Jack, Mitchell, Montague, Taylor, Shackelford, Stephens, Wichita, Wilbarger, Young
31	San Antonio, City of, Department of Community Initiatives	Public	Local Government	Bexar
32	South Plains Community Action Association, Inc.	Nonprofit	CAA	Bailey, Cochran, Crosby, Dickens, Floyd, Garza, Hale, Hockley, King, Lamb, Lynn, Motley, Terry, Yoakum
33	South Texas Development Council	Public	Local Government	Jim Hogg, Starr, Zapata
34	Southeast Texas Regional Planning Commission	Public	Local Government	Hardin, Jefferson, Orange
35	Texas Neighborhood Services	Nonprofit	CAA	Erath, Hood, Johnson, Palo Pinto, Parker, Somervell, Wise
36	Texoma Council of Governments	Public	Local Government	Cooke, Fannin, Grayson
37	Tri-County Community Action, Inc.	Nonprofit	CAA	Harrison, Jasper, Newton, Panola, Sabine, San Augustine, Shelby, Tyler, Upshur
38	Webb County Community Action Agency	Public	Local Government	Webb
39	West Texas Opportunities, Inc.	Nonprofit	CAA	Andrews, Borden, Dawson, Ector, Fisher, Gaines, Glasscock, Howard, Loving, Martin, Midland, Nolan, Reeves, Scurry, Upton, Ward, Winkler
40	Williamson-Burnet County Opportunities, Inc.	Nonprofit	CAA	Burnet, Williamson

5.2. Total number of CSBG eligible entities: __40__ **[This will automatically update based on chart in 5.1]**

5.3. **Changes to Eligible Entities List:** Has the list of eligible entities under item 5.1 changed since the State's last State Plan submission? If yes, briefly describe the changes.

☒ Yes ☐ No **[If yes is selected – Narrative:** On March 11, 2021, TDHCA Board of Directors voted to remove the eligible entity status of Galveston County Community Action Council, Inc (GCCAC). The IM 116 process is ongoing and GCCAC will remain an eligible entity in 2022 until the process to terminate organizational eligibility is completed.**]**

Instructional Note: Limited Purpose Agency refers to an eligible entity that was designated as a limited purpose agency under title II of the Economic Opportunity Act of 1964 for fiscal year 1981, that served the general purposes of a community action agency under title II of the Economic Opportunity Act, that did not lose its designation as a limited purpose agency under title II of the Economic Opportunity Act as a result of failure to comply with that Act and that has not lost its designation as an eligible entity under the CSBG Act.

Instructional Note: 90 percent funds are the funds a State provides to eligible entities to carry out the purposes of the CSBG Act, as described under Section 675C of the CSBG Act. A State must provide "no less than 90 percent" of their CSBG allocation, under Section 675B, to the eligible entities.

SECTION 6
Organizational Standards for Eligible Entities

Note: Reference IM 138, *State Establishment of Organizational Standards for CSBG Eligible Entities*, for more information on Organizational Standards. Click HERE for IM 138.

6.1. **Choice of Standards:** Check the box that applies. If using alternative standards, a) attach the complete list of alternative organizational standards, b) describe the reasons for using alternative standards, and c) describe how the standards are at least as rigorous as the COE-developed standards.

☒ The State will use the CSBG Organizational Standards Center of Excellence (COE) organizational standards (as described in IM 138)
☐ The State will use an alternative set of organizational standards **[Attach supporting documentation if this option is selected]**

6.2. If the State is using the COE-developed organizational standards, does the State propose making a minor modification to the standards, as described in IM 138?
☒ Yes
☐ No

6.2a. If yes was selected in item 6.2, describe the State's proposed minor modification to the COE-developed organizational standards, and provide a rationale.

[The state has administrative rules, the Texas Administrative Code (TAC), to address state requirements and implemented the organizational standards under the TAC. The rule was put into place in January 2016. Minor modifications to the TAC included the state law requirement that eligible entities follow the Texas Grant Management Standards and the State of Texas Single Audit Circular, unless there has been a federal preemption. Additionally, where the word bylaws is used the Department has modified the standards to read Certificate of Formation/Articles of Incorporation or bylaws, as needed to comply with state law. **]**

6.3. How will/has the State officially adopt(ed) organizational standards for eligible entities in the State in a manner consistent with the State's administrative procedures act? If "Other" is selected, provide a timeline and additional information, as necessary. **[Check all that applies and narrative where applicable]**

☒ Regulation
☐ Policy
☒ Contracts with eligible entities
☐ Other, describe: **[Narrative, 2500 characters]**

6.4. How will the State assess eligible entities against organizational standards, as described in IM 138? **[Check all that apply]**

☐ Peer-to-peer review (with validation by the State or State-authorized third party)

☐ Self-assessment (with validation by the State or State-authorized third party)
☐ Self-assessment/peer review with State risk analysis
☐ State-authorized third party validation
☐ Regular, on-site CSBG monitoring
☒ Other (desk and monitoring reviews)

6.4a. Describe the assessment process.
[Narrative:

The Texas Department of Housing and Community Affairs assesses eligible entities' compliance with organizational standards by using a software tool which allows eligible entities to upload documents to substantiate compliance with organizational standards. It allows eligible entities to upload documents throughout the federal fiscal year, except during the time period after the submission deadline has passed (i.e., September 30) at which time the Department reviews the documents to assess compliance. Eligible entities can log into their account and see which organizational standards they have met and not met and are sent any related comments via email.

The assessment of organizational standards occurs at the end of the federal fiscal year after which all eligible entities have uploaded their documentation showing compliance with each of the organizational standards. The Department notifies the network of eligible entities throughout the year of the deadline to upload documentation. If an eligible entity does not upload any documentation or the proper documentation by the deadline (i.e., September 30 of each year), then that entity will be placed in a "not met" category for the particular organizational standard. After the initial results of the assessment are provided to the eligible entities, they are provided a limited number of days to provide additional documentation to reverse a determination of "not met" organizational standards.

The Department places a high emphasis on Organizational Standards, and is available for technical assistance throughout the year. In the event that an entity does not meet a standard, the Department will determine whether that entity requires intensive technical assistance to meet the standard(s) and what other steps are necessary. Department staff will continue to provide technical assistance and, if necessary, develop a Technical Assistance Plan or Quality Improvement Plan with the entity until the standards have been met.**]**

6.5. Will the State make exceptions in applying the organizational standards for any eligible entities due to special circumstances or organizational characteristics, as described in IM 138? ☐ Yes ☒ No

6.5a. If yes was selected in item 6.5, list the specific eligible entities the State will exempt from meeting organizational standards, and provide a description and a justification for each exemption. **[Narrative, 2500 characters or attach document]**

If this is the first year filling out the automated State Plan, skip the following question.

6.6. **Performance Target:** What percentage of eligible entities in the State does the State expect will meet all the State-adopted organizational standards in the next year? **[Insert a percentage.** 50**%]**

Note: This information is associated with State Accountability Measures 6Sa and may pre-populate the State's annual report form.

SECTION 7

State Use of Funds

Eligible Entity Allocation (90 Percent Funds) [Section 675C(a) of the CSBG Act]

7.1 **Formula:** Select the method (formula) that best describes the current practice for allocating CSBG funds to eligible entities. **[Check one and narrative where applicable]**

☐ Historic
☒ Base + Formula
☐ Formula Alone
☐ Formula with Variables
☐ Hold Harmless + Formula
☒ Other **[Narrative:** The Department distributes CSBG funds to CSBG eligible entities based on a distribution formula which incorporates the most recent U.S. Census Bureau Decennial Census and data from the American Community Survey (ACS) for information on persons at 125% of poverty; a $50,000 base; a $150,000 floor; 98% weighted factor for poverty population; and, a 2% weighted factor for the inverse ratio of population density. The formula is applied as follows: each eligible entity receives a base award; then, the weighted factors of poverty population and population density are applied to the state's balance of the 90% funds. If the base and application of the weighted factors do not yield sufficient funds for the minimum floor per entity, then the minimum floor amount is reserved for each of those CSBG eligible entities under the floor figure. Then, the formula is re-applied to the balance of the 90% funds for distributing the remaining funds to the remaining CSBG eligible entities. Following the use of the decennial Census data, then on a biennial basis, the Department will use the most recent ACS 5 year estimate data that is available. To the extent that there are significant reductions in CSBG funds received by the Department, the Department may revise the CSBG distribution formula through a rulemaking process.**]**

7.1a. Does the State statutory or regulatory authority specify the terms or formula for allocating the 90 percent funds among eligible entities? ☒ Yes ☐ No

7.2. **Planned Allocation:** Specify the planned allocation of 90 percent funds to eligible entities, as described under Section 675C(a) of the CSBG Act. The estimated allocations may be in dollars or percentages. For each eligible entity receiving funds, provide the Funding Amount in either dollars (columns 2 and 4) or percentage (columns 3 and 5) for the fiscal years covered by this plan.

The estimated allocations are based on FY 2021 CSBG funding levels.

	CSBG Eligible Entity	Estimated 2022 Allocation	Estimated 2023 Allocation
1	Aspermont Small Business Development Center, Inc.	150,000	150,000
2	Big Bend Community Action Committee, Inc.	150,000	150,000
3	Brazos Valley Community Action Programs	1,128,762	1,128,762
4	Cameron and Willacy Counties Community Projects, Inc.	936,461	936,461
5	Central Texas Opportunities, Inc.	183,472	183,472
6	City of Austin Health and Human Services Department	1,095,584	1,095,584
7	City of Fort Worth Neighborhood Services Department	1,868,682	1,868,682
8	City of Lubbock Community Development Department	411,176	411,176
9	City of San Antonio Department of Community Initiatives	2,135,095	2,135,095
10	Combined Community Action, Inc.	202,495	202,495
11	Community Action Committee of Victoria, Texas	290,201	290,201
12	Community Action Corporation of South Texas	323,554	323,554
13	Community Action Inc. of Central Texas	293,726	293,726
14	Community Action Social Services and Education	150,000	150,000
15	Community Council of Greater Dallas	3,206,498	3,206,498
16	Community Council of South Central Texas, Inc.	752,074	752,074
17	Community Services of Northeast Texas, Inc.	431,143	431,143
18	Community Services, Inc.	1,567,522	1,567,522
19	Concho Valley Community Action Agency	228,308	228,308
20	Economic Action Committee of the Gulf Coast	150,000	150,000
21	Economic Opportunities Advancement Corporation of Planning Region XI	495,275	495,275
22	El Paso Community Action Program-Project BRAVO	1,241,701	1,241,701
23	Area serving Brazoria, Fort Bend, Galveston, and Wharton counties (currently Galveston County	987,241	987,241

	CSBG Eligible Entity	Estimated 2022 Allocation	Estimated 2023 Allocation
	Community Action Council, Inc. – pending eligible entity termination proceedings)		
24	Greater East Texas Community Action Program	946,439	946,439
25	Gulf Coast Community Services Association	5,136,525	5,136,525
26	Hidalgo County Community Services Agency	1,763,417	1,763,417
27	Hill Country Community Action Association, Inc.	530,528	530,528
28	Nueces County Community Action Agency	448,781	448,781
29	Panhandle Community Services	572,039	572,039
30	Pecos County Community Action Agency	150,000	150,000
31	Rolling Plains Management Corporation	472,109	472,109
32	South Plains Community Action Association, Inc.	263,599	263,599
33	South Texas Development Council	231,508	231,508
34	Southeast Texas Regional Planning Commission	482,848	482,848
35	Texas Neighborhood Services	462,632	462,632
36	Texoma Council of Governments	245,911	245,911
37	Tri-County Community Action, Inc.	331,466	331,466
38	Webb County Community Action Agency	589,926	589,926
39	West Texas Opportunities, Inc.	580,703	580,703
40	Williamson-Burnet County Opportunities, Inc.	334,340	334,340
	Total	**31,921,741**	**31,921,741**

7.3. Distribution Process: Describe the specific steps in the State's process for distributing 90 percent funds to the eligible entities and include the number of days each step is expected to take; include information about State legislative approval or other types of administrative approval (such as approval by a board or commission). **[Narrative:** The

Texas State Legislature meets biennially during which time the budgets of all state agencies are considered. The CSBG budget is included in the review and appropriation of the Department's overall budget.

Prior to obtaining approval from its Governing Board to release funding contracts, the Department conducts an internal approval process of the individual funding contracts for the eligible entities. After approval, the Department posts an agenda seven days prior to a monthly Board meeting to include an item seeking approval of the CSBG State Plan, which includes obtaining Board approval to release funding contracts to the eligible entities. The Department distributes funding utilizing an electronic contract and reporting system. Upon receipt of Notice of Grant Award from USHHS, the Department generates contracts to allocate the 90% pass-through funding to the CSBG eligible entities. This process can take up to 30 days.**]**

7.4. Distribution Timeframe: Does the State plan to make funds available to eligible entities no later than 30 calendar days after OCS distributes the Federal award?

☐ Yes ☒ No

7.4a. If no, describe State procedures to ensure funds are made available to eligible entities consistently and without interruption. **[Narrative:** The Department will make the funds available within 30 calendar days after Federal and State authority was provided, with the exception of the 1st quarter because of the State's CSBG contract year beginning January 1st.**]**

Note: Item 7.4 is associated with State Accountability Measure 2Sa and may pre-populate the State's annual report form.

If this is the first year filling out the automated State Plan, skip the following question.

7.5. Performance Management Adjustment: How is the State improving grant and/or contract administration procedures under this State Plan as compared to past plans? Any improvements should be based on analysis of past performance, and should consider feedback from eligible entities, OCS, and other sources, such as the public hearing. If the State is not making any improvements, provide further detail. **[Narrative:** Because of feedback in the past from the network of eligible entities (e.g., most recent ACSI Survey), and an analysis of internal standard operating procedures, the State strives to improve its internal contract administration process and legal Department review process to ensure that the CSBG contracts are executed prior to the start date of the contract year. The State is always open to input from the network regarding its contract administration process.**]**

Note: This information is associated with State Accountability Measure 2Sb and may pre-populate the State's annual report form.

Administrative Funds [Section 675C(b)(2) of the CSBG Act]

7.6. What amount of State CSBG funds does the State plan to allocate for administrative activities, under this State Plan? The estimate may be in dollars or a percentage. **[5%]**

7.7. How many State staff positions will be funded in whole or in part with CSBG funds under this State Plan? **[50]**

7.8. How many State Full Time Equivalents (FTEs) will be funded with CSBG funds under this State Plan? **[approximately 11.1]**

Remainder/Discretionary Funds [Section 675C(b) of the CSBG Act]

7.9. Does the State have remainder/discretionary funds? ☒ Yes ☐ No

If yes was selected, describe how the State plans to use remainder/discretionary funds in the table below.

Note: This response will link to the corresponding assurance, item 14.2.

Instructional Note: The assurance under 676(b)(2) of the Act (item 14.2 of this State Plan) specifically requires a description of how the State intends to use remainder/discretionary funds to "support innovative community and neighborhood-based initiatives related to the purposes of [the CSBG Act]." Include this description in row "f" of the table below and/or attach the information.

If a funded activity fits under more than one category in the table, allocate the funds among the categories. For example, if the State provides funds under a contract with the State Community Action Association to provide training and technical assistance to eligible entities and to create a statewide data system, the funds for that contract should be allocated appropriately between row a and row c. If allocation is not possible, the State may allocate the funds to the main category with which the activity is associated.

Note: This information is associated with State Accountability Measures 3Sa; the responses may pre-populate the State's annual report form.

Remainder of Discretionary Fund Uses (See 675C(b)(1) of the CSBG Act)	Year One Planned $	Year One Planned %	Year Two Planned $	Year Two Planned %	Brief description of services/activities
a. Training and Technical Assistance	$150,000	8.57%	$150,000	8.57%	T&TA provided by staff or an outsourced provider in areas such as ROMA, Org Standards, Case Management, Board, Reporting, community action

Remainder of Discretionary Fund Uses (See 675C(b)(1) of the CSBG Act)	**Year One Planned $**	**Year One Planned %**	**Year Two Planned $**	**Year Two Planned %**	**Brief description of services/activities**
					plans, needs assessments, strategic planning, data analysis, and other areas as requested.
b. Coordination of State-operated programs and/or local programs	$0		$0		
c. Statewide coordination and communication among eligible entities	$0		$0		
d. Analysis of distribution of CSBG funds to determine if targeting greatest need	$0		$0		
e. Asset building programs	$0		$0		
f. Innovative programs/activities by eligible entities or other neighborhood groups	$0		$0		
g. State charity tax credits	$0		$0		
h. Other activities specify (see below for details)	$1,600,000	91.43%	$1,600,000	91.43%	See notes below
Totals	$1,750,000	100%	$1,750,000	100%	

Other Activities. Specify: The planned uses may change as directed by the Governing Board. Expected uses: 1) $200,000 towards Organizational Capacity Improvements to assist eligible entities in improving their organizational performance including, but not limited to, efforts to meet organizational standards such as the development of Community Needs Assessments and Strategic Plans, staff compensation to attract qualified employees and reduce turnover, training for staff to become certified ROMA trainers, equipment, software, or repairs); 2) $550,000 towards Direct Client Assistance which can go to activities including, but not limited to, assisting

eligible clients with obtaining job-associated uniforms and training, direct educational expenses (e.g., tuition, textbooks, etc.), the cost of transportation to and from work and other necessary functions, and the cost of certain health care needs ; 3) 150,000 towards the provision of training and technical assistance services through an outside provider to assess eligible entity operations and provide training and technical assistance ; 4) $50,000 towards a Network Transition Fund which helps CSBG eligible entities with transitional expenses when they absorb other CSBG services areas; 5) $300,000 towards Migrant Seasonal Farm Worker and Native American Populations Employment and Education Initiatives; 6) $125,000 towards the Housing Voucher Program Support Fund ; 7) $150,000 towards a Disaster Recovery Fund ; and 8) $75,000 towards the provision of training and technical assistance related to homelessness in the Balance of State Continuum of Care and related statewide homelessness initiatives.
As a result of this State Plan being approved by the TDHCA Governing Board, the Requests for Applications and awards for the Organizational Capacity Improvements and Direct Client Assistance activities will be released by Department staff without further Board approval.

If any of the categories above are not fully expended during the contract term the Department may reprogram the unexpended funds to other discretionary categories that it determines are best suited to receive the funds at the time or to the network of eligible entities to be used for CSBG eligible activities.

If funding to the State from HHS is less than projected in the first or second year, the reduced amount of the discretionary funds will be first taken from the Organizational Capacity Improvements activity and then reduced proportionally among the other discretionary categories.

If funding is more than projected in the first or second year, some of the increased amount of the discretionary funds will be given to the Direct Client Assistance activity, and may also be programmed into other discretionary categories that are best suited to receive the funds at the time or to the network of eligible entities to be used for CSBG eligible activities.

7.10. What types of organizations, if any, does the State plan to work with (by grant or contract using remainder/discretionary funds) to carry out some or all of the activities in table 7.9. **[Check all that apply and narrative where applicable]**

☒ CSBG eligible entities (15 to 40) (if checked, provide the expected number of CSBG eligible entities to receive funds)
☐ Other community-based organizations
☐ State Community Action association
☐ Regional CSBG technical assistance provider(s)
☒ National technical assistance provider(s)
☒ Individual consultant(s)
☒ Tribes and Tribal Organizations
☒ Other **[Migrant Seasonal Farm Worker Organizations, Housing Voucher Program Support, Homelessness Organization]**

☐ None (the State will carry out activities directly)
Note: This response will link to the corresponding CSBG assurance, item 14.2.

If this is the first year filling out the automated State Plan, skip the following question.

7.11. **Performance Management Adjustment:** How is the State adjusting the use of remainder/discretionary funds under this State Plan as compared to past plans? Any adjustment should be based on the State's analysis of past performance, and should consider feedback from eligible entities, OCS, and other sources, such as the public hearing. If the State is not making any adjustments, provide further detail. [**Narrative**:

The Department anticipates an increase in CSBG funding for 2022 and 2023 as compared to the projections in the 2020 and 2021 CSBG State Plan. In 2022 and 2023, the Department will continue to utilize $150,000 for training and technical assistance activities. Within the Other Activities category, the State will: rename Network Operational Investments to Organizational Capacity Improvements and increase the Direct Client Assistance activity funding from $500,000 to $550,000.

Note:

If funding is less or more than projected, reductions/increases will be implemented as described in Section 7.9. The State continues to support homelessness initiatives and feels that the use of this small amount of discretionary funds is able to create an impact in serving homelessness particularly in rural Texas. And, the State continues its commitment to provide funding to organizations serving migrant seasonal farmworkers and Native Americans to provide education and employment assistance.]

Note: This information is associated with State Accountability Measures 3Sb, and will pre-populate the State's annual report form.

SECTION 8
State Training and Technical Assistance

8.1. Describe the State's plan for delivering CSBG-funded training and technical assistance to eligible entities under this State Plan by completing the table below. Add a row for each activity: indicate the timeframe; whether it is training, technical assistance or both; and the topic. (CSBG funding used for this activity is referenced under item 7.9(a), Use of Remainder/Discretionary Funds.)

Note: 8.1 is associated with State Accountability Measure 3Sc and may pre-populate the State's annual report form.

Fiscal Year (Y) Quarter (Q) / Timeframe	Training (T), Technical Assistance (TA), or Both (B)	Topic	Brief Description of Other
FY1 - Q1	B	F, GTB, OS-G, OS-US, CSD, R, ROMA, CA, SP, M, CM, NPI	Department staff provides technical assistance as identified by our T&TA Plan that was developed by the state office, state association, and RPIC. The T&TA plan was developed from eligible entity requests, monitoring reports, workgroups, surveys, and performance analysis. The State has an on-line system to request T&TA or to submit questions for TA. T&TA is conducted by the following means: on-site and virtual training, conferences, regional training series, webinars, teleconferences, workshops, videos, Best Practices, FAQs, and online tools/resources. Training is customized to the needs of the eligible entity. ROMA is embedded into all trainings, guidance, and materials. Initial CM training is provided through an online video training series. Subsequent CM training is provided on-site and/or in regions. Individualized TA for CA will be provided as a continuation to CA trainings and guides previously provided. GTB trainings are provided most quarters, along with online Board training resources. TA on reporting is provided monthly by Department reporting staff and performance analysis is provided by trainers. F, OS-G, OS-US, T&TA will be provided as requested and as needed; although aspects of each are incorporated into trainings as appropriate. CA, SP, CSD, M, TA will be provided as needed. Training and Technical Assistance Services through a third party will be provided to entities identified as “at-risk”.

Fiscal Year (Y) Quarter (Q) / Timeframe	Training (T), Technical Assistance (TA), or Both (B)	Topic	Brief Description of Other
FY1 - Q2	B	F, GTB, OS-G, OS-US, CSD, R, ROMA, M, CM, NPI	Same as FY1-Q1
FY1 – Q3	B	F, GTB, OS-G, OS-US, CSD, R, ROMA, M, CM, NPI	Same as FY1-Q1
FY1 – Q4	B	F, GTB, OS-G, OS-US, CSD, R, ROMA, M, CM, NPI	Same as FY1-Q1
FY2 – Q1	B	F, GTB, OS-G, OS-US, CSD, R, ROMA, M, CM, NPI	Same as FY1-Q1
FY2 – Q2	B	F, GTB, OS-G, OS-US, CSD, R, ROMA, M, CM, NPI	Same as FY1-Q1
FY2 – Q3	B	F, GTB, OS-G, OS-US, CSD, R, ROMA, M, CM, NPI	Same as FY1-Q1
FY2 – Q4	B	F, GTB, OS-G, OS-US, CSD, R, ROMA, M, CM, NPI	Same as FY1-Q1

Topic:

- Fiscal (F)
- Governance/Tripartite Boards (GTB)
- Organizational Standards-General (OS-G)
- Organizational Standards (OS-US)– for eligible entities with unmet standards on Technical Assistance Plans or Quality Improvement Plans
- Correcting Significant Deficiencies Among Eligible Entities (CSD)
- Reporting (R)
- ROMA
- Community Assessment (CA)
- Strategic Planning (SP)
- Monitoring (M)
- Communications (C)
- Technology (T)
- National Performance Indicators (NPI)

- Other – Case Management (CM)

8.1a. The planned budget for the training and technical assistance plan (as indicated in the Remainder/Discretionary Funds table in item 7.9): **[150,000]**

If this is the implementation year for organizational standards, skip question 8.2.

8.2. Does the State have in place Technical Assistance Plans (TAPs) or Quality Improvement Plans (QIPs) for all eligible entities with unmet organizational standards, if appropriate?

☒ Yes ☐ No (The Department reviews all submitted documentation of Organizational Standards, and provides technical assistance and detailed guidance for all standards that are not met. The Department continues to train and assist the network of eligible entities which, as a whole, are still in the process of putting systems in place to achieve Organizational Standards compliance, and maintain applicable documentation on a regular and timely basis enabling them to upload related documents throughout the year. Improvements are made each succeeding year.

Eligible entities who meet 30%-69.99% of Organizational Standards will be required to work with the Department to develop a TAP which will include targeted training and technical assistance and a timeframe for the entity to meet the standards. Failure to show progress in meeting TAP targets may result in an entity being placed on a QIP. Eligible entities who achieve 70%-99.99% will be provided with technical assistance with the goal of achieving 100% compliance in the following year. In FFY 2022 and 2023, eligible entities who have met less than 30% of the Organizational Standards in consecutive years may be placed on a Quality Improvement Plan, which will establish a timeframe and benchmarks for improvement. Additionally, any entity not showing progress in meeting Organizational Standards for three consecutive years may also result in an entity being placed on a QIP. Failure to show progress in meeting QIP targets as well as significant and repetitive issues identified in monitoring reviews may result in the State proceeding to take additional actions including termination of CSBG funding per CSBG Information Memorandum 116 and state rules.

Note: 8.2 is associated with State Accountability Measure 6Sb. QIPs are described in Section 678C(a)(4) of the CSBG Act. If the State, according to their corrective action procedures, does not plan to put a QIP in place for an eligible entity with one or more unmet organizational standards, the State should put a TAP in place to support the entity in meeting the standard(s).

8.3. Indicate the types of organizations through which the State plans to provide training and/or technical assistance as described in item 8.1, and briefly describe their involvement? (Check all that apply.) **[Check all that applies and narrative where applicable]**

☐ CSBG eligible entities (if checked, provide the expected number of CSBG eligible entities to receive funds) **[Narrative]**

☐ Other community-based organizations
☒ State Community Action association
☒ Regional CSBG technical assistance provider(s)
☒ National technical assistance provider(s)
☒ Individual consultant(s)
☐ Tribes and Tribal Organizations
☐ Other **[]**

If this is the first year filling out the automated State Plan, skip the following question.

8.4. Performance Management Adjustment: How is the State adjusting the training and technical assistance plan under this State Plan as compared to past plans? Any adjustment should be based on the State's analysis of past performance, and should consider feedback from eligible entities, OCS, and other sources, such as the public hearing. If the State is not making any adjustments, provide further detail. **[Narrative:** Texas has developed its T/TA Plan in partnership with the state association and RPIC (as laid out in the T/TA Template). Texas has increased network input through workgroups, and online T&TA surveys/evaluations. Each Eligible Entity (EE) is assigned a personal trainer as their point-of-contact. Each personal trainer tracks all performance/expenditures, T&TA needs, and provides EEs with data analysis, TAPs, and other needs. The State uses the ACSI Survey results when developing the Joint State TTA Plan with the State Association. The State training team decided to address the two ACSI Survey drivers that had scores lower than the National scores.

In response to our score of 50 in the Monitoring and Corrective Action driver, the State implemented the following:

- Compliance monitors copy training staff on all eligible entity communications.
- The training team provides monitors with performance and expenditure dashboards for each eligible entity prior to the onsite visit.
- After each visit, the trainers meet with the monitors to discuss findings and/or concerns, and as appropriate, develop a TTA plan.
- The training team meets with monitors pre and/or post monitoring to review issues and ensure alignment.
- Technical assistance is provided to eligible entities related to monitoring findings.

In response to our score of 58 in the Communication driver, the State implemented the following:

- To eliminate redundancy and excessive emails to eligible entities, the training team forwards all upcoming training events (local, regional, and national) to the State Association to send out in a bi-monthly e-Newsletter, which is emailed to the entire Network.
- The training team disseminates announcements, changes and/or new requirements in a timely manner to the CSBG network.
- Network emails are sent out whenever new or updated guides, best practices, or tools are released. Webinars, virtual meetings and trainings are conducted whenever training is required for use of new or updated materials.
- A contact list with name, email, and phone number of State staff to contact regarding contracts, reporting, fiscal, and training was sent to each eligible entity. Each trainer has a back-up trainer to promote greater staff availability.
- The Department has continued its use of the online submission of questions that are answered by staff within 72 hours, typically within the day.
- Created a COVID-19 webpage for flexibilities and COVID resources.
- Initiated check-in calls with EEs during COVID flare-ups or disasters.
- Streamlined Community Action Plan and Organizational Standard documentation to reduce burden, yet meet requirements.
  ]

Note: This information is associated with State Accountability Measures 3Sd and may pre-populate the State's annual report form.

SECTION 9

State Linkages and Communication

Note: This section describes activities that the State may support with CSBG remainder/discretionary funds, described under Section 675C(b)(1) of the CSBG Act. The State may indicate planned use of remainder/discretionary funds for linkage/communication activities in Section 7, State Use of Funds, items 7.9(b) and (c).

9.1. State Linkages and Coordination at the State Level: Describe the linkages and coordination at the State level that the State plans to create or maintain to ensure increased access to CSBG services to low-income people and communities under this State Plan and avoid duplication of services (as required by the assurance under Section 676(b)(5)). Describe or attach additional information as needed. **[Check all that apply from the list below and provide a Narrative.** The Department administers the CSBG grant along with LIHEAP and Weatherization, and all are administered by the Community Affairs Division. The Department also administers the State's housing programs.

The Department is the administrative agency for the Texas Inter-Agency Council for the Homeless (TICH). The TICH membership includes representatives from the Governor's

Office, Texas Department of Family and Protective Services, Texas Education Agency, Texas Workforce Commission, Health and Human Services Commission, criminal justice state agencies, Texas Homeless Network, and other housing and homeless advocacy organizations. The Department chairs the TICH. At the July 21, 2020meeting, the TICH was provided information about the CSBG program and the eligible entities across the state.

The Department also chairs the State's Housing and Health Services Coordination Council which is composed of several State agencies including the State's WIOA agency, Child Protective Services, and the state health services agency. At the July 22, 2020, meeting, the HHSCC was provided information about the CSBG program and the eligible entities across the state.**]**

Note: This response will link to the corresponding CSBG assurance, item 14.5. In addition, this item is associated with State Accountability Measure 7Sa and may pre-populate the State's annual report form.

- ☒ State Low Income Home Energy Assistance Program (LIHEAP) office
- ☒ State Weatherization office
- ☐ State Temporary Assistance for Needy Families (TANF) office
- ☐ State Head Start office
- ☐ State public health office
- ☐ State education department
- ☒ State Workforce Innovation and Opportunity Act (WIOA) agency
- ☐ State budget office
- ☐ Supplemental Nutrition Assistance Program (SNAP)
- ☐ State child welfare office
- ☒ State housing office
- ☐ Other

9.2. State Linkages and Coordination at the Local Level: Describe the linkages and coordination at the local level that the State plans to create or maintain with governmental and other social services, especially antipoverty programs, to assure the effective delivery of and coordination of CSBG services to low-income people and communities and avoid duplication of services (as required by assurances under Sections 676(b)(5) and (b)(6)). Attach additional information as needed. **[Narrative:** The Department administers the CSBG in a state whose territory is as vast as it is varied. As such, the Department's strategy centers on ensuring local coordination through the local service providers. The Department requires CSBG eligible entities to coordinate funds and services at the local level. The Community Action Plan from each entity has to describe the eligible entities' coordination efforts with city, county, schools, non-profits, and other local or regional organizations. CSBG eligible entities coordinate services and work to avoid duplication of services with other providers. CSBG eligible entities are encouraged to participate in local social service and homeless coalitions whose goal is to coordinate services. The Department has stressed the importance of CSBG eligible entities coordinating with WIOA agencies to assist persons to obtain employment and other benefits through WIOA and have their Community Action Plan provide information on how they work with WIOA. To assist in this coordination, the Department will continue to build upon the working relationship with the Texas Workforce Commission (TWC) and obtain from TWC contact data for local Workforce Development Boards throughout the state and encourage eligible entities to contact the local workforce boards and their contractors who operate services and programs in order to be able to link CSBG clients to available WIOA programs so that their employment and education needs can be better served. This coordination effort will also be of benefit to WIOA in helping them target persons most in need.**]**

Note: This response will link to the corresponding CSBG assurances, items 14.5 and 14.6.

9.3. Eligible Entity Linkages and Coordination

9.3a State Assurance of Eligible Entity Linkages and Coordination: Describe how the State will assure that the eligible entities will coordinate and establish linkages to assure the effective delivery of and coordination of CSBG services to low-income people and communities and avoid duplication of services (as required by the assurance under Section 676(b)(5)). Attach additional information as needed. **[Narrative:** The State requires CSBG eligible entities to coordinate funds at the local level. Their Community Action Plan has to describe their coordination efforts with city, county, schools, non-profits, and other organizations. CSBG eligible entities coordinate services and work to avoid duplication of services with other providers. Most CSBG eligible entities participate in local social service and homeless coalitions whose goal is to coordinate services.**]**

Note: This response will link to the corresponding CSBG assurance, item 14.5.

9.3b State Assurance of Eligible Entity Linkages to Fill Service Gaps: Describe how the eligible entities will develop linkages to fill identified gaps in the services, through the provision of information, referrals, case management, and follow-up consultations, according to the assurance under Section 676(b)(3)(B) of the CSBG Act. **[Narrative:** The Department requires a Community Action Plan be submitted annually, which includes a section wherein eligible entities describe any gaps in services, and their strategy to address those gaps. If a gap is not currently being addressed or not being sufficiently addressed, eligible entities are to develop and implement a strategy to work with other organizations in their local communities to address the gaps in services. **]**

Note: This response will link to the corresponding CSBG assurance, item 14.3b.

9.4. Workforce Innovation and Opportunity Act (WIOA) Employment and Training Activities: Does the State intend to include CSBG employment and training activities as part of a WIOA Combined State Plan, as allowed under the Workforce Innovation and Opportunity Act (as required by the assurance under Section 676(b)(5) of the CSBG Act)?

☐ Yes ☒ No

Note: This response will link to the corresponding CSBG assurance, item 14.5.

9.4a If the State selected "yes" under item 9.4, provide the CSBG-specific information included in the State's WIOA Combined Plan. This information includes a description of how the State and the eligible entities will coordinate the provision of employment and training activities through statewide and local WIOA workforce development systems. This information may also include examples of innovative employment and training programs and activities conducted by community action agencies or other neighborhood-based organizations as part of a community antipoverty strategy. **[Narrative, 2500 Characters]**

9.4b. If the State selected "no" under item 9.4, describe the coordination of employment and training activities, as defined in Section 3 of WIOA, by the State and by eligible entities providing activities through the WIOA system. **[Narrative:** In 2021, the State began to have virtual meetings with management at the Texas Workforce Commission to develop a plan to better coordinate CSBG and WIOA programs at the State level in order to help facilitate coordination at the local level between CSBG eligible entities and local Workforce Boards and their contractors. The Department will obtain from the Texas Workforce Commission the contact names and contact information for local Workforce Boards and provide such to CSBG eligible entities and encourage them to establish formal relationships with their regional WIOA providers and the Workforce Board contractors so that they can better coordinate services and collaborate to assist persons to transition out of poverty. Texas has twenty-eight Workforce Development Boards serving the State's two-hundred and fifty-four counties.

Each Workforce Board determines how to administer the WIOA grants and selects their contractors to provide employment training and education. Therefore, close working relationships should be established at the local level by each CSBG eligible entity with both the Workforce Boards and their contractors. The State is available, upon request, to facilitate any CSBG eligible entity's collaborative efforts with their local WIOA office. As part of the Community Action Plan, eligible entities will continue to provide information related to employment and training activity coordination with their local WIOA office. . Additional information on WIOA in Texas can be found at https://twc.texas.gov/**]**

9.5. Emergency Energy Crisis Intervention: Describe how the State will assure, where appropriate, that emergency energy crisis intervention programs under title XXVI (relating to Low-Income Home Energy Assistance) are conducted in each community in the State, as required by the assurance under Section 676(b)(6) of the CSBG Act). **[Narrative:** The Department administers the LIHEAP grant, which funds the Comprehensive Energy Assistance Program (CEAP). The CEAP provides utility assistance to low-income persons and includes an energy crisis component. LIHEAP also supports the Department's weatherization program. The majority of the CSBG eligible entities administer both the CEAP and weatherization programs. The Department programs a portion of CSBG discretionary funds for assistance in the case of declared natural disasters. The funds may be used to provide emergency energy crisis intervention.**]**

Note: This response will link to the corresponding CSBG assurance, item 14.6.

9.6. **State Assurance: Faith-based Organizations, Charitable Groups, Community Organizations:** Describe how the State will assure local eligible entities will coordinate and form partnerships with other organizations, including faith-based organizations, charitable groups, and community organizations, according to the State's assurance under Section 676(b)(9) of the CSBG Act. **[Narrative:** Annually, CSBG eligible entities must submit a Community Action Plan to the Department. As part of the plan, CSBG eligible entities describe the organizations with which they coordinate services including faith-based organizations, charitable groups, and community organizations. Close coordination and referral takes place with these organizations. Training further reinforces this coordination.**]**

Note: this response will link to the corresponding assurance, item 14.9

9.7 **Coordination of Eligible Entity 90 Percent Funds with Public/Private Resources:** Describe how the eligible entities will coordinate CSBG 90 percent funds with other public and private resources, according to the assurance under Section 676(b)(3)(C) of the CSBG Act. **[Narrative:** Annually, CSBG eligible entities must submit a Community Action Plan to the Department. As part of the plan, CSBG eligible entities describe the organizations with which they coordinate services, including private and public organizations. Many of the CSBG eligible entities obtain either in-kind assistance or funds from local governments to support the programs that they administer, including donations of space in local government facilities to be utilized by eligible entities to provide CSBG supported services. **]**

Note: this response will link to the corresponding assurance, item 14.3c.

9.8. **Coordination among Eligible Entities and State Community Action Association:** Describe State activities for supporting coordination among the eligible entities and the State Community Action Association. **[Narrative:** The Department works closely with the state eligible entity association, the Texas Association of Community Action Agencies (TACAA). The Department meets with the association and their board on a regular basis to discuss ways that the Department can better meet the needs of the eligible entities. The Department receives their input on the development of the CSBG State Plan, training and technical assistance needs, rule revisions, use of CSBG discretionary funds, and other issues. The state association holds an annual conference for CSBG eligible entities and the Department provides staff to present training to CSBG eligible entities. When necessary, the Department also works with TACAA to form CSBG working groups to help the Department develop strategies on key issues. It should be noted that because not all eligible entities are members of TACAA, the Department ensures that all non-member eligible entities are included in all opportunities. **]**

9.9 Communication with Eligible Entities and the State Community Action Association: In the table below, describe the State's plan for communicating with eligible entities, the State Community Action Association, and other partners under this State Plan. Include communication about annual hearings and legislative hearings, as described under Section 4, CSBG Hearing Requirements.

Communication Plan

Topic	**Expected Frequency**	**Format (drop down)**	**Brief Description of "Other"**
[**Narrative:** The Department will hold periodic meetings either virtually or in-person that are open to the entire CSBG network. During these meetings, the Department discusses issues and announcements surrounding CSBG related topics (e.g., Organizational Standards, RFAs, NOFAs, rule revisions, CSBG funding, performance/expenditure report deadlines, the State Plan, public hearings and public comment periods, training announcements, due dates of action plans, needs assessments and strategic plans, and similar announcements and coordination with other Department programs such as utility assistance and weatherization. The Department may bring together periodic workgroups for Network input to state plans, rules, and T&TA needs.]	**Dropdown Options:** • ☐ Daily • ☐ Weekly • ☐ Twice-Monthly • ☐ Monthly • ☐☐ Quarterly • ☐ Semi-Annually • ☐ Annually • ☒ Other (Periodically)	**Dropdown Options:** • ☐ Newsletter • ☐ Mailing • ☒ Meetings/Presentation • ☐ Blog • ☒ Email • ☒ Website • ☐ Social Media • ☒ Other	**[Narrative, 2500 characters]** If "Other" is selected in columns 2 and/or 3, describe in this column. Other: Communications, meetings, trainings, etc. are ongoing as needed and occur via multiple methods of communication. From time to time as necessary, workgroups or meetings may be formed to address key issues. The Department determines the need for training on certain topics based on requests and on questions submitted through an on-line web-portal and based on issues that are identified in monitoring reports.
Topic	**Expected Frequency**	**Format (drop down)**	**Brief Description of "Other"**
[Narrative: The Department informs CSBG eligible entities of notices received from USHHS, the National Association for State	**Dropdown Options:** • ☐ Daily • ☐ Weekly • ☐☒ Twice-Monthly	**Dropdown Options:** • ☒ Newsletter • ☐ Mailing	**[Narrative, 2500 characters]** If "Other" is selected in columns 2 and/or 3, describe in this column

Topic	Expected Frequency	Format (drop down)	Brief Description of "Other"
Community Services Programs, and the Community Action Partnership. This occurs as notices and guidance arises. Many of these notices are shared in coordination with the Network by the State Association TACAA through their bi-monthly e-newsletter.]	• Monthly • ☐ Quarterly • ☐ Semi-Annually • ☐ Annually • ☒ Other	• ☐ Meetings/Presentation • ☐ Blog • ☒ Email • ☐ Website • ☐ Social Media • ☐ Other	Other: Information is continuously relayed from USHHS, NASCSP, and the CAP among other organizations to the eligible entities. Twice monthly newsletters are sent out via TACAA (the State Association) in coordination with the Department.
[Narrative: The Department develops guidance for the annual Community Action Plan and for the annual budget. Every 3 years, the Department issues guidance for the Community Assessment and for the Strategic Plan every 5 years. The Department also issues other program guidance on areas such as case management, self-sufficiency, program reporting, and administration.**]**	**Dropdown Options:** • ☐ Daily • ☐ Weekly • ☐ Twice-Monthly • ☐ Monthly • ☐ Quarterly • ☐ Semi-Annually • ☒ Annually • ☒ Other	**Dropdown Options:** • ☐ Newsletter • ☐ Mailing • ☒ Meetings/Presentation • ☐ Blog • ☒ Email • ☒ Website • ☐ Social Media • ☒ Other	**[Narrative, 2500 characters]** If "Other" is selected in columns 2 and/or 3, describe in this column Other: The guidance that is developed is posted on the Department's website. The Department may also conduct regional workshops, individualized workshops, webinars or teleconferences. Information may also be presented at State Association Conferences.
[Narrative: The Department will conduct public hearings to obtain comment on the biennial CSBG State Plan and institution of rules. The Department will also accept public comment via e-mail or letters and at Governing Board meetings. **]**	**Dropdown Options:** • ☐ Daily • ☐ Weekly • ☐ Twice-Monthly • ☐ Monthly • ☐ Quarterly • ☐ Semi-Annually • ☐ Annually • ☒ Other	**Dropdown Options:** • ☐ Newsletter • ☐ Mailing • ☒ Meetings/Presentation • ☐ Blog • ☒ Email • ☒ Website • ☐ Social Media • ☒ Other	**[Narrative, 2500 characters]** If "Other" is selected in columns 2 and/or 3, describe in this column. Other: Information regarding the public hearings will be posted in the *Texas Register to coincide with the biennial CSBG State Plan.* The hearings will be open to interested persons. Comments can be submitted in person at a hearing or in writing by e-mail or letter to

Topic	Expected Frequency	Format (drop down)	Brief Description of "Other"
			the Department. During the COVID-19 pandemic, meetings will be conducted virtually.

9.10. Feedback to Eligible Entities and State Community Action Association: Describe how the State will provide feedback to local entities and State Community Action Associations regarding performance on State Accountability Measures. **[Narrative:** The Department will, within 60 calendar days of receiving feedback from OCS, provide eligible entities and the State Association, via an e-mail communication, the results of the ACSI Survey. The Department will also provide a synopsis of key concerns identified by eligible entities. The Department will also communicate with the State Association to discuss survey results and develop a plan to address concerns.**]**

Note: This information is associated with State Accountability Measure 5S(iii). The measure indicates feedback should be provided within 60 calendar days of the State getting feedback from OCS.

If this is the first year filling out the automated State Plan, skip the following question.

9.11. Performance Management Adjustment: How is the State adjusting the Communication plan in this State Plan as compared to past plans? Any adjustment should be based on the State's analysis of past performance, and should consider feedback from eligible entities, OCS, and other sources, such as the public hearing. If the State is not making any adjustments, provide further detail. **[Narrative:** The Department works in partnership with the State Association regarding communications sent out to the Network. The State Association sends out a twice a month e-newsletter which compiles guidance from OCS, the Department, upcoming T&TA opportunities, and other information. The Department continually assesses the need to form workgroups with either the State Association or with eligible entities or both in order to receive input to rules, plans, guidance, or T&TA needs. Other ways the Department obtains the Network's input is surveys and e-mail communications. One of the comments in the 2019 ACSI survey was the need for the Department to have consistent messages from program staff in the Community Affairs Division and monitors in the Compliance Division . In response to that input the Community Affairs Division, which administers the CSBG grant, has strengthened their coordination with the Compliance Division to share the results of monitoring reviews, and to develop and deliver training and technical assistance to address identified issues. Pandemic related communications are posted on a Department COVID-19 Webpage. FAQs are updated as needed with an email announcement of posting and new FAQs.**]**

Note: This information is associated with State Accountability Measures 7Sb; this response may pre-populate the State's annual report form.

SECTION 10
Monitoring, Corrective Action, and Fiscal Controls

Monitoring of Eligible Entities (Section 678B(a) of the CSBG Act)

10.1. Specify the proposed schedule for planned monitoring visits including: full on-site reviews; on-site reviews of newly designated entities; follow-up reviews – including return visits to entities that failed to meet State goals, standards, and requirements; and other reviews as appropriate.

This is an estimated schedule to assist States in planning. States may indicate "no review" for entities the State does not plan to monitor in the performance period.

For States that have a monitoring approach that does not fit within the table parameters, attach the State's proposed monitoring schedule.

Note: This information is associated with State Accountability Measure 4Sa(i); this response may pre-populate the State's annual report form.

CSBG Eligible Entity	**Review Type**	**Target Date FY22-FY23(Quarter) (Note: the dates may change based on risk)**	**Date of Last Full Onsite Review (if applicable)**	**Brief Description of "Other"**
El Paso Community Action program, Project BRAVO, Inc.	Full on-site	FY22Q1	February 3, 2020	Risk Based and can change accordingly
Panhandle Community Services	Full on-site	FY23Q4	FY21Q4	Risk Based and can change accordingly
Brazos Valley Community Programs	Full on-site	FY22Q3	March 23, 2020	Risk Based and can change accordingly
Rolling Plains Management Corp.	Full on-site	FY23Q1	December 1, 2020	Risk Based and can change accordingly
Combined Community Action, Inc.	Full on-site	FY22Q3	November 18, 2019	Risk Based and can change accordingly

CSBG Eligible Entity	**Review Type**	**Target Date (Quarter)**	**Date of Last Full Onsite Review (if applicable)**	**Brief Description of "Other"**
Hidalgo County Community Services Agency	Full on-site	FY23Q4	FY21Q3	Risk Based and can change accordingly
Community Action Social Services and Education	Full on-site	FY22Q1	March 31, 2018	Risk Based and can change accordingly
South Texas Development Council	Full on-site	FY22Q2	January 14, 2021	Risk Based and can change accordingly

CSBG Eligible Entity	**Review Type**	**Target Date (Quarter)**	**Date of Last Full Onsite Review (if applicable)**	**Brief Description of "Other"**
Gulf Coast Community Services Association	No Review		FY21Q4	Risk Based and can change accordingly
Austin, City of, Health and Human Service Department	Full on-site	FY22Q1	August 22, 2018	Risk Based and can change accordingly
Community Council of Greater Dallas	Full on-site	FY22Q3	July 22, 2019	Risk Based and can change accordingly
Community Action Committee of Victoria, Texas	Full on-site	FY22Q3	September 30, 2019	Risk Based and can change accordingly
Cameron and Willacy Counties Community Projects, Inc.	Full on-site	FY22Q1	October 28, 2019	Risk Based and can change accordingly
Tri-County Community Action, Inc.	Full on-site	FY23Q2	FY21Q3	Risk Based and can change accordingly
Community Services, Inc.	Full on-site	FY22Q3	July 8, 2019	Risk Based and can change accordingly
Pecos County Community Action Agency	Full on-site	FY23Q4	January 11, 2021	Risk Based and can change accordingly
Economic Opportunities Advancement Corp of PR XI	Full on-site	FY22Q3	January 1, 2020	Risk Based and can change accordingly
Texas Neighborhood Services	Full on-site	FY22Q1	May 28, 2019	Risk Based and can change accordingly
Aspermont Small Business Development Center, Inc.	Full on-site	FY22Q1	November 18, 2019	Risk Based and can change accordingly
West Texas Opportunities, Inc.	Full on-site	FY23Q2	July 27, 2020	Risk Based and can change accordingly
Greater East Texas Community Action Program	Full on-site	FY23Q3	April 4, 2020	Risk Based and can change accordingly
Southeast Texas Regional Planning Commission	Full on-site	FY22Q1	July 22, 2019	Risk Based and can change accordingly
City of San Antonio Department of Community Initiatives	Full on-site	FY22Q2	February 24, 2020	Risk Based and can change accordingly
Central Texas Opportunities, Inc.	Full On-site	FY23Q3	September 28, 2020	Risk Based and can change accordingly
Concho Valley Community Action Agency	Full On-site	FY23Q4	FY21Q3	Risk Based and can change accordingly
Community Action Inc. of Central Texas	Full On-site	FY22Q1	FY21Q3	Risk Based and can change accordingly
Community Services of Northeast Texas, Inc.	Full On-site	FY23Q1	FY21Q2	Risk Based and can change accordingly
South Plains Community Action Association, Inc.	No Review		FY21Q4	Risk Based and can change accordingly
City of Fort Worth Neighborhood Services Department	Full On-site	FY22Q2	February 10, 2020	Risk Based and can change accordingly

CSBG Eligible Entity	Review Type	Target Date (Quarter)	Date of Last Full Onsite Review (if applicable)	Brief Description of "Other"
City of Lubbock Community Development Department	No Review		FY21Q4	Risk Based and can change accordingly
Economic Action Committee of the Gulf Coast	Full on-site	FY22Q3	July 10, 2019	Risk Based and can change accordingly
Galveston County Community Action Council, Inc.*	Full on-site	FY22Q4	March 25, 2019	Risk Based and can change accordingly
Webb County Community Action Agency	Full on-site	FY22Q1	December 9, 2019	Risk Based and can change accordingly
Williamson-Burnet County Opportunities, Inc.	Full on-site	FY22Q2	April 22, 2019	Risk Based and can change accordingly
Big Bend Community Action Committee, Inc.	No review		FY21Q4	Risk Based and can change accordingly
Community Action Corporation Of South Texas	Full on-site	FY23Q3	July 8, 2019	Risk Based and can change accordingly
Community Council of South Central Texas, Inc.	Full on-site	FY23Q1	October 9, 2020	Risk Based and can change accordingly
Hill Country Community Action Association, Inc.	Full on-site	FY22Q2	December 6, 2018	Risk Based and can change accordingly
Nueces County Community Action Agency	Full on-site	FY23Q2	FY21Q4	Risk Based and can change accordingly
Texoma Council of Governments	Full on-site	FY22Q3	July 29, 2019	Risk Based and can change accordingly

* If the eligible entity removal process is complete, the Department will conduct a close-out monitoring within 90 days.

10.2. Monitoring Policies: Provide a copy of State monitoring policies and procedures by attaching and/or providing a hyperlink. **[Refer to Attachment A -** The FY2022 and FY2023 monitoring schedule is aggregate in nature. The schedule is created on an at-risk assessed basis determined every quarter. The schedule is maintained on the Compliance Subrecipient Monitoring Tracking Database and Performance Records. The proposed schedule above can change each quarter depending on risk.**]**

10.3. Initial Monitoring Reports: According to the State's procedures, by how many calendar days must the State disseminate initial monitoring reports to local entities? **[**It is the Department's goal to submit CSBG monitoring reports within 30 calendar days from the last day of the monitoring visit. However, if extenuating circumstances are present, the CSBG monitoring report will be submitted within 60 days of the completion of the monitoring review with the exception of those few reports requiring executive and legal review due to deficiencies.**]**

Note: This item is associated with State Accountability Measure 4Sa(ii) and may pre-populate the State's annual report form.

Corrective Action, Termination and Reduction of Funding and Assurance Requirements
(Section 678C of the Act)

10.4. **Closing Findings:** Are State procedures for addressing eligible entity findings/deficiencies, and the documenting of closure of findings included in the State monitoring protocols attached above? ☒ Yes ☐ No

10.4a. If no, describe State procedures for addressing eligible entity findings/deficiencies, and the documenting of closure of findings. **[Narrative, 2500 characters]**

10.5. **Quality Improvement Plans (QIPs):** How many eligible entities are currently on Quality Improvement Plans? **[0]**

Note: The QIP information is associated with State Accountability Measures 4Sc.

10.6. **Reporting of QIPs:** Describe the State's process for reporting eligible entities on QIPs to the Office of Community Services within 30 calendar days of the State approving a QIP? **[Narrative:** The Department will contact the Office of Community Services either by phone or through e-mail to inform them of eligible entities on a Quality Improvement Plan.**]**

Note: This item is associated with State Accountability Measure 4Sa(iii)).

10.7. **Assurance on Funding Reduction or Termination:** Does the State assure, according to Section 676(b)(8), that "any eligible entity that received CSBG funding the previous fiscal year will not have its funding terminated or reduced below the proportional share of funding the entity received in the previous fiscal year unless, after providing notice and an opportunity for a hearing on the record, the State determines that cause exists for such termination or such reduction, subject to review by the Secretary as provided in Section 678C(b)." ☒ Yes ☐ No

Note: This response will link with the corresponding assurance under item 14.8.

Policies on Eligible Entity Designation, De-designation, and Re-designation

10.8. Does the State CSBG statute and/or regulations provide for the designation of new eligible entities? ☒ Yes ☐ No

10.8a. If yes, provide the citation(s) of the law and/or regulation. If no, describe State procedures for the designation of new eligible entities. **[Narrative:** Texas Administrative Code

10 TAC §6.208
http://texreg.sos.state.tx.us/public/readtac$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=10&pt=1&ch=6&rl=208 **]**

10.9. Does the State CSBG statute and/or regulations provide for de-designation of eligible entities? ☒ Yes ☐ No

10.9a. If yes, provide the citation(s) of the law and/or regulation. If no, describe State procedures for de-designation of new eligible entities. **[Narrative:** Texas Administrative Code:

10 TAC §1.411

https://texreg.sos.state.tx.us/public/readtac$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=10&pt=1&ch=1&rl=411

10 TAC §2.203
https://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=5&ti=10&pt=1&ch=2&sch=B&rl=Y

10 TAC §6.208
http://texreg.sos.state.tx.us/public/readtac$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=10&pt=1&ch=6&rl=208

10.10. Does the State CSBG statute and/or regulations specify a process the State CSBG agency must follow to re-designate an existing eligible entity? ☒ Yes ☐ No

10.10a. If yes, provide the citation(s) of the law and/or regulation. If no, describe State procedures for re-designation of existing eligible entities. **[Narrative:** Texas Administrative Code

10 TAC §2.203
https://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=5&ti=10&pt=1&ch=2&sch=B&rl=Y

10 TAC §6.208
http://texreg.sos.state.tx.us/public/readtac$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=10&pt=1&ch=6&rl=208**]**

Fiscal Controls and Audits and Cooperation Assurance

10.11. Fiscal Controls and Accounting: Describe how the State's fiscal controls and accounting procedures will a) permit preparation of the SF-425 Federal fiscal reports (FFR) and b) permit the tracing of expenditures adequate to ensure funds have been used appropriately under the block grant, as required by Block Grant regulations applicable to CSBG at 45 CFR 96.30(a). **[Narrative:** All expenditures are recorded in the Department's PeopleSoft accounting system. Indexes, grant numbers and fund numbers allow for identification of charges to a specific grant and cost categories. Policies and Procedures are in place to ensure compliance with statutes and regulations. Independent annual financial audit and single audit are performed for the Department.

Every draw is reviewed by program staff upon submittal by contractor localities. All drawdowns must be consistent within the most current approved budget. Draws are then processed by accountants and approved by senior accountant or team leader. Back up to support draws are reviewed during on site monitoring.
The general ledger is the source for the SF-425 Federal fiscal reports. They are prepared by the grant accountant, reviewed by the financial team leader and approved by management prior to submittal. Reports are prepared according to program rules and regulations.**]**

10.12. Single Audit Management Decisions: Describe State procedures for issuing management decisions for eligible entity single audits, as required by Block Grant regulations applicable to CSBG at 45 CFR 75.521. If these procedures are described in the State monitoring protocols attached under item 10.2, indicate the page number. **[Narrative:** The Department requires each eligible entity to complete an Audit Certification form within 60 days from the end of the Entity's fiscal year. This is used to determine if a Single Audit is required. Upon receipt of the Single Audit, a review is completed to determine if the packet submitted is complete and all opinions are provided. If the audit contains findings, it is reviewed and discussed by the director of Internal Audit, the Director of Compliance, the Director of Subrecipient Monitoring and staff to determine the appropriate steps to address any CSBGissues identified in the audit report or management letter. The Department may issue correspondence to the entity, identifying applicable corrective action measures and/or requiring support documentationaddressing program deficiencies. The entity will be provided a time frame to respond to thecorrespondence.

Except for non-discretionary CSBG funds, the Department will not execute new contracts with the entity until issues with the single audit are resolved, unless the issue is a late audit submittal and the entity has provided documentation of an extension received from the federal cognizant agency.**]**

Note: This information is associated with State Accountability Measure 4Sd.

10.13. Assurance on Federal Investigations: Will the State "permit and cooperate with Federal investigations undertaken in accordance with Section 678D" of the CSBG Act, as required by the assurance under Section 676(b)(7) of the CSBG Act? ☒ Yes ☐ No

Note: This response will link with the corresponding assurance, item 14.7

If this is the first year filling out the automated State Plan, skip the following question.

10.14. Performance Management Adjustment: How is the State adjusting monitoring procedures in this State Plan as compared to past plans? Any adjustment should be based on the State's analysis of past performance, and should consider feedback from eligible entities, OCS, and other sources, such as the public hearing. If this State is not making any adjustments, provide further detail. **[Narrative:** The Department closely reviewed the responses to the 2019 ACSI Survey related to monitoring and the Department's Director of Subrecipient Monitoring continues to make concerted efforts to maintain a good working relationship with CSBG eligible entities. The Director ensures that monitoring staff receive directives and audit training as the need arises. Staff meetings are held regularly to promote consistency and increase knowledge between the monitoring staff. Community Affairs Training and Technical Assistance staff receive all monitoring reports from compliance monitors and work closely with each other so that training and technical assistance staff can provide eligible entities follow-up tips and resources to address findings or concerns identified in the monitoring reports. **]**

Note: This item is associated with State Accountability Measure 4Sb and may pre-populate the State's annual report form.

SECTION 11

Eligible Entity Tripartite Board

11.1. Which of the following measures are taken to ensure that the State verifies CSBG Eligible Entities are meeting Tripartite Board requirements under Section 676B of the CSBG Act? **[Check all that applies and narrative where applicable]**

☐ Attend Board meetings
☒ Review copies of Board meeting minutes
☐ Keep a register of Board vacancies/composition
☒ Other: [The Department reviews board rosters and Board member election/selection material. We also get information on board vacancies on their CSBG Monthly Performance Report. Through CSBG organizational standards reviews, we get information on board vacancies/composition also. Lastly, Department staff attends some Board meetings of entities.]

11.2. How often does the State require eligible entities (which are not on TAPs or QIPs) to provide updates (e.g., copies of meeting minutes, vacancy alerts, changes to bylaws, low-income member selection process, etc.) regarding their Tripartite Boards? **[Check all that applies and narrative where applicable]**

☒ Annually
☐ Biannually
☐ Quarterly
☒ Monthly
☒ Other **[**Information concerning board vacancies and new hires must be received by the Department within 30 days of such occurrence. Eligible entities must also report board vacancies by sector in itsCSBG Monthly Performance Reports. Organizational Standards, a yearly requirement, also indicates board vacancies and composition. **]**

11.3. **Assurance on Eligible Entity Tripartite Board Representation:** Describe how the State will carry out the assurance under Section 676(b)(10) of the CSBG Act that the State will require eligible entities to have policies and procedures by which individuals or organizations can petition for adequate representation on an eligible entities' Tripartite

Board. **[Narrative:** The Department has instituted a rule, in the Texas Administrative Code, that requires an entity to have written procedures under which a low-income individual, community organization, religious organization, or representative of such may petition for adequate representation on the board of the eligible entity.**]**

Note: This response will link with the corresponding assurance, item 14.10.

11.4. Does the State permit public eligible entities to use, as an alternative to a Tripartite Board, "another mechanism specified by the State to assure decision-making and participation by low-income individuals in the development, planning, implementation, and evaluation of programs" as allowed under Section 676B(b)(2) of the CSBG Act. ☒ Yes ☐ No

11.4a. If yes, describe the mechanism used by public eligible entities as an alternative to a Tripartite Board. **[Narrative:** Public agencies have advisory boards and develop bylaws for the advisory board.

Texas Administrative Code, Chapter 6, Subchapter B, Community Services Block Grant, RULE §6.210 Board Structure, states the following related to public organizations:

"(b) For a Public Organization that is an Eligible Entity, the entity shall administer the CSBG grant through an advisory board that fully participates in the development, planning, implementation and evaluation of programs that serve low-income communities or through another mechanism specified by the state and that satisfies the requirements of a tripartite board in subsection (a) above. The advisory board is the only alternative mechanism for administration the Department has specified."

The "alternative mechanism" is an "advisory board" and Public Organizations who utilize an advisory board must ensure that the advisory board meets the requirements of having 1) One-third of the members of the board shall be elected public officials, holding office on the date of the selection, or their representatives. 2) Not fewer than 1/3 of the members are persons chosen in accordance with the Eligible Entity's Board-approved written democratic selection procedures adequate to assure that these members are representative of low-income individuals and families in the neighborhood served; and each representative of low-income individuals and families selected to represent a specific neighborhood within a community resides in the neighborhood represented by the member. And 3) The remainder are members of business, industry, labor, religious, law enforcement, education, or other major groups and interests in the community served.

SECTION 12

Individual and Community Income Eligibility Requirements

12.1. Required Income Eligibility: What is the income eligibility threshold for services in the State? **[Check one item below.]**

☒ 125% of the HHS poverty line

☐ X % of the HHS poverty line (fill in the threshold):______% **[insert up to a 3 digit percentage]**

☐ Varies by eligible entity

12.1a. Describe any State policy and/or procedures for income eligibility, such as treatment of income and family/household composition. **[Narrative:** The Department's administrative rule, TAC Rule §6.4, states the following: "(a) Eligibility for program assistance is determined under the Poverty Income Guidelines and calculated as described herein (some forms of income may qualify the Household as Categorically Eligible for assistance in §6.2(b)(3), however Categorical Eligibility does not determine the level of benefit, which is determined through the Income Determination process). Income means cash receipts earned and/or received by the applicant before taxes during applicable tax year(s), but not the excluded income listed in paragraph (2) of this subsection. Gross income is to be used, not net income, except that from non-farm or farm self-employment net receipts must be used (i.e., receipts from a person's own business or from an owned or rented farm after deductions for business or farm expenses), and net income from gambling or lottery winnings."

The TAC RULE §6.4 identifies types of income sources that are excluded.

(b) The requirements for determining whether an applicant Household is eligible for assistance require the Subrecipient to annualize the Household income based on verifiable documentation of income, within 30 days of the application date. Income is based on the Gross Annual Income for all household members 18 years or older. Annual gross income is the total amount of money earned annually before taxes or any deductions.

(c) The Subrecipient must document all sources of income, including excluded income, for 30 days prior to the date of application, for all household members 18 years of age or older.

(d) Identify all income sources, not on the excluded list, for income calculation.

(1) The Subrecipient must calculate projected annual income by annualizing current income. Income that may not last for a full 12 months should be calculated assuming current circumstances will last a full 12 months, unless it can be

documented that employment is less than 12 months/year and pay is not prorated over the entire 12 month period. For incomes not able to be annualized over a twelve month period, the income shall be calculated on the total annual earning period (e.g., for a teacher paid only nine months a year, the annual income should be the income earned during those nine months). In limited cases where income is not paid hourly, weekly, bi-weekly, semi-monthly nor monthly, the Subrecipient may contact the Department to determine an alternate calculation method in unique circumstances on a case-by-case basis.

(2) For all customers including those with categorical eligibility, the Subrecipient must collect verifiable documentation of Household income received in the 30 days prior to the date of application.

(3) Once all sources of income are known, Subrecipient must convert reported income to an annual figure. Convert periodic wages to annual income by multiplying:

(A) Hourly wages by the number of hours worked per year (2,080 hours for full-time employment with a 40-hour week and no overtime);

(B) Weekly wages by 52;

(C) Bi-weekly wages (paid every other week) by 26;

(D) Semi-monthly wages (paid twice each month) by 24; and

(E) Monthly wages by 12.

(F) One-time employment income should be added to the total after the income has been annualized.

(4) Except where a more frequent period is required by federal regulation, re-certification of income eligibility must occur at least every twelve months.

For the complete rule see attachment.

12.2. **Income Eligibility for General/Short Term Services:** For services with limited in-take procedures (where individual income verification is not possible or practical), how does the State ensure eligible entities generally verify income eligibility for services? An example of these services is emergency food assistance. **[Narrative:** Subrecipients must maintain income documentation for a direct service funded with CSBG funds. If proof of income is unobtainable they can utilize a Declaration of Income Statement. Per TAC RULE §6.4 (f) If proof of income is unobtainable, the applicant must complete and sign a Declaration of Income Statement (DIS).

12.3. Community-targeted Services: For services that provide a community-wide benefit (e.g., development of community assets/facilities, building partnerships with other organizations), how does the State ensure eligible entities' services target and benefit low-income communities? **[Narrative:** The Department's Texas Administrative Code Rule §6.206 (d) Services to Poverty Population require that services be provided equitably in the CSBG service area (county/counties served). Also, in their Community Action Plan they must identify how the services proposed address the top five needs identified in their Community Action Plan. The state issues guidance on development of the Community Action Plan. If they are not planning to address one of the top five needs, they must provide an explanation as to why they are not.

SECTION 13

Results Oriented Management and Accountability (ROMA) System

13.1. **ROMA Participation:** In which performance measurement system will the State and all eligible entities participate, as required by Section 678E(a) of the CSBG Act and the assurance under Section 676(b)(12) of the CSBG Act? **[Check one]**

Note: This response will also link to the corresponding assurance, item 14.12.

- ☒ The Results Oriented Management and Accountability (ROMA) System
- ☐ Another performance management system that meets the requirements of section 678E(b) of the CSBG Act
- ☐ An alternative system for measuring performance and results

13.1a. If ROMA was selected in item 13.1, attach and/or describe the State's written policies, procedures, or guidance documents on ROMA. **[Attachment and Narrative:**

The Department has incorporated ROMA principles in the areas of reporting, community action plans, strategic planning, community needs assessments, goal/target setting, case management, and Board trainings. Entities report monthly on outcomes for family, agency and community goals identified in their community action plan. These reports are then used to evaluate entity performance. An outcome matrix, tracking incremental change, is used as part of case management services; along with tools for capturing outcomes. TDHCA has 2 certified ROMA trainers on staff, and 2 NCRIs.. Eligible entities now have 11 NCRTs on staff, of which 2 are Master NCRTs, and there are 24 NCRIs. All entities have been provided "Intro to ROMA" training and have access to a ROMA trainer. Refer to State requirements at https://texreg.sos.state.tx.us/public/readtac$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=10&pt=1&ch=6&rl=206

13.1b. If ROMA was not selected in item 13.1, describe the system the State will use for performance measurement. **[Narrative:** The Department will employ the ROMA System as described above.

13.2. Indicate and describe the outcome measures the State will use to measure eligible entity performance in promoting self-sufficiency, family stability, and community revitalization, as required under Section 676(b)(12) of the CSBG Act? **[Narrative:** The State assigns eligible entities a goal for the number of persons to transition out of poverty (TOP) each year. TOP is defined as the household achieving an income above 125% FPIG. The State has issued requirements related to the systems that must be in place to assist households to TOP, refer to

https://texreg.sos.state.tx.us/public/readtac$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=10&pt=1&ch=6&rl=206

The CSBG monthly performance report includes a section where CSBG entities report the number of persons working to TOP and the number of persons that successfully TOP. Entities are to target their CSBG resources to assist persons to transition out of poverty and move towards self-sufficiency consistent with identified gaps in need. The entities' efforts in self-sufficiency, family stability, and community revitalization are reported using the NPIs in their CSBG monthly performance report.**]**

Note: This response will also link to the corresponding assurance, item 14.12.

☒ CSBG National Performance Indicators (NPIs)
☐ NPIs and others
☒ Others

13.3. How does the State support the eligible entities in using the ROMA system (or alternative performance measurement system)? **[Narrative:** The Department has designed the CSBG training curriculum with a focus on ROMA principals. The Department has 2 certified ROMA trainers and 1 NCRI. The state association has also assisted CSBG eligible entities in helping some of their staff to become Certified ROMA trainers. All trainings provided to entities are ROMA-focused and the Department's ROMA Certified staff members are available to provide training and technical assistance. Results achieved compared to CAP Plan are evaluated for the impact on implementation processes, re-assessment activities, and future plans. Entities can request training and technical assistance at any time and can submit questions on-line or can contact staff by phone or e-mail. The Department has developed a comprehensive video training module and accompanying materials on case management with the goal of assisting persons to transition out of poverty. This module is available on our website. The Department sets aside CSBG Discretionary funds to be used for Organizational Capacity Improvements which can be used to pay for the costs of staff to become NCRTs or to obtain training to retain their NCRT or NCRI certifications. The Department facilitates a ROMA support group for the TX CSBG NRCTs and NCRIs, using Go-To-Meeting, who meet on a quarterly basis. Using the new Virtual Intro to ROMA course, the ROMA group is working toward being able to offer regional Intro to ROMA courses on an annual basis to new staff. Additionally, the state created a ROMA certified workgroup of state and eligible entity staff to create and revise the Organizational Standard (OS) guide and tools to help increase OS achievement. This group continues to provide review and input on guides and tools that the state provides eligible entities for meeting various CSBG requirements.**]**

Note: The activities described under item 13.3 may include activities listed in "Section 8: Training and Technical Assistance." If so, mention briefly, and/or cross-reference as needed. This response will also link to the corresponding assurance, item 14.12.

13.4. **Eligible Entity Use of Data**: How is the State validating that the eligible entities are using data to improve service delivery? **[Narrative:** The Department assigns each CSBG eligible entity a goal for the number of persons to transition out of poverty each program year. At the end of the program year, the Department reviews their performance and entities that did not meet their assigned goal are asked to provide a plan of action to improve performance. The Department also reviews the eligible entities' CSBG Performance Report each month and their end of the year final report. The Department does acknowledge that quite a few entities find it challenging to design and carry out community initiatives, as many just entered into this level of work. The Department will continue to provide technical assistance to entities to improve their performance through data analysis, process mapping, and training materials. To assist with data use the Department provides the network with links to data sources that may be useful to them, such as the American Community Survey and the Community Action Partnership's Community Needs Assessment Online Tool.**]**

Note: This response will also link to the corresponding assurance, item 14.12.

Community Action Plans and Needs Assessments

13.5. Describe how the State will secure a Community Action Plan from each eligible entity, as a condition of receipt of CSBG funding by each entity, as required by Section 676(b)(11) of the CSBG Act. **[Narrative:** The Department develops Community Action Plan Requirements and guidance and posts this information to our website at https://www.tdhca.state.tx.us/community-affairs/csbg/additional-requirements.htm. Annually, CSBG eligible entities must submit a Community Action Plan. Staff reviews the CAP and provides technical assistance to eligible entities on improvements. **]**

Note: this response will link to the corresponding assurance, item 14.11.

13.6. **State Assurance:** Describe how the State will assure that each eligible entity includes a community needs assessment for the community served (which may be coordinated with community needs assessments conducted by other programs) in each entity's Community Action Plan, as required by Section 676(b)(11) of the CSBG Act. **[Narrative**: Every three years, CSBG eligible entities must complete and submit a Community Needs Assessment (CNA). The State provides forms and guidance on how to conduct a CNA and on the required areas to be addressed in their CNA document. As part of the CNA, they must identify at least the top 5 needs in their service area based on their community assessment.

Annually, CSBG eligible entities must submit a Community Action Plan (CAP). Every third year, the CAP must be completely revised to incorporate the latest CNA results. The two years following the initial year of the CAP, they provide updates to any changes and primarily revise their performance targets for NPIs and SRVs and community initiatives. In the first year of the CAP, they must include their top 5 needs and identify the organizations providing the service or strategy to address the need, the services or strategies that will address the need, the NPIs that will be reported on, and the county(ies). They also include information on the gaps in services, the county where it exists, how they will address the gaps, names of partners they will work with and how the partner will help meet the gaps in services. SRVs and NPIs with targets are linked to one of the top 5 needs if applicable.

Note: this response will link to the corresponding assurance, item 14.11.

SECTION 14

CSBG Programmatic Assurances and Information Narrative

(Section 676(b) of the CSBG Act)

14.1 Use of Funds Supporting Local Activities

CSBG Services

14.1a. 676(b)(1)(A): Describe how the State will assure "that funds made available through grant or allotment will be used –

(A) to support activities that are designed to assist low-income families and individuals, including families and individuals receiving assistance under title IV of the Social Security Act, homeless families and individuals, migrant or seasonal farmworkers, and elderly low-income individuals and families, and a description of how such activities will enable the families and individuals--

- (i) to remove obstacles and solve problems that block the achievement of self-sufficiency (particularly for families and individuals who are attempting to transition off a State program carried out under part A of title IV of the Social Security Act);
- (ii) to secure and retain meaningful employment;
- (iii) to attain an adequate education with particular attention toward improving literacy skills of the low-income families in the community, which may include family literacy initiatives;
- (iv) to make better use of available income;
- (v) to obtain and maintain adequate housing and a suitable living environment;
- (vi) to obtain emergency assistance through loans, grants, or other means to meet immediate and urgent individual and family needs;

(vii) to achieve greater participation in the affairs of the communities involved, including the development of public and private grassroots partnerships with local law enforcement agencies, local housing authorities, private foundations, and other public and private partners to –

(I) document best practices based on successful grassroots intervention in urban areas, to develop methodologies for widespread replication; and

(II) strengthen and improve relationships with local law enforcement agencies, which may include participation in activities such as neighborhood or community policing efforts;

[Narrative: The Department requires CSBG eligible entities to submit an annual Community Action Plan (CAP). The CAP outlines their proposed activities. Staff reviews the CAP Plan and ensures that the activities supported are eligible uses of CSBG funds and meet the noted assurances.**]**

Needs of Youth

14.1b. 676(b)(1)(B) Describe how the State will assure "that funds made available through grant or allotment will be used –

(B) to address the needs of youth in low-income communities through youth development programs that support the primary role of the family, give priority to the prevention of youth problems and crime, and promote increased community coordination and collaboration in meeting the needs of youth, and support development and expansion of innovative community-based youth development programs that have demonstrated success in preventing or reducing youth crime, such as--

(i) programs for the establishment of violence-free zones that would involve youth development and intervention models (such as models involving youth mediation, youth mentoring, life skills training, job creation, and entrepreneurship programs); and

(ii) after-school child care programs;

[Narrative: The Department requires CSBG eligible entities to submit an annual Community Action Plan (CAP). The CAP outlines their proposed activities. Staff reviews the CAP Plan and ensures that the activities supported are eligible uses of CSBG funds. The Department requires that entities provide a referral to the Texas Attorney General's Office for families for whom child support might be a needed resource.**]**

Coordination of Other Programs

14.1c. 676(b)(1)(C) Describe how the State will assure "that funds made available through grant or allotment will be used –

(C) to make more effective use of, and to coordinate with, other programs related to the purposes of this subtitle (including State welfare reform efforts)

[Narrative: The Department requires CSBG eligible entities to submit an annual Community Action Plan (CAP). The CAP outlines their proposed activities. The CAP also includes several forms that address funding coordination, coordination with WIOA Programs, referrals to Child Support Office, and participation in social service coalitions. Staff reviews the CAP Plan and ensures that the activities supported are eligible uses of CSBG funds.**]**

State Use of Discretionary Funds

14.2 676(b)(2) Describe "how the State intends to use discretionary funds made available from the remainder of the grant or allotment described in section 675C(b) in accordance with this subtitle, including a description of how the State will support innovative community and neighborhood-based initiatives related to the purposes of this subtitle."

Note: The Department describes this assurance under "State Use of Funds: Remainder/Discretionary," items 7.9-7.11.

[No response; links to items 7.9 and 7.10.]

Eligible Entity Service Delivery, Coordination, and Innovation

14.3. 676(b)(3) "Based on information provided by eligible entities in the State, a description of…"

Eligible Entity Service Delivery System

14.3a. 676(b)(3)(A) Describe "the service delivery system, for services provided or coordinated with funds made available through grants made under 675C(a), targeted to low-income individuals and families in communities within the State;

[Narrative: The Department requires CSBG eligible entities to submit an annual Community Action Plan (CAP). The CAP includes a description of the service delivery system, the counties served, the facilities where services are available, and information regarding how the eligible entity conducts outreach and delivers services in counties where service centers are not available. The CAP also describes how the eligible entity coordinates funds with other organizations. **]**

Eligible Entity Linkages – Approach to Filling Service Gaps

14.3b. 676(b)(3)(B) Describe "how linkages will be developed to fill identified gaps in the services, through the provision of information, referrals, case management, and follow-up consultations."

Note: The Department describes this assurance in the State Linkages and Communication section, item 9.3b.

[No response; links to 9.3b.]

Coordination of Eligible Entity Allocation 90 Percent Funds with Public/Private Resources

14.3c. 676(b)(3)(C) Describe how funds made available through grants made under 675C(a)will be coordinated with other public and private resources."

Note: The Department describes this assurance in the State Linkages and Communication section, item 9.7.

[No response; links to 9.7]

Eligible Entity Innovative Community and Neighborhood Initiatives, Including Fatherhood/Parental Responsibility

14.3d. 676(b)(3)(D) Describe "how the local entity will use the funds [made available under 675C(a)] to support innovative community and neighborhood-based initiatives related to the purposes of this subtitle, which may include fatherhood initiatives and other initiatives with the goal of strengthening families and encouraging parenting."

Note: The description above is about eligible entity use of 90 percent funds to support these initiatives. States may also support these types of activities at the local level using state remainder/discretionary funds, allowable under Section 675C(b)(1)(F). In this State Plan, the Department indicates funds allocated for these activities under item 7.9(f).

[Narrative: The Department requires CSBG eligible entities to submit an annual Community Action Plan (CAP). As part of the CAP, entities must complete a document which provides information regarding any innovative community and neighborhood-based initiatives related to the purpose of CSBG, which may include fatherhood initiatives and other initiatives which strengthen families and encourage effective parenting. A limited number of CSBG eligible entities have reported these types of initiatives. The Department will continue to work with CSBG eligible entities to promote these initiatives if such gaps are identified in their CAP. As the Department identifies information on webinars or funding opportunities related to this area, the Department shares this information with CSBG eligible entities. **]**

Eligible Entity Emergency Food and Nutrition Services

14.4. 676(b)(4) Describe how the State will assure “that eligible entities in the State will provide, on an emergency basis, for the provision of such supplies and services, nutritious foods, and related services, as may be necessary to counteract conditions of starvation and malnutrition among low-income individuals.”

[Narrative: The Department requires CSBG eligible entities to submit an annual Community Action Plan (CAP). As part of the CAP, entities must complete a document which provides information related to how the CSBG eligible entity will provide, on an emergency basis, for the provision of such supplies and services, nutritious foods, and related services, as may be necessary to counteract conditions of starvation and malnutrition among low-income individuals. Most CSBG eligible entities work with either a local food pantry or the food bank to provide food in these circumstances. If there are no other resources available, then CSBG funds are utilized to provide nutritional support. **]**

State and Eligible Entity Coordination/linkages and Workforce Innovation and Opportunity Act Employment and Training Activities

14.5. 676(b)(5) Describe how the State will assure “that the State and eligible entities in the State will coordinate, and establish linkages between, governmental and other social services programs to assure the effective delivery of such services, and [describe] how the State and the eligible entities will coordinate the provision of employment and training activities, as defined in section 3 of the Workforce Innovation and Opportunity Act, in the State and in communities with entities providing activities through statewide and local workforce development systems under such Act.”

Note: The Department describes this assurance in the State Linkages and Communication section, items 9.1, 9.2, 9.3a, 9.4, 9.4a, and 9.4b.

[No response; links to items 9.1, 9.2, 9.3a, 9.4, 9.4a, and 9.4b]

State Coordination/Linkages and Low-income Home Energy Assistance

14.6. 676(b)(6) Provide “an assurance that the State will ensure coordination between antipoverty programs in each community in the State, and ensure, where appropriate, that emergency energy crisis intervention programs under title XXVI (relating to low-income home energy assistance) are conducted in such community.”

Note: The Department describes this assurance in the State Linkages and Communication section, items 9.2 and 9.5.

[No response; links to 9.2 and 9.5]

Federal Investigations

14.7. 676(b)(7) Provide "an assurance that the State will permit and cooperate with Federal investigations undertaken in accordance with section 678D."

Note: The Department addresses this assurance in the Fiscal Controls and Monitoring section, item 10.13.

[No response; links to 10.13]

Funding Reduction or Termination

14.8. 676(b)(8) Provide "an assurance that any eligible entity in the State that received funding in the previous fiscal year through a community services block grant made under this subtitle will not have its funding terminated under this subtitle, or reduced below the proportional share of funding the entity received in the previous fiscal year unless, after providing notice and an opportunity for a hearing on the record, the State determines that cause exists for such termination or such reduction, subject to review by the Secretary as provided in section 678C(b)."

Note: The Department addresses this assurance in the Fiscal Controls and Monitoring section, item 10.7.

[No response; links to 10.7]

Coordination with Faith-based Organizations, Charitable Groups, Community Organizations

14.9. 676(b)(9) Describe how the State will assure "that the State and eligible entities in the State will, to the maximum extent possible, coordinate programs with and form partnerships with other organizations serving low-income residents of the communities and members of the groups served by the State, including religious organizations, charitable groups, and community organizations."

Note: The Department describes this assurance in the State Linkages and Communication section, item 9.6.

[No response; links to 9.6]

Eligible Entity Tripartite Board Representation

14.10. 676(b)(10) Describe how "the State will require each eligible entity in the State to establish procedures under which a low-income individual, community organization, or religious organization, or representative of low-income individuals that considers its organization, or low-income individuals, to be inadequately represented on the board (or other mechanism) of the eligible entity to petition for adequate representation."

Note: The Department describes this assurance in the Eligible Entity Tripartite Board section, 11.3

[No response; links to item 11.3]

Eligible Entity Community Action Plans and Community Needs Assessments

14.11. 676(b)(11) Provide "an assurance that the State will secure from each eligible entity in the State, as a condition to receipt of funding by the entity through a community services block grant made under this subtitle for a program, a community action plan (which shall be submitted to the Secretary, at the request of the Secretary, with the State plan) that includes a community-needs assessment for the community served, which may be coordinated with community-needs assessments conducted for other programs."

[No response; links to items 13.5 and 13.6]

State and Eligible Entity Performance Measurement: ROMA or Alternate system

14.12. 676(b)(12) Provide "an assurance that the State and all eligible entities in the State will, not later than fiscal year 2001, participate in the Results Oriented Management and Accountability System, another performance measure system for which the Secretary facilitated development pursuant to section 678E(b), or an alternative system for measuring performance and results that meets the requirements of that section, and [describe] outcome measures to be used to measure eligible entity performance in promoting self-sufficiency, family stability, and community revitalization."

Note: The Department describes this assurance in the ROMA section, items 13.1, 13.2, 13.3, and 13.4.

[No response; links to 13.1, 13.2, 13.3, and 13.4]

Validation for CSBG Eligible Entity Programmatic Narrative Sections

14.13. 676(b)(13) Provide "information describing how the State will carry out the assurances described in this section."

Note: The Department provides information for each of the assurances directly in section 14 or in corresponding items throughout the State Plan, which are included as hyperlinks in section 14.

[No response for this item]

☒ By checking this box, the State CSBG authorized official is certifying the assurances set out above.

SECTION 15
Federal Certifications

The box after each certification must be checked by the State CSBG authorized official.

15.1 Lobbying

Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all entities shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Statement for Loan Guarantees and Loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that:

If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, “Disclosure Form to Report Lobbying,” in accordance with its instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

☒ By checking this box, the State CSBG authorized official is providing the certification set out above.

15.2 Drug-Free Workplace Requirements

This certification is required by the regulations implementing the Drug-Free Workplace Act of 1988: 45 CFR Part 76, Subpart, F. Sections 76.630(c) and (d)(2) and 76.645 (a)(1) and (b) provide that a Federal agency may designate a central receipt point for STATE-WIDE AND STATE AGENCY-WIDE certifications, and for notification of criminal drug convictions. For the Department of Health and Human Services, the central point is: Division of Grants Management and Oversight, Office of Management and Acquisition, Department of Health and Human Services, Room 517-D, 200 Independence Avenue, SW Washington, DC 20201.

Certification Regarding Drug-Free Workplace Requirements (Instructions for Certification)

(1) By signing and/or submitting this application or grant agreement, the grantee is providing the certification set out below.

(2) The certification set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, the agency, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.

(3) For grantees other than individuals, Alternate I applies.

(4) For grantees who are individuals, Alternate II applies.

(5) Workplaces under grants, for grantees other than individuals, need to be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee’s drug-free workplace requirements.

(6) Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio studios).

(7) If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph five).

(8) Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules:

Controlled substance means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C. 812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

Conviction means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

Criminal drug statute means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

Employee means the employee of a grantee directly engaged in the performance of work under a grant, including: (i) All direct charge employees; (ii) All indirect charge employees unless their impact or involvement is insignificant to the performance of the grant; and, (iii) Temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces).

Certification Regarding Drug-Free Workplace Requirements

Alternate I. (Grantees Other Than Individuals)

The grantee certifies that it will or will continue to provide a drug-free workplace by:

(a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;

(b) Establishing an ongoing drug-free awareness program to inform employees about - -

(1) The dangers of drug abuse in the workplace;

(2) The grantee's policy of maintaining a drug-free workplace;

(3) Any available drug counseling, rehabilitation, and employee assistance programs; and

(4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

(c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);

(d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will - -

(1) Abide by the terms of the statement; and

(2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

(e) Notifying the agency in writing, within 10 calendar days after receiving notice under paragraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

(f) Taking one of the following actions, within 30 calendar days of receiving notice under paragraph (d)(2), with respect to any employee who is so convicted - -

(1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

(g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e) and (f).

The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, state, zip code) **[Narrative:**

Texas Department of Housing and Community Affairs

221 East 11th Street

Austin, Travis County, Texas 78701-2410]

Check if there are workplaces on file that are not identified here.

Alternate II. (Grantees Who Are Individuals)

(a) The grantee certifies that, as a condition of the grant, he or she will not engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance in conducting any activity with the grant;

(b) If convicted of a criminal drug offense resulting from a violation occurring during the conduct of any grant activity, he or she will report the conviction, in writing, within 10 calendar days of the conviction, to every grant officer or other designee, unless the Federal agency designates a central point for the receipt of such notices. When notice is made to such a central point, it shall include the identification number(s) of each affected grant.

[55 FR 21690, 21702, May 25, 1990]

☒ By checking this box, the State CSBG authorized official is providing the certification set out above.

15.3 Debarment

CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS

Certification Regarding Debarment, Suspension, and Other Responsibility Matters - -

Primary Covered Transactions

Instructions for Certification

(1) By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.

(2) The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

(3) The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

(4) The prospective primary participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective

primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

(5) The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.

(6) The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.

(7) The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusive-Lower Tier Covered Transaction," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

(8) A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Non-procurement Programs.

(9) Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

(10) Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

Certification Regarding Debarment, Suspension, and Other Responsibility Matters - -

Primary Covered Transactions

(1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;

(b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

(d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

(2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - - Lower Tier Covered Transactions

Instructions for Certification

(1) By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.

(2) The certification in this clause is a material representation of fact upon which reliance was

(3) Placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

(4) The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier

participant learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.

(5) The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.

(6) The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.

(7) The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled “Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction,” without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

(8) A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from covered transactions, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.

(9) Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

(10) Except for transactions authorized under paragraph five of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - - Lower Tier Covered Transactions

(1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

(2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

☒ By checking this box, the State CSBG authorized official is providing the certification set out above.

15.4 Environmental Tobacco Smoke

Public Law 103227, Part C Environmental Tobacco Smoke, also known as the Pro Children Act of 1994, requires that smoking not be permitted in any portion of any indoor routinely owned or leased or contracted for by an entity and used routinely or regularly for provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to $1000 per day and/or the imposition of an administrative compliance order on the responsible entity by signing and submitting this application the applicant/grantee certifies that it will comply with the requirements of the Act.

The applicant/grantee further agrees that it will require the language of this certification be included in any subawards which contain provisions for the children's services and that all subgrantees shall certify accordingly.

☒ By checking this box, the State CSBG authorized official is providing the certification set out above.

ATTACHMENTS

Attachment A
Response to Question 10.2 Monitoring Policies

Compliance Division

Subrecipient Monitoring Section

<u>Standard Operating Procedures</u>

1.0 Risks and Control Objectives

1.1 The risks associated with not having an SOP for Assignments and Risk Assessments and the control objectives to ensure that those risks are minimized, are illustrated in the following table:

Risks	Control Objectives
The risks associated with not having an SOP for monitoring procedures are that that monitoring reviews may not be conducted or be conducted in a consistent manner and within the requirements of the Department and/or Federal requirements.	This SOP will minimize the risks described by providing a comprehensive process for a monitoring risk assessment, monitoring assignment and for the completion of monitoring reports and responses.

2.0 Policy

2.1 It is the requirement of the Texas Department of Housing and Community Affairs and its Compliance Division to perform monitoring functions of federal and state funds, in a consistent manner that is compliant with Department and Funding source requirements. The Chief of Compliance oversees three (3) monitoring sections within the Compliance Division, one (1) of which is the Compliance Subrecipient Monitoring section. The Compliance Subrecipient Monitoring director oversees the section of employees that monitor the programs that are administered by the Community Affairs Division, Single Family, and Home and Homelessness Programs Divisions of the Department.

3.0 General

3.1 Abbreviations

A. Texas Department of Housing and Community Affairs – Department

B. Community Affairs Division – CAD

C. Compliance Division - Compliance

D. Compliance Division Subrecipient Monitoring Section - CMSM

E. Compliance Subrecipient Monitoring Director – CMSM Director

F. Subrecipient Monitor – Compliance Monitor or Monitor

G. Community Affairs Division program awardees (Non-profit corporations, Counties, Cities, Council of Government's) – Subrecipient

H. Weatherization Assistance Program – WAP

I. Comprehensive Energy Assistance Program – CEAP

J. Community Services Block Grant - CSBG

K. Department of Energy – DOE

L. Emergency Solutions Grant – ESG

M. HOME Investments Partnership – HOME

N. Homeless Housing and Services Program – HHSP

O. Housing Trust Fund – HTF

P. Low Income Housing and Energy Assistance Program – LIHEAP

Q. LIHEAP Weatherization Assistance Program – LI-WAP

R. National Housing Trust Fund – NHTF

S. Neighborhood Stabilization Program – NSP

T. Quality Control Inspector - QCI

3.2 Purpose

A. This SOP describes the Department's methodology for monitoring Subrecipients.

B. To comply with Department rules on the administration on program funds.

C. To comply with Federal Funding source requirements for administering program funds.

D. It establishes consistent processes and procedures when monitoring CAD programs.

E. Monitoring activities are planned to focus on areas of highest risk and to help ensure the most effective use of monitoring resources.

F. To ensure the CMSM Compliance Monitors completed monitoring reports and responses within a designated time frame to ensure Subrecipients address any corrective actions in a timely manner.

G. To ensure monitoring responses are reviewed to ensure corrective actions were completed.

4.0 Responsibilities

4.1 The CMSM section is responsible for ensuring the CEAP, CSBG, ESG, HOME, HHSP, HTF, Ending Homelessness, CDBG, Multifamily Direct HOME Loans, NHTF, NSP and WAP programs (DOE and LIHEAP) are administered and funds are expended in accordance with contract provisions and applicable State and Federal rules, regulations, policies, and related statutes.

4.2 The CMSM Director will ensure a monitoring schedule is developed that identifies the Subrecipients that are to be monitored.

4.3 According to individual program requirements and/or standards, the CMSM section will develop a list of specific compliance requirements to be reviewed. The section will also develop a methodology to review each compliance requirement consistently.

4.4 The CMSM section will perform the respective monitoring to determine Subrecipient compliance.

4.5 The CMSM monitors will notify the CMSM Director and/or Chief of Compliance if a finding or concern of fraud, waste and/or abuse were noted during a Subrecipient's monitoring.

4.6 Within 30 days of the completion of the monitoring, the CMSM section will develop a report or correspondence, for the Subrecipient, reflecting the results of the monitoring.

4.7 The CMSM section will address the Subrecipient's response to the report and/or close out the monitoring process.

4.8 The CMSM section will notify and work with the CAD Training section to address any findings consistent within the Subrecipient network.

5.0 Subrecipient Monitoring Selection

5.1 The CMSM section will complete a Subrecipient monitoring review schedule, at least quarterly each year. The schedule will identify the quarter in which the Subrecipient will be monitored.

5.2 The CMSM section utilizes the most efficient use of its travel and monitoring budget, as its methodology in developing the Subrecipient monitoring review schedule. The schedule takes into account the program contract periods and may require Compliance Monitors to review multiple programs during the review.

5.3 The Department's schedule is used as a planning tool and is subject to change. The CMSM Section may encounter situations that arise and cause Subrecipients to be monitored in a different month or more frequently than what is identified in the schedule. These situations may include:

1. Subrecipient who may not or have not met the minimum on-site monitoring threshold.
2. There is low production in the program(s) selected for monitoring.
3. Monitor(s) attempt to schedule a monitoring and provides proposed monitoring dates. However, the Subrecipient is unable to accommodate the monitoring during the proposed dates.
4. The Department receives fraud, waste and/or abuse concerns against a Subrecipient.
5. The Department receives a credible complaint against a Subrecipient.

5.4 As needed, the CMSM will also factor in the results of a Subrecipient's prior monitoring review and/or Single Audit findings when determining the monitoring schedule. Subrecipient's with prior and/or repetitive monitoring and/or Single Audit findings are a priority to be monitored.

5.5 At a minimum:

A. DOE (July-June) and LIHEAP WAP (Jan. – Dec.) Subrecipients will be monitored at least once each year;

B. LIHEAP Subrecipients will be monitored at least once every three (3) years (Triennial).

C. CSBG Subrecipients will be monitored at least once every three (3) years (Triennial).

6.0 Determining Compliance Requirements

6.1 The CMSM section will review Subrecipient's compliance with program requirements, contract provisions and Federal, State, local government rules and regulations.

A. The CMSM section will determine compliance on specific contract provisions, rules, regulations and/or program requirements are most applicable to be reviewed or required to be reviewed by the funding source. The CMSM section will verify if the Subrecipients have complied with the requirements. The CMSM section will utilize a monitoring tool (instrument) that identifies the areas of compliance that will be reviewed. The monitoring tool will have a methodology to reflect the process used to determine compliance of each selected contract provision, rule, regulation and/or requirement.

B. The monitoring tool will be in electronic format and the CMSM section will enter the selected compliance requirements into the document.

C. The monitoring tool will be maintained in the Department's monitoring software (Teammate).

6.2 The monitoring tool and the list of compliance requirements that are to be reviewed may be revised, updated, or changed from period to period due to program, legislative and/or budget changes.

A. The listed monitoring tool is reviewed on a continual basis, during the federal fiscal year or Subrecipient program year (as applicable), to account for changes in rules and/or program requirements.

7.0 Monitoring Announcement

7.1 After it has been determined which Subrecipients will be monitored, the CMSM Director will assign monitors, to the Subrecipients who will be monitored. The CMSM Director will determine the method of distributing the Subrecipients to the Monitors.

7.2 After a review of risk factors utilized in previous risk assessments the following factors have been identified by staff consensus as the set of indicators that most accurately present the highest degree of program and fiscal risk:

◊ Program Activity Type
◊ Number of months remaining on the contract;
◊ Time Since Most Recent Monitoring Evaluation of the elapsed length of time since a Subrecipient has received an on-site visit or desk review;
◊ Results of previous on-site visit(s) and/or desk review;
◊ Total Funds Budgeted – Evaluation of the total amount of funds awarded to a Subrecipient;
◊ Total Funds Committed – Evaluation of the percentage of funds committed to the projects of the contract(s);
◊ Total Cumulative Draws – Evaluation of the percentage of contract funds drawn;
◊ Match obligation for contract;
◊ Set-aside Type;
◊ Construction Activities – A review to determine if subrecipient's performing activities with a construction component have incurred Davis-Bacon Labor Standards requirements; and
◊ Details of any reported complaints (internal and external).

Risk Factors may be revised, updated, or changed from period to period due to program, legislative, or budget changes. *The Risk Factors utilized may also be governed or restricted by constraints inherent in the architecture of the central data base system. It may not be 100% accurate or cost-effective to include some risk factors because of this constraint. An example is Single Audit Status.*

Other Risk Factors may include:

- ◊ Multiple funding sources for a contract;
- ◊ Significant gaps between expected and actual results of previous contracts;
- ◊ Multiple contracts for an individual subrecipient; and
- ◊ Instability in the management environment.

7.3 The Monitor will contact each of the assigned Subrecipients and schedule future on-site monitoring. The Monitor will make every attempt to provide the Subrecipient with a minimum of 30 days' notice prior to the monitoring review.

A. On occasions, the monitoring may occur with fewer than 30 days' notice. Situations that may warrant a monitoring occurring with fewer than 30 days' notice include:

1. The Subrecipient notifies the Department that it is not able to be monitored the proposed week and chooses the monitoring date.
2. The Department receives credible fraud, waste and/or abuse concerns against a Subrecipient requiring little to no notice of the monitoring.
3. The Department receives a credible complaint against a Subrecipient requiring little to no notice of the monitoring.

7.4 After the monitoring date has been confirmed, the Monitor will complete a Monitoring Announcement letter.

7.5 When the announcement letter has been completed, the document will be scanned and saved to the Subrecipient's respective Monitoring file within the computerized Monitoring Software.

7.6 The scanned version will be emailed to the Subrecipient. If applicable, a copy of the announcement letter will be sent to appropriate individuals.

7.7 The Monitoring Announcement letter should be sent to the Subrecipient as soon as the monitoring dates have been set, but no less than two (2) weeks prior to the monitoring.

7.8 In some instances a Monitoring Announcement letter may be submitted less than two (2) weeks from the scheduled monitoring. This may occur when 7.2 A (1) is met.

7.9 In some instances a Monitoring Announcement letter may not be submitted to the Subrecipient prior to the monitoring. This may occur when 7.2 A (2) and (3) are met.

8.0 Performing the On-site Monitoring

NOTE: Virtual monitoring and desk review of files to occur during the COVID-19 pandemic in place of on-site monitoring.

8.1 The CMSM section will utilize electronic monitoring tool to review the selected compliance requirements and to document the Subrecipients compliance with the specific requirement.

8.2 If the appropriate Subrecipient staff is available, the Monitor will have an Entrance Conference prior to the start of the monitoring. In the Entrance Conference the Monitor will provide a brief summary of the on-site monitoring process and/or the on-site monitoring plan. The Monitor will also utilize this time to answer Subrecipient questions that are specific to the monitoring and/or the programs.

8.4 After the Entrance conference, the Monitor will review the compliance requirements and perform the methodology to determine compliance with the selected requirements. The monitor will complete each question and section of the selected compliance requirements on electronic testing documents. The CMSM section will document the reason for the inability to verify any of the selected compliance requirements.

A. Weatherization Assistance Program ("WAP") Monitorings may be performed as a Full Monitoring or as a Unit Inspection.

a. A Full WAP Monitoring will consist of the Compliance Monitor performing a review to determine compliance with Financial and Expenditure requirements, Administrative requirements, client eligibility requirements and performing an inspection of weatherized units.

b. Unit Inspection monitoring consists of the Compliance Monitor(s) reviewing weatherization client files for compliance and eligibility requirements and performing an inspection of the weatherized units.

c. Client file reviews and Unit Inspections will vary according to the funding source used to weatherize the unit. When units are weatherized with LIHEAP funding only, the Compliance Monitor(s) will review the weatherized work based on an established Priority Rating sheet. When units are weatherized with DOE funding only, or with DOE and LIHEAP funds, the Compliance Monitor(s) will review the weatherized work based on an approved Energy Audit. Compliance Monitors will be required to have all applicable field tests performed during the Unit Inspection. The Compliance Monitor(s) may supervise a Subrecipient's performance of the field test. The Compliance Monitor(s) must document the results of the field tests.

d. The Compliance Monitor will utilize the following as a guide when determining the number of units to inspect. The actual number of units inspected will vary according to the number of QCI staff employed by the Subrecipient and the process the Subrecipient follows for their Assessments and Final Inspections.

a. When a Compliance Monitor is conducting a monitoring visit, in which the Subrecipient has limited QCI staff therefore the same QCI staff will perform more than one function in the unit, the Compliance Monitor(s) will perform a minimum of:
    i. Ten percent (10%) unit inspections of the total units completed

b. When a Compliance Monitor is conducting a monitoring visit, in which the Subrecipient has multiple QCI staff therefore the QCI staff performing the final inspection will not perform any other function in the unit, Compliance Monitor(s) will perform a minimum of:
    i. Five percent (5%) unit inspections of the total units completed

e. The CMSM Section will be required to monitor a minimum of 5% of all completed weatherized units (at the time of the monitoring) that are funded by DOE and inspected by a QCI who was not involved in the assessment of the weatherized unit. The CMSM Section will monitor a minimum of 10% of all completed weatherized units (at the time of the monitoring) that were inspected by a QCI that was involved in the assessment of the weatherized unit. The CMSM section will utilize the monitoring tracking database to track the number of units that have been inspected. The Department will also review Monthly Expenditure Reports to track the number of total completed units and will adjust the monitoring schedule to ensure that it meets the minimum number of units inspected.

a. A Compliance Monitor may not be able to monitor the minimum number of weatherized units if:
    i. the Subrecipient does not have enough completed weatherized units;
    ii. the geographical location of the weatherized homes prohibits the ability to inspect units;
    iii. inclement weather persists.

B. Community Services Block Grant
    1. A CSBG Monitoring review will consist of the Compliance Monitor performing a review to determine compliance with Financial and Expenditure requirements, Administrative requirements and client eligibility requirements.
    2. The monitoring tool's methodology identifies the minimum number of expenditures and client files to review.

C. Comprehensive Energy Assistance Program
    1. A CEAP Monitoring review will consist of the Compliance Monitor performing a review to determine compliance with Financial and Expenditure requirements, Administrative requirements and client eligibility requirements.
    2. The monitoring tool's methodology identifies the minimum number of expenditures and client files to review.

8.5 When the respective methodology is not enough to determine compliance, the Monitor(s) will make every effort to determine if the requirement is compliant. This may require the Monitor(s) to perform additional testing, request additional information or clarification from Subrecipient staff and/or request assistance from peer Monitors, CA Division staff, the CMSM Director or the Chief of Compliance.

8.6 The Monitor will obtain and maintain the appropriate documentation to justify any finding, disallowed and/or questioned cost.

8.7 The Monitor will notify the CA Trainers of the Subrecipient's need for Training and/or Technical Assistance if necessary.

8.8. If the Monitor(s) is unable to complete the monitoring during the specified period, the Monitor(s) must notify the CMSM Director of the circumstance(s) that resulted in the inability to complete the monitoring. The CMSM Director will determine the appropriate course of action to complete the monitoring. The Monitor must notify the Subrecipient that additional time is required to complete the monitoring and of the course of action that was determined by the CMSM Director. The inability to complete the monitoring and the course of action must be documented in the computerized Monitoring Software or the Monitoring Instrument.

8.9 Time permitting and if the appropriate Subrecipient staff are available, the Monitor will make every attempt to provide the Subrecipient with an on-site Exit Conference. The Exit Conference is intended to explain, to the Subrecipient, the preliminary results of the monitoring. In some situations the Subrecipient may be provided a few days to submit documentation, if the documentation was not readily available during the onsite visit. In this situation, an Exit conference may not be conducted on-site.

8.10 If an on-site exit conference cannot be completed, the Monitor will schedule an Exit conference via conference call. The call will typically occur within 5 business days from the last day the monitoring.

8.11 The Monitor(s) will create electronic copies of all applicable monitoring documents and/or Finding support documentation obtained during the review. The Monitor will save the electronic copies to the monitoring file within the computerized Monitoring Software.

9.0 Monitoring Report

9.1 The Monitor(s) will be required to develop a report, detailing the results of the monitoring. Each Monitoring Report will contain general program information and/or a brief description of the monitoring process that was performed. If applicable, the monitoring report will contain:

A. Finding/Deficiency (CSBG only)

1 A brief and concise description of the lack of compliance of a specific program requirement;

2. A brief description of the program requirement;

3. A description of any disallowed or questioned cost; and

4. The respective reference for program compliance.

B. Action Required for a Finding/Deficiency

1. A brief requirement for the Subrecipient to meet;

2. A requirement for the Subrecipient to complete a specific action to resolve the finding;

3. A requirement for the Subrecipient to provide a reimbursement, documents, an assurance and/or a response to the monitoring report.

C. If there were findings or deficiencies of noncompliance, a 30 calendar day corrective action deadline. If there were no Findings or Required Action, the Monitoring Report will reflect that no response is required and that the Monitoring Review is considered closed.

D. A Concern

1. A brief and concise description of the lack of compliance of a specific program requirement;
2. A brief description of the program requirement;

3. The respective reference for program compliance.

E. Action Required for a Concern

1. A brief requirement for the Subrecipient to meet;
2. A requirement for the Subrecipient to complete a specific action to resolve the Concern;

F. Observation

1. A brief and concise description of the policy, practice or procedure observed through the course of monitoring that may lead to a lack of compliance of a specific program requirement.

9.2 Monitors are expected to, on average, complete monitoring letters within 30 calendar days from the last day of the onsite visit. However, DOE-WAP monitoring letters must be completed within 30 calendar days.

9.3 The Monitor(s) will make an electronic copy of the Monitoring Report and save the copy to the Subrecipient's respective monitoring file within the computerized Monitoring Software. The scanned version will be emailed. A hard copy report will be mailed to the Subrecipient if email is not an option.

9.4 At a minimum, the Monitor will e-mail the Monitoring Report to the Subrecipient and a copy of the report to the Subrecipient's Board Chair or the assigned Board representative.

9.5 The date the monitoring report is considered complete and submitted to the Subrecipient, is when the report is emailed to the Subrecipient.

10.0 Response to the Monitoring Report

10.1 The Subrecipient will be provided a 30 day corrective action period which can be extended for good cause by the Chief of Compliance.

10.2 The Monitor(s) is responsible for tracking corrective action due dates. If the Department has not received the Subrecipient's response, the Monitor(s) will submit a letter to the Subrecipient, notifying them of the delinquent response. The Monitor will document that a letter was sent to the Subrecipient, in the "Notes" area of the Monitoring Tracking System.

10.3 If the Subrecipient's response is submitted as a paper document, the Monitor will make an electronic copy of the response. The Monitor will then save the copy to the Subrecipient's respective Monitoring File within the electronic software.

10.4 The Monitor(s) will review the Subrecipient's response to the report for compliance with the specific Finding's required action and program rules, regulations and requirements.

10.5 Within 45 business days of the receipt of the response, the Monitor(s) will provide correspondence to the Subrecipient addressing each Finding and/or required action. For each Finding, the monitor(s) will:

A. Briefly state the Finding that occurred;

B. The Subrecipient's response and/or documentation;

C. Any concern or question posed in the Subrecipient's response;

D. The results of the Department's review of the response and/or documentation;

E. Necessary information to address the Subrecipient's concern or question;

F. If the response and/or documentation is acceptable to resolve the Finding;

G. If the Finding is resolved;

H. If applicable, the Finding is closed;

i. A Finding will not be considered resolved, but closed when the Department believes the Subrecipient's required action is not obtainable. The Subrecipient will no longer be required to complete the required action.

ii. The Department should consider the efforts the Subrecipient made to resolve the Finding.

iii. A "Closed" Finding will not be used on the Required Action of a Subrecipient to reimburse the Department for disallowed expenditures.

I. If applicable, the additional required action to resolve the Finding.

10.6 The Monitor(s) will make an electronic copy of the document addressing the Subrecipient's response to the report. The Monitor will save the copy to the Subrecipient's respective monitoring filein the computerized Monitoring Software. The scanned version will be emailed to the Subrecipient. If applicable, a copy of the document will be sent to appropriate individuals.

10.7 If the Subrecipient's response did not resolve the Findings and/or required actions of the monitoring report, the Monitor(s) will keep abreast of the Subrecipient's 30 day response period. If the Department has not received the Subrecipient's response, the Monitor(s) will submit a letter to the Subrecipient, notifying them of the delinquent response. The Monitor will document that a letter was sent to the Subrecipient, in the Monitoring Tracking System.

10.8 When the Subrecipient submits the response from 10.7, the Monitor(s) will continue at 10.2 of the Monitoring SOP. If the Monitor completes Section 10.5 of the SOP and determines the Subrecipient's response to Finding(s) to remain unresolved, the Monitor will continue with 10.6 and 10.7 of the SOP. However, unless prior approval from the Chief of Compliance, the original Corrective Action deadline is not amended. The Subrecipient must resolve the Finding(s)as soon as possible. If the Department has not received the Subrecipient's response, the Monitor(s) will submit a letter to the Subrecipient, notifying them of the delinquent response. The Monitor will document that a letter was sent to the Subrecipient, in the Monitoring Tracking System.

10.9 Similarly, when the Subrecipient submits the response from 10.8, the Monitor(s) will continue at 10.2 of the Monitoring SOP. If the Monitor completes Section 10.5 of the SOP and determines the Subrecipient's response to Finding(s) to remain unresolved, the CMSM Director will notify the Chief of Compliance. The Chief of Compliance may determine if the matter should be referred to the Department's Enforcement Committee in accordance with Department Rules and SOPs.

10.10 If a Subrecipient has submitted its second response and is still not able to comply with the required action(s), the Monitor(s) will note in its subsequent correspondence that the Subrecipient is able to request a meeting with the Department's Compliance committee. The Subrecipient may request the committee to review the validity of the Finding or to appeal the required action.

A. The Subrecipient must include in its subsequent response that it request a meeting with the Compliance committee.

B. Once the request has been received, the Department will follow the rules and the SOP's pertaining to the Compliance committee.

APPROVAL:

Earnest Hunt ***2/12/2019***

Compliance Subrecipient Monitoring Director

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BOARD ACTION REQUEST

COMMUNITY AFFAIRS DIVISION

JUNE 17, 2021

Presentation, discussion, and possible action on approval of the 2022 Low Income Home Energy Assistance Program State Plan for submission to the U.S. Department of Health and Human Services and approval of the associated 2022 awards

RECOMMENDED ACTION

WHEREAS, the Texas Department of Housing and Community Affairs (the Department) develops and submits a State Plan to the U.S. Department of Health and Human Services (USHHS) each year to administer the Low Income Home Energy Assistance Program (LIHEAP);

WHEREAS, the Board approved a draft 2022 LIHEAP State Plan on April 8, 2021, which was then made available for public comment and that public comment is addressed below; and

WHEREAS, the final 2022 LIHEAP State Plan (the Plan) includes the awards to subrecipients of 2022 LIHEAP funds as recommended by the Executive Award Review and Advisory Committee (EARAC);

NOW, therefore, it is hereby

RESOLVED, that if the Texas Grant Management Standards (effective January 1, 2022) requires changes that the Board authorizes staff to make any conforming changes as necessary to comply with these standards; and

FURTHER RESOLVED, that the Executive Director or his designee are hereby authorized, empowered, and directed, for and on behalf of this Board to submit the Plan to USHHS and upon USHSS approval of such Plan to contract for the awards represented in the Plan and in connection therewith to execute, deliver, and cause to be performed such amendments, documents, and other writings such as anticipated grant guidance on development of the Plan from USHHS or to make such non-substantive technical corrections as they or any of them may deem necessary or advisable to effectuate the foregoing.

BACKGROUND

The Department develops and submits a LIHEAP Plan each year on or before September 1 to USHHS. USHHS provides a model plan to guide the format and content. The draft, upon approval by the Board on April 8, 2021, was released for public comment. The public comment period was open from April 23, 2021, to May 24, 2021, and two virtual public hearings were held on May 12 and May 13, 2021.

One individual representing one subrecipient commented on the draft. A summary of these comments with Department response is provided below.

It should be noted that the Plan follows a template and series of required responses pre-determined by USHHS with character limitations and specific instructions. Also, the Plan has yet to be reviewed and approved by USHHS. In its review, it is common for USHHS to request corrections to the Plan. Staff recommends the Board authorize staff to make such required changes to ensure USHHS approval.

The Previous Participation Rule (10 TAC, Chapter 1, Subchapter C, §1.302) requires a review of the LIHEAP awards prior to contract execution. The review has been performed and the subrecipients listed in the tables below have been recommended by the Executive Award Review and Advisory Committee for award. Only one subrecipient award, Big Bend Community Action Committee, Inc., has been conditioned as follows:

Agency	Condition
Big Bend Community Action Committee, Inc. (BBCAC)	This award is conditioned upon BBCAC submitting their compliant FYE 12/31/2019 Single Audit to the Federal Audit Clearinghouse (FAC) and providing written notice to the Department of the submission within 5 business days of FAC submission AND BBCAC must submit a response sufficient to satisfactorily resolve their open monitoring report. Both of these actions must be completed before a LIHEAP Contract is issued, but no later than September 8, 2021. Additionally, BBCAC is notified that failure to complete this condition may serve as good cause under 10 TAC §1.411(f) for nonrenewal or reduction of block grant funds.

Attachment A: Summary of Public Comment and Staff Recommendations Related to the 2022 Low Income Home Energy Assistance Program State Plan

A summary of the public comment on the draft 2022 LIHEAP State Plan and staff's recommendations are as follows:

SUMMARY OF PUBLIC COMMENT AND STAFF RECOMENDATIONS: The Department accepted public comment April 23, 2021, through May 24, 2021. Comment was received from one individual representing one subrecipient. Comments and responses are presented in the following list.

Commenter	Organization
Desiree Davis, Utility Assistance Director	BakerRipley

Section 1.4, Categorical Eligibility
COMMENT SUMMARY: Commenter recommends that Supplemental Nutrition Assistance Program (SNAP) be added as categorically eligible for cooling, heating, crisis, and weatherization.

STAFF RESPONSE: Only Supplemental Security Income and Means-tested Veterans programs are determined at the federal level, and therefore automatically meet the requirements of LIHEAP for categorical eligibility. Alternatively, in Texas, SNAP eligibility is determined at the state level using different income eligibility requirements; SNAP in Texas uses a higher eligibility standard than LIHEAP and there may be households that qualify for SNAP that would not be income eligible for LIHEAP. Therefore, the Department cannot use SNAP eligibility to determine LIHEAP eligibility. As a result, staff proposes no changes to the Plan in response to the comment.

Section 1. 8, Determination of Eligibility-Countable Income
COMMENT SUMMARY: Commenter recommends using net income instead of gross income to determine eligibility because many individuals have deductions that significantly decrease their net income.

STAFF RESPONSE: Although the Plan allows the use of net income to determine eligibility for assistance, the Department chooses to use gross income for several reasons. First, most individuals readily know their gross income versus their net income. Second, gross income is often more stable than net income as net income can change month to month depending on taxes and deductions. Third, when employers report income to the IRS, the amount reported is gross income (not net); therefore, gross income is more easily discernable on paycheck stubs. Finally, it would be difficult to list all possible paycheck deductions to be included income (e.g., retirement plan deductions, health insurance deductions, charitable contribution deductions, etc.). Staff appreciates the comment, but proposes no changes to income eligibility determination.

Section 17.4, Citizenship/Legal Residency Verification
COMMENT SUMMARY: Commenter recommends that clients be allowed to sign an attestation of citizenship or legal residency as another option of proof of citizenship/legal residency. Commenter notes that this is especially critical for vulnerable populations. The commenter states that some clients were born by midwife and no birth records are available.

STAFF RESPONSE: The Department as the pass-through recipient of federal funds must abide by and ensure adherence to the laws prescribed by its federal oversight agencies. USHHS has indicated to the Department, and the Department has relayed to its subrecipients through the adoption of such rules in February 2019, that self-attestation is not an acceptable form of verification for citizenship/legal status. If self-attestation is used, and a household is later identified as being ineligible, those costs would be disallowed and its repayment would be a fiscal responsibility of the subrecipient (and the Department). The Department does not authorize self-attestation for this reason. The Department recognizes that attestation is reflected as an option in the Plan template and has submitted a clarification request to USHHS asking how self-attestation is acceptable in the Plan, if otherwise indicated as not acceptable. The Department appreciates the comment, but proposes no changes to this section of the Plan unless further clarification from USHHS indicates attestation is allowable and will not result in disallowed costs if accepted.

General Comments

COMMENT SUMMARY: Commenter recommends excluding income of ineligible household members due to citizenship status.

STAFF RESPONSE: Unqualified aliens are not authorized by statute (Section 2605 of the Low Income Home Energy Assistance Act of 1981) (42 U.S.C. § 8624(b)(2)) to receive LIHEAP services, and therefore are considered ineligible and may not be counted as part of the household. However, if an unqualified alien lives within a house and earns income, the income earned by the alien can and will be used for living expenses (e.g., rent, utilities, food) and can cause a household to be over the qualified income. If the income of the ineligible household member is excluded, a household could be considered eligible that is in fact over income. The Information Memorandum from HHS dated December 12, 2014, on this issue specifically indicates that there is no authority to exclude income. This rationale serves as the basis for 10 TAC §6.309(c).

The intention of §6.309(c) is definitely not to disqualify a household simply because it is mixed status, and is carefully written to indicate that a household can, and should, still be considered eligible for services even though an Unqualified Alien resides within. It is possible that households may not qualify due to income earned by an Unqualified Alien putting the household income above the Federal Poverty Guidelines; however, a household will not be considered ineligible simply because of the presence of an Unqualified Alien.

The Department recognizes that due to the requirement that households must be income eligible and to do so must be within Federal Poverty Income Guidelines for a given amount of persons in the household, it is possible that certain households with qualified aliens will be ineligible for assistance that might otherwise have been eligible had all the income in the household not been counted. However, the program is meant to assist households whose entire household income is below the federal poverty standard. The Department and its subrecipients must only assist those households who do not exceed those limits.

COMMENT SUMMARY: Commenter recommends providing heating and cooling assistance to non-vulnerable households for the entire year without any crisis criteria.

STAFF RESPONSE: Allowing non-vulnerable households to receive benefits to cover all remaining bills within a program year (as vulnerable households are allowed) rather than only six remaining bills could ultimately reduce the availability of CEAP assistance funding to vulnerable households (i.e., elderly persons, persons with a disability, and households with a child at or below the age of five). Vulnerable population households must be prioritized over non-vulnerable households and the Department does not want to risk lack of or lessened assistance to vulnerable households. In conjunction, spending more money per household might lessen the number of households assisted overall. The Department appreciates the suggestion, but does not feel it is prudent to make such a change.

COMMENT SUMMARY: Commenter recommends that a client's total benefit amount in a one-time lump sum payment to an energy vendor be allowed to cover arrears and ongoing payments and that if an applicant leaves a utility company the funds be returned to the subrecipient. This may help utilities retain customers.

STAFF RESPONSE: This comment refers to a rule not addressed in the Plan, but rather in 10 TAC Chapter 6. One-time lump sum payments in the amount of a client's total benefit are prohibited by 10 TAC §6.309(h)(2) and (9) which states "Payment to vendors may only include one energy bill payment per month" and "The Department does not allow CEAP expenditures to pay deposits." A one-time lump sum payment would cover multiple payments in the month it was issued and would also be considered a deposit to the energy vendor, both of which are prohibited by 10 TAC §6.309. In certain, extreme scenarios a one-time payment may be allowed if arrears and the first payment were so high as to meet the client's total benefit amount. The Department uses the pledge system rather than one-time lump sum payments because pledges, combined with a client's billing history, allow a subrecipient to forecast and make payments on the client's highest energy usage months of the year (typically winter and summer months) when energy bills are highest and for which clients may not have the funds to pay. Staff appreciates the recommendation, will make note of this comment to consider at the next rulemaking opportunity, but will make no changes to the Plan.

COMMENT SUMMARY: Commenter recommends increasing the percentage to qualify a Household as being eligible for LIHEAP assistance from 150% to 200% of the Federal Poverty Income Guidelines (FPIG). The increase would allow subrecipients to serve vulnerable households with slightly higher incomes and would align more closely with CSBG, to leverage assistance to additional households.

STAFF RESPONSE: Section 2605 of the Low Income Home Energy Assistance Act of 1981 (42 U.S.C. § 8624(b)(2)) limits states to making payments to households with incomes which do not exceed the greater of (i) an amount equal to 150% of the poverty level for such State; or (ii) an amount equal to 60% of the State Median Income. The Department does not have the authority to raise the threshold to 200%, and has determined that in order to reach as many low-income persons as possible to use 150% of FPIG to qualify Households as eligible for LIHEAP assistance. If in the future, the LIHEAP Act allows states to use a higher percentage of FPIG, the Department will consider such limits. Note that CSBG is currently at 200% FPIG only until September 30, 2021, unless Congress acts to extend the date. On October 1, 2021, CSBG will revert to 125% FPIG.

COMMENT SUMMARY: Commenter is supportive of the increases to the benefit levels per Household (i.e., increasing the maximum payment for Households with incomes 0-50% of Federal Poverty Income

Guidelines (FPIG) to $2,400 for the Utility Assistance Component and the Crisis Assistance Component, incomes at 51%-75% FPIG to $2,300 per Component, and incomes 76%-150% to $2,200) and the maximum payment for service and repair of heating and cooling units from $5,000 to $7,500.

STAFF RESPONSE: The Department appreciates the comment and hopes that the new amounts will more effectively serve low-income Texans.

2022 CEAP ALLOCATIONS

Contract Period: January 1, 2022 - December 31, 2022

	SUBRECIPIENT	ALLOCATION
1	Aspermont Small Business Development Center, Inc.	$991,651
2	BakerRipley	$18,242,469
3	Bexar County Community and Development Programs	$9,364,962
4	Big Bend Community Action Committee, Inc.*	$1,160,221
5	Brazos Valley Community Action Programs	$4,689,762
6	City of Fort Worth Neighborhood Services Department	$6,974,499
7	City of Lubbock Community Development Department	$1,640,248
8	Combined Community Action, Inc.	$1,035,608
9	Community Action Committee of Victoria, Texas	$1,779,833
10	Community Action Corporation of South Texas	$5,898,139
11	Community Action Inc. of Central Texas	$977,602
12	Community Council of South Central Texas, Inc.	$5,896,813
13	Community Services Northeast Texas, Inc.	$3,042,403
14	Concho Valley Community Action Agency	$1,943,447
15	Cornerstone Community Action Agency	$1,530,193
16	County of Hidalgo Community Services Agency	$6,731,444
17	Dallas County Health and Human Services	$11,466,650
18	Economic Action Committee of the Gulf Coast	$306,950
19	Economic Opportunities Advancement Corporation of Planning Region XI	$3,481,519
20	El Paso Community Action Program-Project BRAVO	$6,479,491
21	Area currently served by Galveston County Community Action Council, Inc.**	$3,589,935
22	Greater East Texas Community Action Program	$9,787,931
23	Hill Country Community Action Association, Inc.	$2,423,825
24	Kleberg County Human Services	$780,855
25	Nueces County Community Action Agency	$2,232,655
26	Panhandle Community Services	$3,853,792
27	Pecos County Community Action Agency	$761,899
28	Rolling Plains Management Corporation	$3,183,371
29	South Plains Community Action Association, Inc.	$1,844,865
30	South Texas Development Council	$1,200,855
31	Texas Neighborhood Services	$1,813,204
32	Texoma Council Of Governments	$4,518,059
33	Travis County Health and Human Services	$4,259,598
34	Tri-County Community Action, Inc.	$2,314,246
35	Webb County Community Action Agency	$1,907,053
36	West Texas Opportunities, Inc.	$3,811,422
37	Williamson-Burnet County Opportunities, Inc.	$984,988
	TOTAL	**$142,902,457**

Note: All figures are estimates and based on 2021 allocations. Staff will proportionally revise the award amounts according to formula upon Congressional approval and receipt of grant notifications from the U.S. Department of Health and Human Services.

* The Board has placed conditions on this award which must be met before a Contract is executed.

**EARAC has not yet made a recommendation for the area designated to receive this award. This action will be taken at a subsequent meeting. While not yet recommended for an award, the formula derived funding is reserved for this area of the state.

2022 LIHEAP WAP ALLOCATIONS

Contract Period: January 1, 2022 - December 31, 2022

	SUBRECIPIENT	ALLOCATION
1	Alamo Area Council of Government	$1,440,018
2	BakerRipley	$2,205,502
3	Big Bend Community Action Committee, Inc.*	$233,600
4	Brazos Valley Community Action Programs	$568,251
5	City of Fort Worth Neighborhood Services Department	$844,261
6	Combined Community Action, Inc.	$367,802
7	Community Action Committee of Victoria, Texas	$512,728
8	Community Action Corporation of South Texas	$1,965,761
9	Community Council of South Central Texas, Inc.	$335,688
10	Concho Valley Community Action Agency	$304,141
11	Dallas County Health and Human Services	$1,386,940
12	Economic Opportunities Advancement Corporation of Planning Region XI	$482,269
13	El Paso Community Action Program-Project BRAVO	$784,460
14	Greater East Texas Community Action Program	$1,616,019
15	Hill Country Community Action Association, Inc.	$458,474
16	Nueces County Community Action Agency	$271,417
17	Panhandle Community Services	$467,260
18	Rolling Plains Management Corporation	$736,148
19	South Plains Community Action Association, Inc.	$422,420
20	Texoma Council Of Governments	$914,747
21	Travis County Health and Human Services	$516,283
22	West Texas Opportunities, Inc.	$462,142
	TOTAL	**$17,296,331**

Note: All figures are estimates and based on 2021 allocations. Staff will proportionally revise the award amounts according to formula upon Congressional approval and receipt of grant notifications from the U.S. Department of Health and Human Services.

* The Board has placed conditions on this award which must be met before a Contract is executed.

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

MODEL PLAN

PUBLIC LAW 97-35, AS AMENDED

FEDERAL FISCAL YEAR 2022

GRANTEE: **Texas Department of Housing and Community Affairs**
EIN: **17426105429**
ADDRESS: **P.O. Box 13941**
Austin, Texas 78711-3941

LIHEAP COORDINATOR: **Michael DeYoung**
EMAIL: **michael.deyoung@tdhca.state.tx.us**
TELEPHONE: **(512) 475-2125** **FAX:** **(512) 475-3935**
CHECK ONE: TRIBE / TRIBAL ORGANIZATION _____ STATE__X____ INSULAR AREA _____

Department of Health and Human Services
Administration for Children and Families
Office of Community Services
Washington, DC 20447

August 1987, revised 05/92, 02/95, 03/96, 12/98, 11/01
OMB Approval No. 0970-0075

THE PAPERWORK REDUCTION ACT OF 1995 (Pub. L. 104-13)
Use of this model plan is optional. However, the information requested is required in order to receive a Low Income Home Energy Assistance Program (LIHEAP) grant in years in which the grantee is not permitted to file an abbreviated plan. Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, gathering and maintaining the data needed, and reviewing the collection of information. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

Assurances

The Texas Department of Housing and Community Affairs agrees to:

(1) use the funds available under this title to--

(A) conduct outreach activities and provide assistance to low income households in meeting their home energy costs, particularly those with the lowest incomes that pay a high proportion of household income for home energy, consistent with paragraph (5);

(B) intervene in energy crisis situations;

(C) provide low-cost residential weatherization and other cost-effective energy-related home repair; and

(D) plan, develop, and administer the State's program under this title including leveraging programs, and the State agrees not to use such funds for any purposes other than those specified in this title;

(2) make payments under this title only with respect to--

(A) households in which one or more individuals are receiving--

(i) assistance under the State program funded under part A of title IV of the Social Security Act;
(ii) supplemental security income payments under title XVI of the Social Security Act;
(iii) food stamps under the Food Stamp Act of 1977; or
(iv) payments under section 415, 521, 541, or 542 of title 38, United States Code, or under section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978; or

(B) households with incomes which do not exceed an amount equal to 150 percent of the poverty level for such State; or
(i) an amount equal to 60 percent of the State median income;

except that a State may not exclude a household from eligibility in a Federal fiscal year solely on the basis of household income if such income is less than 110 percent of the poverty level for such State, but the State may give priority to those households with the highest home energy costs or needs in relation to household income.

(3) conduct outreach activities designed to assure that eligible households, especially households with elderly individuals or disabled individuals, or both, and households with high home energy burdens, are made aware of the assistance available under this title, and any similar energy-related assistance available under subtitle B of title VI (relating to community services block grant program) or under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 before the date of the enactment of this Act;

(4) coordinate its activities under this title with similar and related programs administered by the Federal Government and such State, particularly low-income energy-related programs under subtitle B of title VI (relating to community services block grant program), under the supplemental security income program, under part A of title IV of the Social Security Act, under title XX of the Social Security Act, under the low-

income weatherization assistance program under title IV of the Energy Conservation and Production Act, or under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 before the date of the enactment of this Act;

(5) provide, in a timely manner, that the highest level of assistance will be furnished to those households which have the lowest incomes and the highest energy costs or needs in relation to income, taking into account family size, except that the State may not differentiate in implementing this section between the households described in clauses 2(A) and 2(B) of this subsection;

(6) to the extent it is necessary to designate local administrative agencies in order to carry out the purposes of this title, to give special consideration, in the designation of such agencies, to any local public or private nonprofit agency which was receiving Federal funds under any low-income energy assistance program or weatherization program under the Economic Opportunity Act of 1964 or any other provision of law on the day before the date of the enactment of this Act, except that--

(A) the State shall, before giving such special consideration, determine that the agency involved meets program and fiscal requirements established by the State; and

(B) if there is no such agency because of any change in the assistance furnished to programs for economically disadvantaged persons, then the State shall give special consideration in the designation of local administrative agencies to any successor agency which is operated in substantially the same manner as the predecessor agency which did receive funds for the Federal fiscal year preceding the Federal fiscal year for which the determination is made;

(7) if the State chooses to pay home energy suppliers directly, establish procedures to--

(A) notify each participating household of the amount of assistance paid on its behalf;

(B) assure that the home energy supplier will charge the eligible household, in the normal billing process, the difference between the actual cost of the home energy and the amount of the payment made by the State under this title;

(C) assure that the home energy supplier will provide assurances that any agreement entered into with a home energy supplier under this paragraph will contain provisions to assure that no household receiving assistance under this title will be treated adversely because of such assistance under applicable provisions of State law or public regulatory requirements; and

(D) ensure that the provision of vendor payments remains at the option of the State in consultation with local grantees and may be contingent on unregulated vendors taking appropriate measures to alleviate the energy burdens of eligible households, including providing for agreements between suppliers and individuals eligible for benefits under this Act that seek to reduce home energy costs, minimize the risks of home energy crisis, and encourage regular payments by individuals receiving financial assistance for home energy costs;

(8) provide assurances that--

(A) the State will not exclude households described in clause (2)(B) of this subsection from receiving home energy assistance benefits under clause (2), and

(B) the State will treat owners and renters equitably under the program assisted under this title;

(9) provide that--

(A) the State may use for planning and administering the use of funds under this title an amount not to exceed 10 percent of the funds payable to such State under this title for a Federal fiscal year; and

(B) the State will pay from non-Federal sources the remaining costs of planning and administering the program assisted under this title and will not use Federal funds for such remaining cost (except for the costs of the activities described in paragraph (16));

(10) provide that such fiscal control and fund accounting procedures will be established as may be necessary to assure the proper disbursal of and accounting for Federal funds paid to the State under this title, including procedures for monitoring the assistance provided under this title, and provide that the State will comply with the provisions of chapter 75 of title 31, United States Code (commonly known as the "Single Audit Act");

(11) permit and cooperate with Federal investigations undertaken in accordance with section 2608;

(12) provide for timely and meaningful public participation in the development of the plan described in subsection (c);

(13) provide an opportunity for a fair administrative hearing to individuals whose claims for assistance under the plan described in subsection (c) are denied or are not acted upon with reasonable promptness; and

(14) cooperate with the Secretary with respect to data collecting and reporting under section 2610.

(15) beginning in Federal fiscal year 1992, provide, in addition to such services as may be offered by State Departments of Public Welfare at the local level, outreach and intake functions for crisis situations and heating and cooling assistance that is administered by additional State and local governmental entities or community-based organizations (such as community action
agencies, area agencies on aging and not-for-profit neighborhood-based organizations), and in States where such organizations do not administer functions as of September 30, 1991, preference in awarding grants or contracts for intake services shall be provided to those agencies that administer the low-income weatherization or energy crisis intervention programs.

* This assurance is applicable only to States, and to territories whose annual regular LIHEAP allotments exceed $200,000. Neither territories with annual allotments of $200,000 or less nor Indian tribes/tribal organizations are subject to Assurance 15.

(16) use up to 5 percent of such funds, at its option, to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance, including needs assessments, counseling, and assistance with energy vendors, and report to the Secretary concerning the impact of such activities on the number of households served, the level of direct benefits provided to those households, and the number of households that remain unserved.

Certification to the Assurances: As Chief Executive Officer, I agree to comply with the sixteen assurances contained in Title XXVI of the Omnibus Budget Reconciliation Act of 1981, as amended. By signing these assurances, I also agree to abide by the standard assurances on lobbying, debarment and suspension, and a drug-free workplace.

Signature of the Tribal or Board Chairperson or Chief Executive Officer of the State or Territory.

Signature: ___________________________________

Title: Executive Director, Texas Department of Housing and Community Affairs

Date: August 2021 *(Exact date to be notated in USHHS OLDC system at time of submission)*

The Governor of Texas has delegated the responsibility of signing this document to the Executive Director of the Texas Department of Housing and Community Affairs. A copy of the letter is attached.

The EIN (Entity Identification Number) of the Texas Department of Housing & Community Affairs, which receives the grant funds, appears on the cover of this application.

In the above assurances which are quoted from the law, "State" means the 50 States, the District of Columbia, an Indian Tribe or Tribal Organization, or a Territory; "title" of the Act refers to Title XXVI of the Omnibus Budget Reconciliation Act of 1981 (OBRA), as amended, the "Low Income Home Energy Assistance Act"; "section" means Section 2605 of OBRA; and, "subsection" refers to Section 2605(b) of OBRA.

Section 1[1]

Program Components, 2605(a), 2605(b)(1) – Assurance 1, 2605(c)(1)(C)

1.1 Check which components you will operate under the LIHEAP program. (Note: You must provide information for each component designated here as requested elsewhere in this plan.)

		Dates of Operation[2]	
☒	Heating assistance	Start date: 10/01/2021	End date: 09/30/2023
☒	Cooling assistance	Start date: 10/01/2021	End date: 09/30/2023
☒	Crisis assistance	Start date: 10/01/2021	End date: 09/30/2023
☒	Weatherization assistance	Start date: 10/01/2021	End date: 09/30/2023

Estimated Funding Allocation, 2604(c), 2605(k)(1), 2605(b)(9), 2605(b)(16) – Assurances 9 and 16

1.2 Estimate what amount of available LIHEAP funds will be used for each component that you will operate: **The total of all percentages must add up to 100%**

15% heating assistance

50% cooling assistance

10% crisis assistance

Up to 15% weatherization assistance[3]

0% carryover to the following Federal fiscal year

10% administrative and planning costs

0% services to reduce home energy needs including needs assessment (Assurance 16)

0% used to develop and implement leveraging activities

100% **TOTAL**

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[1] Capitalized terms are defined in Title 10, Chapters 1, 2, or 6 (as applicable) of the Texas Administrative Code or by federal law.

[2] Identification of these periods does not limit the payment of assistance on any "seasonal" basis.

[3] If 15% is not used for weatherization assistance, the balance will be added to heating, cooling, or crisis assistance as needed.

Alternate Use of Crisis Assistance Funds, 2605(c)(1)(C)

1.3 The funds reserved for winter crisis assistance that have not been expended by March 15 will be reprogrammed to:

☐ Heating assistance
☐ Weatherization assistance
☐ Cooling assistance
☒ Other (specify): funds are utilized for all eligible components

Categorical Eligibility, 2605(b)(2)(A) – Assurance 2, 2605(c)(1)(A), 2605(b)(8A) – Assurance 8

1.4 Do you consider households categorically eligible if one household member receives one of the following categories of benefits in the left column below? ☒ Yes ☐ No

Program	Cooling	Heating	Crisis	Weatherization
Temporary Assistance for Needy Families	No	No	No	No
Supplemental Security Income	Yes	Yes	Yes	Yes
Supplemental Nutrition Assistance Program	No	No	No	No
Means-tested Veterans Programs	Yes	Yes	Yes	Yes

1.5 Do you automatically enroll households without a direct annual application?
☐ Yes ☒ No

1.6 How do you ensure there is no difference in the treatment of categorically eligible households from those not receiving other public assistance when determining eligibility and benefit amounts?
Texas provides Categorical Eligibility for SSI and Means-Tested Veterans Programs into its program. State rules have a provision that there is to be no difference in the treatment of Categorically Eligible Households. The Department has a system for persons to submit complaints, and the monitoring reviews would also note any differences in treatment of persons that are or are not Categorically Eligible.

<u>SNAP Nominal Payments</u>
1.7 Do you allocate LIHEAP funds toward a nominal payment for SNAP households? If you answered "yes" to question 1.71 you must provide a response to 1.7b, 1.7c, 1.7d.
a. ☐ Yes ☒ No
b. Amount of Nominal Assistance: $___NA________
c. Frequency of Assistance:
☐ Once per year
☐ Once every five years
☐ Other (describe): ___________NA_________________
d. How do you confirm that the household receiving a nominal payment has an energy cost or need?

Determination of Eligibility – Countable Income

1.8 In determining a household's income eligibility for LIHEAP, do you use gross income or net income?

☒ Gross Income (except for self-employment or farm income or gambling/lottery winnings) [4]

☐ Net Income

1.9. Select all of the applicable forms of countable income used to determine a household's income eligibility for LIHEAP.[5]

☒ Wages (except as prohibited by the Workforce Investment Act of 1998)
☒ Self-employment income
☒ Contract income
☒ Payments from mortgage or sales contracts
☒ Unemployment Insurance
☒ Strike pay
☒ Social Security Administration (SSA) benefits
  ☐ Including MediCare deduction ☒ Excluding MediCare deduction
☒ Supplemental Security Income (SSI)
☒ Retirement / pension benefits
☒ General Assistance benefits (except as excluded by federal law or 10 TAC §6.4-)
☒ Temporary Assistance for Needy Families (TANF) benefits (except for one-time payments)
☐ Supplemental Nutrition Assistance Program (SNAP) benefits
☐ Women, Infants, and Children Supplemental Nutrition Program (WIC) benefits
☐ Loans that need to be repaid
☐ Cash gifts
☐ Savings account balance
☐ One-time lump-sum payments, such as rebates/credits, refund deposits, etc.
☐ Jury duty compensation
☒ Rental income
☐ Income from employment through Workforce Investment Act (WIA)
☐ Income from work study programs
☒ Alimony
☐ Child support
☒ Interest, dividends, or royalties
☒ Commissions
☐ Legal settlements
☐ Insurance payments made directly to the insured
☐ Insurance payments made specifically for the repayment of a bill, debt, or estimate
☒ Veterans Administration (VA) benefits (except for 38 USC 1315, 1521, 1541, 1542)
☐ Earned income of a child under the age of 18
☐ Balance of retirement, pension, or annuity accounts where funds cannot be withdrawn without a penalty.
☐ Income tax refunds
☐ Stipends from senior companion programs, such as VISTA
☐ Funds received by household for the care of a foster child
☐ AmeriCorps Program payments for living allowances, earnings, and in-kind aid.
☐ Reimbursements (for mileage, gas, lodging, meals, etc.)

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[4] Exceptions on use of net income are provided for in 10 TAC §6.4.

[5] Any income received by a household that is received from a federal, State, local government, or disaster relief agency that is in excess of the amounts of what would be received if not for the CARES Act legislation, will be excluded per 10 TAC §6.4(c)(28).

☒ Other Any item not excluded in 10 TAC §6.4 or by other federal law

Section 2 - HEATING ASSISTANCE

Eligibility, 2605(b)(2) – Assurance 2

2.1 Designate the income eligibility threshold used for the heating component:

Household Size	***Eligibility Guidelines***	***Eligibility Threshold***
All Household Sizes	USHHS Poverty Guidelines	150%
All Household Sizes	State Median Income	60%[6]

2.2 Do you have additional eligibility requirements for **HEATING ASSISTANCE?**

☐ Yes ☒ No [7]

2.3 Check the appropriate boxes below and describe the policies for each.

	Yes	No
● Do you require an assets test?	☐	☒
● Do you have additional/differing eligibility policies for:		
• Renters?	☐	☒
• Renters living in subsidized housing?	☐	☒
• Renters with utilities included in the rent?[8]	☐	☒
● Do you give priority in eligibility to:		
• Elderly?	☒	☐
• Disabled?	☒	☐
• Young children?	☒	☐
• Households with high energy burdens?	☒	☐
• Other? Households with high energy consumption	☒	☐

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6 In the county of a major disaster or emergency designated by the Secretary of the Department of Health and Human Services or by the President under the Disaster Relief Act of 1974, Texas will use the highest of 150% of the poverty guidelines or 60% of the State's median income (SMI). The State may also use this flexibility to set poverty guidelines in a local crisis as defined by the Department's Executive Director. Texas will communicate this designation to affected Subrecipients through email and by website posting. Subrecipients must receive prior written approval before using 60% SMI. Place based assistance must be performed in the county, but person based assistance for those displaced by a disaster or emergency may be in other counties.

7 10 TAC §6.307(f) states: "A Dwelling Unit cannot be served if the meter is utilized by another Household that is not part of the application for assistance. In instances where separate structures share a meter and the applicant is otherwise eligible for assistance, Subrecipient must provide services if: (1) the members of the separate structures that share a meter meet the definition of a Household per §6.2 of this Chapter (relating to Definitions); (2) the members of the separate structures that share a meter submit one application as one Household; and (3) all persons and applicable income from each structure are counted when determining eligibility."

8 Per 10 TAC §6.309(h)(8), Subrecipient may make payments to landlords on behalf of eligible renters who pay their utility and/or fuel bills indirectly. Subrecipient shall notify each participating household of the amount of assistance paid on its behalf. Subrecipient shall document this notification. Subrecipient shall maintain proof of utility or fuel bill payment. Subrecipient shall ensure that amount of assistance paid on behalf of customer is deducted from customer's rent.

Determination of Benefits, 2605(b)(5) – Assurance 5, 2605(c)(1)(B)

2.4 Describe how you prioritize the provision of heating assistance to vulnerable households, e.g., benefit amounts, application period, etc.

Subrecipients use a rating system which determines priority based on persons in Households who are particularly vulnerable such as the Elderly, Persons with Disabilities, Households with Young Children, Households with High Energy Burden, and Households with High Energy Consumption. Benefit amounts are determined on a sliding scale based on the Household's income. Households with the presence of a vulnerable member such as the Elderly, Persons with Disabilities, and Households with Young Children do not have a limit on the number of benefit payments, but adhere to the same benefit amounts. The maximum benefit amount is determined per program year based on Household need, is split between heating and cooling assistance, and is not required to be applied equally to heating and cooling costs.

2.5 Check the variables you use to determine your benefit levels. (Check all that apply):

- ☒ Income
- ☒ Family (household) size
- ☐ Home energy cost or need:
  - ☐ Fuel type
  - ☐ Climate/region
  - ☐ Individual bill
  - ☐ Dwelling type
  - ☐ Energy burden (% of income spent on home energy)
  - ☐ Energy need
  - ☐ Other (Describe:)

Other Description:

Benefit Levels, 2605(b)(5) – Assurance 5, 2605(c)(1)(B)

2.6 Describe estimated benefit levels for FY 2022:

$1 Minimum benefit $12,300 Maximum benefit

Note: The State of Texas does not have a minimum benefit amount. The amount of benefit/assistance indicates $1.00, because the OLDC system requires that a figure be inserted in the minimum amount. The maximum benefit amount per household is $12,300 per program year and could be reached if a household received up to $2,400 in Crisis Assistance, $2,400 in Utility Assistance, and a $7,500 repair or replacement of a heating or cooling unit or crisis-related purchase of portable heating and cooling units. The initial assistance payment that would include arrears does not count towards the annual benefit caps for a household.

Households are eligible for up to $2,400 under Utility Assistance Component and up to $2,400 under Crisis Assistance Component. The level of assistance is dependent on Household income and meeting CEAP program eligibility requirements. The amount of benefit/assistance that an applicant is eligible for is based on their level of household income. Households with incomes 0-50% of Federal Poverty Income Guidelines

(FPIG) have a maximum of $2,400 for the Utility Assistance Component and the Crisis Assistance Component, incomes at 51%-75% FPIG up to $2,300 per Component; incomes 76%-150% FPIG up to $2,200 per Component; and up to $7,500 for Service and Repair of heating and cooling units. The maximum total eligible assistance is $12,300.

Non-vulnerable population households with inoperable heating and cooling units may be eligible for an additional $7,500 for service and repair of existing heating and cooling units when the Household meets crisis conditions. Vulnerable Population Households, regardless of crisis conditions, that include at least one member that is Elderly, Disabled, or a Child age 5 or younger, may receive service and repair of existing heating and cooling units not to exceed $7,500. All households experiencing a life-threatening crisis may be eligible to receive portable air conditioning/evaporative coolers and heating units (portable electric heaters are allowable only as a last resort).

All households experiencing a life-threatening crisis may be eligible to receive portable air conditioning/evaporative coolers and heating units (portable electric heaters are allowable only as a last resort).

2.7 Do you provide in-kind (e.g., blankets, space heaters) and/or other forms of benefits?

☒ Yes ☐ No -- If yes, describe.

Non-vulnerable Households may receive service and repair of existing heating and cooling units not to exceed $7,500 if the Household is experiencing crisis conditions. Vulnerable Households that include at least one member that is Elderly, Disabled, or a Child age 5 or younger, may receive service and repair of existing heating and cooling units not to exceed $7,500. All Households experiencing a life-threatening crisis may be eligible to receive portable air conditioning/evaporative coolers and heating units (portable electric heaters are allowable only as a last resort).

Eligible Households may receive temporary shelter not to exceed the annual household expenditure limit for the duration of the contract period in the limited instances when natural disasters result in energy supply shortages or other energy-related emergencies. Eligible Households may receive emergency deliveries of fuel up to 250 gallons per crisis per Household, at the prevailing price. This benefit may include coverage for tank pressure testing. When natural disasters result in energy supply shortages or other energy-related emergencies, LIHEAP will allow home energy related expenditures as described in 10 TAC §6.310 (c), which include blankets, fans, air conditioners, and generators.

Section 3: COOLING ASSISTANCE

Eligibility, 2605(c)(1)(A), 2605(b)(2) – Assurance 2

3.1 Designate the income eligibility threshold used for the cooling component:

#	Household Size	Eligibility Guidelines	Eligibility Threshold
1	All Household Sizes	USHHS Poverty Guidelines	150%
2	All Household Sizes	State Median Income	60%[9]

3.2 Do you have additional eligibility requirements for **COOLING ASSISTANCE**

☐ Yes ☒ No[10]

3.3 Check the appropriate boxes below and describe the policies for each.

	Yes	No
● Do you require an assets test?	☐	☒
● Do you have additional/differing eligibility policies for:		
• Renters?	☐	☒
• Renters living in subsidized housing?	☐	☒
• Renters with utilities included in the rent? [11]	☐	☒
● Do you give priority in eligibility to:		
• Elderly?	☒	☐
• Disabled?	☒	☐
• Young children?	☒	☐
• Households with high energy burdens?	☒	☐
• Other? Households with high energy consumption	☒	☐

3.3 Check the appropriate boxes below and describe the policies for each.

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9 In the county of a major disaster or emergency designated by the Secretary of the Department of Health and Human Services or by the President under the Disaster Relief Act of 1974, Texas will use the highest of 150% of the poverty guidelines or 60% of the State's median income. Texas may also use this flexibility to set poverty guidelines in a local crisis as defined by the Department's Executive Director. The State will communicate this designation to affected Subrecipients through email and by website posting. Subrecipients must receive prior written approval before using 60% SMI. Place based assistance must be performed in the county, but person based assistance for those displaced by a disaster or emergency may be in other counties.

10 10 TAC §6.307(f) states: "A Dwelling Unit cannot be served if the meter is utilized by another Household that is not part of the application for assistance. In instances where separate structures share a meter and the applicant is otherwise eligible for assistance, Subrecipient must provide services if: (1) the members of the separate structures that share a meter meet the definition of a Household per §6.2 of this Chapter (relating to Definitions); (2) the members of the separate structures that share a meter submit one application as one Household; and (3) all persons and applicable income from each structure are counted when determining eligibility."

11 Per 10 TAC §6.309(h)(8), Subrecipient may make payments to landlords on behalf of eligible renters who pay their utility and/or fuel bills indirectly. Subrecipient shall notify each participating household of the amount of assistance paid on its behalf. Subrecipient shall document this notification. Subrecipient shall maintain proof of utility or fuel bill payment. Subrecipient shall ensure that amount of assistance paid on behalf of customer is deducted from customer's rent.

Explanations of policies for each “yes” checked above:

10 TAC §6.307(e) states “Subrecipients must establish a written procedure to serve Households that have a Vulnerable Population Household member, Households with High Energy Burden, and Households with High Energy Consumption. High Energy Burden shall be the highest rated item in sliding scale priority determinations. The Subrecipient must maintain documentation of the use of the criteria.”

Priority must be given to Elderly, Disabled, Households with Young Children, and Households with High Energy Burden and High Energy Consumption.

3.4 Describe how you prioritize the provision of cooling assistance to vulnerable households, e.g., benefit amounts, application periods, etc.

Subrecipients use a rating system which determines priority based on persons in Households who are particularly vulnerable such as the Elderly, Persons with Disabilities, Families with Young Children, Households with High Energy Burden, and Households with High Energy Consumption. Benefit amounts are determined on a sliding scale based on the Household’s income. Households with the presence of a vulnerable member such as the Elderly, Persons with Disabilities, and Households with Young Children do not have a limit on the number of benefit payments, but adhere to the same benefit amounts. The maximum benefit amount is determined per-program year based on Household need, is split between heating and cooling assistance, and is not required to be applied equally to heating and cooling costs.

Determination of Benefits, 2605(b)(5) – Assurance 5, 2605(c)(1)(B)

3.5 Check the variables you use to determine your benefit levels. (Check all that apply):

- ☒ Income
- ☒ Family (household) size
- ☐ Home energy cost or need
  - ☐ Fuel type
  - ☐ Climate/region
  - ☐ Individual bill
  - ☐ Dwelling type
  - ☐ Energy burden (% of income spent on home energy)
  - ☐ Energy need
  - ☐ Other (describe)

Benefit Levels, 2605(b)(5) – Assurance 5, 2605(c)(1)(B)

3.6 Describe benefit levels:

$1 Minimum benefit $12,300 Maximum benefit

Note:

The State of Texas does not have a minimum benefit amount. The amount of benefit/assistance indicates $1.00, because the OLDC system requires that a figure be inserted in the minimum amount. The maximum benefit amount per household is $12,300 per program year and could be reached if a household received up to $2,400 in Crisis Assistance, $2,400 in Utility Assistance, and a $7,500 repair or replacement of a heating or cooling unit or crisis-related purchase of portable heating and cooling units. The initial assistance payment that would include arrears does not count towards the annual benefit caps for a household.

Households are eligible for up to $2,400 under Utility Assistance Component and up to $2,400 under Crisis Assistance Component. The level of assistance is dependent on Household income and meeting CEAP program eligibility requirements. The amount of benefit/assistance that an applicant is eligible for is based on their level of household income. Households with incomes 0-50% of Federal Poverty Income Guidelines (FPIG) have a maximum of $2,400 for the Utility Assistance Component and the Crisis Assistance Component, incomes at 51%-75% FPIG up to $2,300 per Component; incomes 76%-150% FPIG up to $2,200 per Component; and up to $7,500 for Service and Repair of heating and cooling units. The maximum total eligible assistance is $12,300.

Non-vulnerable population households with inoperable heating and cooling units may be eligible for an additional $7,500 for service and repair of existing heating and cooling units when the Household meets crisis conditions. Vulnerable Population Households, regardless of crisis conditions, that include at least one member that is Elderly, Disabled, or a Child age 5 or younger, may receive service and repair of existing heating and cooling units not to exceed $7,500. All households experiencing a life-threatening crisis may be eligible to receive portable air conditioning/evaporative coolers and heating units (portable electric heaters are allowable only as a last resort).

All households experiencing a life-threatening crisis may be eligible to receive portable air conditioning/evaporative coolers and heating units (portable electric heaters are allowable only as a last resort).

3.7 Do you provide in-kind (e.g., fans, air conditioners) and/or other forms of benefits?

☒Yes ☐ No -- If yes, describe.

Non-vulnerable Households may receive service and repair of existing heating and cooling units not to exceed $7,500 if the Household is experiencing crisis conditions. Vulnerable Households that include at least one member that is Elderly, Disabled, or a Child age 5 or younger, may receive service and repair of existing heating and cooling units not to exceed $7,500. All Households experiencing a Life-Threatening Crisis may be eligible to receive portable air conditioning/evaporative coolers and heating units (portable electric heaters are allowable only as a last resort).
Eligible Households may receive temporary shelter not to exceed the annual household expenditure limit for the duration of the contract period in the limited instances when natural disasters result in energy supply shortages or other energy-related emergencies. Eligible Households may receive emergency deliveries of fuel up to 250 gallons per crisis per Household, at the prevailing price. This benefit may include coverage for tank pressure testing. When natural disasters result in energy supply shortages or other energy-related emergencies, LIHEAP will allow home energy related expenditures as described in 10 TAC §6.310 (c), which include blankets, fans, air conditioners, and generators.

Section 4: CRISIS ASSISTANCE

Eligibility - 2604(c), 2605(c)(1)(A)

4.1 Designate the income eligibility threshold used for the crisis component:

#	Household Size	Eligibility Guidelines	Eligibility Threshold
1	All Household Sizes	USHHS Poverty Guidelines	150%
2	All Household Sizes	State Median Income	60%[12]

4.2 Provide your LIHEAP program's definition for determining a crisis.

Crisis Assistance can be provided to persons who have already lost service or are in immediate danger of losing service only under one of the following conditions, as defined in 10 TAC §6.301 (relating to Background and Definitions):

(1) Extreme Weather Conditions, with assistance provided within 48 hours;
(2) Disaster, with assistance provided within 48 hours; or
(3) Life Threatening Crisis, with assistance provided within 18 hours.

4.3 What constitutes a life-threatening crisis?

A Life Threatening Crisis exists when the life of at least one person in the applicant Household who is a U.S. Citizen, U.S. National, or a Qualified Alien would likely, in the opinion of a reasonable person, be endangered if utility assistance or heating and cooling assistance is not provided due to a Household member who needs electricity for life-sustaining equipment or whose medical professional has prescribed that the person with a medical condition requires that the ambient air temperature be maintained at a certain temperature. Examples of life-sustaining equipment include, but are not limited to, kidney dialysis machines, oxygen concentrators, and cardiac monitors. Documentation must not be requested about the medical condition of the applicant, but the applicant must state that such a device is required in the Dwelling Unit to sustain life.

Crisis Requirements, 2604(c)

4.4 Within how many hours do you provide an intervention that will resolve the energy crisis for eligible households? 48 Hours

4.5 Within how many hours do you provide an intervention that will resolve the energy crisis for eligible households in life-threatening situations? 18 Hours[13]

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[12] In the county of a major disaster or emergency designated by the Secretary of the Department of Health and Human Services or by the President under the Disaster Relief Act of 1974, Texas may use the highest of 150% of the poverty guidelines or 60% of the State's median income ("SMI"). Texas may also use this flexibility to set poverty guidelines in a local crisis as defined by the Department's Executive Director. Texas will communicate this designation to affected Subrecipients through email and by website posting. Subrecipients must receive prior written approval before using 60% SMI. Place based assistance must be performed in the county, but person based assistance for those displaced by a disaster or emergency may be in other counties.

[13] Pursuant to §2604(c)(2) of the LIHEAP Statute, the Department provides "some form of assistance that will resolve the energy crisis" not later than 18 hours after a household applies for crisis benefits if such household is eligible to receive such benefits and is in a life-threatening situation.

Crisis Eligibility, 2605(c)(1)(A)?

4.6 Do you have additional eligibility requirements for **CRISIS ASSISTANCE?**

☐ Yes ☒ No

4.7 Check the appropriate boxes below and describe the policies for each.

	Yes	No
● Do you require an assets test?	☐	☒
● Do you give priority in eligibility to:		
• Elderly?	☒	☐
• Disabled?	☒	☐
• Young children?	☒	☐
• Households with high energy burdens?	☒	☐
• Other? Households with high energy consumption	☒	☐
● In order to receive crisis assistance:[14]		
• Must the household have received a shut-off notice or have a near empty tank?	☒	☐
• Must the household have been shut off or have an empty tank?	☒	☐
• Must the household have exhausted their regular heating benefit?	☐	☒
• Must renters with heating costs included in their rent have received an eviction notice?	☐	☒
• Must heating/cooling be medically necessary?	☐	☒
• Must the household have non-working heating or cooling equipment?	☒	☐
• Other?	☒	☐

Explanation for Other: Crisis Assistance can be provided to persons who have already lost service or are in immediate danger of losing service only under one of the following conditions, as defined in 10 TAC §6.301 (relating to Background and Definitions):

(1) Extreme Weather Conditions, with assistance provided within 48 hours;
(2) Disaster, with assistance provided within 48 hours; or
(3) Life Threatening Crisis, with assistance provided within 18 hours.

	Yes	No
● Do you have additional/differing eligibility policies for:		
• Renters?	☐	☒
• Renters living in subsidized housing?	☐	☒
• Renters with utilities included in the rent?[15]	☐	☒

[14] The program has different requirements depending on whether the household contains a member of a priority group.

[15] Per 10 TAC §6.309(h)(8), Subrecipient may make payments to landlords on behalf of eligible renters who pay their utility and/or fuel bills indirectly. Subrecipient shall notify each participating household of the amount of assistance paid on its

Determination of Benefits

4.8 How do you handle crisis situations?

☒ Separate component

☐ Fast Track

☐ Other

4.9 If you have a separate component, how do you determine crisis assistance benefits?

☒ Amount to resolve crisis, up to a maximum of $2,300

☒ Other
Heating and cooling equipment repair or replace up to $7,500

Crisis Requirements, 2604(c)

4.10 Do you accept applications for energy crisis assistance at sites that are geographically accessible to all households in the area to be served?

☒ Yes ☐ No

Explain: In addition to what is already stated in Section 2604(c)(3) regarding the requirement that each subrecipient accept applications at sites that are geographically accessible to all Households in the area to be served, 10 TAC §6.313(c) states "Subrecipient shall handle Reasonable Accommodation requests, in accordance with §1.204 of this title (relating to Reasonable Accommodations)." 10 TAC §1.204 (b) General Considerations in Handling of Reasonable Accommodations. An applicant, participant, or occupant who has a disability may request an accommodation and, depending on the program funding the property or activity and whether the accommodation requested is a reasonable accommodation, their request must be timely addressed."

4.11 Do you provide individuals who have physical disabilities the means to:

- Submit applications for crisis benefits without leaving their homes?

  ☒ Yes ☐ No If no, explain.

  Applications can be mailed in. In some cases, applications may be completed online or the organization will go to the applicant's home to take the application.

- Travel to the sites at which applications for crisis assistance are accepted?

  ☐ Yes ☒ No If yes, explain.

If you answered "No" to both questions 4.11, please explain alternative means of intake to those who are homebound or physically disabled.

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behalf. Subrecipient shall document this notification. Subrecipient shall maintain proof of utility or fuel bill payment. Subrecipient shall ensure that amount of assistance paid on behalf of customer is deducted from client's rent.

Benefit Levels, 2605(c)(1)(B)

4.12 Indicate the maximum benefit for each type of crisis assistance offered.

Winter Crisis $ 0 maximum benefit

Summer Crisis $ 0 maximum benefit

Year-round Crisis $2,400 maximum benefit

4.13 Do you provide in-kind (e.g., blankets, space heaters, fans) and/or other forms of benefits?
☒ Yes ☐ No If yes, describe.

If a component(s) of the heating or cooling system cannot be repaired using parts, the Subrecipient can replace the component(s) in order to repair the heating or cooling system under the Utility Assistance Component for Vulnerable Households or Crisis Assistance Component for Non-Vulnerable Households. Where replacement is required, the subrecipient should prioritize the use of Energy Star heating and/or cooling units, and that the units are appropriately sized using standard Manual J procedures.

LIHEAP will allow home energy related expenditures as described in 10 TAC §6.310(c).
All Households experiencing a Life-Threatening Crisis may be eligible to receive portable air conditioning/evaporative coolers and heating units (portable electric heaters are allowable only as a last resort).
Eligible Households may receive temporary shelter not to exceed the annual household expenditure limit for the duration of the contract period in the limited instances when natural disasters result in energy supply shortages or other energy-related emergencies. Eligible Households may receive emergency deliveries of fuel up to 250 gallons per crisis per Household, at the prevailing price. This benefit may include coverage for tank pressure testing. When natural disasters result in energy supply shortages or other energy-related emergencies, LIHEAP will allow home energy related expenditures as described in 10 TAC §6.310(c), which include blankets, fans, air conditioners, and generators.

4.14 Do you provide for equipment repair or replacement using crisis funds?
☒ Yes ☐ No

4.15 Check appropriate boxes below to indicate type(s) of assistance provided:

Type of Assistance	**Winter Crisis**	**Summer Crisis**	**Year-round Crisis**
Heating system repair			X
Heating system replacement (only components of a central HVAC system)			X
Cooling system repair			X
Cooling system replacement (only components of a central HVAC system)			X

Wood stove purchase			
Pellet stove purchase			
Solar panel(s)			
Utility poles / Gas line hook-ups			
Other (Specify): For Households which include a member of a Vulnerable Population, service and repair or purchase of portable heating and cooling units can be provided if a system is non-existent up to $7,500. For Households who do not have a member of a Vulnerable Population, such assistance is limited to times when a crisis exists as defined in 10 TAC §6.310(a).			X

4.16 Do any of the utility vendors you work with enforce a winter moratorium on shut offs? If you respond "Yes" to question 4.16, you must respond to question 4.17. ☒ Yes ☐ No

4.17 Describe the terms of the moratorium and any special dispensation received by LIHEAP clients during or after the moratorium period.

Specific to energy assistance clients, §25.483(i) of the Texas Public Utilities Commission rules provides that a Retail Electric Provider (REP) shall not authorize a disconnection for nonpayment of electric service to a delinquent residential customer for a billing period in which the REP receives a pledge, letter of intent, purchase order, or other notification that the energy assistance provider is forwarding sufficient payment to continue service provided that such pledge, letter of intent, purchase order, or other notification is received by the due date stated on the disconnection notice, and the customer, by the due date on the disconnection notice, either pays or makes payment arrangements to pay any outstanding debt not covered by the energy assistance provider. Additionally, the rule provides that if an energy assistance provider has requested monthly usage data pursuant to §25.472(b)(4) (relating to Privacy of Customer Information), the REP shall extend the final due date on the disconnection notice, day for day, from the date the usage data was requested until it is provided; and that a REP shall allow at least 45 days for an energy assistance provider to honor a pledge, letter of intent, purchase order, or other notification before submitting the disconnection request to the TDU.

There are protections for several other categories of clients and situations applicable to LIHEAP clients served:

§25.483(g) provides that a REP shall not authorize a disconnection for nonpayment of electric service at a permanent, individually metered dwelling unit of a delinquent Critical Care Residential Customer when that customer establishes that disconnection of service will cause some person at that residence to become seriously ill or more seriously ill.

§25.483(h) provides that a REP shall not authorize a disconnection for nonpayment of electric service at a permanent, individually metered dwelling unit of a delinquent customer when that customer has been designated as a Chronic Condition Residential Customer pursuant to 25.497 with noted rule exceptions.

§25.483(j) provides that a REP shall not authorize a disconnection for nonpayment of electric service for any customer in a county in which an extreme weather emergency occurs. A REP shall offer residential customers a deferred payment plan upon request by the customer that complies with the requirements

of 25.480 (relating to Bill Payment and Adjustments) for bills that become due during the weather emergency. The term “extreme weather emergency” shall mean a day when:
(A) the previous day’s highest temperature did not exceed 32 degrees Fahrenheit, and the temperature is predicted to remain at or below that level for the next 24 hours anywhere in the county, according to the nearest National Weather Service (NWS) reports; or
(B) the NWS issues a heat advisory for a county, or when such advisory has been issued on any one of the preceding two calendar days in a county.

Section 5: WEATHERIZATION ASSISTANCE

Eligibility, 2605(c)(1)(A), 2605(b)(2) – Assurance 2

5.1 Designate the income eligibility threshold used for the weatherization component:

#	Household Size	Eligibility Guidelines	Eligibility Threshold
1	All Household Sizes	USHHS Poverty Guidelines	150%
2	All Household Sizes	State Median Income	60%[16]

5.2 Do you enter into an interagency agreement to have another government agency administer a **WEATHERIZATION component?** ☐ Yes ☒ No

5.3 If yes, name the agency. N/A

5.4 Is there a separate monitoring protocol for weatherization? ☒ Yes ☐ No

WEATHERIZATION - Types of Rules

5.5 Under what rules do you administer LIHEAP weatherization? (Check only one.)

☐ Entirely under LIHEAP (not DOE) rules

☐ Entirely under DOE WAP (not LIHEAP) rules

☒ Mostly under LIHEAP rules with the following DOE WAP rule(s) where LIHEAP and WAP rules differ: (Check all that apply.)

☒ Income Threshold
☒ Weatherization of entire multi-family housing structure is permitted if at least 66% of units (50% in 2- & 4-unit buildings) are eligible units or will become eligible within 180 days.

[16] In the county of a major disaster or emergency designated by the Secretary of the Department of Health and Human Services or by the President under the Disaster Relief Act of 1974, Texas will use the highest of 150% of the poverty guidelines or 60% of the State’s median income (“SMI”). Texas may also use this flexibility to set poverty guidelines in a local crisis as defined by the Department’s Executive Director. TDHCA will communicate this designation to affected Subrecipients through email and by website posting. Subrecipients must receive prior written approval before using 60% SMI. Place based assistance must be performed in the county, but person based assistance for those displaced by a disaster or emergency may be in other counties.

☒ Weatherization of shelters temporarily housing primarily low income persons (excluding nursing homes, prisons, and similar institutional care facilities).

☒ Other (describe): Adhere to language from the Consolidated Appropriations Act of 2021 (Page 3269) that Paragraph (2) of Section 415(c) of the Energy Conservation and Production Act (42 USC 6865(c)) is amended to allow re-weatherization for a dwelling unit not previously weatherized using federal funds until the date that is 15 years after the date such previous weatherization has passed. 10 TAC Part 1, Chapter 6, Subchapter D, Weatherization Assistance Program, is one area where the LIHEAP funded weatherization program adheres to DOE regulations. TDHCA uses a priority list for LIHEAP households at 150% or below USHHS poverty income level. Energy-related home repair: TDHCA will allow the use of LIHEAP weatherization funds for structural and ancillary repairs only if required to enable effective weatherization. If LIHEAP funds are included in a DOE unit, the SIR/audit must be used to justify all measures.

☐ Mostly under DOE WAP rules, with the following LIHEAP rule(s) where LIHEAP and WAP rules differ: (Check all that apply.)

☐ Income Threshold.

☐ Weatherization not subject to DOE WAP maximum statewide average cost per dwelling unit.

☐ Weatherization measures are not subject to DOE Savings to Investment Ratio (SIR) standards.

☐ Other (describe)

Eligibility, 2605(b)(5) – Assurance 5

	Yes	No
5.6 Do you require an assets test?	☐	☒
5.7 Do you have additional/differing eligibility policies for:		
• Renters?	☐	☒
• Renters living in subsidized housing?	☐	☒
5.8 Do you give priority in eligibility to:		
• Elderly?	☒	☐
• Disabled?	☒	☐
• Young children?	☒	☐
• Households with high energy burdens?	☒	☐
• Other?	☒	☐

Explanation: Households with high energy consumption

Benefit Levels

5.9 Do you have a maximum LIHEAP weatherization benefit/expenditure per household?

☒ ☐

5.10 If yes, what is the maximum amount? $11,000
NOTE: unless additional expenditure is authorized in writing by the Department. **Types of Assistance, 2605(c)(1), (B) & (D)**

5.11 What LIHEAP weatherization measures do you provide? (Check all categories that apply.)

☒ Weatherization needs/assessments/audits

☒ Caulking and insulation

☒ Storm windows

☒ Furnace/heating system modifications/repairs

☒ Furnace replacement

☒ Cooling system modifications/repairs

☒ Water conservation measures

☒ Compact fluorescent light bulbs

☒ Energy related roof repair

☒ Major appliance repairs

☒ Major appliance replacement

☒ Windows/sliding glass doors

☒ Doors

☒ Water Heater

☒ Cooling system replacement

☒ Other (describe)
Solar screens or window film. Smart thermostats, miscellaneous repairs up to $500 for structural and ancillary only if required to enable effective weatherization; Window screens to help prevent exposure to the Zika virus for Households with pregnant women.

If any of the questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.

Section 6: Outreach, 2605(b)(3) – Assurance 3, 2605(c)(3)(A)

6.1 Select all outreach activities that you conduct that are designed to assure that eligible households are made aware of all LIHEAP assistance available:

☒ Place posters/flyers in local and county social service offices, offices of aging, Social Security offices, VA, etc.

☒ Publish articles in local newspapers or broadcast media announcements.

☐ Include inserts in energy vendor billings to inform individuals of the availability of all types of LIHEAP assistance.

☐ Mass mailing(s) to prior-year LIHEAP recipients.

☒ Inform low income applicants of the availability of all types of LIHEAP assistance at application intake for other low-income programs.

☐ Execute interagency agreements with other low-income program offices to perform outreach to target groups.

☐ Other (specify):

Section 7: Coordination, 2605(b)(4) – Assurance 4

7.1 Describe how you will ensure that the LIHEAP program is coordinated with other programs available to low-income households (TANF, SSI, WAP, etc.)

☒ Joint application for multiple programs
☒ Intake referrals to/from other programs
☐ One-stop intake centers
☐ Other – describe:

Section 8: Agency Designation, 2605(b)(6) – Assurance 6

8.1 How would you categorize the primary responsibility of your State agency?
☒ Administration Agency
☐ Commerce Agency
☐ Community Services Agency
☐ Energy/Environment Agency
☐ Housing Agency
☐ Welfare Agency
☐ Other – describe:

Alternate Outreach and Intake, 2605(b)(15) – Assurance 15

8.2 How do you provide alternate outreach and intake for **HEATING ASSISTANCE?**
Report of available services at various workgroup meetings with community stakeholders (disability, health services, homeless, etc), and presentation at area events.

8.3 How do you provide alternate outreach and intake for **COOLING ASSISTANCE?**
Report of available services at various workgroup meetings with community stakeholders (disability, health services, homeless, etc), and presentation at area events.

8.4 How do you provide alternate outreach and intake for **CRISIS ASSISTANCE**?
In instances of natural disaster, subrecipients coordinate with other assistance organizations (shelters, Red Cross, etc.). Report of available services at various workgroup meetings with community stakeholders (disability, health services, homeless, etc), and presentation at area events.

Question 8.5	**Heating**	**Cooling**	**Crisis**	**Weatherization**
8.5a. Who determines client eligibility?	Local governments, CAAs and Other Nonprofits	Local governments, CAAs and Other Nonprofits	Local governments, CAAs and Other Nonprofits	Local governments, CAAs and Other Non-profits
8.5b. Who processes benefit payments to gas and electric vendors?	Local governments, CAAs and Other Nonprofits	Local governments, CAAs and Other Nonprofits	Local governments, CAAs and Other Nonprofits	N/A
8.5c. Who processes benefit payments to bulk fuel vendors?	Local governments, CAAs and Other Nonprofits	Local governments, CAAs and Other Nonprofits	Local governments, CAAs and Other Nonprofits	N/A
8.5d. Who performs installation of weatherization measures?	N/A	N/A	N/A	Local governments, CAAs and Other Nonprofits-most subcontract with local contractors

Note for 8.5: In the USHHS-OLDC system where the State Plan is entered, it only allows states to select one type of entity. The Department will select Nonprofits; although we will also contract with Units of government and CAAs.

8.6 What is your process for selecting local administering agencies?
The Department ensures that to the extent it is necessary to designate local administrative agencies in order to carry out the purposes of Title 42 U.S.C. §§8621, et seq. special consideration is given to any local public or private nonprofit agency which was receiving CSBG or LIHEAP funds.

(1) The Department before giving such special consideration, determines that the agency involved meets program and fiscal requirements established by law and by the Department; and

(2) if there is no such agency because of any change in the assistance furnished to programs for economically disadvantaged persons, then the Department gives special consideration in the designation of local administrative agencies to any successor agency which is operated in substantially the same manner as the predecessor agency which did receive funds for the fiscal year preceding the fiscal year for which the determination is made.

Currently, the Department administers all aspects of program delivery through subrecipients that have demonstrated that they are operating the program in accordance with the Economic Opportunity Act of 1964, the Low-Income Home Energy Assistance Act of 1981, as amended (42 U.S.C. §§8621, et seq.), and Department rules. If subrecipients are successfully administering the program, the Department may offer to renew the contract.

Under this model, if the Department determines that an organization is not administering the program satisfactorily, corrective actions are taken to remedy the problem. Thereafter, if a subrecipient fails to administer the program correctly, the Department will proceed with the process provided for in Department rules of removing funds and reassign the service area or a portion to another existing subrecipient or conduct solicitation or selection of a new subrecipient in accordance with the Low-Income Home Energy Assistance Act of 1981. The affected subrecipient may request a hearing in accordance with §2105.204 of the Texas Government Code.

However, the Department retains the right to go through a procurement process for some or all aspects of the LIHEAP program.

8.7 How many local administering agencies do you use? 36

8.8 Have you changed any local administering agencies from last year? ☒ Yes ☐ No

8.9 If so, why?

- ☒ Agency was in noncompliance with grantee requirements for LIHEAP
- ☐ Agency is under criminal investigation
- ☐ Added agency
- ☐ Agency closed
- ☐ Other – describe – voluntary relinquishment

Section 9: Energy Suppliers, 2605(b)(7) – Assurance 7

9.1 Do you make payments directly to home energy suppliers?

Heating	☒ Yes	☐ No
Cooling	☒ Yes	☐ No
Crisis	☒ Yes	☐ No
Are there exceptions?	☐ Yes	☒ No

If yes, describe:

9.2 How do you notify the client of the amount of assistance paid?
The administering agency informs them once the determination is made.

9.3 How do you assure that the home energy supplier will charge the eligible household, in the normal billing process, the difference between the actual cost of the home energy and the amount of the payment?
Vendor agreements are used in all components. The Department provides subrecipients with a Department approved Vendor Agreements to utilize. The document can be found at the Department's website at https://www.tdhca.state.tx.us/community-affairs/ceap/guidance.htm

9.4 How do you assure that no household receiving assistance under this title will be treated adversely because of their receipt of LIHEAP assistance?
Vendor Agreements are used in all components. The Department provides subrecipients with a Department approved Vendor Agreement to utilize. The document can be found at the Department's website at https://www.tdhca.state.tx.us/community-affairs/ceap/guidance.htm

9.5 Do you make payments contingent on unregulated vendors taking appropriate measures to alleviate the energy burdens of eligible households? ☐ Yes ☒ No. If so, describe the measures unregulated vendors may take.

Section 10: Program, Fiscal Monitoring, and Audit, 2605(b)(10) – Assurance 10

10.1. How do you ensure good fiscal accounting and tracking of LIHEAP funds?

1. Review annual audits
2. Monitor fiscal records
3. Review current and prior year monthly expenditure and performance reports

Audit Process

10.2. Is your LIHEAP program audited annually under the Single Audit Act and OMB Circular A-133? ☒ Yes ☐ No

10.3. Describe any audit findings rising to the level of material weakness or reportable condition cited in the A-133 audits, Grantee monitoring assessments, inspector general reviews, or other government agency reviews of the LIHEAP agency from the most recently audited federal fiscal year.

Finding[17]	Type	Brief Summary	Resolved?	Action Taken
LIHEAP Performance Data Form discrepancies	**Reporting**	**Certain line items reported did not agree to the supporting schedules for the amounts reported in Schedule 2**	**Yes**	**Several upgrades to the automated system have been made. The Department is still working to resolve the finding.**

10.4. Audits of Local Administering Agencies

What types of annual audit requirements do you have in place for local administering agencies/district offices?

☒ Local agencies/district offices are required to have an annual audit in compliance with 2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).[18]

☐ Local agencies/district offices are required to have an annual audit (other than 2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)).

10.4 (continued)

☒ Local agencies/district offices 2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) or other independent audits are reviewed by Grantee as part of compliance process.

☒ Grantee conducts fiscal and program monitoring of local agencies/district offices.

Compliance Monitoring

10.5. Describe the Grantee's strategies for monitoring compliance with the Grantee's and Federal LIHEAP policies and procedures by:

Grantee employees:

☒ Internal program review

☒ Departmental oversight

☐ Secondary review of invoices and payments

☒ Other program review mechanisms are in place. Describe: Cross Division peer review of documents

[18] For 2022, Subrecipients will follow the audit requirements in 45 CFR 75 Subpart F, as applicable, and the requirements in the Texas Single Audit Act.

Local Administering Agencies/District Offices:

☒ On-site evaluation

☐ Annual program review

☐ Monitoring through Central Database

☒ Desk reviews

☐ Client File Testing/Sampling

☒ Other program review mechanisms are in place. Describe: Desk review of 2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); A review of the Subrecipient's resolution of prior monitoring or Single Audit reports is performed prior to awarding new contracts.

10.6. Explain, or attach a copy of, your local agency monitoring schedule and protocol.
See attached monitoring schedule and monitoring instruments.

Describe how you select local agencies for monitoring reviews?
On-site monitoring visits and desk reviews are mechanisms used for in-depth investigation and overall assessment, respectively. The Department will conduct on-site monitoring reviews and desk reviews of contracts based on an assessment of risk of non-compliance with program requirements. Subrecipient monitors review necessary program documents and financial records through desk reviews and on-site reviews. LIHEAP subrecipients are monitored at least once every three years. This is a component of the risk assessment score. If a subrecipient also has Community Service Block Grant funds, the LIHEAP monitoring may be done at the same time. Subrecipients that leverage LIHEAP funds with DOE funds for weatherization are subject to a programmatic, fiscal, and unit inspection review according to the DOE monitoring schedule (once a year). Contracts may also be selected for monitoring based on other factors, such as prior monitoring findings, issues noted in the Single Audit, complaints, and/or special requests.

10.7. Site Visits: Onsite monitoring visits are conducted at least once every three years. The Department will inspect a minimum of 5% of all LIHEAP weatherized units reported as complete.
Desk Reviews: Some materials are requested and reviewed at the Department's office prior to the onsite visit.

10.8. How often is each local agency monitored? At least once every three years.

10.9. What is the combined error rate for eligibility determinations? (Optional question) Optional

10.10. What is the combined error rate for benefit determinations? (Optional question)
Optional

10.11. How many local agencies are currently on corrective action plans for eligibility and/or benefit determination issues? (Number only) -0

10.12. How many local agencies are currently on corrective action plans for financial accounting or administrative issues? (Number only) -0

Section 11: Timely and Meaningful Public Participation, 2605(b)(12) – Assurance 12, 2605(c)(2)

11.1 How did you obtain input from the public in the development of your LIHEAP plan?

Check all that apply:

- ☐ Tribal Council meeting(s)
- ☒ Public Hearing(s)
- ☒ Draft Plan posted to website and available for comment
- ☒ Hard copy of plan is available for public view and comment
- ☒ Comments from applicants are recorded
- ☒ Request for comments on draft Plan is advertised
- ☐ Stakeholder consultation meeting(s)
- ☒ Comments are solicited during outreach activities
- ☐ Other, describe:

11.2 What changes did you make to your LIHEAP plan as a result of this participation?
Increased annual caps on benefit levels and on repairs or replacement of inoperable cooling and heating systems.
Changed the variables to determine benefit levels in Sections 2.5 and 3.5 to include only income and Household size.

Public Hearings, 2605(a)(2)

11.3 List the date(s) and location(s) that you held public hearing(s) on the proposed use and distribution of your LIHEAP funds?

Date	Event Description
Wednesday, May 12, 2021, 2:00 p.m. virtual meeting	Virtual Hearing via GoToWebinar due to COVID-19 https://global.gotowebinar.com/join/7383217695375202320/94910646 **You can also dial in using your phone.** United States: +1 (562) 247-8422 (Persons using the dial in number and access code without registering online will only be able to hear the hearing and will not be able to provide comment) **Access Code:** 267-578-547
Thursday, May 13, 2021, 6:00 p.m. virtual meeting	Virtual Hearing via GoToWebinar due to COVID-19 https://global.gotowebinar.com/join/1364361302557537552/596155856 **You can also dial in using your phone.** United States: +1 (415) 655-0052 (Persons using the dial in number and access code without registering online will only be able to hear the hearing and will not be able to provide comment) **Access Code:** 990-433-162

11.4 How many parties commented on your plan at the hearing(s)? 0

11.5 Summarize the comments you received at the hearing(s).

No comments were received at the public hearing.

11.6 What changes did you make to your LIHEAP plan as a result of the comments received at the public hearing(s)?

No comments were received at the public hearing.

Section 12: Fair Hearings, 2605(b)(13) – Assurance 13

12.1 How many fair hearings did the grantee have in the prior Federal fiscal year?
None

12.2 How many of those fair hearings resulted in the initial decision being reversed? N/A

12.3 Describe any policy and/or procedural changes made in the last Federal fiscal year as a result of fair hearings? None

12.4 Describe your fair hearing procedures for **households whose applications are denied.**
Subrecipient contracts include the following section:

APPEALS PROCESS
In compliance with the LIHEAP Act, Subrecipient must provide an opportunity for a fair administrative hearing to individuals whose application for assistance is denied, terminated or not acted upon in a timely manner. Subrecipient must establish a denial of service complaint procedure in accordance with 10 TAC §6.8 of the State Rules. The rule states:

(b) Subrecipient shall establish a denial of service complaint procedure to address written complaints from program applicants/customers. At a minimum, the procedures described in paragraphs (b)(1) - (8) of this subsection shall be included:

(1) Subrecipients shall provide a written denial of assistance notice to applicant within ten (10) calendar days of the determination. Such a determination is defined as a denial of assistance, but does not include a level of assistance lower than the possible program limits or a reduction in assistance, as long as such process is in accordance with the Subrecipient's written policy. This notification shall include written notice of the right of a hearing and specific reasons for the denial by program. The applicant wishing to appeal a decision must provide written notice to Subrecipient within twenty (20) days of receipt of the denial notice.

(2) A Subrecipient must establish an appeals committee composed of at least three persons. Subrecipient shall maintain documentation of appeals in their customer files.

(3) Subrecipients shall hold a private appeal hearing (unless otherwise required by law) by phone or in person in an accessible location within ten (10) business days after the Subrecipient received the appeal request from the applicant and must provide the applicant notice in writing of the time/location of the hearing at least seven (7) calendar days before the appeal hearing.

(4) Subrecipient shall record the hearing.

(5) The hearing shall allow time for a statement by Subrecipient staff with knowledge of the case.

(6) The hearing shall allow the applicant at least equal time, if requested, to present relevant information contesting the decision.

(7) Subrecipient shall notify applicant of the decision in writing. The Subrecipient shall mail the notification by close of business on the third calendar day following the decision (three day turn-around).
(8) If the denial is solely based on income eligibility, the provisions described in paragraphs (2) - (7) of this subsection do not apply and the applicant may request a recertification of income eligibility based on initial documentation provided at the time of the original application. The recertification will be an analysis of the initial calculation based on the documentation received with the initial application for services and will be performed by an individual other than the person who performed the initial determination. If the recertification upholds the denial based on income eligibility documents provided at the initial application, the applicant is notified in writing.
(c) If the applicant is not satisfied, the applicant may further appeal the decision in writing to the Department within ten (10) days of notification of an adverse decision.
(d) Applicants/customers who allege that the Subrecipient has denied all or part of a service or benefit in a manner that is unjust, violates discrimination laws, or without reasonable basis in law or fact, may request a contested hearing under Tex. Gov't Code, Chapter 2001.
(e) The hearing under subsection (d) shall be conducted by the State Office of Administrative Hearings on behalf of the Department in the locality served by the Subrecipient, for which the procedures are further described in §1.13, relating to Contested Case Hearing Procedures, of this title.
(f) If the applicant/customer appeals to the Department, the funds should remain encumbered until the Department completes its decision.

12.5 When and how are applicants informed of these rights?
Within ten days of the determination, the subrecipient must provide written notification to the applicant.

12.6 Describe your fair hearing procedures for **households whose applications are not acted on in a timely manner**.

An Applicant requests a hearing with the Subrecipient initially. If not satisfied with the results of the Subrecipient's hearing, the Applicant then appeals to the Texas Department of Housing and Community Affairs. The Department then schedules a fair administrative hearing.

12.7 When and how are applicants informed of these rights?

Applicants are informed of their rights either by 1) informing them on the application itself, 2) handing them a document with such information at the time of application, 3) displaying posters at intake offices, or 4) providing them the information in the denial of LIHEAP assistance letter that is mailed to the applicant.

Section 13: Reduction of home energy needs, 2605(b)(16) – Assurance 16

13.1 Describe how you use LIHEAP funds to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance?
N/A- The State does not use funds under Assurance 16.

13.2 How do you ensure that you don't use more than 5% of your LIHEAP funds for these activities?
NA-The State does not use funds under Assurance 16.

13.3 Describe the impact of such activities on the number of households served in the previous Federal fiscal year.
NA-The State does not use funds under Assurance 16.

13.4 Describe the level of direct benefits provided to those households in the previous Federal fiscal year.
NA-The State does not use funds under Assurance 16.

13.5 How many households applied for these services?
NA-The State does not use funds under Assurance 16.

13.6 How many households received these services?
NA-The State does not use funds under Assurance 16.

Section 14: Leveraging Incentive Program, 2607A

14.1 Do you plan to submit an application for the leveraging incentive program?

☐ Yes ☒ No

14.2 Describe instructions to any third parties and/or local agencies for submitting LIHEAP leveraging resource information and retaining records. NA

14.3 For each type of resource and/or benefit to be leveraged in the upcoming year that will meet the requirements of 45 C.F.R. § 96.87(d)(2)(iii), describe the following:

Resource	**What is the type of resource or benefit?**	**What is the source(s) of the resource?**	**How will the resource be integrated and coordinated with LIHEAP?**
NA	NA	NA	NA

Section 15: Training

15.1 Describe the training you provide for each of the following groups:

a. Grantee Staff:
- ☒ Formal training on grantee policies and procedures
  - How often?
    - ☐ Annually
    - ☐ Biannually
    - ☒ As needed
    - ☐ Other – Describe:
- ☐ Employees are provided with policy manual
- ☒ Other – Describe:

Employees are provided with all the information necessary to administer the LIHEAP. The Department training team provides its new staff with programmatic orientation training and are invited to observe and participate in Subrecipient trainings as well.

b. Local Agencies:

☒ Formal training conference

How often?

☒ Annually

☐ Biannually

☒ As needed

☒ Other – Describe: The Department offers a manager training for newly hired managers or Executive Directors, as needed, which is then followed up with individualized technical assistance. The Department hosts meetings and training events on an as needed basis with Subrecipients to conduct necessary training and/or make announcements. The Department collaborates with the Texas Association of Community Action Agencies to coordinate training for Subrecipients. Training for Subrecipients occurs at an annual conference sponsored by the Texas Association of Community Action Agencies each year. The Department provides Energy Audit training to agencies as needed, along with Department posted Energy Audit Student Guide and Best Practices on its website. The Department provides a template for developing the Annual Service Delivery Plan and a guide for developing it. The Department develops data tools and trains agencies as needed on how to analyze their data to improve efficiency and productivity. Email communication is the best and primary means with which the Department trains, assists, and communicates with LIHEAP Subrecipients.

☒ On-site training

How often?

Annually

☐ Biannually

☒ As needed

☒ Other –

The Department identifies key areas for training needs based upon monitor reports and Subrecipient requests. The Department provides on-site training as needed to individual agencies or through regional trainings on a variety of topics such as: process mapping, production, data analysis, intake, client file documentation, weatherization assessments, audits, final inspections, working with contractors, reporting, and technical assistance for service delivery.

☐ Employees are provided with policy manual

☒ Other – Describe: The Department uses an online portal (i.e., Wufoo) that agencies use daily for quick responses to questions or for requesting training. As needed, the Department schedules meetings to provide information, training, and technical assistance to the local agencies. Email communication is the best and primary means with which the Department trains, assists, and communicates with LIHEAP Subrecipients. The Department creates tools, guides, best practices, and FAQs that are posted on program webpages.

c. Vendors

☐ Formal training conference

How often?

☐ Annually

☐ Biannually

☐ As needed

☐ Other – Describe:

☒ Policies communicated through vendor agreements

☐ Policies are outlined in a vendor manual

☐ Other – Describe:

15.2 Does your training program address fraud reporting and prevention?

☒ Yes ☐ No

Section 16: Performance Goals and Measures, 2605(b)

16.1 Describe your progress toward meeting the data collection and reporting requirements of the four required LIHEAP performance measures. Include timeframes and plans for meeting these requirements and what you believe will be accomplished in the coming federal fiscal year.

The Department was able to meet the four LIHEAP performance measures.

The Department currently requires subrecipients to upload data related to the four performance measures into our State reporting system. The Department has made this reporting a contractual requirement for all LIHEAP subrecipients. The Department periodically reviews uploaded summary reports and offers technical assistance to subrecipients who may not understand what to report or may not upload the data in a timely fashion.

Section 17: Program Integrity, 2605(b)(10)

17.1 Fraud Reporting Mechanisms

a. Describe all mechanisms available to the public for reporting cases of suspected waste, fraud, and abuse. Select all that apply.

☒ Online Fraud Reporting

☐ Dedicated Fraud Reporting Hotline

☒ Report directly to local agency/district office or Grantee office

☒ Report to State Inspector General or Attorney General

☒ Forms and procedures in place for local agencies/district offices and vendors to report fraud, waste, and abuse.

☐ Other – describe:

Note: TDHCA's website has a webpage named "Report Fraud, Waste, and Abuse by TDHCA Management and Staff" directing persons who suspect fraud, waste, and abuse by TDHCA management and staff to report to the State Auditor's Office at https://sao.fraud.texas.gov/ReportFraud/. Subrecipients are required to establish fraud, waste, and abuse procedures.

b. Describe strategies in place for advertising the above-referenced resources. Select all that apply.

☐ Printed outreach materials
☐ Addressed on LIHEAP application
☒ Website
☐ Other – describe:

17.2 Identification Documentation Requirements

a. Indicate which of the following forms of identification are required or requested to be collected from LIHEAP applicants or their household members.

Type of Identification Collected	**Collected from Whom?**		
	Applicant Only	**All Adults in HH**	**HH Members Seeking Assistance***
Social Security Card is photocopied and retained	Required ☐	Required ☐	Required ☐
	Requested ☐	Requested ☐	Requested ☐
Social Security Number (without actual card)	Required ☐	Required ☐	Required ☐
	Requested ☐	Requested ☐	Requested ☐
Government-issued identification card (e.g.,: driver's license, state ID, Tribal ID, passport, etc.)	Required ☒	Required ☒	Required ☒
	Requested ☐	Requested ☐	Requested ☐

#	**Other**	**Applicant Only Required**	**Applicant Only Requested**	**All Adults in House hold Required**	**All Adults in Household Requested**	**All Household Members Required**	**All Household Members Requested**
1	**Other: clients provide identification to the subrecipients at the time of application. See attachment.**	☐	☐	☐	☐	☒	☐

*Households may include members who are not seeking assistance and may not be included in the household count. A live in aide or attendant is not considered part of the Household for purposes of determining Household income, but is considered for a benefit based on the size of the Household.

b. Describe any exceptions to the above policies: NA

17.3 Identification Verification

Describe what methods are used to verify the authenticity of identification documents provided by clients or household members. Select all that apply.

☐ Verify SSNs with Social Security Administration

☐ Match SSNs with death records from Social Security Administration or state agency
☐ Match SSNs with state eligibility/management system (e.g., SNAP, TANF)
☐ Match with state Department of Labor system
☐ Match with state and/or federal corrections system
☐ Match with state child support system
☐ Verification using private software (e.g., The Work Number)
☐ In-person certification by staff (for tribal grantees only)
☐ Match SSN/Tribal ID number with tribal database or enrollment records (for tribal grantees only)
☒ Other – describe:

Subrecipients verify the authenticity of identification documents provided by clients who are not U.S. citizens or nationals. That verification is made through the Systematic Alien Verification for Entitlements (SAVE) system.

17.4 Citizenship/Legal Residency Verification

What are your procedures for ensuring that household members are U.S. citizens or aliens who are qualified to receive LIHEAP benefits?

☐ Clients sign an attestation of citizenship or legal residency
☐ Clients' submission of Social Security cards is accepted as proof of legal residency
☒ Noncitizens must provide documentation of immigration status
☒ Citizens must provide a copy of their birth certificate, naturalization papers, or passport
☒ Noncitizens are verified through the SAVE system
☐ Tribal members are verified through Tribal database/Tribal ID card
☒ Other – describe: U.S. Nationals will have to provide documentation of that status.

17.5 Income Verification

What methods does your agency utilize to verify household income?

☒ Require documentation of income for all adult household members
- ☒ Pay stubs
- ☒ Social Security award letters
- ☐ Bank statements
- ☐ Tax statements
- ☒ Zero-income statements
- ☒ Unemployment Insurance letters
- ☒ Other – describe: Court Documents or government benefit statements as applicable.

☐ Computer data matches:
- ☐ Income information matched against state computer system (e.g., SNAP, TANF)
- ☐ Proof of unemployment benefits verified with state Department of Labor
- ☐ Social Security income verified with SSA
- ☐ Utilize state directory of new hires

☐ Other – describe:

17.6 Protection of Privacy and Confidentiality

Describe the financial and operating controls in place to protect client information against improper use or disclosure.

☒ Policy in place prohibiting release of information without written consent

☐ Grantee LIHEAP database includes privacy/confidentiality safeguards
☒ Employee training on confidentiality for:
  ☒ Grantee employees
  ☒ local agencies/district offices
☐ Employees must sign confidentiality agreement
  ☐ Grantee employees
  ☐ local agencies/district offices
☒ Physical files are stored in a secure location
☒ Other – describe: Grantee contracts include the following section:

RECORD KEEPING REQUIREMENTS
Subrecipient acknowledges that all information collected, assembled, or maintained by subrecipient pertaining to this Contract, except records made confidential by law, is subject to the Texas Public Information Act (Chapter 552 of Texas Government Code) and must provide citizens, public agencies, and other interested parties with reasonable access to all records pertaining to this Contract subject to and in accordance with the Texas Public Information Act.

Texas Administrative Code, Title 10 Chapter 1, Subchapter D §1.409 requires that:

(a) Client Records including Multifamily Development Owners. The Department requires subrecipient organizations to document client services and assistance. Subrecipient organizations must arrange for the security of all program-related computer files through a remote, online, or managed backup service. Confidential client files must be maintained in a manner to protect the privacy of each client and to maintain the same for future reference. Subrecipient organizations must store physical client files in a secure space in a manner that ensures confidentiality and in accordance with Subrecipient organization policies and procedures. To the extent that it is financially feasible, archived client files should be stored offsite from Subrecipient headquarters, in a secure space in a manner that ensures confidentiality and in accordance with organization policies and procedures.
(b) Records of client eligibility must be retained for five (5) years starting from the date the Household activity is completed, unless otherwise provided in federal regulations governing the program.
(c) Other records must be maintained as described in the Contract or the LURA, and in accordance with federal or state law for the programs described in the Chapters of this Part.

17.7 Verifying the Authenticity of Energy Vendors
What policies are in place for verifying vendor authenticity?
☐ All vendors must register with the State/Tribe
☐ All vendors must supply a valid SSN or TIN/W-9 form
☒ Vendors are verified through energy bills provided by the household
☐ Grantee and/or local agencies/district offices perform physical monitoring of vendors
☐ Other – describe, and note any exceptions to policies above:

17.8 Benefits Policy – Gas and Electric Utilities
What policies are in place to protect against fraud when making benefit payments to gas and electric utilities on behalf of clients? Select all that apply.
☐ Applicants required to submit proof of physical residency
☒ Applicants must submit current utility bill
☐ Data exchange with utilities that verifies:

- ☐ Account ownership
- ☐ Consumption
- ☐ Balances
- ☐ Payment history
- ☐ Account is properly credited with benefit
- ☐ Other – describe:

☐ Centralized computer system/database tracks payments to all utilities
☐ Centralized computer system automatically generates benefit level
☒ Separation of duties between intake and payment approval
☐ Payments coordinated among other heating assistance programs to avoid duplication of payments
☒ Payments to utilities and invoices from utilities are reviewed for accuracy
☐ Computer databases are periodically reviewed to verify accuracy and timeliness of payments made to utilities
☐ Direct payment to households are made in limited cases only
☐ Procedures are in place to require prompt refunds from utilities in cases of account closure
☒ Vendor agreements specify requirements selected above, and provide enforcement mechanism
☐ Other – describe:

17.9 Benefits Policy — Bulk Fuel Vendors

What procedures are in place for averting fraud and improper payments when dealing with bulk fuel suppliers of heating oil, propane, wood, and other bulk fuel vendors? Select all that apply.

☐ Vendors are checked against an approved vendors list
☐ Centralized computer system/database is used to track payments to all vendors
☒ Clients are relied on for reports of non-delivery or partial delivery
☐ Two-party checks are issued naming client and vendor
☐ Direct payment to households are made in limited cases only
☐ Vendors are only paid once they provide a delivery receipt signed by the client
☐ Conduct monitoring of bulk fuel vendors
☐ Bulk fuel vendors are required to submit reports to the Grantee
☒ Vendor agreements specify requirements selected above, and provide enforcement mechanism
☐ Other – describe:

17.10 Investigations and Prosecutions

Describe the Grantee's procedures for investigating and prosecuting reports of fraud, and any sanctions placed on clients/staff/vendors found to have committed fraud. Select all that apply.

☒ Refer to state Inspector General
☒ Refer to local prosecutor or state Attorney General
☒ Refer to US DHHS Inspector General (including referral to OIG hotline)
☒ Local agencies/district offices or Grantee conduct investigation of fraud complaints from public
☐ Grantee attempts collection of improper payments. If so, describe the recoupment process.
☐ Clients found to have committed fraud are banned from LIHEAP assistance. For how long is a household banned?
☒ Contracts with local agencies require that employees found to have committed fraud are reprimanded and/or terminated
☒ Vendors found to have committed fraud may no longer participate in LIHEAP
☒ Other — describe: A Subrecipient may be referred to the Department's Enforcement Committee or proposed for debarment.

Section 18: Certification Regarding Debarment, Suspension, and Other Responsibility Matters

Certification Regarding Debarment, Suspension, and Other Responsibility Matters--Primary Covered Transactions

Instructions for Certification

1. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.
6. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.
7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled ``Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction,'' provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Non-procurement Programs.
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and

information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

Certification Regarding Debarment, Suspension, and Other Responsibility Matters--Primary Covered Transactions

(1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;

(b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

(d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

(2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transactions

Instructions for Certification

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.

2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.

4. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used

in this clause, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.

5. The prospective lower tier participant agrees by submitting this proposal that, [[Page 33043]] should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.

6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled ``Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction,'' without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from covered transactions, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.

8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

Certification Regarding Debarment, Suspension, Ineligibility an Voluntary Exclusion--Lower Tier Covered Transactions

(1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

(2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

☒ By checking this box, the prospective primary participant is providing the certification set out above.

Section 19: Certification Regarding Drug-Free Workforce Requirements

This certification is required by the regulations implementing the Drug-Free Workplace Act of 1988: 45 CFR Part 76, Subpart, F. Sections 76.630(c) and (d)(2) and 76.645(a)(1) and (b) provide that a Federal agency may designate a central receipt point for STATE-WIDE AND STATE AGENCY-WIDE certifications, and for notification of criminal drug convictions. For the Department of Health and Human Services, the central point is: Division of Grants Management and Oversight, Office of Management and Acquisition, Department of Health and Human Services, Room 517-D, 200 Independence Avenue, SW Washington, DC 20201.

Certification Regarding Drug-Free Workplace Requirements (Instructions for Certification)

1. By signing and/or submitting this application or grant agreement, the grantee is providing the certification set out below.

2. The certification set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, the agency, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.

3. For grantees other than individuals, Alternate I applies.

4. For grantees who are individuals, Alternate II applies.

5. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.

6. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio studios).

7. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph five).

8. Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules:

Controlled substance means a controlled substance in Schedules I through V of the Controlled

Substances Act (21 U.S.C. 812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

Conviction means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

Criminal drug statute means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

Employee means the employee of a grantee directly engaged in the performance of work under a grant, including: (i) All direct charge employees; (ii) All indirect charge employees unless their impact or involvement is insignificant to the performance of the grant; and, (iii) Temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of Subrecipients or subcontractors in covered workplaces).

Certification Regarding Drug-Free Workplace Requirements

Alternate I. (Grantees Other Than Individuals)

The grantee certifies that it will or will continue to provide a drug-free workplace by:

(a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
(b) Establishing an ongoing drug-free awareness program to inform employees about --(1)The dangers of drug abuse in the workplace;
(2) The grantee's policy of maintaining a drug-free workplace;
(3) Any available drug counseling, rehabilitation, and employee assistance programs; and
(4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
(d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will --
(1) Abide by the terms of the statement; and
(2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
(e) Notifying the agency in writing, within ten calendar days after receiving notice under paragraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
(f) Taking one of the following actions, within 30 calendar days of receiving notice under paragraph (d)(2), with respect to any employee who is so convicted -

(1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
(g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e) and (f).
(B) The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, state, zip code)

221 East 11th Street

Austin, Travis County, Texas, 78701

Check if there are workplaces on file that are not identified here.

Alternate II. (Grantees Who Are Individuals)

(a) The grantee certifies that, as a condition of the grant, he or she will not engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance in conducting any activity with the grant;

(b) If convicted of a criminal drug offense resulting from a violation occurring during the conduct of any grant activity, he or she will report the conviction, in writing, within 10 calendar days of the conviction, to every grant officer or other designee, unless the Federal agency designates a central point for the receipt of such notices. When notice is made to such a central point, it shall include the identification number(s) of each affected grant.

[55 FR 21690, 21702, May 25, 1990]

☒ By checking this box, the prospective primary participant is providing the certification set out above.

Section 20: Certification Regarding Lobbying

The submitter of this application certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, ``Disclosure Form to Report Lobbying,'' in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all Subrecipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Statement for Loan Guarantees and Loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that:

If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, ``Disclosure Form to Report Lobbying,'' in accordance with its instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

☒ By checking this box, the prospective primary participant is providing the certification set out above.

REQUIRED ATTACHMENTS

The following documents must be attached to this application:

- Assurances signature page
- Designation letter for signature to Assurances is required if someone other than the Governor or Tribal Chairperson signs the Assurances.
- Heating component benefit matrix. (Attachment 3)
- Cooling component benefit matrix. (Attachment 3)
- Local Agency Monitoring Schedule (Attachment 4)

Attachment 3

Benefit Matrix

Program rules found at 10 Texas Administrative Code, §6.309(e):
https://texreg.sos.state.tx.us/public/readtac$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=10&pt=1&ch=6&rl=309 . .

All benefits are determined based on a sliding scale.

(e) Benefit determinations for the Utility Assistance Component and the Crisis Assistance Component cannot exceed the sliding scale described in paragraphs (1) - (3) of this subsection:

(1) Households with Incomes of 0 to 50% of Federal Poverty Guidelines may receive an amount not to exceed $2,400 per Component;

(2) Households with Incomes of 51% to 75% of Federal Poverty Guidelines may receive an amount not to exceed $2,300 per Component; and

(3) Households with Incomes of 76% to at or below 150% of Federal Poverty Guidelines may receive an amount not to exceed $2,200 per Component; and

(f) Service and Repair of existing heating and cooling units: Households may receive up to $7,500 for service and repair of existing heating and cooling units when the Household has an inoperable heating or cooling system based on requirements in §6.310 and §6.311.

Attachment 4

Monitoring Schedule for FY 2022

	SUBRECIPIENT	REVIEW TYPE	Date of Next Monitoring Review	DATE OF LAST FULL ONSITE REVIEW (IF APPLICABLE)
1	Alamo Area Council of Governments	On-Site	2021	October 2020
2	Aspermont Small Business Development Center, Inc.	On-Site	2022	November 2019
3	BakerRipley	On-Site	2021	November 2020
4	Bexar County Community and Development Programs	On-Site	2022	January 2020
5	Big Bend Community Action Committee, Inc.	On-Site	2021	August 2020
6	Brazos Valley Community Action Programs	On-Site	2022	March 2020
7	Cornerstone Community Action Agency	On-Site	2023	September 2020
8	City of Fort Worth Neighborhood Services Department	On-Site	2022	February 2021
9	City of Lubbock Community Development Department	On-Site	2021	February 2019
10	Combined Community Action, Inc.	On-Site	2022	November 2019
11	Community Action Committee of Victoria, Texas	On-Site	2022	Septmember 2019
12	Community Action Corporation of South Texas	On-Site	2021	January 2021
13	Community Action Inc. of Central Texas	On-Site	2022	October 2018
14	Community Council of South Central Texas, Inc.	On-Site	2021	October 2020
15	Community Services Northeast Texas, Inc.	On-Site	2023	May 2018
16	Concho Valley Community Action Agency	On-Site	2022	January 2020
17	County of Hidalgo Community Services Agency	On-Site	2023	December 2018
18	Dallas County Health and Human Services	On-Site	2022	September 2020
19	Economic Action Committee of the Gulf Coast	On-Site	2022	January 2020
20	Economic Opportunities Advancement Corporation of Planning Region XI	On-Site	2022	January 2020
21	El Paso Community Action Program-Project BRAVO	On-Site	2022	February 2020
22	Galveston County Community Action Council, Inc.	On-Site	2022	March 2019
23	Greater East Texas Community Action Program	On-Site	2021	April 4, 2020
24	Hill Country Community Action Association, Inc.	On-Site	2021	December 2018
25	Kleberg County Human Services	On-Site	2022	November 2019
26	Nueces County Community Action Agency	On-Site	2022	February 2019
27	Panhandle Community Services	On-Site	2022	May 2020
28	Pecos County Community Action Agency	On-Site	2023	January 2021
29	Rolling Plains Manangement Corporation	On-Site	2021	December 2020
30	South Plains Community Action Association, Inc.	On-Site	2022	April 2018
31	South Texas Development Council	On-Site	2022	January 2021
32	Texas Neighborhood Services	On-Site	2022	May 2019
33	Texoma Council Of Governments	On-Site	2022	August 2019
34	Travis County Health and Human Services	On-Site	2022	August 2020
35	Tri-County Community Action, Inc.	On-Site	2021	November 2018
36	Webb County Community Action Agency	On-Site	2022	December 2019
37	West Texas Opportunities, Inc.	On-Site	2022	July 2020
38	Williamson-Burnet County Opportunities, Inc.	On-Site	2022	April 2019

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BOARD ACTION REQUEST

COMMUNTY AFFAIRS DIVISION

JUNE 17, 2021

Presentation, discussion and possible action on the Low Income Household Water Assistance Program funded through the Consolidated Appropriations Act of 2021 and the American Rescue Plan Act of 2021 and authorization to program and award such funds

RECOMMENDED ACTION

WHEREAS, on December 27, 2020, the President of the United States (President) signed the Consolidated Appropriations Act of 2021 which included $638,000,000 for states, tribes and territories to carry out grants to assist low-income households that pay a high proportion of household income for drinking water and wastewater services, by providing funds to owners or operators of public water systems or treatment works to reduce arrearages of and rates charged to such households for such services;

WHEREAS, the Act further states that in carrying out this appropriation, as appropriate and to the extent practicable, states receiving this funding shall use existing processes, procedures, policies, and systems in place to provide assistance to low-income households, including by using existing programs and program announcements, application and approval processes;

WHEREAS, because it has the existing processes, procedures, policies, systems and a network of subrecipients in place, on March 5, 2021, Governor Abbott designated the Texas Department of Housing and Community Affairs (the Department) to be the lead agency responsible for the newly created Low Income Household Water Assistance Program (LIHWAP);

WHEREAS, on March 11, 2021, the President signed the American Rescue Plan Act, increasing LIHWAP funding by $500,000,000;

WHEREAS, On June 2, 2021, the State of Texas received its Notices of LIHWAP Awards from the U.S. Department of Health and Human Services (USHHS) from both appropriations in the total amount of $92,398,958 which must be obligated by September 30, 2023, and expended by December 31, 2023;

WHEREAS, USHHS has strongly encouraged grantees to utilize their existing LIHEAP program network and infrastructure to implement the LIHWAP which will demand that the Department take extraordinary measures necessary to ensure the funding is deployed as quickly, effectively and fully as possible; and

WHEREAS, LIHWAP will closely mirror CEAP in its structure and operation and staff is therefore recommending that 99% of LIHWAP funding be allocated to 36 Comprehensive Energy Assistance Program (CEAP) subrecipients to provide drinking water and wastewater assistance to the low-income population in all 254 counties and the remaining 1% will be used for state administration;

NOW, therefore, it is hereby

RESOLVED, that the Executive Director and his designees and each of them be and they hereby are authorized, empowered and directed, for and on behalf of this Board to execute, deliver, and cause to be performed such amendments, documents (e.g., LIHWAP State Plan), and other writings such as anticipated grant guidance from USHHS on implementation of the LIHWAP, and to make decisions as they or any of them may deem necessary or advisable to effectuate the foregoing;

FURTHER RESOLVED, that the Executive Director and his designees and each of them be and they hereby are authorized, empowered and directed, for and on behalf of this Board to issue Department guidance to subrecepients to ensure the funding is deployed as quickly and efficiently as possible;

FURTHER RESOLVED, that the these awards are contingent upon the Department receiving the funds

FURTHER RESOLVED, that the Executive Director and his designees each of them be and they hereby are, authorized, empowered, and directed, for and on behalf of this Board, to issue contracts for these funds consistent with the policy noted herein;

FURTHER RESOLVED, that should any LIHWAP Administrative funds remain unprogrammed after June 1, 2023, those funds may be redistributed to the LIHWAP subrecipients that have met the most recent contract benchmark and have no outstanding previous participation issues under any Department program using the allocation formula in effect at that time to ensure full expenditure of LIHWAP funding; and

FURTHER RESOLVED, that in cases where it becomes apparent a subrecipient is unable to expend the LIHWAP funds evidenced by a subrecipient missing one or more contract milestones, the Executive Director or his designee is granted authority to deobligate funds from all or part of any LIHWAP budget category and reobligate such funds to subrecipients showing the highest rate of expenditure of their LIHWAP allocation, to ensure full utilization.

BACKGROUND

On December 27, 2020, President Trump signed the Consolidated Appropriations Act of 2021 into law which provides $638,000,000 to states, tribes and territories to assist low income households, particularly those with the lowest incomes that pay a high proportion of household income for drinking water and wastewater services, by providing funds to owners or operators of public water systems or treatment works to reduce arrearages of and rates charged to such households for such services. The Act also states that as appropriate and to the extent practicable, states shall "use existing processes, procedures, policies, and systems in place to provide assistance to low income households, including by using existing programs and program announcements, application and approval processes." In addition, President Biden signed the American Rescue Plan Act on March 11, 2021, increasing LIHWAP funding another $500,000,000 to a total of $1,138,000,000 for all states, tribes and territories of the United States. Because the Department is designated the recipient of Low Income Home Energy Assistance Program (LIHEAP) funds for the State of Texas and has the necessary infrastructure in place and a network of subrecipients already receiving LIHEAP funds and performing electric utility services, Governor Abbott designated the Texas Department of Housing and Community Affairs as the lead agency to distribute and oversee the LIHWAP.

The Department received its Notice of LIHWAP Awards from USHHS in the amount of $92,398,958 on June 2, 2021, and wishes to quickly issue contracts and distribute the LIHWAP funds to each of the 36 CEAP subrecipients covering all 254 counties of the state so that subrecipients can begin providing water and wastewater assistance to low-income Texans.

For LIHWAP funds, the Department recommends the following distribution:

- 99% of the allotment to CEAP subrecipients to provide water and wastewater assistance to eligible households. These funds will be distributed proportionally to 36 subrecipients using factors of poverty population and housing costs in a distribution formula incorporating the most current U.S. Census Bureau Decennial Census and data from the American Community Survey for information on persons not to exceed 150% of poverty; and
- 1% for state administration expenses including but not limited to possible procurement of Article IX Full Time Equivalent positions for increased training assistance and reporting functions required by subrecipients to expend the funds.

The Department is committed to the successful implementation of the new LIHWAP and assisting subrecipients in the payment of water and wastewater bills for the low-income population of Texas. As such, the Department will implement the new LIHWAP so that it closely mirrors that of CEAP. Many of the current rules in 10 TAC Chapter 6, Subchapter C, will be used in the implementation of LIHWAP as well as existing CEAP related guidance, such as defining the customer income eligibility level at or below 150% of the federal poverty level. In the development and implementation of LIHWAP, it may become necessary for the Department to take extraordinary allowable measures to ensure its success. Such measures might be granting flexibilities to guidance and rules, requesting waivers or flexibilities from USHHS, developing and submitting the LIHWAP State Plan to USHHS without Board approval, and issuing new guidance or prompt decision-making without Board approval. The Department therefore recommends granting the Executive Director or his designee the authority to take such allowable measures to effectively administer LIHWAP in accordance with federal and state law.

Additionally, based on Department experience from receiving other large infusions of funds during the American Recovery and Reinvestment Act of 2009 and CARES Act of 2020, it can occur that not all subrecipients are able to adjust to such large volume increases in their funding. Therefore, staff recommends instituting a policy to strive to expend all funds despite some subrecipients' possible inability to expend LIHWAP funds either due to operational challenges in disseminating funds or lack of need in the area served. The Department recommends granting the Executive Director or his designee the authority to deobligate funds from all or part of the LIHWAP budget categories of a subrecipient if they either are not spending funds in a timely manner to serve the low-income population in their service area, or there is a lack of need in the service area, as evidenced by missing one or more LIHWAP contract milestones. Funds deobligated will be reobligated to the subrecipients showing the highest rate of expenditure based on their estimated ability to spend available funding. Granting the Executive Director this authority will further promote timely water and wastewater assistance for low-income Texans, reduce bureaucracy and administrative burden, and ensure full utilization of funds by September 30, 2023.

Approving this action will grant the Department and its subrecipients the necessary flexibility and a more streamlined approach to effectively administer LIHWAP and serve the low-income population of Texas.

The Previous Participation Rule (10 TAC, Chapter 1, Subchapter C, §1.302) requires a review of the LIHWAP awards prior to contract execution. The review has been performed and the subrecipients listed below have been recommended by the Executive Award Review and Advisory Committee for award. Only one subrecipient award, Big Bend Community Action Committee, Inc., has been conditioned as follows:

Agency	Condition
Big Bend Community Action Committee, Inc. (BBCAC)	This award is conditioned upon BBCAC submitting their compliant FYE 12/31/2019 Single Audit to the Federal Audit Clearinghouse (FAC) and provide written notice to the Department of the submission within 5 business days of FAC submission AND BBCAC must submit a response sufficient to satisfactorily resolve their open monitoring report. Both of these actions must be completed before a LIHWAP Contract is issued, but no later than September 8, 2021. Additionally, BBCAC is notified that failure to complete this condition may serve as good cause under 10 TAC §1.411(f) for nonrenewal or reduction of block grant funds.

	LIHWAP SUBRECIPIENT*	AMOUNT
1	Aspermont Small Business Development Center, Inc.	$91,006
2	BakerRipley	$16,434,292
	BakerRipley (serving Brazoria and Galveston Counties)**	$1,664,664
3	Bexar County Community and Development Programs	$6,716,107
4	Big Bend Community Action Committee, Inc.***	$109,834
5	Brazos Valley Community Action Programs	$3,068,425
6	Cornerstone Community Action Agency	$334,000
7	City of Fort Worth Neighborhood Services Department	$5,999,082
8	City of Lubbock Community Development Department	$1,161,486
9	Combined Community Action, Inc.	$500,308
	Combined Community Action, Inc. (serving Fort Bend County)**	$1,374,797
10	Community Action Committee of Victoria, Texas	$745,666
11	Community Action Corporation of South Texas	$2,876,387
12	Community Action Inc. of Central Texas	$813,681
13	Community Council of South Central Texas, Inc.	$2,472,280
14	Community Services Northeast Texas, Inc.	$1,945,080
15	Concho Valley Community Action Agency	$443,844
16	County of Hidalgo Community Services Agency	$4,465,971
17	Dallas County Health and Human Services	$9,700,934
18	Economic Action Committee of the Gulf Coast	$40,182
	Economic Action Committee of the Gulf Coast (serving Wharton County)**	$160,901
19	Economic Opportunities Advancement Corporation of Planning Region XI	$4,180,724
20	El Paso Community Action Program-Project BRAVO	$375,011
21	Greater East Texas Community Action Program	$5,351,093
22	Hill Country Community Action Association, Inc.	$1,585,188
23	Kleberg County Human Services	$139,678
24	Nueces County Community Action Agency	$1,282,245
25	Panhandle Community Services	$1,384,631
26	Pecos County Community Action Agency	$54,523
27	Rolling Plains Management Corporation	$1,223,760
28	South Plains Community Action Association, Inc.	$439,771
29	South Texas Development Council	$475,325
30	Texas Neighborhood Services	$1,313,786
31	Texoma Council Of Governments	$4,434,258
32	Travis County Health and Human Services	$3,506,559
33	Tri-County Community Action, Inc.	$860,705
34	Webb County Community Action Agency	$1,339,658
35	West Texas Opportunities, Inc.	$1,303,144
36	Williamson-Burnet County Opportunities, Inc.	$1,105,982
	TOTAL	**$91,474,968**

*The Department will distribute 99% of its allocation amount ($91,474,968) proportionally to the 36 subrecipients using factors of poverty population and housing costs in a distribution formula incorporating the most current U.S. Census Bureau Decennial Census and data from the American Community Survey for

information on persons not to exceed 150% of poverty. Because the Department must track these funds separately, the award may be split between two contracts.
**Because these counties are not officially a part of the subrecipient's existing CEAP service area, these subrecipients will receive separate contracts to serve these counties.
***The Board has placed conditions on this award which must be met before a Contract is executed.

1h

BOARD ACTION REQUEST

HOUSING RESOURCE CENTER

JUNE 17, 2021

Presentation, discussion, and possible action on the final 2021 State of Texas Consolidated Plan: One-Year Action Plan

RECOMMENDED ACTION

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) requires the submission of a One-Year Action Plan in accordance with 24 CFR §91.320;

WHEREAS, the Department has developed the draft 2021 State of Texas Consolidated Plan: One-Year Action Plan (the Plan), which reports on the intended use of funds received by the State of Texas from HUD for Program Year (PY) 2021, beginning on September 1, 2021 and ending on August 31, 2022;

WHEREAS, a public comment period was open from April 26, 2021 through May 26, 2021, and a public hearing was held on May 5, 2021, to garner input on the One-Year Action Plan and no comment was received;

WHEREAS, HUD announced the 2021 allocations for the CPD formula programs on February 25, 2021, and staff has included these released amounts in this final version presented at this meeting; and

WHEREAS, HUD announced an updated CDBG allocation amount, due to a formula error on May 13, 2021, and staff has included this small increase in CDBG funds in this final version presented at this meeting;

NOW, therefore, it is hereby

RESOLVED, that the 2021 State of Texas Consolidated Plan: One-Year Action Plan, in the form presented to this meeting, is hereby approved and the Executive Director and his designees are each hereby authorized, empowered and directed, for and on behalf of the Department, to submit the 2021 State of Texas Consolidated Plan: One-Year Action Plan to HUD and, in connection therewith, to make such nonsubstantive grammatical and technical changes as they or HUD deem necessary or advisable.

BACKGROUND

The Texas Department of Housing and Community Affairs (TDHCA), Texas Department of Agriculture (TDA), and Texas Department of State Health Services (DSHS) prepared the draft 2021 State of Texas Consolidated Plan: One-Year Action Plan (Plan) in accordance with 24 CFR §91.320. TDHCA coordinates the preparation of the State of Texas Consolidated Plan documents. The Plan covers the State's administration of the Community Development Block Grant Program (CDBG) by TDA, the Housing Opportunities for Persons with AIDS Program (HOPWA) by DSHS, the Emergency Solutions Grant (ESG) Program, the HOME Investment Partnerships (HOME) Program, and the National Housing Trust Fund (NHTF) Program by TDHCA.[1]

The Plan reflects the intended uses of funds received by the State of Texas from HUD for Program Year (PY) 2021. The Program Year begins on September 1, 2021, and ends on August 31, 2022. The Plan also illustrates the State's strategies in addressing the priority needs and specific goals and objectives identified in the 2020-2024 State of Texas Consolidated Plan.

A draft of the Plan, containing official allocation amounts, was approved by the TDHCA Governing Board for release for public comment from Monday, April 26, 2021, through Wednesday, May 26, 2021, and a public hearing was held on May 5, 2021. The State received no comments.

Per 24 CFR §91.15(a)(1), the Plan is required to be submitted to HUD on July 18, 2021, which is at least 45 days before the start of PY 2021.

HUD Office of Community Planning and Development (CPD) announced the 2021 allocations for the CPD formula programs on February 25, 2021. On May 13, 2021, HUD CPD issued a letter stating that they had discovered an error in the formula calculations for the CDBG program indicating that if a grantee had not yet submitted an FY 2021 plan, the correct allocation amounts must be reflected in the 2021 action plan submission. Staff has included these official amounts in this final version presented at this meeting. A copy of the Plan to be approved by the Board for submission to HUD can be found online at TDHCA's Board Meeting Information Center website at http://www.tdhca.state.tx.us/board/meetings.htm.

This action seeks approval to submit the Plan to HUD upon approval by the Board and prior to any deadline identified by HUD Per 24 CFR §91.15(a)(1). Staff recommends approval of this action.

On June 3, 2021, HUD approved the 2020 Plan Amendment to use NHTF for rehabilitation activities. TDHCA has made the corresponding changes to the NHTF Rehab standards for 2021 in accordance with the 2020 approval. Changes are reflected in the NHTF Rehab standards attached to the final 2021 One-Year Action Plan as presented to the Board.

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[1] The Texas General Land Office (GLO) is the responsible entity for developing the State Community Development Block Grant Disaster Recovery Program (CDBG-DR) Action Plan and submitting any required amendments to the Consolidated Plan in accordance with HUD guidelines. CDBG-DR planning documents are available at http://recovery.texas.gov/action-plans/index.html.

1i

BOARD ACTION REQUEST

LEGAL DIVISION

JUNE 17, 2021

Presentation, discussion, and possible action regarding the adoption of an Agreed Final Order concerning White Rock Hills (HTC 07001 / CMTS 4431)

RECOMMENDED ACTION

WHEREAS, White Rock Hills Townhomes, owned by Fairway Townhomes Housing, L.P. (Owner), had uncorrected compliance findings relating to the applicable land use restriction agreement and the associated statutory and rule requirements;

WHEREAS, findings of noncompliance included: noncompliance with lease requirements for two units; failure to annually recertify four units; one unit with incomplete documentation to prove eligibility, resulting in a finding for a program unit not leased to low-income household; one unit occupied by a household that was over the income limit, and one unit that was missing a lease;

WHEREAS, all findings that had been referred for an administrative penalty were fully resolved informally before consideration by the Enforcement Committee;

WHEREAS, Owner's representatives have agreed, subject to Board approval, to enter into an Agreed Final Order stipulating that violations occurred and assessing no administrative penalty; and

WHEREAS, staff has based its recommendations for an Agreed Final Order on the Department's rules for administrative penalties and an assessment of each and all of the statutory factors to be considered in assessing such penalties, applied specifically to the facts and circumstances present in this case.

NOW, therefore, it is hereby

RESOLVED, that an Agreed Final Order, assessing no administrative penalty, but stipulating that violations occurred at White Rock Hills Townhomes (HTC 07001 / CMTS 4431), as presented at this meeting, but authorizing staff to make any necessary non-substantive technical corrections, is hereby adopted as the order of this Board.

BACKGROUND

Fairway Townhomes Housing, L.P. (Owner) is the owner of White Rock Hills Townhomes (Property), a low income apartment complex composed of 302 units, located in Dallas County. The Property is subject to a Land Use Restriction Agreement (LURA) signed by Owner in 2008 in consideration of an annual housing tax credit allocation of $1,456,598 to acquire, rehabilitate and operate the Property. Records of the Utah Secretary of State do not list individual members of the general partner, PC White Rock GP, LLC, a Utah limited liability company, but TDHCA records indicate that members include: Jeffrey C. Danley, Carl Clark, and Jeff Burningham. CMTS lists Marina Palmer as the primary contact for the Owner. The Property is managed by Peak Living, with Rebecca McBride listed as the primary contact in CMTS.

This ownership group has a history of previous administrative penalty referrals for file monitoring violations and Uniform Physical Condition Standards (UPCS) violations. Those referrals were closed informally when full corrections were received. The following new compliance violations at the Property were identified during a 2020 file monitoring review and were referred for a penalty:

1. Lease violation relating to failure to execute required no lock-out and good cause eviction language in the lease for units 2202 and 2307;
2. Failure to provide annual recertifications for units 3701, 3905, 3908, and 2202, a requirement for mixed-income properties;
3. Program unit not leased to low income household / household income above limit upon initial occupancy for units 3903 and 2202; and
4. Low-income unit 2202 used on transient basis; no lease was in the file.

An informal conference was set and corrections were received in response to the informal conference notice. Due to the ownership group's history of past administrative penalty referrals, receipt of a warning letter in 2018, and because corrections for the current referral were not received until after an informal conference was set, it is not appropriate to close this referral without action by the Enforcement Committee. However, multiple improvements have been made to address noncompliance and prevent future problems. Accordingly, Owner has agreed to sign an Agreed Final Order assessing no administrative penalty for noncompliance at the Property, but stipulating that violations had occurred and were not timely corrected. This will establish a history of violations, and a penalty would then be assessed if another informal conference is set in the future for further noncompliance. This is an appropriate compromise because a first time penalty is typically reduced to zero if full corrections are received, and because new management, Peak Living, has implemented procedures to improve compliance in the portfolio.

Peak Living indicates that all of their Texas teams, including their Vice President of Compliance, registered for TDHCA's UPCS and HTC Compliance Trainings. Shortly after taking over, Peak Living conducted a full self-audit that identified over 100 past due annual recertifications at multiple properties. They were working to address their findings and TDHCA's subsequent findings, but experienced difficulty due to tenant resistance and then the pandemic. They also misunderstood a letter issued by TDHCA, which gave a deadline of May 5, 2021, to correct a new finding of noncompliance identified for one unit. Additionally, there were a multiple households that moved out during the corrective action period. As of March 2021, Peak Living indicated that only two of their self-audit findings remained unresolved, both due to tenant refusal to cooperate. Final corrections for TDHCA's findings were submitted on April 19, 2021. Internal procedures have been implemented to improve annual recertification requirements, including biweekly reports issued by the in-house compliance department, outlining all certifications due within 120 days, along with any past-due certifications. On a weekly basis, the regional manager and Vice Presidents receive reports of any past due certifications. Any property with more than 10 past due certifications is required to submit a weekly report providing updates and backup information about what they are doing to address the violations. If they exceed 12 past due files, they have weekly calls with the Vice President of Compliance, Regional Manager, and Regional Vice President.

Consistent with direction from the Department's Enforcement Committee, an Agreed Final Order stipulating that violations occurred is recommended, with no administrative penalty. This will be a reportable item of consideration under previous participation for any new award to the principals of the owner.

ENFORCEMENT ACTION AGAINST	§	BEFORE THE
FAIRWAY TOWNHOMES HOUSING, L.P.	§ §	TEXAS DEPARTMENT OF
WITH RESPECT TO	§	HOUSING AND COMMUNITY
WHITE ROCK HILLS TOWNHOMES	§ §	AFFAIRS
(HTC FILE # 07001 / CMTS # 4431)	§	

AGREED FINAL ORDER

General Remarks and official action taken:

On this 17th day of June, 2021, the Governing Board (Board) of the Texas Department of Housing and Community Affairs (TDHCA or Department) considered the matter of whether enforcement action should be taken against **FAIRWAY TOWNHOMES HOUSING, L.P.,** a Texas limited partnership (Respondent).

This Agreed Order is executed pursuant to the authority of the Administrative Procedure Act (APA), Tex. Gov't Code §2001.056, which authorizes the informal disposition of contested cases. In a desire to conclude this matter without further delay and expense, the Board and Respondent agree to resolve this matter by this Agreed Final Order. The Respondent agrees to this Order for the purpose of resolving this proceeding only and without admitting or denying the findings of fact and conclusions of law set out in this Order.

Upon recommendation of the Enforcement Committee, the Board makes the following findings of fact and conclusions of law and enters this Order:

WAIVER

Respondent acknowledges the existence of their right to request a hearing as provided by Tex. Gov't Code §2306.044, and to seek judicial review, in the District Court of Travis County, Texas, of any order as provided by Tex. Gov't Code §2306.047. Pursuant to this compromise and settlement, the Respondent waives those rights and acknowledges the jurisdiction of the Board over Respondent.

FINDINGS OF FACT (FOF)

Jurisdiction:

1. During 2008, Respondent was awarded an allocation of Low Income Housing Tax Credits by the Board, in the annual amount of $1,456,598 to acquire, rehabilitate and operate White Rock Hills Townhomes (Property) (HTC file No. 07001 / CMTS No. 4431 / LDLD No. 775).

2. Respondent signed a land use restriction agreement (LURA) regarding the Property. The LURA was effective December 1, 2008, and filed of record at Document Number 200900129016 of the Official Public Records of Real Property of Dallas County, Texas (Records), as amended by a First Amendment executed on September 1, 2010, and filed in the Records at Document Number 201000237652.

3. Respondent is subject to the regulatory authority of TDHCA.

Compliance Violations[1]:

4. An on-site monitoring review was conducted on October 20, 2020, to determine whether Respondent was in compliance with LURA requirements to lease units to low income households and maintain records demonstrating eligibility. The monitoring review found violations of the LURA and TDHCA rules. Notifications of noncompliance were sent and a January 24, 2021, corrective action deadline was set, however, the following violations were not resolved before the corrective action deadline:

    a. Respondent failed to execute required lease provisions or exclude prohibited lease language for units 2202 and 2307, a violation of 10 TAC §10.613 (Lease Requirements), which requires leases to include specific language protecting tenants from eviction without good cause and prohibiting owners from taking certain actions such as locking out or seizing property, or threatening to do so, except by judicial process. Final corrective documentation was received on April 16, 2021. The final violation was corrected on April 19, 2021, after intervention by the Enforcement Committee.

    b. Respondent failed to provide a copy of the lease for unit 2202. Using a unit on a transient basis is a violation of 10 TAC §10.613 (Lease Requirements) and Section 4(c) of the LURA, which require residential rental units to be leased to Low-Income Tenants. The violation was corrected on April 19, 2021, after intervention by the Enforcement Committee.

    c. Respondent failed to provide documentation that the household income was within prescribed limits upon initial occupancy for unit 2202, a violation of 10 TAC §10.611 (Determination, Documentation and Certification of Annual Income) and Section 4 of the LURA, which require screening of tenants to ensure qualification for the program. The final violation was corrected on April 19, 2021, after intervention by the Enforcement Committee.

    d. Respondent failed to provide annual recertifications for units 3701, 3905, 3908, and 2202, a violation of 10 TAC §10.612 (Tenant File Requirements), which requires developments to annually recertify tax credit households in mixed

[1] Within this Agreed Final Order, all references to violations of TDHCA Compliance Monitoring rules at 10 TAC Chapter 10 refers to the versions of the code in effect at the time of the compliance monitoring review that resulted in recording each violation. All past violations remain violations under the current code and all interim amendments.

income properties. The final violation was corrected on April 19, 2021, after intervention by the Enforcement Committee.

e. Household income was above income upon initial occupancy for unit 3903, a violation of 10 TAC §10.611 (Determination, Documentation and Certification of Annual Income) and Section 4 of the LURA, which require screening of tenants to ensure qualification for the program. The final violation was corrected on March 10, 2021, after intervention by the Enforcement Committee.

5. All violations listed above are considered resolved at the time of this Order.

CONCLUSIONS OF LAW

1. The Department has jurisdiction over this matter pursuant to Tex. Gov't Code §§2306.041-.0503 and 10 TAC Chapter 2.

2. Respondent is a "housing sponsor" as that term is defined in Tex. Gov't Code §2306.004(14).

3. Pursuant to IRC §42(m)(1)(B)(iii), housing credit agencies are required to monitor for noncompliance with all provisions of the IRC and to notify the Internal Revenue Service of such noncompliance.

4. Respondent violated 10 TAC §10.613 in 2020, by failing to provide required lease provisions or exclude prohibited language for units 2202 and 2307.

5. Respondent violated 10 TAC §10.613 in 2020, by failing to provide a lease for unit 2022, resulting in a finding of a Low-Income unit occupied on a transient basis.

6. Respondent violated 10 TAC §10.611 and Section 4 of the LURA in 2020, by failing to provide documentation that the household income was within prescribed limits upon initial occupancy for unit 2202.

7. Respondent violated 10 TAC §10.612 in 2020, by failing to provide annual recertifications for units 3701, 3905, 3908, and 2202.

8. Respondent violated 10 TAC §10.611 and Section 4 of the LURA in 2020, when unit 3903 was leased to a household that was above income upon initial occupancy.

9. Because Respondent is a housing sponsor with respect to the Property, and has violated TDHCA rules, the Board has personal and subject matter jurisdiction over Respondent pursuant to Tex. Gov't Code §2306.041 and §2306.267.

10. Because Respondent is a housing sponsor, TDHCA may order Respondent to perform or refrain from performing certain acts in order to comply with the law, TDHCA rules, or the terms of a contract or agreement to which Respondent and TDHCA are parties, pursuant to Tex. Gov't Code §2306.267.

11. Because Respondent has violated rules promulgated pursuant to Tex. Gov't Code §2306.053 and has violated agreements with the Agency to which Respondent is a party, the Agency may impose an administrative penalty pursuant to Tex. Gov't Code §2306.041.

12. It is appropriate to assess no administrative penalty in accordance with the policies situated at 10 TAC Chapter 2.

Based upon the foregoing findings of fact and conclusions of law, and an assessment of the factors set forth in Tex. Gov't Code §2306.042 to be considered in assessing such penalties as applied specifically to the facts and circumstances present in this case, the Governing Board of the Texas Department of Housing and Community Affairs orders the following:

IT IS HEREBY ORDERED that Respondent not be assessed an administrative penalty.

IT IS FURTHER ORDERED that Respondent shall follow the requirements of 10 TAC §10.406, a copy of which is included at Exhibit 1, and obtain approval from the Department prior to consummating a sale of the property, if contemplated.

IT IS FURTHER ORDERED that the terms of this Agreed Final Order shall be published on the TDHCA website.

[Remainder of page intentionally blank]

Approved by the Governing Board of TDHCA on June 17, 2021.

By: ______________________________
Name: Leo Vasquez
Title: Chair of the Board of TDHCA

By: ______________________________
Name: James “Beau” Eccles
Title: Secretary of the Board of TDHCA

STATE OF TEXAS §
§
COUNTY OF ______________ §

Before me, the undersigned notary public, on this ___ day of June, 2021, personally appeared Leo Vasquez, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

____
Notary Public, State of Texas

STATE OF TEXAS §
§
COUNTY OF TRAVIS §

Before me, the undersigned notary public, on this ___ day of June, 2021, personally appeared James “Beau” Eccles, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

____
Notary Public, State of Texas

STATE OF ______________________§
§
COUNTY OF ____________________§

BEFORE ME,___________*(notary name)*, a notary public in and for the State of ____________, on this day personally appeared ______________________________*(person signing document)*, known to me or proven to me through *circle one: personally known / driver's license / passport* to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that (he/she) executed the same for the purposes and consideration therein expressed, who being by me duly sworn, deposed as follows:

1. "My name is _______________________, I am of sound mind, capable of making this statement, and personally acquainted with the facts herein stated.
2. I hold the office of __________________ for Respondent. I am the authorized representative of Respondent, owner of the Property, which is subject to a Land Use Restriction Agreement monitored by the TDHCA in the State of Texas, and I am duly authorized by Respondent to execute this document.
3. Respondent knowingly and voluntarily enters into this Agreed Final Order, and agrees with and consents to the issuance and service of the foregoing Agreed Order by the Governing Board of the Texas Department of Housing and Community Affairs."

RESPONDENT:

FAIRWAY TOWNHOMES HOUSING, L.P., a Texas limited partnership

PC White Rock GP, LLC, a Utah limited liability company

By: ______________________________

Name: Jeffrey Danley

Title: ______________________________

Given under my hand and seal of office this ______ day of ____________, 2021.

____

Signature of Notary Public

____

Printed Name of Notary Public

NOTARY PUBLIC IN AND FOR THE STATE OF ____________

My Commission Expires:__________

<u>Exhibit 1</u>
Texas Administrative Code

TITLE 10	COMMUNITY DEVELOPMENT
PART 1	TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
CHAPTER 10	UNIFORM MULTIFAMILY RULES
SUBCHAPTER E	POST AWARD AND ASSET MANAGEMENT REQUIREMENTS
RULE §10.406	Ownership Transfers (§2306.6713)

(a) Ownership Transfer Notification. All multifamily Development Owners must provide written notice and a completed Ownership Transfer packet, if applicable, to the Department at least 45 calendar days prior to any sale, transfer, or exchange of the Development or any portion of or Controlling interest in the Development. Except as otherwise provided herein, the Executive Director's prior written approval of any such transfer is required. The Executive Director may not unreasonably withhold approval of the transfer requested in compliance with this section.

(b) Exceptions. The following exceptions to the ownership transfer process outlined herein apply:

(1) A Development Owner shall be required to notify the Department but shall not be required to obtain Executive Director approval when the transferee is an Affiliate of the Development Owner with no new Principals or the transferee is a Related Party who does not Control the Development and the transfer is being made for estate planning purposes.

(2) Transfers that are the result of an involuntary removal of the general partner by the investment limited partner do not require advance approval but must be reported to the Department as soon as possible due to the sensitive timing and nature of this decision. In the event the investment limited partner has proposed a new general partner or will permanently replace the general partner, a full Ownership Transfer packet must be submitted.

(3) Changes to the investment limited partner, non-Controlling limited partner, or other non-Controlling partners affiliated with the investment limited partner do not require Executive Director approval. A General Partner's acquisition of the interest of the investment limited partner does not require Executive Director approval, unless some other change in ownership is occurring as part of the same overall transaction.

(4) Changes resulting from foreclosure do not require advance approval but acquiring parties must notify the Department as soon as possible of the revised ownership structure and ownership contact information.

(c) General Requirements.

(1) Any new Principal in the ownership of a Development must be eligible under §11.202 of Subchapter C (relating to Ineligible Applicants and Applications). In addition, Principals will be reviewed in accordance with Chapter 1, Subchapter C of this title (relating to Previous Participation and Executive Award Review and Advisory Committee).

(2) Changes in Developers or Guarantors must be addressed as non-material amendments to the application under §10.405 of this subchapter.

(3) To the extent an investment limited partner or its Affiliate assumes a Controlling interest in a Development Owner, such acquisition shall be subject to the Ownership Transfer requirements set forth herein. Principals of the investment limited partner or Affiliate will be considered new Principals and will be reviewed as stated under paragraph (1) of this subsection.

(4) Simultaneous transfer or concurrent offering for sale of the General Partner's and Limited Partner's control and interest will be subject to the Ownership Transfer requirements set forth herein and will trigger a Right of First Refusal, if applicable.

(d) Transfer Actions Warranting Debarment. If the Department determines that the transfer, involuntary removal, or replacement was due to a default by the General Partner under the Limited Partnership Agreement, or other detrimental action that put the Development at risk of failure or the Department at risk for financial exposure as a result of non-compliance, staff will refer the matter to the Enforcement Committee for debarment consideration pursuant to §2.401 of this title (relating to Enforcement, Debarment from

Participation in Programs Administered by the Department). In addition, a record of transfer involving Principals in new proposed awards will be reported and may be taken into consideration in accordance with Chapter 1, Subchapter C of this title (relating to Previous Participation and Executive Award Review and Advisory Committee), prior to recommending any new financing or allocation of credits.

(e) Transfers Prior to 8609 Issuance or Construction Completion. Prior to the issuance of IRS Form(s) 8609 (for Housing Tax Credits) or the completion of construction (for all Developments funded through other Department programs) an Applicant may request an amendment to its ownership structure to add Principals. The party(ies) reflected in the Application as having Control must remain in the ownership structure and retain Control, unless approved otherwise by the Executive Director. A development sponsor, General Partner or Development Owner may not sell the Development in whole or voluntarily end their Control prior to the issuance of 8609s.

(f) Nonprofit Organizations. If the ownership transfer request is to replace a nonprofit organization within the Development ownership entity, the replacement nonprofit entity must adhere to the requirements in paragraph (1) or (2) of this subsection.

(1) If the LURA requires ownership or material participation in ownership by a Qualified Nonprofit Organization, and the Development received Tax Credits pursuant to §42(h)(5) of the Code, the transferee must be a Qualified Nonprofit Organization that meets the requirements of §42(h)(5) of the Code and Tex. Gov't Code §2306.6706, if applicable, and can demonstrate planned participation in the operation of the Development on a regular, continuous, and substantial basis.

(2) If the LURA requires ownership or material participation in ownership by a nonprofit organization or CHDO, the Development Owner must show that the transferee is a nonprofit organization or CHDO, as applicable, that complies with the LURA. If the transferee has been certified as a CHDO by TDHCA prior to 2016 or has not previously been certified as a CHDO by TDHCA, a new CHDO certification package must be submitted for review. If the transferee was certified as a CHDO by TDHCA after 2016, provided no new federal guidance or rules concerning CHDO have been released and the proposed ownership structure at the time of review meets the requirements in 24 CFR Part 92, the CHDO may instead submit a CHDO Self-Certification form with the Ownership Transfer package.

(3) Exceptions to paragraphs (1) and (2) of this subsection may be made on a case by case basis if the Development (for MFDL) is past its Federal Affordability Period or (for HTC Developments) is past its Compliance Period, was not reported to the IRS as part of the Department's Nonprofit Set Aside in any HTC Award year, and follows the procedures outlined in §10.405(b)(1) - (5) of this subchapter. The Board must find that:

(A) The selling nonprofit is acting of its own volition or is being removed as the result of a default under the organizational documents of the Development Owner;

(B) The participation by the nonprofit was substantive and meaningful during the full term of the Compliance Period but is no longer substantive or meaningful to the operations of the Development; and

(C) The proposed purchaser is an affiliate of the current Owner or otherwise meets the Department's standards for ownership transfers.

(g) Historically Underutilized Business (HUB) Organizations. If a HUB is the general partner or special limited partner of a Development Owner and it determines to sell its ownership interest, after the issuance of 8609's, the purchaser of that partnership interest or the general or special limited partner is not required to be a HUB as long as the procedure described in §10.405(b)(1) of this chapter (relating to Non-Material LURA Amendments) has been followed and approved.

(h) Documentation Required. A Development Owner must submit documentation requested by the Department to enable the Department to understand fully the facts and circumstances pertaining to the transfer and the effects of approval or denial. Documentation must be submitted as directed in the Post Award Activities Manual, which includes but is not limited to:

(1) A written explanation outlining the reason for the request;

(2) Ownership transfer information, including but not limited to the type of sale, terms of any new financing introduced as a result of the transfer, amount of Development reserves to transfer in the event of a property sale, and the prospective closing date;

(3) Pre and post transfer organizational charts with TINs of each organization down to the level of natural

persons in the ownership structure as described in §11.204(13)(A) of Subchapter C of this title (relating to Required Documentation for Application Submission);

(4) A list of the names and contact information for transferees and Related Parties;

(5) Previous Participation information for any new Principal as described in §11.204(13)(B) of this title (relating to Required Documentation for Application Submission);

(6) Agreements among parties associated with the transfer;

(7) Owners Certifications with regard to materials submitted as further described in the Post Award Activities Manual;

(8) Detailed information describing the organizational structure, experience, and financial capacity of any party holding a controlling interest in any Principal or Controlling entity of the prospective Development Owner;

(9) Evidence and certification that the tenants in the Development have been notified in writing of the proposed transfer at least 30 calendar days prior to the date the transfer is approved by the Department. The ownership transfer approval letter will not be issued until this 30 day period has expired;

(10) Any required exhibits and the list of exhibits related to specific circumstances of transfer or Ownership as detailed in the Post Award Activities Manual.

(i) Once the Department receives all necessary information under this section and as required under the Post Award Activities Manual, staff shall initiate a qualifications review of a transferee, in accordance with Chapter 1, Subchapter C of this title (relating to Previous Participation and Executive Award Review and Advisory Committee), to determine the transferee's past compliance with all aspects of the Department's programs, LURAs and eligibility under this chapter and §11.202 of this title (relating to Ineligible Applicants and Applications).

(j) Credit Limitation. As it relates to the Housing Tax Credit amount further described in §11.4(a) of this title (relating to Tax Credit Request and Award Limits), the credit amount will not be applied in circumstances described in paragraphs (1) and (2) of this subsection:

(1) In cases of transfers in which the syndicator, investor or limited partner is taking over ownership of the Development and not merely replacing the general partner; or

(2) In cases where the general partner is being replaced if the award of credits was made at least five years prior to the transfer request date.

(k) Penalties, Past Due Fees and Underfunded Reserves. The Development Owner must comply with any additional documentation requirements as stated in Subchapter F of this chapter (relating to Compliance Monitoring) and Subchapter G of this chapter (relating to Affirmative Marketing Requirements and Written Policies and Procedures). The Development Owner on record with the Department will be liable for any penalties or fees imposed by the Department (even if such penalty can be attributable to the new Development Owner) unless an ownership transfer has been approved by the Department. In the event a transferring Development has a history of uncorrected UPCS violations, ongoing issues related to keeping housing sanitary, safe, and decent, an account balance below the annual reserve deposit amount as specified in §10.404(a) (relating to Replacement Reserve Accounts), or that appears insufficient to meet capital expenditure needs as indicated by the number or cost of repairs included in a PNA or SCR, the prospective Development Owner may be required to establish and maintain a replacement reserve account or increase the amount of regular deposits to the replacement reserve account by entering into a Reserve Agreement with the Department. The Department may also request a plan and timeline relating to needed repairs or renovations that will be completed by the departing and/or incoming Owner as a condition to approving the Transfer. A PNA or SCR may be requested if one has not already been received under §10.404 of this section (relating to Reserve Accounts).

(l) Ownership Transfer Processing Fee. The ownership transfer request must be accompanied by the corresponding ownership transfer fee as outlined in §11.901 of this title (relating to Fee Schedule, Appeals, and other Provisions).

Source Note: The provisions of this §10.406 adopted to be effective February 5, 2020, 45 TexReg 722

1j

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2a

TDHCA Outreach and Media Analysis, April 2021

A compilation of TDHCA media analysis designed to enhance the awareness of TDHCA programs and services among key stakeholder groups and the general public, and outreach activities, such as trainings and webinars. The following is an analysis of print and broadcast news, and social media reporting for the time period of April 1 through April 30, 2021 (news articles specifically mentioned the Department).

Total number of articles referencing TDHCA: 198
Breakdown by Medium:[1]

- Print: 15 (Editorials/Columnists = 1)
- Broadcast: 104
- Trade, Government or Internet-Based Publications: 79

Figure 1 News Tone

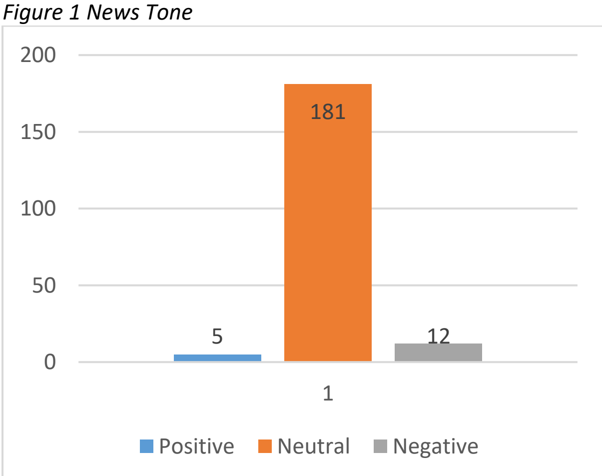
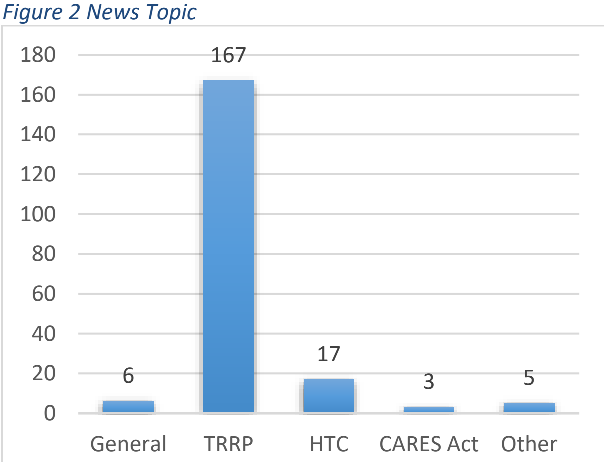
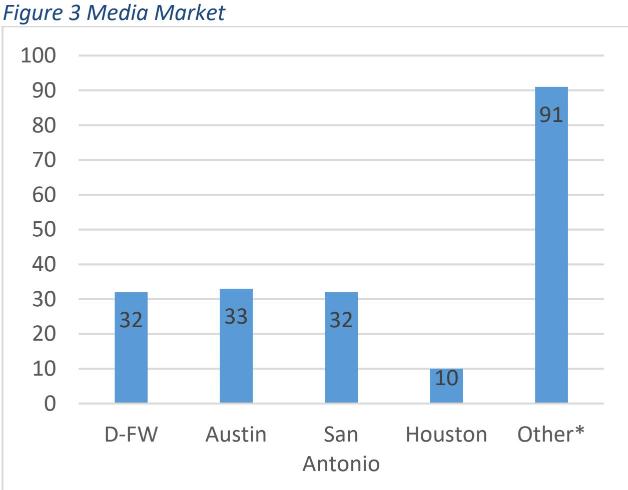


Figure 2 News Topic



[1] *Broadcast numbers may represent instances in which TDHCA was referenced on a television or radio station's website, rather than in a specific broadcast news segment*

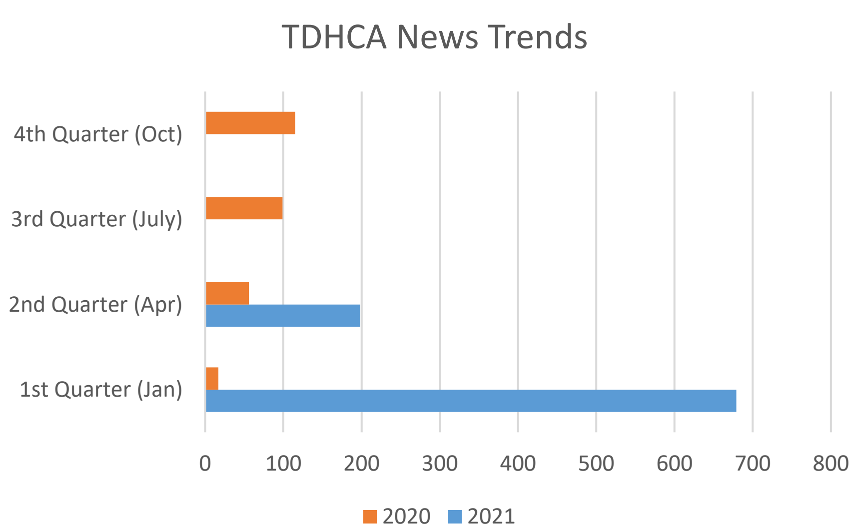
Figure 3 Media Market



Summary:

Reporting on Department activities by the news media totaled 198 references in April 2021. News mentions reflected TDHCA's Texas Rent Relief Program efforts, including challenges with the online system, call center issues, payments related to rent and utility bill assistance, as well as a legislative report.

There were 12 perceived negative articles related to TDHCA in April. The following table illustrates the number of news mentions during each quarter of 2021 compared to 2020. There were a total of 679 news articles mentioning TDHCA in the first quarter of 2021.



Social media:

Currently, TDHCA's Twitter account has more than 2,700 followers and its Facebook account has more than 3,400 followers. TDHCA's YouTube views continue to grow with more than 34,600 views. The following is a summary analysis of TDHCA's efforts to engage stakeholders and the public on federal and state resources, initiatives and programs.

Month/Yr	Posts	Clicks	Engagements	Shared posts	Liked posts
January 2021	50	20	56	20	18
February 2021	52	193	2,609	1,163	18
March 2021	71	322	355	144	55
April 2021	57	70	4,155	1,152	30

* Clicks = number of times an individual clicked on a link provided in a post. Engagements = any action a person takes on our post

Month/Yr	Tweets	Clicks	Engagements	Retweets	Liked posts
January 2021	52	224	13	4	7
February 2021	61	186	92	38	39
March 2021	80	313	77	20	37
April 2021	95	144	418	159	218

* Clicks = number of times an individual clicked on a link provided in a post. Engagements = any action a person takes on our post

YouTube

Month	Views	Watch time (hours)	Avg. view duration	Impressions	Impressions click-through rate
January 2021	684	105.8	9:16	7,760	2.2%
Feb. 2021	11,479	1,174	6:08	91,326	1.8%
March 2021	34,663	990.5	1:42	53,853	5.6%
April 2021	29,652	623.6	1:15	41,923	6.3%

April 2021

Video	Views		Watch time (hours)		Subscribers		Impressions	Impressions click-through rate
Total	**29,652**		**623.6**		**201**		**41,293**	**6.3%**
Texas Rent Relief Program Completing Application Tutorial	18,612	62.8%	139.2	22.3%	78	38.8%	2,947	8.3%
Texas Rent Relief Program Registration Tutorial	5,720	19.3%	39.7	6.4%	50	24.9%	2,224	5.4%
Texas Rent Relief Program Tenant Application	1,875	6.3%	77.5	12.4%	15	7.5%	4,750	14.5%
Texas Rent Relief Program Landlord Application	1,077	3.6%	36.0	5.8%	8	4.0%	3,811	11.1%
Texas Rent Relief Program Landlord Tips	329	1.1%	7.5	1.2%	3	1.5%	837	12.1%
Texas Emergency Mortgage Assistance Program TEMAP Webinar -...	200	0.7%	21.1	3.4%	6	3.0%	2,023	3.7%
20 IncomeDeterminationTraining	194	0.7%	33.1	5.3%	1	0.5%	2,053	6.6%
Texas Rent Relief Webinar Fridays - March 5, 2021	185	0.6%	28.0	4.5%	6	3.0%	18	0%
Overview of Updates to Compliance, Affirmative Marketing and Writ...	158	0.5%	25.0	4.0%	2	1.0%	1,566	6.5%
Virtual Roundtable - TDHCA's Enforcement Rule	125	0.4%	21.8	3.5%	2	1.0%	1,426	5.9%
TERAP Application Workshop	103	0.4%	8.4	1.3%	3	1.5%	1,457	4.3%
TDHCA Utility Allowance Roundtable - Oct. 13, 2020	88	0.3%	13.8	2.2%	2	1.0%	893	4.9%
Como Registrarse Para el Programa de Asistencia de Pago de Rent...	87	0.3%	0.9	0.1%	1	0.5%	630	6.0%
Average Income Webinar - Sept. 2, 2020	59	0.2%	33.0	5.3%	0	0.0%	1,251	1.9%
TERAP Monthly Reporting Workshop - March 1, 2021	56	0.2%	6.5	1.0%	1	0.5%	1,255	2.3%
Compliance Round Table - April 21, 2021	51	0.2%	10.1	1.6%	0	0.0%	525	6.1%
TERAP Implementation Workshop	49	0.2%	14.3	2.3%	0	0.0%	1,024	1.8%
TDHCA's Multifamily Direct Loan Training - Sept. 24, 2020	36	0.1%	6.7	1.1%	2	1.0%	1,045	1.8%
Como Completar Su Aplicación para el Programa de Asistencia de ...	35	0.1%	0.4	0.1%	0	0.0%	329	2.1%
Section 811 PRA Updates for Referral Agents	30	0.1%	4.1	0.7%	0	0.0%	661	2.7%
Cost Certification Roundtable - November 18, 2020	24	0.1%	4.3	0.7%	0	0.0%	1,070	1.6%
Accessing Texas Department of Aging and Disability Services	24	0.1%	1.3	0.2%	0	0.0%	320	4.1%
Digital Outreach Webinar	22	0.1%	1.9	0.3%	1	0.5%	436	2.1%
Rental Assistance	9	0.0%	0.5	0.1%	0	0.0%	270	1.9%
Texas Rent Relief Program Webinar - Feb. 26, 2021	8	0.0%	0.8	0.1%	0	0.0%	2	0%
2020 04 14 10 00 Fair Housing Month 2020 Assistance Animals	6	0.0%	0.8	0.1%	0	0.0%	170	2.9%
For Sec. 811 Referral Agents - PRA Barrier Busting Funds	5	0.0%	0.0	0.0%	0	0.0%	166	3.0%
Energy Assistance	3	0.0%	0.0	0.0%	0	0.0%	18	16.7%
Accessing Texas Department of State Health Services	3	0.0%	0.1	0.0%	0	0.0%	75	2.7%
Previous Participation Review 2016	2	0.0%	0.3	0.0%	0	0.0%	59	3.4%
Texas Rent Relief Program webinar	–	–	–	–	–	–	25	0%

TDHCA Outreach April 2021

A compilation of outreach activities such as meetings, trainings and webinars.

Department	Meeting Date	Meeting Title	Attendees (includes organizer)
Fair Housing Data Management and Reporting	Apr 01, 2021	Fair Housing Overview	329

SF and Homeless Programs	Apr 06, 2021	ESG Winter Waivers, all ESG Participants	38
Texas Rent Relief	Apr 06, 2021	Texas Rent Relief for San Antonio Apartment Assoc	282
Fair Housing Data Management and Reporting	Apr 09, 2021	Governor's Committee for Persons with Disabilities	69
Community Affairs	Apr 13, 2021	Public Hearing DOE WAP 2021State Plan	7
Homeownership	Apr 13, 2021	CE for Texas Realtors	22
Fair Housing Data Management and Reporting	Apr 13, 2021	Reasonable Accommodations	485
Fair Housing Data Management and Reporting	Apr 15, 2021	Assistance Animals	240
Homeownership	Apr 17, 2021	BCL Virtual Homebuyer Fair	500
Homeownership	Apr 20, 2021	Hispanic Real Estate Brokers Assoc Radio Show	
Texas Rent Relief	Apr 20, 2021	Texas Rent Relief for Utility Vendors	25
Fair Housing Data Management and Reporting	Apr 20, 2021	Fair Housing for Habitat for Humanity	9
Compliance	Apr 21, 2021	Compliance Roundtable	117
Fair Housing Data Management and Reporting	Apr 22, 2021	Violence Against Women Act	387
Bond Finance	Apr 22, 2021	Bond Finance Update	127
Homeownership	Apr 22, 2021	Lender Lunch and Learn	22
Texas Rent Relief	Apr 22, 2021	Texas Rent Relief for CAAs	98
Fair Housing Data Management and Reporting	Apr 27, 2021	Affirmative Marketing	185
Fair Housing	Apr 28, 2021	Fair Housing Workgroup Meeting	14

Compliance	Apr 28, 2021	HTC Training presented by TSS	102
Fair Housing Data Management and Reporting	Apr 29, 2021	Language Access and Limited English Proficiency	132

2b

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2c

BOARD REPORT ITEM

TEXAS HOMEOWNERSHIP DIVISION

JUNE 17, 2021

Housing Finance Activity Report

BACKGROUND

The Texas Homeownership Division is primarily responsible for the creation, oversight, and administration of the Department's homeownership programs, which are designed to provide affordable financing options for low-to-moderate income homebuyers. This is accomplished through the issuance of tax-exempt and taxable single family mortgage revenue bonds, and through the Department's Taxable Mortgage Program (TMP).

Currently, the Department offers the following statewide options to homebuyers. Please note that conventional loans had been temporarily suspended (reinstated on December 1, 2020) due to potential fees imposed by Fannie Mae with respect to loans that enter forbearance as a result of COVID-19.

- <u>My First Texas Home Program</u>. Offers expanded mortgage loan opportunities to qualifying first-time homebuyers, including government and conventional 30-year fixed rate mortgage loan options. All loans originated through the program are tax-exempt eligible, meeting Internal Revenue Service (IRS) requirements for inclusion in a tax-exempt bond issue or for receipt of a Mortgage Credit Certificate (MCC). As such, borrowers using this option must be first-time homebuyers (cannot have had an ownership interest in a primary residence within the last three years or must qualify for a veteran or targeted area exception), and borrower income and the purchase price of the home must be within IRS designated limits. Continuous funding for this program is provided through the issuance of tax-exempt single family mortgage revenue bonds (SFMRBs) and through TMP. The Department's SFMRBs typically offer borrowers multiple options, with at least one option providing down payment and closing cost assistance provided by the Department. Down payment and closing cost assistance is secured by a 30-year, non-amortizing, 0% interest second loan that is due upon sale of the property or refinance of the first loan. Loans funded with TMP include loans accompanied by an MCC (the IRS does not permit these loans to be included in SFMRBs) and tax-exempt eligible loans that are not used as collateral for SFMRBs.

- <u>My Choice Texas Home Program</u>. Offers mortgage loan opportunities to qualifying first-time and non-first-time homebuyers, including government and conventional 30-year fixed rate mortgage loan options. Down payment and closing cost assistance is provided with each loan. While the same income and purchase price limits applicable to the My First Texas Home Program apply, income eligibility is based on the standard credit qualifying (1003) income instead of IRS methodology. Because all loans are funded through TMP, no IRS recapture provisions apply.

- Texas Mortgage Credit Certificate (MCC) Program. Makes homeownership more affordable by providing first-time homebuyers a federal income tax credit, reducing the homebuyer's potential federal income tax liability. By having an MCC, the homebuyer has the ability to convert a portion of their annual mortgage interest into a direct income tax credit on their U.S. individual income tax return. The credit may be applied for the life of the loan, as long as the home remains the borrower's primary residence. The Texas MCC option is offered in combination with a My First Texas Home mortgage loan (TBA funding only), referred to as Combo loans for discussion and reporting purposes; or as a stand-alone option combined with any FHA, VA, USDA, or conventional fixed rate mortgage loan. The Department's MCC Program offers MCC Credit Rates of 30% (for loan amounts up to $175,000 and subject to the $2,000 annual maximum credit) and 20% (for loan amounts greater than $175,000, which has no annual maximum credit amount).

Income and Purchase Price Limits for All Loan Options. The maximum income for all loan options is 100% of Area Median Family Income (AFMI) for households of one or two persons, and 115% of AMFI for households of three persons or more. The maximum purchase price is 90% of the average area purchase price. The Income and Purchase Price Limits Table is available on the Department's website at https://thetexashomebuyerprogram.com/uploads/limits.pdf, and an example, reflecting the limits with respect to loans originated in the Austin, Round Rock MSA is provided below.

Example	Income Limits		Maximum Purchase Price
Location	Households of 1-2 persons (100% AMFI)	Households of 3 persons or more (115% AMFI)	90% of Average Area Purchase Price
Austin, Round Rock MSA	$ 98,900.00	$ 113,735.00	$ 364,452.00

Higher income and purchase price limits apply with respect to homes purchased in targeted areas, which are areas of severe economic distress.

IRS Recapture. Loans that are financed through SFMRBs and loans that receive an MCC are subject to IRS recapture provisions. Under certain circumstances, a borrower may owe a recapture tax to the IRS. To owe any recapture tax at all, the borrower must (1) sell the MCC- or MRB-financed home **at a gain** within nine years of purchase, **AND** (2) earn significantly more income than when the home was purchased (generally more than 5% increase in income per year). Both of these criteria must be met before a borrower has a recapture liability. In addition, the recapture liability cannot exceed the amount of the borrower's gain on the sale of the home.

<u>Current Mortgage Rates and Terms</u>. The following table details the Department's loan options and mortgage rates as of June 7, 2021. Down payment and closing cost assistance (DPA) is provided as a 30-year, non-amortizing, 0% interest second mortgage loan that is due on sale or refinance.

The Texas Homebuyer Program
Texas Department of Housing and Community Affairs

Rate Notice and Available Options 6/7/2021	Loans with Down Payment Assistance						Unassisted Loans
	Government Loans (FHA, USDA, VA)				Fannie Mae Preferred Available only with My Choice Texas Home Taxable Loans *At or Below 80% AMFI*		Government Loans (FHA, USDA, VA)
Amount of DPA Provided	**2 Points DPA**	**3 Points DPA**	**4 Points DPA**	**5 Points DPA**	**3 Points DPA**	**5 Points DPA**	**No DPA**
My First Texas Home Program	First-Time Homebuyer requirement; considers the income of all person(s) who will sign the Deed of Trust (including Non-Purchasing Spouse).						
My FIRST Texas Home Bond Eligible Loans, No MCC	3.125%	3.250%	3.250%	3.500%	N/A		Unassisted Funds available with Bond Program only
My FIRST Texas Home Combo Loans with MCC	3.250%	3.250%	3.375%	3.750%	N/A		
My Choice Texas Home Program	No First-Time Homebuyer requirement; considers the standard lender income calculation (1003/credit qualifying income).						
My CHOICE Texas Home Taxable Loans, No MCC	3.250%	3.250%	3.375%	3.750%	3.625%	4.000%	N/A
TARGETED AREA RESERVATION	N/A	N/A	3.250%	3.500%	No First-Time Homebuyer requirement; Targeted Area Loans ONLY		
Mortgage Credit Certificate (MCC) Program							
My FIRST Texas Home Combo Loans *and* Stand-Alone MCCs	<u>MCC Credit Rate is Based on Loan Amount</u> Loans at or below $175,000 - 30% MCC Credit Rate with a $2,000 annual maximum tax credit Loans above $175,000 - 20% MCC Credit Rate with no annual maximum tax credit						

APPLICABLE TO ALL LOANS ORIGINATED THROUGH THE ABOVE TBA AND BOND OPTIONS

Minimum FICO Score	620	
Max DTI	50%	
Origination Points	0%	
SRP to Lender	2.75%	
Program Compliance Fee	$275	
Tax Service Fee	$85	
MCC Issuance Fee	$400	All MCCs, Combo and Stand-Alone
Loan Review and Acquisition Fee	$150	

Loans must be purchased within 60 days of the date reserved. Extensions are available at the following cost:	
7-Day	0.0625%
15-Day	0.1250%
22-Day	0.1875%
30-Day	0.2500%

APPLICABLE TO FNMA LOANS

Reservations will not be accepted for FNMA loans greater than 80% of AMFI. See Program Income Table for guidelines.
All FNMA loans at or below 80% of AMFI must be registered as MY CHOICE Texas Home Taxable Loans, No MCC.

https://thetexashomebuyerprogram.com/uploads/limits.pdf

The attached Housing Finance Activity Report reflects activity for each available homeownership option for calendar year 2021– Quarter 1 (January 1, 2021 - March 31, 2021), aggregate loan activity over a 12-month period, and a map that reflects Texas counties served.

TDHCA Housing Finance Activity
Quarter 1-2021

Borrowers Served

2,788

(Financed and/or MCC Issued)
Decrease of 11% from
Quarter 1-2020

Homes Financed

2,548

Decrease of 5% from
Quarter 1-2020

First Mortgages

$506 Million

Increase of 2.3% from
Quarter 1-2020

MCCs Issued

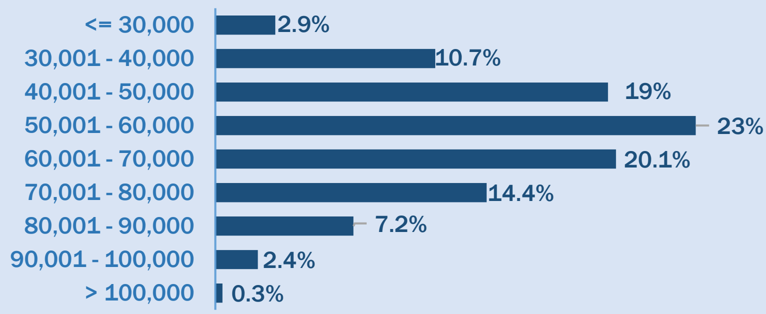
604

Decrease of 34% from
Quarter 1-2020

364 MCC and First Mortgage
240 Stand-alone MCC

Income Distribution

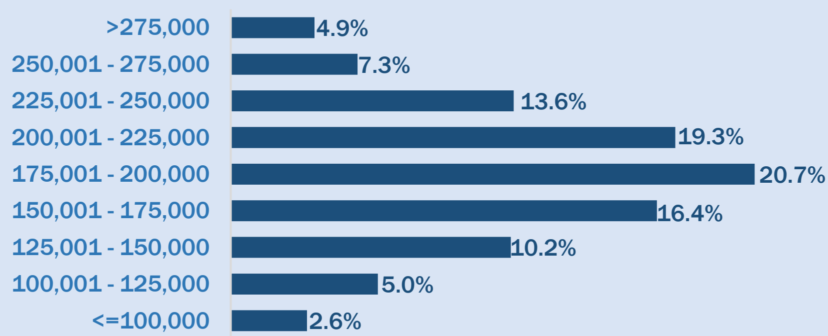
April 1, 2020 to March 31, 2021



Average Income $58,220
74.3% of Borrowers at or Below 80% AMFI

Loan Amount Distribution

April 1, 2020 to March 31, 2021



Average Loan Amount $194,313

2020 Statewide Economic Impact

Based on 34% New Construction Loans

$1.2 Billion Wages Generated

$154.9 Million Tax Revenue

16,953 Jobs Created

Estimates based on formulas published by the National Home Builders Association- The Economic Impact of Home Building in Typical Local Area, Provided by National Council of State Housing Agencies (NCSHA)

TDHCA Aggregate Loan Originations

April 1, 2020 to March 31, 2021

Loan Volume by COUNTY (Top 20)			
Top Originating Counties	Total Originated	# of Loans	% of Loans
Harris	$ 446,337,452	2299	16.4%
Bexar	$ 335,537,639	1748	12.4%
Tarrant	$ 233,893,443	1111	8.6%
Dallas	$ 207,892,031	1037	7.7%
El Paso	$ 146,426,206	990	5.4%
Williamson	$ 119,389,477	506	4.4%
Travis	$ 99,759,325	423	3.7%
Fort Bend	$ 86,269,475	401	3.2%
Denton	$ 78,611,100	317	2.9%
Montgomery	$ 70,416,852	352	2.6%
Collin	$ 64,089,441	265	2.4%
Kaufman	$ 62,819,974	287	2.3%
Hays	$ 55,094,886	232	2.0%
Ellis	$ 44,175,614	186	1.6%
Webb	$ 40,529,936	231	1.5%
Brazoria	$ 38,215,138	180	1.4%
Nueces	$ 36,336,249	217	1.3%
Johnson	$ 35,441,698	179	1.3%
Lubbock	$ 28,994,420	184	1.1%
Bell	$ 28,659,455	191	1.1%

New Construction vs Existing Dwelling			
New Construction / Existing	Orig Loan Amount	# of Loans	% of Loans
New	$ 1,022,124,207	4711	33.7%
Existing	$ 1,691,830,321	9256	66.3%

Property Type			
Property Type	Orig Loan Amount	# of Loans	% of Loans
1 Unit Single Family Detached	$ 2,627,283,170	13464	96.4%
Condominium	$ 25,710,194	136	1.0%
Manufactured	$ 35,604,199	228	1.6%
Townhouse	$ 20,037,087	112	0.8%
Fourplex	$ -	0	0.0%
Rowhouse	$ 3,617,845	17	0.1%
Duplex	$ 1,702,033	10	0.1%

Borrower Gender			
Gender	Orig Loan Amount	# of Loans	% of Loans
Male	$ 1,473,342,878	7540	54.3%
Female	$ 1,238,981,238	6419	45.7%
Declined to Answer	$ 1,630,412	8	0.1%

First Time Home Buyer			
FTHB Status	Orig Loan Amount	# of Loans	% of Loans
Yes	$ 2,673,345,399	13771	98.6%
No	$ 40,609,129	196	1.4%

Household Size			
Household Size	Orig Loan Amount	# of Loans	% of Loans
1	$ 784,672,006	4175	29.9%
2	$ 664,214,791	3456	24.7%
3	$ 546,011,938	2760	19.8%
4	$ 429,674,860	2144	15.4%
5	$ 202,447,189	1010	7.2%
6	$ 63,958,912	311	2.2%
7	$ 16,478,041	80	0.6%
8+	$ 6,496,791	31	0.2%
Max: 8 \ Min: 1 \ WAvg: 2.6			

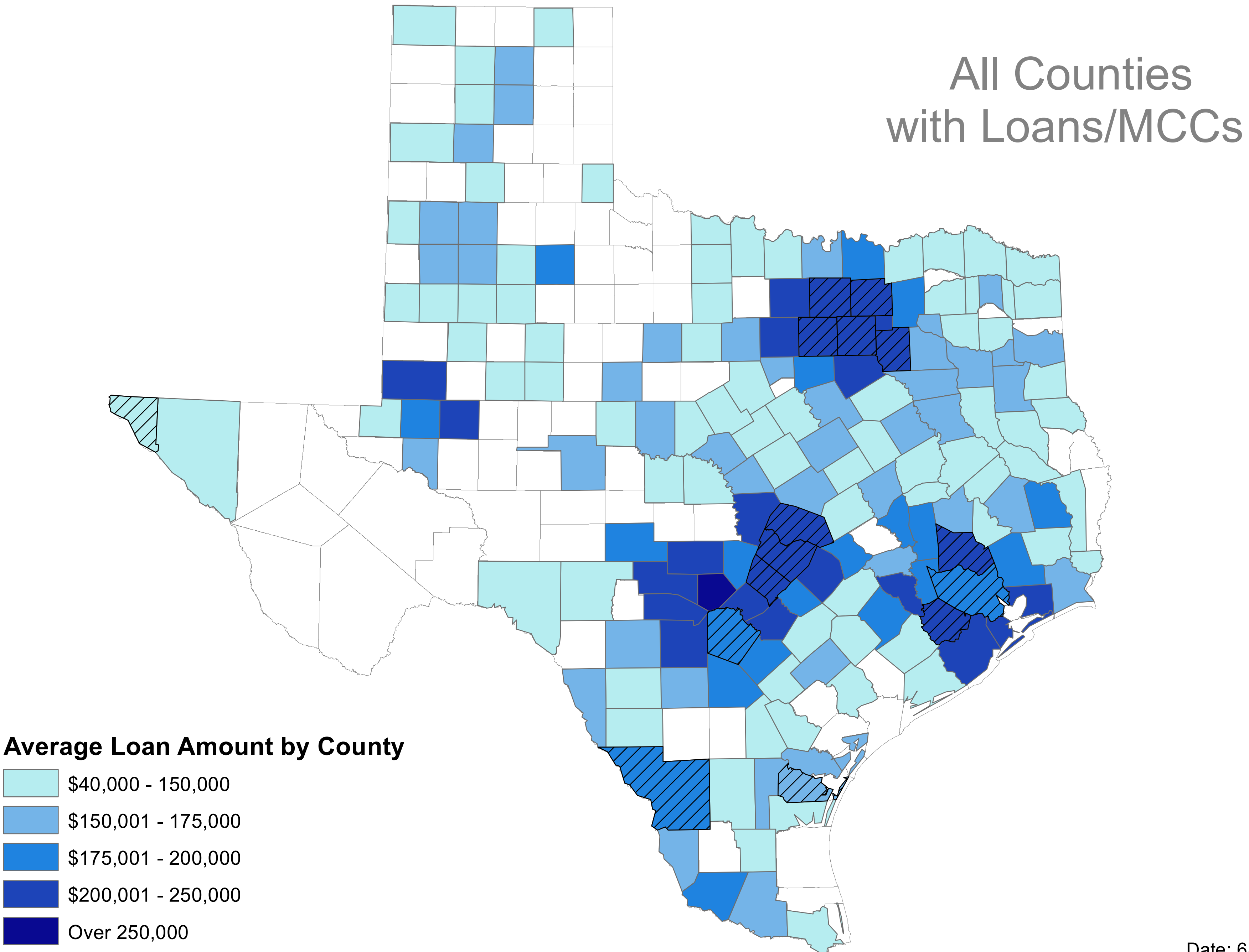
FICO Score Distribution			
FICO Score	Orig Loan Amount	# of Loans	% of Loans
<= 640	$ 656,591,541	3365	24.1%
641 to 660	$ 645,624,039	3327	23.8%
661 to 680	$ 465,767,501	2414	17.3%
681 to 700	$ 327,613,507	1670	12.0%
701 to 720	$ 190,438,712	997	7.1%
721 to 740	$ 158,113,313	821	5.9%
741 to 760	$ 125,885,406	651	4.7%
761 to 780	$ 82,236,844	407	2.9%
780 to 800	$ 43,263,890	221	1.6%
> 800	$ 18,419,774	94	0.7%
Max: 817 \ Min: 580 \ WAvg: 674			

Household Income Distribution			
Household Income ($)	Orig Loan Amount	# of Loans	% of Loans
<= 20,000	$ 6,502,300	45	0.3%
20,001 - 30,000	$ 45,266,605	366	2.6%
30,001 - 40,000	$ 221,156,906	1490	10.7%
40,001 - 50,000	$ 465,685,014	2660	19.0%
50,001 - 60,000	$ 626,408,959	3215	23.0%
60,001 - 70,000	$ 579,341,803	2801	20.1%
70,001 - 80,000	$ 437,494,423	2005	14.4%
80,001 - 90,000	$ 236,619,852	1007	7.2%
90,001 - 100,000	$ 82,774,149	330	2.4%
> 100,000	$ 12,704,516	48	0.3%
Max: $112,762 \ Min: $4,464 \ WAvg: $58,220			

AMFI Distribution			
AMFI	Orig Loan Amount	# of Loans	% of Loans
<= 30%	$ 22,106,947	165	1.2%
30.1% to 60%	$ 849,899,131	4949	35.4%
60.1% to 80%	$ 1,064,133,642	5265	37.7%
80.1% to 100%	$ 776,944,035	3584	25.7%
100.1% to 115%	$ 870,772	4	
> 115.1%	$ -	0	0.0%
Max: 104% \ Min: 5% \ WAvg: 67%			

Age Distribution			
Age	Orig Loan Amount	# of Loans	% of Loans
<= 20	$ 101,332,296	581	4.2%
21 to 25	$ 278,790,863	1497	10.7%
26 to 30	$ 639,954,999	3331	23.8%
31 to 35	$ 531,134,919	2682	19.2%
36 to 40	$ 410,372,584	2029	14.5%
41 to 45	$ 267,740,346	1344	9.6%
46 to 50	$ 207,534,497	1034	7.4%
51 to 55	$ 125,595,248	640	4.6%
56 to 60	$ 78,665,379	425	3.0%
>61	$ 72,833,396	404	2.9%
Max: 89 \ Min: 19 \ WAvg: 36			

Loan Type			
Loan Type	Orig Loan Amount	# of Loans	% of Loans
FHA	$ 2,465,072,625	12763	91.4%
HFA Preferred	$ 127,149,156	643	4.6%
USDA-RHS	$ 57,587,474	272	1.9%
VA	$ 64,145,273	289	2.1%



Date: 6/7/2021

Document Path: Q:\Maps\Homeownership\homeownership3.mxd

Disclaimer: This map is not a survey product; boundaries, distances and scale are approximate only.

ACTION ITEMS

3

Oral Presentation

4a

ORAL PRESENTATION

4b

TO BE POSTED NOT LATER THAN THE THIRD DAY BEFORE THE DATE OF THE MEETING

5

BOARD ACTION ITEM

INTERNAL AUDIT DIVISION

June 17, 2021

Report on the Meeting of the Audit and Finance Committee and Action on recommendations of that committee

Verbal Report

6a

BOARD ACTION REQUEST

FINANCIAL ADMINISTRATION DIVISION

JUNE 17, 2021

Presentation, discussion, and possible action on the SFY 2022 Operating Budget

RECOMMENDED ACTION

WHEREAS, the Governing Board of the Texas Department of Housing and Community Affairs (the Department or TDHCA) is required to approve a SFY 2022 Operating Budget; and

WHEREAS, the Department is required to submit the budget to the Office of the Governor (OOG) and the Legislative Budget Board (LBB);

NOW, therefore, it is hereby

RESOLVED, that the SFY 2022 Operating Budget, in the form presented to this meeting, is hereby approved; and

FURTHER RESOLVED, that upon approval by the TDHCA Governing Board, the Department will submit the budget to the OOG and the LBB.

BACKGROUND

In accordance with Tex. Gov't Code §2306.112 *et seq.*, TDHCA is charged with preparing an operating budget for Board adoption on or before September 1 of each fiscal year. The budget includes operational expenses distributed among the Department's divisions. It does not include federal or state program funds that pass through to subrecipients except for administrative funds used by the Department associated with those federal or state funds that are retained and reflected in the budget. This budget anticipates maximizing all federal administrative resources. In addition, in accordance with internal auditing standards and the Board's internal audit charter, the budget includes the Internal Audit Division's annual operating budget.

This SFY 2022 Internal Operating Budget, which the Board is being asked to approve, corresponds to the first year of the biennial General Appropriations Act (GAA) passed by the 87th Texas Legislature which appropriated $427,415,156. In total, this budget provides for administrative expenditures and associated revenues of $106,027,925 or a $77,190,455 (267.7%) increase from the prior year's budget. Of that total increase $76,323,451 is associated with temporary federal funding and $557,061 is an increase in Capital Budget projects.

The budget reflects 366 Full Time Equivalents (FTEs). Of the total FTEs, 249 CAP FTEs are associated with the Department, 64 are related to the Manufactured Housing Division, and 53 are Article IX (Temporary) FTEs associated with COVID-19 stimulus federal funds.

Additionally, the Housing Finance Division budget, which is funded with fees generated from the Department's Bond, Housing Tax Credit, Asset Management, Compliance, and Migrant Labor activities, increased by $769,937 or 4.6%. This increase is primarily attributed to an increase in the Capital Budget and a supplement to General Revenue due to the mandated 5% Biennial (2020-2021 biennium) reduction issued by state government leadership.

For a complete explanation of the aforementioned budget categories and details, please see the accompanying Comparison Report.

TEXAS DEPT. OF HOUSING AND COMMUNITY AFFAIRS
SFY 2022 Operating Budget
Comparison Report
June 17, 2021

This Comparison Report provides an explanation of some of the changes to cost categories.

In total, this SFY 2022 Operating Budget is $106,027,925 or a $77,190,455 (267.7 %) increase over the prior year budget.

$76,323,451 of this increase is due to additional COVID-19 stimulus federal funding associated with the CARES Act, Emergency Rental Assistance (ERA) and the American Rescue Plan Act (ARPA).

The remaining $309,944 variance, net of the Capital Budget which increased $557,061, resulted in only a 1.13% increase. Below are the highlights of the SFY 2022 Budget describing this change. Please refer to the Comparison by Expense Object schedule on Page 3.

1. **Salaries/Wages and Payroll Related Costs.** These two line items represent 27% of the total operating budget.

   The budget reflects 366 FTE's, an increase of 46 FTE's over the previous year. Of the total FTE's, 249 CAP FTEs are associated with the Department and 64 CAP FTEs are associated with the Manufactured Housing portion of the agency, and 53 are associated with temporary federal funding.

   The Salaries and Wages line item increased by $3,817,380 or 19.8%. An increase of 42 Article IX (Temporary) FTEs related to the CARES Act, ERA and ARPA account for $3,543,600 of this increase. The remaining $273,781 variance is primarily due to the funding of 4 vacant FTEs within our CAP to support the increasing demand on Multifamily Direct Loan activity and External Affairs in addition to our normal 1% growth rate.

   Payroll related costs increased $916,171. The increase in payroll related costs is proportional to the increase in salaries.

2. **In State Travel.** In state travel decreased $6,647 or 1.2% primarily due to decreased travel needs agency wide.

3. **Out of State Travel.** Out of State Travel increased by $17,652 or 12.5%. This increase is associated with travel for federal programs including CDBG, Texas Rent Relief (TRR), and the Homeowner Assistance Fund (HAF).

4. ***Professional Fees.** Professional Fees increased by $70,374,483 primarily related to 4 outsourcing contracts to assist in the administration and oversight of the TRR program for approximately $70M.

In addition, $374,400 is associated with a Capital Budget project for the upgrade to the Compliance Monitoring and Tracking System (CMTS) used by the Compliance department.

5. **Materials and supplies.** Materials and supplies increased by $58,009 due to an increase in consumable supplies associated with incoming new temporary FTE's.

6. ***Repairs/Maintenance.** Repairs and Maintenance increased by $181,058 primarily due to temporary federal funding purchases, system software updates such as a MITAS upgrade, and an increase related to the Capital Budget for Office 365 to improve our agency's technological resources.

7. **Rentals and Leases.** Rentals and leases increased by $47,209 primarily due to the extension of a lease for office space at the Twin Tower location. It had been the intent of the agency to allow this lease to expire in SFY21, however the additional space needed for new FTE's made it necessary for the agency to retain this leased space.

8. **Advertising**. Agency advertising costs increased $55,000 or 1666.7%. The increase in advertising costs is primarily due to the anticipation of an advertising and outreach campaign for the Comprehensive Energy Assistance Program (CEAP) and Low Income Home Energy Assistance Program (LIHEAP).

9. **Temporary Help.** Temporary Help increased $1,257,292 or 522.7%. The increase in this category is primarily due to additional assistance needed outside of current FTE's for the temporary federal funding grants. This includes services for translation of printed materials.

10. ***Furniture and Equipment.** Included in this category is the Legislature's approval of the Department's Hardware and Software Replacements project for SFY22 and SFY23 as it relates to non-capital expenses such as update and replacement of end-user computers and operational software upgrades, including the replacement of desktop computers and laptops that will be six years old or older and software updates. The benefits of these planned purchases include increased security, better performance for end-user computers, and the ability to provide continued support for TDHCA's enterprise systems, such as the Central Database, CAPPS Financials, MITAS Accounting/Loan Servicing, and the Manufactured Housing System.

    This line item increased $236,803 or 290.9%, due to an anticipated increase in capital expenditures for items such as computers and printers, the majority of which occur in the first year of the biennium.

11. ***Capital Outlay.** This category is also included in the Department's Hardware and Software Replacement project as it relates to direct capital expenses such as server hardware upgrades and network equipment enhancements, to ensure systems remain supported by vendors and security and reliability remain at high levels. This line item decreased $119,323 due to an anticipated decrease in Capital Budget items purchased. These types of expenditures normally occur in the second year of the biennium which is planned to occur in fiscal year 2023.

    **The Department's Capital Projects are included in Professional Fees, Repairs/Maintenance, Furniture and Equipment and Capital Outlay. These projects include hardware and software replacements, ongoing CAPPS financials license fees, CMTS, Office 365, and the Disaster recovery services through the data center services performed by the Department of Information Resources.*

Comparison by Expense Object

	2021 Budget	2022 Budget	Variance	Percentage Change
	(a)	(b)	(b-a)	
Salaries and Wages	$ 19,282,908	$ 23,100,288	$ 3,817,380	19.8%
Payroll Related Costs	$ 4,627,898	$ 5,544,069	$ 916,171	19.8%
Travel In-State	$ 565,385	$ 558,738	$ (6,647)	-1.2%
Travel Out-of-State	$ 141,404	$ 159,056	$ 17,652	12.5%
*Professional Fees	$ 1,603,394	$ 71,977,877	$ 70,374,483	4389.1%
Material and Supplies	$ 258,294	$ 316,303	$ 58,009	22.5%
*Repairs/Maintenance	$ 639,602	$ 820,660	$ 181,058	28.3%
Printing and Reproduction	$ 29,622	$ 21,122	$ (8,500)	-28.7%
Rentals and Leases	$ 104,268	$ 151,477	$ 47,209	45.3%
Membership Fees	$ 87,380	$ 90,490	$ 3,110	3.6%
Staff Development	$ 152,954	$ 216,854	$ 63,900	41.8%
Insurance/Employee Bonds	$ 420,193	$ 508,368	$ 88,175	21.0%
Employee Tuition	$ 6,000	$ 4,000	$ (2,000)	-33.3%
Advertising	$ 3,300	$ 58,300	$ 55,000	1666.7%
Freight/Delivery	$ 23,350	$ 25,450	$ 2,100	9.0%
Temporary Help	$ 240,558	$ 1,497,850	$ 1,257,292	522.7%
*Furniture and Equipment	$ 81,397	$ 318,200	$ 236,803	290.9%
Communication and Utilities	$ 422,240	$ 629,942	$ 207,702	49.2%
*Capital Outlay	$ 119,323	$ -	$ (119,323)	-100.0%
State Office of Risk Management	$ 28,000	$ 28,880	$ 880	3.1%
Total Department	28,837,470	$ 106,027,925	$ 77,190,455	267.7%
FTE's	320	366	46	14.4%

Comparison by Expense Object

	2021 Budget	2021 Capital	2021 Temporary Funds	2021 Base Budget	2022 Budget	2022 Capital	2022 Temporary Funds	2022 Base Budget	Base Variance	Percentage change
				(a)				(b)	(b)-(a)	
Salaries and Wages	$ 19,282,908		$ 847,936	$18,434,972	23,100,288		$ 4,391,536	$18,708,753	273,781	1.49%
Payroll Related Costs	$ 4,627,898		$ 197,054	$ 4,430,844	5,544,069		$ 1,053,969	$ 4,490,101	59,257	1.34%
Travel In-State	$ 565,385		$ 20,312	$ 545,073	558,738		$ 23,000	$ 535,738	(9,335)	-1.71%
Travel Out-of-State	$ 141,404		$ -	$ 141,404	159,056		$ 21,000	$ 138,056	(3,348)	-2.37%
*Professional Fees	$ 1,603,394	51,709	$ -	$ 1,551,685	71,977,877	497,368	$70,186,967	$ 1,293,542	(258,143)	-16.64%
Material and Supplies	$ 258,294		$ 1,500	$ 256,794	316,303		$ 61,669	$ 254,634	(2,160)	-0.84%
*Repairs/Maintenance	$ 639,602	47,731	$ -	$ 591,871	820,660	129,053	$ 80,747	$ 610,860	18,989	3.21%
Printing and Reproduction	$ 29,622		$ 8,500	$ 21,122	21,122		$ 600	$ 20,522	(600)	-2.84%
Rentals and Leases	$ 104,268		$ 7,500	$ 96,768	151,477		$ 12,693	$ 138,784	42,016	43.42%
Membership Fees	$ 87,380		$ -	$ 87,380	90,490		$ -	$ 90,490	3,110	3.56%
Staff Development	$ 152,954		$ -	$ 152,954	216,854		$ 68,000	$ 148,854	(4,100)	-2.68%
Insurance/Employee Bonds	$ 420,193		$ 13,158	$ 407,035	508,368		$ 84,344	$ 424,025	16,990	4.17%
Employee Tuition	$ 6,000		$ -	$ 6,000	4,000		$ -	$ 4,000	(2,000)	-33.33%
Advertising	$ 3,300		$ -	$ 3,300	58,300		$ 5,000	$ 53,300	50,000	1515.15%
Freight/Delivery	$ 23,350		$ -	$ 23,350	25,450		$ 2,200	$ 23,250	(100)	-0.43%
Temporary Help	$ 240,558		$ -	$ 240,558	1,497,850		$ 1,295,444	$ 202,406	(38,152)	-15.86%
*Furniture and Equipment	$ 81,397	35,797	$ 4,000	$ 41,600	318,200	185,200	$ 87,000	$ 46,000	4,400	10.58%
Communication and Utilities	$ 422,240	-	$ 1,000	$ 421,240	629,942		$ 50,243	$ 579,699	158,459	37.62%
*Capital Outlay	$ 119,323	119,323	$ -	$ -	-	-	$ -	$ -	-	-
State Office of Risk Management	$ 28,000		$ -	$ 28,000	28,880		$ -	$ 28,880	880	3.14%
Total Department	$ 28,837,470	$ 254,560	$ 1,100,960	$27,481,950	$106,027,925	$ 811,621	$77,424,411	$27,791,894	$ 309,944	1.13%

Method of Finance:

General Revenue:	2021 Budget	2021 Capital	2021 Temporary Funding	2021 Base Budget	2022 Budget	2022 Capital	2022 Temporary Funding	2021 Base Budget	Base Variance	Percentage change
				(a)				(b)	(b)-(a)	
GR-General Revenue	$ 809,636			$ 809,636	$ 720,461			$ 720,461	$ (89,175)	-11.0%
GR-Earned Federal Funds	$ 2,277,954			$ 2,277,954	$ 3,016,614		874,094	$ 2,142,520	(135,434)	-5.9%
Federal Funds-Non-HERA	$ 7,106,332	72,782	86,624	$ 6,946,926	$ 7,245,981	247,330		$ 6,998,651	51,725	0.7%
Federal Funds-Neighborhood Stabilization Program (HERA)	$ 111,183			$ 111,183	$ 110,990			$ 110,990	(193)	-0.2%
Federal Funds-CARES Act	$ 1,014,336		1,014,336	$ -	$ 2,588,214		2,588,214	$ -	-	-
Federal Funds-CRBRA	-			$ -	$ 72,671,902		72,671,902	$ -	-	-
Federal Funds-ARPA	-			$ -	$ 1,290,201		1,290,201	$ -	-	-
Appropriated Receipts - Housing Finance	$ 16,728,737	181,778		$16,546,959	$ 17,533,371	564,291		$16,969,080	422,121	2.6%
Appropriated Receipts - Migrant Labor Housing	$ 34,697			$ 34,697	$ 35,702			$ 35,702	1,005	2.9%
Appropriated Receipts - Manufact. Housing	$ 511,892			$ 511,892	$ 511,546			$ 511,546	(346)	-0.1%
Interagency Contracts	$ 242,703			$ 242,703	$ 302,944			$ 302,944	60,241	24.8%
Total, Method of Finance	$ 28,837,470	$ 254,560	$ 1,100,960	$27,481,950	$106,027,925	$ 811,621	$77,424,411	$27,791,894	$ 309,944	1.13%

Methods of Finance

The SFY 2022 Budget includes the following sources:

General Revenue

State appropriated funds including Housing Trust Fund, Housing and Health Services Coordinating Council, and Homeless Housing and Services Program.

Earned Federal Funds - Federal funds appropriated for indirect costs associated with administering federal funds.

Federal Funds

Federal Funds-(Non-Housing and Economic Recovery Act (HERA)) - Core federal programs such as Community Services Block Grant (CSBG), Emergency Solutions Grant (ESG), HOME, U.S. Dept. of Energy (DOE), Section 8 Housing, Section 811 PRA Program, Low Income Home Energy Assistance Program (LIHEAP), and National Housing Trust Fund.

Neighborhood Stabilization Program - Federally appropriated funds specifically designated for HERA-NSP.

Federal Funds – (CARES Act, CRBRA, & ARPA) - Supplemental stimulus funding in response to the Coronavirus pandemic for core federal programs such as CSBG, ESG, Section 8, LIHEAP. In addition, it reflects new funding for the Community Development Block Grant (CDBG), ERA, HAF, and the Low Income Household Water Assistance Program (LIHWAP).

Appropriated Receipts - Housing Finance (HF):

Bond Admin Fees - Appropriated receipts associated with our Single Family and Multifamily bond programs such as application fees, issuance fees, and administration fees.

Low Income Housing Tax Credit Fees - Appropriated receipts associated with our housing tax credit program such as application fees and commitment fees.

Compliance Fees **-** Fees assessed to multifamily developers for the purpose of ensuring long-term compliance.

Asset Oversight Fees - Fees assessed to Tax Credit Assistance Program (TCAP) and Exchange property owners for the purpose of safeguarding the Department's financial interest in their properties.

Migrant Labor Housing Fees – Fees assessed for the purpose of inspections of migrant housing facilities.

Appropriated Receipts (MH) - Manufactured Housing Division fees generated through inspecting, licensing, and titling activities.

Interagency Contracts - Contract with the Texas Department of Agriculture for the Office of Colonia Initiatives (OCI) Self-Help Center's operation and administration; and a contract with the Texas Health and Human Services Commission (HHSC) for the Money Follows the Person program.

FISCAL YEAR 2022
OPERATING BUDGET

(September 1, 2021 through August 31, 2022)

June 17, 2021

Prepared by the Financial Administration Division

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
SFY-2022 OPERATING BUDGET

T A B L E O F C O N T E N T S

Method of Finance Chart....................1
Agency Wide - By Method of Finance....................2

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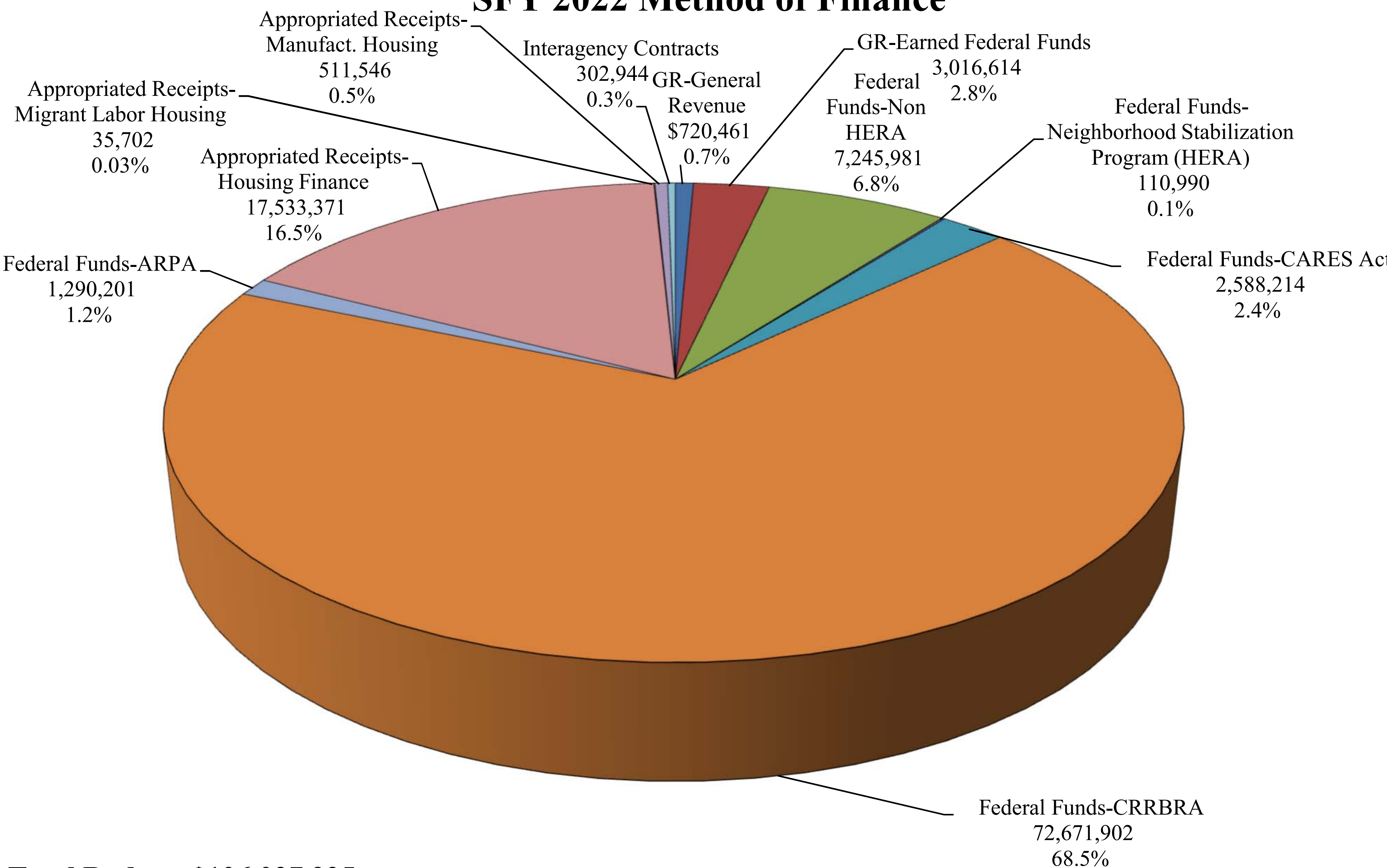
Texas Department of Housing and Community Affairs
SFY 2022 Method of Finance



Total Budget: $106,027,925

Agency Wide - By Method of Finance
September 1, 2021 thru August 31, 2022

Budget Categories	General Revenue	Federal Funds	CARES Act	CRBRA	ARPA	Appropriated Receipts	Interagency Contract	MH Appropriated Receipts	Total
Salaries	2,559,726	4,857,829	1,466,228	1,365,039	989,884	11,267,085	189,996	404,501	23,100,288
Payroll Related Costs	614,334	1,165,879	351,895	327,609	237,572	2,704,100	45,599	97,080	5,544,069
Travel In-State	33,925	176,373	11,500	10,000	1,500	318,207	7,233	-	558,738
Travel Out-of-State	2,307	39,300	6,000	10,000	5,000	96,449	-	-	159,056
Professional Fees	33,465	500,142	50,000	70,130,000	-	1,208,368	55,903	-	71,977,877
Materials/Supplies	85,324	38,718	12,983	10,228	4,742	163,307	1,000	-	316,303
Repairs/Maintenance	185,994	104,849	600	7,000	1,500	520,717	-	-	820,660
Printing and Reproduction	1,507	3,028	100	500	-	15,987	-	-	21,122
Rental/Lease	35,477	14,852	993	1,391	497	98,267	-	-	151,477
Membership Dues	1,813	28,801	-	-	-	59,876	-	-	90,490
Staff Development	15,070	36,684	10,000	50,000	7,000	98,100	-	-	216,854
Insurance/Employee Bonds	105,351	80,499	22,092	20,525	14,995	251,729	3,213	9,965	508,368
Employee Tuition	1,619	1,500	-	-	-	881	-	-	4,000
Advertising	75	51,500	5,000	-	-	1,725	-	-	58,300
Freight/Delivery	1,292	2,759	500	1,500	200	19,199	-	-	25,450
Temporary Help	25,717	50,189	621,500	660,000	5,500	134,944	-	-	1,497,850
Furniture/Equipment	8,924	78,886	5,000	60,000	16,000	149,390	-	-	318,200
Communications/Utilities	51,872	124,513	23,823	18,109	5,811	405,814	-	-	629,942
Capital Outlay	-	-	-	-	-	-	-	-	-
State Office of Risk Management	8,984	670	-	-	-	19,226	-	-	28,880
Total	**3,772,776**	**7,356,970**	**2,588,214**	**72,671,903**	**1,290,203**	**17,533,371**	**302,944**	**511,546**	**106,027,925**
Budget by Method of Finance, 2021	3,087,590	7,217,515	1,014,336	-	-	16,763,434	242,703	511,892	28,837,470
Variance from 2021	685,186	139,455	1,573,878	72,671,903	1,290,203	769,937	60,241	(348)	77,190,455

6b

BOARD ACTION REQUEST

FINANCIAL ADMINISTRATION DIVISION

JUNE 17, 2021

Presentation, discussion, and possible action on the SFY 2022 Housing Finance Division Budget

RECOMMENDED ACTION

WHEREAS, the Governing Board of the Texas Department of Housing and Community Affairs (the Department or TDHCA) is required to approve a SFY 2022 Housing Finance Division Budget; and

WHEREAS, the Department is required to submit the budget to the Office of the Governor (OOG) and the Legislative Budget Board (LBB);

NOW, therefore, it is hereby

RESOLVED, that the SFY 2022 Housing Finance Division Budget, in the form presented to this meeting, is hereby approved; and

FURTHER RESOLVED, that upon approval by the TDHCA Governing Board, the Department will submit the budget to the OOG and the LBB.

BACKGROUND

In accordance with Tex. Gov't Code §2306.113, the Department shall create a separate annual budget for the Housing Finance Division to certify the housing program fee revenue that supports the Department. While at the time the statute was created such a division existed, the duties associated with the Housing Finance Division have been spread among multiple divisions in the agency as reorganizations to improve efficiency have occurred. This budget is a subset of the whole operating budget and shows the Housing Finance revenues also known as Appropriated Receipts that support the operating budget.

This SFY 2022 Housing Finance Division Budget, which the Board is being asked to approve, is $17,533,371. The Housing Finance Budget complies with the provisions of the General Appropriations Act (GAA).

In addition, in accordance with Tex. Gov't Code §§2306.117 and 2306.118, the Department incurs operational and nonoperational expenses in carrying out the functions of the Housing Finance Division. These types of expenses may be paid only from revenues or funds provided under this Chapter. The revenue and funds of the Department received by or payable through the programs and functions of the Housing Finance Division, other than funds necessary for the operation of the Housing Finance Division and appropriated funds, shall be administered outside the treasury with the Texas Treasury Safekeeping Trust Company.

Housing Finance Budget Appropriated Receipts

September 1, 2021 thru August 31, 2022

Budget Categories	Executive Administration	Agency Administration	Program Controls and Oversight	Bond Finance	Programs	Capital Budget	Payroll Related Costs	Total
Salaries	1,667,109	2,841,490	4,274,430	1,002,369	1,481,688			11,267,085
Payroll Related Costs	-	-	-	-	-		2,704,100	2,704,100
Travel In-State	47,409	8,026	220,676	22,110	19,986			318,207
Travel Out-of-State	29,794	4,793	20,350	24,700	16,812			96,449
Professional Fees	152,255	262,768	410,188	51,503	3,641	328,013		1,208,368
Materials/Supplies	18,582	53,501	54,912	14,301	22,010			163,307
Repairs/Maintenance	25,408	111,980	181,954	47,745	38,613	115,015		520,717
Printing and Reproduction	1,689	4,098	2,763	6,050	1,388			15,987
Rental/Lease	5,676	59,426	13,848	12,116	7,202			98,267
Membership Dues	49,453	2,833	6,239	1,350	-			59,876
Staff Development	11,006	30,485	26,990	14,000	15,619			98,100
Insurance/Employee Bonds	32,916	65,848	100,594	20,311	32,060			251,729
Employee Tuition	-	881	-	-	-			881
Advertising	1,500	225	-	-	-			1,725
Freight/Delivery	1,817	2,525	9,431	4,950	476			19,199
Temporary Help	69,383	19,535	11,630	23,321	11,076			134,944
Furniture/Equipment	6,500	5,932	5,245	1,800	8,650	121,263		149,390
Communications/Utilities	39,595	76,412	104,659	137,134	48,014			405,814
Capital Outlay	-	-	-	-	-	-		-
State Office of Risk Management	1,578	8,297	5,750	1,052	2,549			19,226
Total	**2,161,669**	**3,559,057**	**5,449,658**	**1,384,813**	**1,709,783**	**564,291**	**2,704,100**	**17,533,371**

Method of Finance:

Single Family Bond Administration Fees	1,888,237
Multifamily Bond Administration Fees	594,720
Compliance Fees	3,708,745
Housing Tax Credit Fees	2,851,045
Asset Management Fees	578,666
Subtotal:	**9,621,413**
Central Support Single Family Bond Administration Fees	1,241,918
Central Support Multifamily Bond Administration Fees	1,235,770
Central Support Compliance Fees	2,797,970
Central Support Housing Tax Credit Fees	2,086,647
Central Support Asset Management Fees	549,652
Subtotal:	**7,911,958**
Total, Method of Finance	**17,533,371**

7a

TO BE POSTED NOT LATER THAN THE THIRD DAY BEFORE THE DATE OF THE MEETING

7b

BOARD ACTION REQUEST

BOND FINANCE DIVISION

JUNE 17, 2021

Presentation, discussion, and possible action on Resolution No. 21-031 authorizing the filing of one or more applications for reservation to the Texas Bond Review Board with respect to Qualified Mortgage Bonds and containing other provisions relating to the subject

RECOMMENDED ACTION

Adopt attached resolution.

BACKGROUND

An allocation of private activity bond authority, also known as volume cap, is required for the issuance of tax-exempt, single family mortgage revenue bonds (SFMRBs) and for the issuance of mortgage credit certificates (MCCs). In 2021, the State of Texas received approximately $3.2 billion in volume cap for all private activity purposes. Pursuant to Chapter 1372, Texas Government Code (the Allocation Act), 32.25% of the State's volume cap is available exclusively for single family activity through August 14, 2021. The Allocation Act creates the following set-asides for single family volume cap, which remain in effect through August 6, 2021:

Texas Department of Housing and Community Affairs	$ 347,260,414
Texas State Affordable Housing Corporation (TSAHC)	104,157,293
Local Housing Finance Corporations (HFCs)	590,155,220
Total Single Family Volume Cap Set-Asides	$1,041,572,927

On August 7, these set-asides collapse and the remaining aggregate balance is available for reservation by any of the above-described entities for single family activity on a first-come, first-served basis through August 14, 2021. Single family volume cap that remains available on August 15, 2021, is collapsed and made available for reservation by any eligible issuer for all private activity purposes beginning on Monday, August 17, 2021. As of June 9, 2021, one HFC has reserved $20,623,602, and TSAHC's board has approved applications for up to $404,157,253, inclusive of the set-aside above.

It is currently cost prohibitive for most HFCs to issue SFMRBs or MCCs; as a result, most of the HFC set-aside is expected to remain unclaimed at the single family collapse on August 7, 2021. However, the demand for affordable financing options for low and moderate income homebuyers in Texas remains strong, particularly in light of the scarcity of affordable home inventory. The Department, as a statewide issuer, leverages economies of scale and uses single family volume cap to provide an assortment of financing options to low and moderate income homebuyers throughout the state, allowing potential homeowners to compete in an increasingly competitive market.

During the past four calendar years, the Department has used an average of approximately $1.2 billion each year in single family volume cap. In order to continue to meet the needs of low and moderate income homebuyers throughout the state, staff is requesting authorization to submit applications for reservation of volume cap, to include (i) one or more applications for reservation for up to, in the aggregate, $347,260,414, to reserve the Department's 2021 single family set-aside prior to August 7, (ii) one or more applications for reservation for up to, in the aggregate, $319,531,619 of 2021 volume cap available to single family issuers, on a first-come, first-served basis, between August 9, the first day on which an application may be submitted following the August 7 collapse, and August 14, 2021, and (iii) one or more applications for reservation for up to, in the aggregate, $300,000,000 for SFMRBs anticipated to be issued before year-end 2021, <u>which are expected to use 2020 volume cap carried forward for this purpose</u>. All amounts requested would be for single family volume cap, with no volume cap to be requested from the general collapse on August 15, 2021.

Staff will return to the Board at a later date with requests for approval to use awarded volume cap in connection with additional bond or MCC transactions.

RESOLUTION NO. 21-031

RESOLUTION AUTHORIZING THE FILING OF ONE OR MORE APPLICATIONS FOR RESERVATION WITH THE TEXAS BOND REVIEW BOARD WITH RESPECT TO QUALIFIED MORTGAGE BONDS; AUTHORIZING STATE DEBT APPLICATION; 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 "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 (d) to issue its revenue bonds for the purpose of refunding any bonds theretofore issued by the Department; 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 will 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 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 the Application for Reservation be accompanied by a certified copy of the resolution of the issuer authorizing the filing of the Application for Reservation; and

WHEREAS, the Board has determined to authorize the filing of one or more Applications for Reservation in the maximum aggregate amount of $966,792,032 with respect to qualified mortgage bonds; and

WHEREAS, the Board further desires to approve one or more applications to the Bond Review Board for approval of state bonds;

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

ARTICLE 1

APPROVAL OF CERTAIN ACTIONS

Section 1.1 Applications for Reservation. The Board hereby authorizes Bracewell LLP, as Bond Counsel to the Department, to file on its behalf with the Bond Review Board one or more Applications for Reservation in the maximum aggregate amount of $966,792,032 with respect to qualified mortgage bonds, together with any other documents and opinions required by the Bond Review Board as a condition to the granting of one or more Reservations.

Section 1.2 State Debt Applications. The Board hereby authorizes and approves the submission of one or more applications for approval of state bonds to the Bond Review Board on behalf of the Department in accordance with Chapter 1231, Texas Government Code.

Section 1.3 Authorization of Certain Actions. The Authorized Representatives of the Department named in this Resolution are hereby authorized to take such actions on behalf of the Department as may be necessary to carry out the purposes of this Resolution, including the submission of any carryforward designation requests for such Reservations.

Section 1.4 Authorized Representatives. The following persons are hereby named as authorized representatives of the Department for purposes of executing, attesting, affixing the

Department's seal to, and delivering the documents and instruments and taking the other actions referred to in this Article 1: the Chair or Vice Chair of the Board, the Executive Director of the Department, the Director of Administration of the Department, the Director of Financial Administration of the Department, the Director of Bond Finance and Chief Investment Officer of the Department, the Director of Texas Homeownership of the Department, and the Secretary or any Assistant Secretary to the Board. Such persons are referred to herein collectively as the "Authorized Representatives." Any one of the Authorized Representatives is authorized to act individually as set forth in this Resolution.

ARTICLE 2

GENERAL PROVISIONS

Section 2.1 Notice of Meeting. This Resolution was considered and adopted at a meeting of the Board that was noticed, convened, and conducted in full compliance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, and with Section 2306.032 of the Texas Government Code, and the March 16, 2020 action by the Governor of the State of Texas under Section 418.016, Texas Government Code, suspending certain provisions of the Texas Open Meetings Act, regarding meetings of the Board.

Section 2.2 Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

PASSED AND APPROVED this 17th day of June, 2021.

7c

BOARD REPORT ITEM

BOND FINANCE DIVISION

JUNE 17, 2021

Report on the closing of the Department's Residential Mortgage Revenue Bonds, Series 2021A and Residential Mortgage Revenue Refunding Bonds, Series 2021B (Taxable)

BACKGROUND

On March 11, 2021, the Board approved the issuance of Residential Mortgage Revenue Bonds, Series 2021A (2021A Bonds) and Residential Mortgage Revenue Refunding Bonds, Series 2021B (Taxable) (2021B Bonds and, together with the 2021A Bonds, the Bonds). The Preliminary Official Statement was published March 23, 2021. The Bonds were priced on two separate days. The Retail Order Period was March 30, 2021, and the Institutional Order Period was March 31, 2021. The Bonds closed April 28, 2021.

The 2021A Bonds were designated as Social Bonds, which is the Department's inaugural issuance of social bonds for single family. Per the International Capital Market Association, Social Bonds are any type of bond instrument where the proceeds will be exclusively applied to finance or re-finance, in part or in full, new and/or existing eligible Social Projects and which are aligned with the four core components of the Social Bonds Principles. The four core components are: 1. Use of Proceeds; 2. Process for Project Evaluation and Selection; 3. Management of Proceeds; and 4. Reporting.

The financing team included Bracewell LLP, Bond Counsel; McCall, Parkhurst & Horton, L.L.P., Disclosure Counsel; Stifel, Nicolaus & Co., Inc., Financial Advisor; and an underwriting team led by Jefferies as Book Running Senior Manager, Barclays, J.P. Morgan, and RBC Capital Markets as co-senior managers, and Morgan Stanley, Piper Sandler & Co., and Ramirez & Co., Inc. as co-managers.

The 2021A Bonds, issued to provide funds for new loan origination, were structured to maximize premium received while keeping mortgage rates as low as possible. Fixed rate and tax-exempt, the bond structure included par and premium serial bonds, par term bonds, and a high premium PAC (Planned Amortization Class) bond. The par amount of 2021A Bonds sold was $100,000,000, and the premium received was $5,625,389.70, for total 2021A Bond proceeds of $105,625,389.70. The premium funded down payment and closing cost assistance for loans originated through this bond issue. This series made $100,000,000 available for assisted loans, providing 4 and 5 points of down payment and closing cost assistance (DPA), with mortgage rates of 3.25% and 3.50%, respectively. DPA is provided in the form of 30-year, non-amortizing, 0% interest second loans that are due on sale or refinance of the first mortgage. Eligible loan types are FHA, VA, and USDA-RD loans. Funds made available through this issue have been fully committed.

The 2021B Bonds, issued to refund the Department's outstanding Residential Mortgage Revenue Bonds, Series 2009C-1 (Taxable), Series 2009C-2, Series 2011A and Series 2011B, were structured to achieve maximum debt service savings. Fixed rate and taxable, $61,369,927 of 2021B Bonds were sold as a single maturity, pass through bond. The refunding generated approximately $4 million in present value savings.

Attached is a detailed summary of the pricing that was prepared by Jefferies LLC.

Texas Department of Housing and Community Affairs
Residential Mortgage Revenue Bonds
Series 2021 AB

Retail Pricing: March 30, 2021
Institutional Pricing: March 31, 2021
Closing: April 28, 2021

Jefferies

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1. Overview of Financing

Executive Summary

EXECUTIVE SUMMARY

Timing and Underwriting	Retail Order Period:	March 30, 2021
	Institutional Pricing:	March 31, 2021
	Method of Sale:	Negotiated
Underwriters	Senior Manager:	Jefferies, LLC
	Co- Managers:	Barclays J.P. Morgan Morgan Stanley Piper Sandler Ramirez & Co., Inc. RBC Capital Markets

Use of Proceeds:

The Series 2021 Bonds are being issued for the primary purpose of providing funds for the purchase of mortgage-backed, pass-through certificates. The Mortgage Certificates purchased with the proceeds of the Series 2021A Bonds will be guaranteed as to timely payment of principal and interest by the Government National Mortgage Association. The Series 2021B Bonds are being issued for the primary purpose of refunding the Department's outstanding Residential Mortgage Revenue Bonds, Series 2009C-1 (Taxable), Series 2009C-2, Series 2011A and Series 2011B.

Bond Structure

The 2021 Series A bond structure included $4.1 million premium serial bonds, $51.9 million par bonds, and $44.0 million premium PAC bonds. The 2021 Series B bond structure included a single $61.4 million par pass-through term bond.

Tax Status

2021 Series A: Non-AMT
2021 Series B: Taxable

Ratings

Moody's: Aaa S&P: AA+

Bondholder Security

The Series 2021 Bonds, the Prior Bonds and, unless subordinated, all bonds subsequently issued pursuant to the Trust Indenture are equally and ratably secured by the Trust Indenture for the equal benefit, protection and security of the owners of the Bonds, each of which, regardless of time of issuance or maturity, is to be of equal rank without preference, priority or distinction, except as otherwise provided in the Trust Indenture.

Principal or Redemption Price of and interest on all Bonds are payable solely from and are secured by a pledge of and lien on the Trust Estate, which consists generally of the Revenues, Mortgages, Mortgage Loans (including Mortgage Certificates), money, and Investment Securities held in the Funds (excluding the Rebate Fund), and other property pledged under the Trust Indenture and any Supplemental Indenture. Revenues include all payments with respect to the Mortgage Loans (net of servicing, accounting and collection fees) which include Mortgage Certificates (net of servicing and guaranty fees) and the earnings on investments of amounts held under the Trust Indenture and any Supplemental Indenture. Revenues do not include payments made in order to obtain or maintain mortgage insurance and fire and other hazard insurance with respect to Mortgage Loans (including Mortgage Certificates), and any payments required to be made with respect to Mortgage Loans (including Mortgage Certificates) for taxes, other governmental charges, and other similar charges customarily required to be escrowed on mortgage loans or commitment fees or other financing charges paid by a Mortgage Lender or the Master Servicer to the Department in connection with a commitment to sell and deliver Mortgage Loans (including Mortgage Certificates) to the Department.

Investment of Proceeds

Moneys in all Funds established pursuant to the Trust Indenture will be invested in Investment Securities pursuant to the Depository Agreement with the Texas Treasury Safekeeping Trust Company.

Moneys held or invested in all Funds and accounts (except for the Rebate Fund) under the Trust Indenture are for the equal and ratable benefit of all owners of the Bonds.

Results of Sale

Series 2021A

Bond Issue Component	Buyer Profile	
$11,825,000 2022-2033 Serial Bonds	Retail: Institutional:	50% 50%
4,115,000 2020-2032 Premium Serial Bonds	Retail: Institutional:	12% 88%
5,215,000 2036 Term Bonds	Retail: Institutional:	4% 96%
9,815,000 2041 Term Bonds	Retail: Institutional:	10% 90%
11,555,000 2046 Term Bonds	Retail: Institutional:	5% 95%
13,475,000 2051 Term Bonds	Retail: Institutional:	5% 95%
44,000,000 2052 Premium PAC	Retail: Institutional:	0% 100%

Series 2021B

Bond Issue Component	Buyer Profile	
$11,825,000 2042 Term Bonds	Institutional:	100%

Market Conditions

- Municipal investors extended duration as rate fears receded a bit partly on weaker economic data (home sales, durable goods, personal spending and income)
- Additionally, the slope of the municipal curve remained steady vs. a 6 basis point flattening in Treasuries (5s30s) resulting in slightly better relative value out the curve in exempts
- Exempt rates rallied 5 - 7 basis points across the curve on the week, outperforming the Treasury rally down the curve (5 - 7bps) but underperforming out long (3 bps)
- The secondary market was firm, but volume was light; credit spreads were marginally tighter in exempts and mostly unchanged in taxables
- Weekly bid-wanted volume remained in the same context as the 4-wk MAVG of $3.4B
- Municipal fund flows also came in just above the 4-wk MAVG of $547mm (EPFR)
- 30-day visible supply remained rangebound between $11B-$13B, before ticking down to a very thin $8 billion ahead of the holiday week (early bond market close Friday)

Commentary

- This transaction marked TDHCA's inaugural issuance of Social Bonds—Kestrel Verifiers designated the Bonds as Social Bonds, based on the use of proceeds, consistent with the International Capital Markets Association's Social Bond Principles and certain United Nations Sustainable Development goals. This provided a unique opportunity to reintroduce the credit to the market and in conjunction with the release of the Preliminary Offering Statement, the Department released an Investor Roadshow Presentation highlighting the strength and attributes of the Indenture
- The Series 2021A Bonds consisted of premium structures including a 5.5-year average life PAC bond and serial bonds with 5% coupons that generated 5.6% of premium proceeds ($5.6

million) for the Department's down payment and closing cost assistance programs

- The Series 2021B were structured as monthly pass-through bonds to refund the Department's outstanding New Issue Bond Program ("NIPB") Bonds—with strong investor demand the bonds were sold at 1.70%
- A strong marketing campaign, which included the Department's first roadshow (with nearly 25 unique investor views), led to a robust orderbook across both issuances
- The one-day retail order period produced $12.1 million in retail orders with oversubscription of 1.0x to 1.6x through various maturities, excluding the 2052 PAC Bond
- The institutional order period was well received across the transaction, with 25 institutional investors participating for both issuances and multiple investors submitting orders for entire maturities for the 2021A bonds
- Three ESG/Impact focused investors placed orders for the Series 2021A Social Bonds and 2021B Bonds, with orders totaling $11.3 million—two of the three ESG/Impact investors were first time accounts for the Department
- Overall, the 2021A bonds were 1.7x oversubscribed and 201B MBS Pass-through Bonds were 1.2x oversubscribed, with five distinct investors participating in the Pass-through refunding issue

PARTICIPANTS

Issuer……………………..	Texas Department of Housing and Community Affairs
Bond Counsel…………………	Bracewell LLP
Disclosure Counsel…….	McCall, Parkhurst & Horton, L.L.P.
Financial Advisor…………………	Stifel, Nicolaus & Company
Senior Manager…………………	Jefferies LLC
Co-Senior Manager……..	Barclays Capital
	JPMorgan
	RBC Capital Markets
Co-Manager……………..	Ramirez
	Morgan Stanley
	Piper Sandler
Underwriter's Counsel…..	Chapman and Cutler, LLP
Trustee……………………	Bank of New York Mellon
Trustee's Counsel…………………	McGuire, Craddock & Strother, P.C.
Rating Agencies………………..	Moody's Investors Service
	Standard & Poor's Rating Services
Printer…………………..	ImageMaster, Inc.

UNDERWRITER'S DISCOUNT

TOTAL UNDERWRITER'S DISCOUNT	($/Bond)	$ Amount
Takedown	$5.34	$862,337.14
Management Fee	$1.00	$161,369.93
Underwriting Expenses	$0.54	$87,626.06
Total Underwriter's Discount	**$6.89**	**$1,111,333.12**

BREAKDOWN OF UNDERWRITING EXPENSES	($/Bond)	$ Amount
Underwriter's Counsel Fees	$0.31	$50,000.00
CUSIP Fee (29 CUSIPs)	$0.01	$1,370.00
iPreo (i.e., Order Entry, Wires, Taxes, etc.)	$0.07	$11,086.37
iPreo Order Monitor	$0.03	$5,270.75
Day Loan	$0.01	$2,303.94
DTC	$0.01	$1,150.00
DAC	$0.00	$445.00
Kestrel Social Bond Opinion	$0.10	$16,000.00
Jefferies' Out-of-Pocket Expenses	$0.00	$0.00
Total Underwriting Expenses	**$0.54**	**$87,626.06**

SOURCES AND USES OF FUNDS

SOURCES OF FUNDS

	Series 2021A	Series 2021B	Total
Bond Proceeds	$105,625,389.70	$61,369,927.00	$ 166,995,316.70
Refunded Bonds Revenue Funds	-	770,585.07	770,585.07
Issuer Contribution	2,532,138.46	-	2,532,138.46
TOTAL			**$170,298,040.23**

USES OF FUNDS

	Series 2021A	Series 2021B	Total
Redemption of Refunded Bonds	$ -	$61,370,000.00	$ 61,370,000.00
2021A Mortgage Loan Account	106,800,000.00	-	106,800,000.00
Underwriter Compensation	715,873.75	395,459.37	1,111,333.12
Cost of Issuance	641,654.41	375,052.70	1,016,707.11
TOTAL			**$170,298,040.23**

Preliminary Official Statement Cover

Jefferies

PRELIMINARY OFFICIAL STATEMENT DATED MARCH 23, 2021

NEW ISSUES – BOOK ENTRY ONLY

RATINGS:
Moody's: "Aaa"
S & P: "AA+"
See "RATINGS" herein

*Bracewell LLP, Bond Counsel, is of the opinion that, subject to certain conditions described herein and under existing law, (i) interest on the Series 2021A Bonds is excludable from gross income for federal income tax purposes and (ii) interest on the Series 2021A Bonds is not a specific preference item subject to the alternative minimum tax. See "TAX MATTERS RELATING TO THE SERIES 2021A BONDS" herein. Interest on the Series 2021B Bonds is **not** excludable from gross income for federal tax purposes under existing law. See "TAX MATTERS RELATING TO THE SERIES 2021B BONDS" herein.*

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

KESTREL VERIFIERS

$100,000,000*
Residential Mortgage Revenue Bonds
Series 2021A (Non-AMT)
(Social Bonds)

$61,369,927*
Residential Mortgage Revenue Refunding Bonds
Series 2021B (Taxable)
(Mortgage-Backed Securities Pass-Through Bonds)

The Social Bond Principles

Dated Date/Delivery Date:	April 28, 2021*
Due:	January 1 and July 1, as shown on the inside cover.
Interest Payment Dates:	Interest accrued on the Series 2021A Bonds will be payable on each January 1 and July 1, commencing July 1, 2021* as described herein. Interest accrued on the Series 2021B Bonds will be payable on the first day of each month, commencing May 1, 2021* as described herein.
Interest Rates:	Payable at the rates as shown on the inside cover.
Redemption:	The Series 2021 Bonds are subject to redemption on the dates and at the Redemption Prices more fully described herein. See "THE SERIES 2021 BONDS – Redemption Provisions."
Denominations:	The Series 2021A Bonds will be available to purchasers in book-entry form only in $5,000 or any integral multiple thereof as described herein. The Series 2021B Bonds will be available to purchasers in book-entry form only in denominations of $1.00 and any integral multiple thereof as described herein.
Tax Matters:	Bracewell LLP, Bond Counsel, is of the opinion that, subject to certain conditions described herein and under existing law, (i) interest on the Series 2021A Bonds is excludable from gross income for federal income tax purposes and (ii) interest on the Series 2021A Bonds is **not** a specific preference item subject to the alternative minimum tax. See "TAX MATTERS RELATING TO THE SERIES 2021A BONDS" herein. Interest on the Series 2021B Bonds is not excludable from gross income for federal tax purposes under existing law. See "TAX MATTERS RELATING TO THE SERIES 2021B BONDS" herein.
Purpose:	The Series 2021A Bonds are being issued for the primary purpose of providing funds for the purchase of mortgage-backed, pass-through certificates (the "Mortgage Certificates"). The Mortgage Certificates purchased with the proceeds of the Series 2021A Bonds will be guaranteed as to timely payment of principal and interest by the Government National Mortgage Association ("Ginnie Mae") ("Ginnie Mae Certificates" or "GNMA Certificates"). See "APPENDIX B-1 – GNMA AND THE GNMA CERTIFICATES" and funding down payment and closing cost assistance. The Series 2021B Bonds are being issued for the primary purpose of refunding the Department's outstanding Residential Mortgage Revenue Bonds, Series 2009C-1 (Taxable), Series 2009C-2, Series 2011A and Series 2011B (collectively, the "Refunded Bonds").
Security:	The Series 2021 Bonds, the Prior Bonds (as defined herein), and, unless subordinated, all Bonds subsequently issued under the Trust Indenture (as defined herein) are equally and ratably secured by the Trust Estate (as defined herein) held by the Trustee under the Trust Indenture. The Series 2021 Bonds are limited obligations of the Department and are payable solely from the revenues and funds pledged for the payment thereof as more fully described herein. Neither the State of Texas (the "State") nor any agency of the State, other than the Department, nor the United States of America or any agency, department or other instrumentality thereof, including Ginnie Mae, is obligated to pay the principal or Redemption Price of or interest on the Series 2021 Bonds. Neither the faith and credit nor the taxing power of the state or the United States of America is pledged, given or loaned to such payment. The Department has no taxing power. Ginnie Mae guarantees only the payment of the principal of and interest on the Ginnie Mae Certificates when due and does not guarantee the payment of the Series 2021 Bonds or any other obligations issued by the Department. See "SECURITY FOR THE BONDS" and "THE TRUST INDENTURE."
Book-Entry Only System:	The Series 2021 Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). See "APPENDIX I – SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS AND OTHER MATTERS – DTC and Book-Entry."
Trustee:	The Bank of New York Mellon Trust Company, N.A.
Bond Counsel:	Bracewell LLP
Disclosure Counsel:	McCall, Parkhurst & Horton L.L.P.
Underwriters' Counsel:	Chapman and Cutler LLP
Financial Advisor:	Stifel, Nicolaus & Co., Inc.

Jefferies

Barclays **J.P. Morgan** **RBC Capital Markets**

Morgan Stanley **Piper Sandler & Co.** **Ramirez & Co., Inc.**

* Preliminary, subject to change.

Official Statement Cover

OFFICIAL STATEMENT DATED APRIL 1, 2021

NEW ISSUES – BOOK ENTRY ONLY

RATINGS:
Moody's: "Aaa"
S & P: "AA+"
See "RATINGS" herein

Bracewell LLP, Bond Counsel, is of the opinion that, subject to certain conditions described herein and under existing law, (i) interest on the Series 2021A Bonds is excludable from gross income for federal income tax purposes and (ii) interest on the Series 2021A Bonds is not a specific preference item subject to the alternative minimum tax. See "TAX MATTERS RELATING TO THE SERIES 2021A BONDS" herein. Interest on the Series 2021B Bonds is ***not*** *excludable from gross income for federal tax purposes under existing law. See "TAX MATTERS RELATING TO THE SERIES 2021B BONDS" herein.*

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

$100,000,000
Residential Mortgage Revenue Bonds
Series 2021A (Non-AMT)
(Social Bonds)

$61,369,927
Residential Mortgage Revenue Refunding Bonds
Series 2021B (Taxable)
(Mortgage-Backed Securities Pass-Through Bonds)

Dated Date/Delivery Date: April 28, 2021

Due: January 1 and July 1, as shown on the inside cover.

Interest Payment Dates: Interest accrued on the Series 2021A Bonds will be payable on each January 1 and July 1, commencing July 1, 2021 as described herein. Interest accrued on the Series 2021B Bonds will be payable on the first day of each month, commencing May 1, 2021 as described herein.

Interest Rates: Payable at the rates as shown on the inside cover.

Redemption: The Series 2021 Bonds are subject to redemption on the dates and at the Redemption Prices more fully described herein. See "THE SERIES 2021 BONDS – Redemption Provisions."

Denominations: The Series 2021A Bonds will be available to purchasers in book-entry form only in $5,000 or any integral multiple thereof as described herein. The Series 2021B Bonds will be available to purchasers in book-entry form only in denominations of $1.00 and any integral multiple thereof as described herein.

Tax Matters: Bracewell LLP, Bond Counsel, is of the opinion that, subject to certain conditions described herein and under existing law, (i) interest on the Series 2021A Bonds is excludable from gross income for federal income tax purposes and (ii) interest on the Series 2021A Bonds is not a specific preference item subject to the alternative minimum tax. See "TAX MATTERS RELATING TO THE SERIES 2021A BONDS" herein. Interest on the Series 2021B Bonds is **not** excludable from gross income for federal tax purposes under existing law. See "TAX MATTERS RELATING TO THE SERIES 2021B BONDS" herein.

Purpose: The Series 2021A Bonds are being issued for the primary purpose of providing funds for the purchase of mortgage-backed, pass-through certificates (the "Mortgage Certificates"). The Mortgage Certificates purchased with the proceeds of the Series 2021A Bonds will be guaranteed as to timely payment of principal and interest by the Government National Mortgage Association ("Ginnie Mae") ("Ginnie Mae Certificates" or "GNMA Certificates"). See "APPENDIX B-1 – GNMA AND THE GNMA CERTIFICATES" and funding down payment and closing cost assistance. The Series 2021B Bonds are being issued for the primary purpose of refunding the Department's outstanding Residential Mortgage Revenue Bonds, Series 2009C-1 (Taxable), Series 2009C-2, Series 2011A and Series 2011B (collectively, the "Refunded Bonds").

Security: The Series 2021 Bonds, the Prior Bonds (as defined herein), and, unless subordinated, all Bonds subsequently issued under the Trust Indenture (as defined herein) are equally and ratably secured by the Trust Estate (as defined herein) held by the Trustee under the Trust Indenture. The Series 2021 Bonds are limited obligations of the Department and are payable solely from the revenues and funds pledged for the payment thereof as more fully described herein. Neither the State of Texas (the "State") nor any agency of the State, other than the Department, nor the United States of America or any agency, department or other instrumentality thereof, including Ginnie Mae, is obligated to pay the principal or Redemption Price of or interest on the Series 2021 Bonds. Neither the faith and credit nor the taxing power of the state or the United States of America is pledged, given or loaned to such payment. The Department has no taxing power. Ginnie Mae guarantees only the payment of the principal of and interest on the Ginnie Mae Certificates when due and does not guarantee the payment of the Series 2021 Bonds or any other obligations issued by the Department. See "SECURITY FOR THE BONDS" and "THE TRUST INDENTURE."

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Trustee: The Bank of New York Mellon Trust Company, N.A.

Bond Counsel: Bracewell LLP

Disclosure Counsel: McCall, Parkhurst & Horton L.L.P.

Underwriters' Counsel: Chapman and Cutler LLP

Financial Advisor: Stifel, Nicolaus & Co., Inc.

Jefferies

Barclays **J.P. Morgan** **RBC Capital Markets**

Morgan Stanley **Piper Sandler & Co.** **Ramirez & Co., Inc.**

Financing Schedule

Texas Department of Housing and Community Affairs

2021A Residential Mortgage Revenue Bonds and
2021B Residential Mortgage Revenue Refunding Bonds (Taxable)

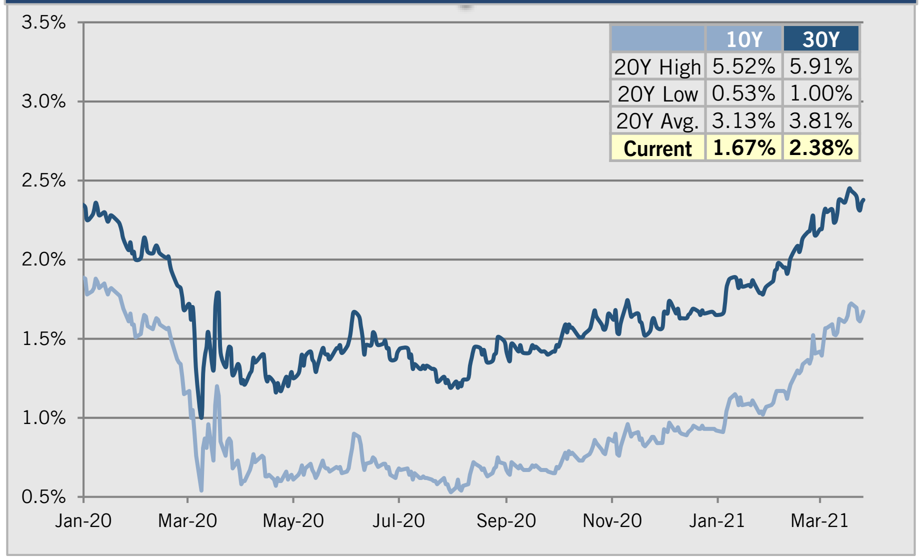
Date	Action	Party
03/01/21	Submit Packages to the Rating Agencies	FA
03/02/21	Final Comments Due on Documents for Board Posting	WG
03/03/21	Documents for Board Meeting to TDHCA (3/8 posting if necessary)	BC, DC, UWC
03/04/21	Submit Exempt Issuer State Debt Notice of Intent and Application to BRB	TDHCA, BC, FA
03/05/21	Deadline for HB 1295 Certifications to be delivered in writing to TDHCA	WG
03/09/21	Bond Review Board - Planning Session	BRB
03/11/21	TDHCA Board Meeting (Final Approval Including Documents)	TDHCA
03/12/21	Receive Ratings on the Bonds	TDHCA, FA
03/12/21	Submit Issuer Approval and Ratings to BRB; Begin 6-Day Clock	TDHCA
03/15/21	LOI to Trustee to Publish Conditional Notice (40 Days)	TDHCA
03/15/21	Social Bond Designation Draft due from Kestrel	
03/18/21	Bond Review Board - Board Meeting (No Action)	BRB
03/22/21	Final comments due on the POS	WG
03/22/21	Submit Volume Cap Reservation to BRB	TDHCA, BC
03/22/21	BRB Approval Received (5 pm or later)	
03/23/21	Due Diligence Call	WG
03/23/21	Relese of the POS if Possible	WG
03/24/21	Submit Transcript to Texas Attorney General for Preliminary Approval	BC
03/25/21	Review Preliminary Pricing Wire	TDHCA, FA
03/26/21	Solicit Price Views from the Syndicate	SM
03/29/21	Receive Price Views from the Syndicate	SM
03/29/21	Pre-Pricing Call and Scale Discussion	WG
03/30/21	**Retail Order Period**	**WG**
03/31/21	**Institutional Order Period; Execute the BPA**	**WG**
04/01/21	Publish Conditional Notice of Redemption for Refunded Bonds	BNY Mellon
04/01/21	Distribute First Draft of Official Statement	DC
04/02/21	Holiday (Good Friday)	
04/08/21	TDHCA Board Meeting (No Action Required)	TDHCA
04/08/21	Final Comments Due on the Official Statement	WG
04/09/21	Print the Official Statement	DC
04/09/21	Deliver Initial Bonds to Texas Attorney General	BC
04/20/21	Deliver final executed documents to Texas Attorney General	BC
04/27/21	**Pre-Close (via email)**	**WG**
04/28/21	**Close (via conference call)**	**WG**
05/03/21	Redeem 2009/2011 Bonds **(Confirm Date)**	BNY Mellon
05/13/21	TDHCA Board Meeting (No Action Required)	TDHCA
06/18/21	BRB Final Report Due	TDHCA

2. Pricing Information

Pre-Pricing: Market Data and Comparable Pricing Information

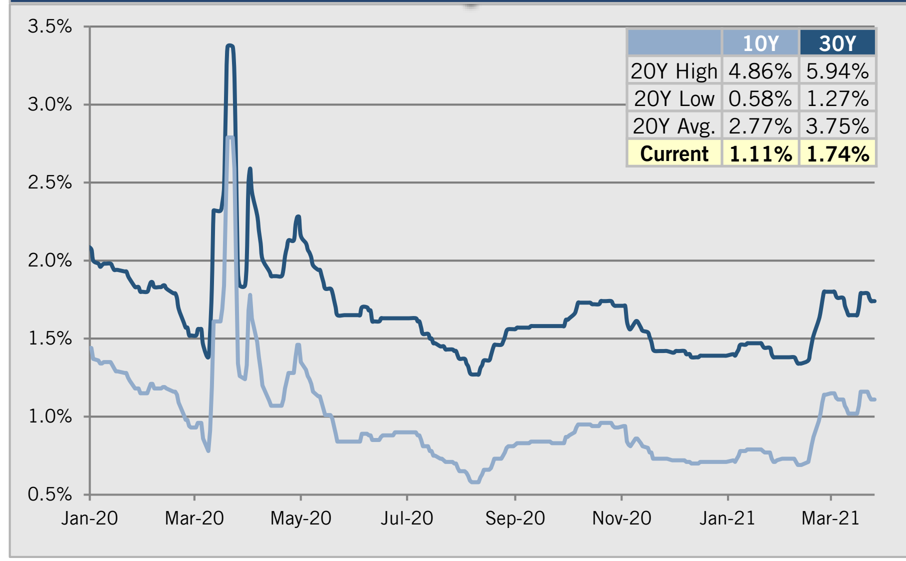
Benchmark rate snapshot

UST Performance (2020 – YTD)



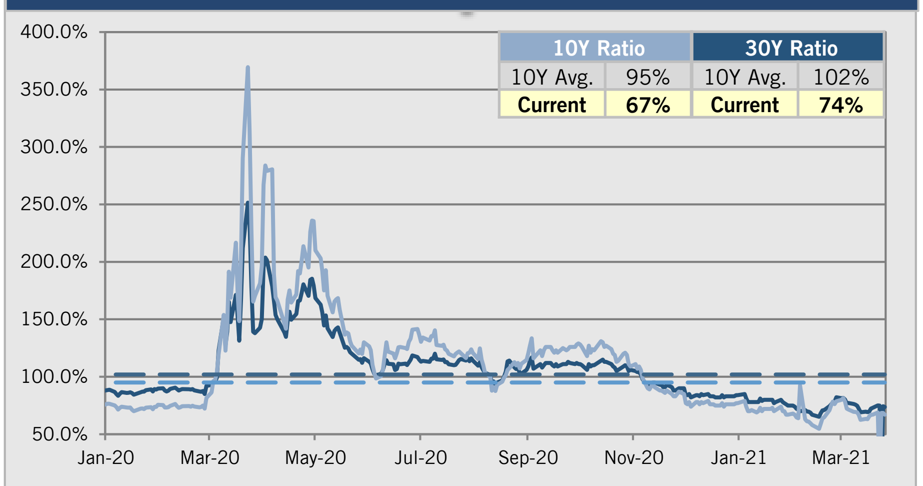
	10Y	30Y
20Y High	5.52%	5.91%
20Y Low	0.53%	1.00%
20Y Avg.	3.13%	3.81%
Current	**1.67%**	**2.38%**

MMD Performance (2020 – YTD)



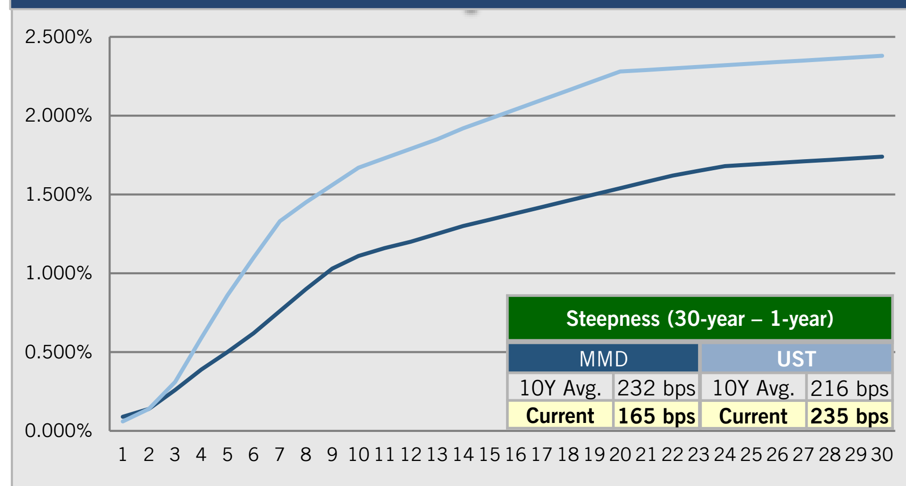
	10Y	30Y
20Y High	4.86%	5.94%
20Y Low	0.58%	1.27%
20Y Avg.	2.77%	3.75%
Current	**1.11%**	**1.74%**

MMD/UST (2020 – YTD)



10Y Ratio		30Y Ratio	
10Y Avg.	95%	10Y Avg.	102%
Current	**67%**	**Current**	**74%**

Shape of the Yield Curve



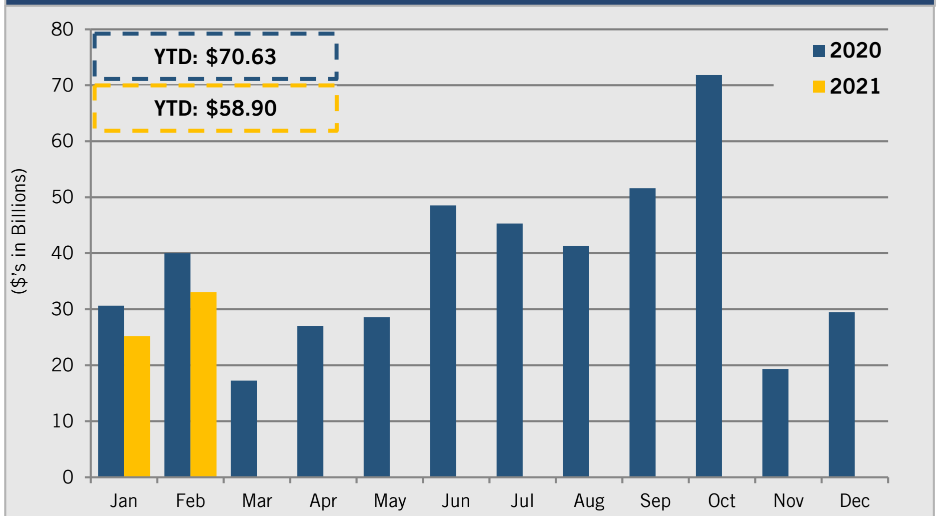
Steepness (30-year – 1-year)			
MMD		UST	
10Y Avg.	232 bps	10Y Avg.	216 bps
Current	**165 bps**	**Current**	**235 bps**

Source: Bloomberg and Thomson Reuters as of 03/26/2021

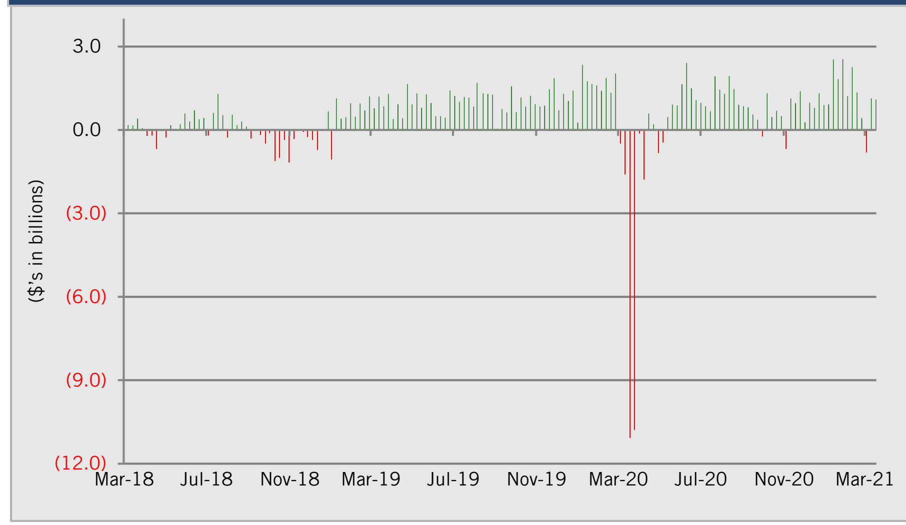
Jefferies

Municipal supply and demand

Municipal issuance through February is down 17% compared to 2020

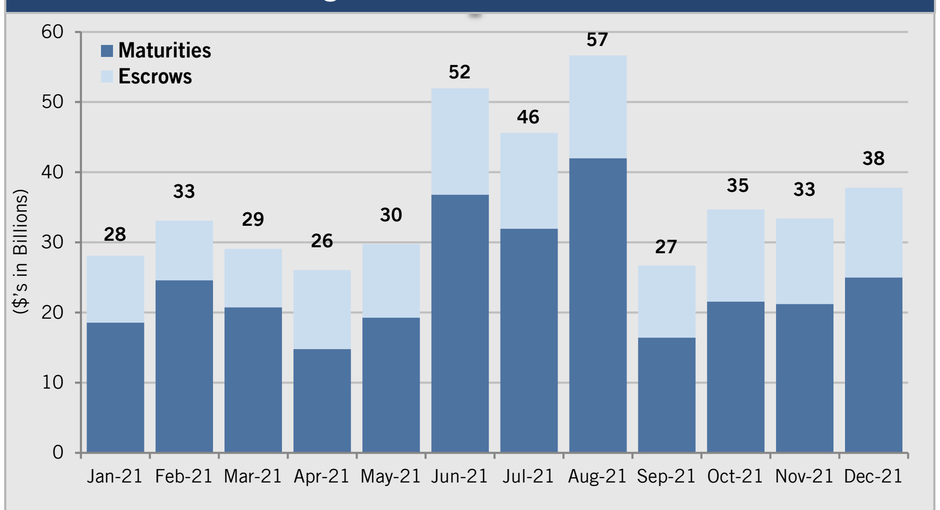


The municipal market has seen total inflows of over $14.5 billion through March[1]



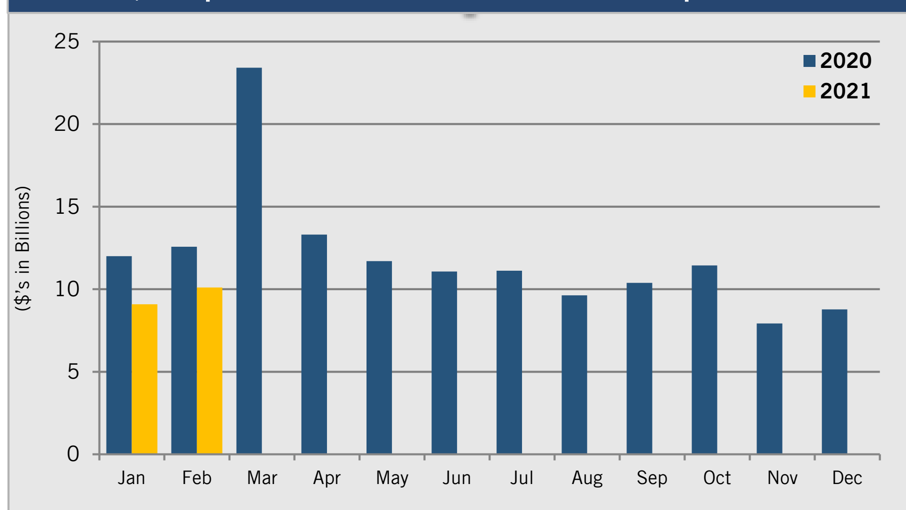
Source: EPFR as of 03/26/2021; [1]Includes funds which report weekly through March 24th

Expected redemptions for the year are highest in the summer months



Source: Bloomberg as of 03/26/2021

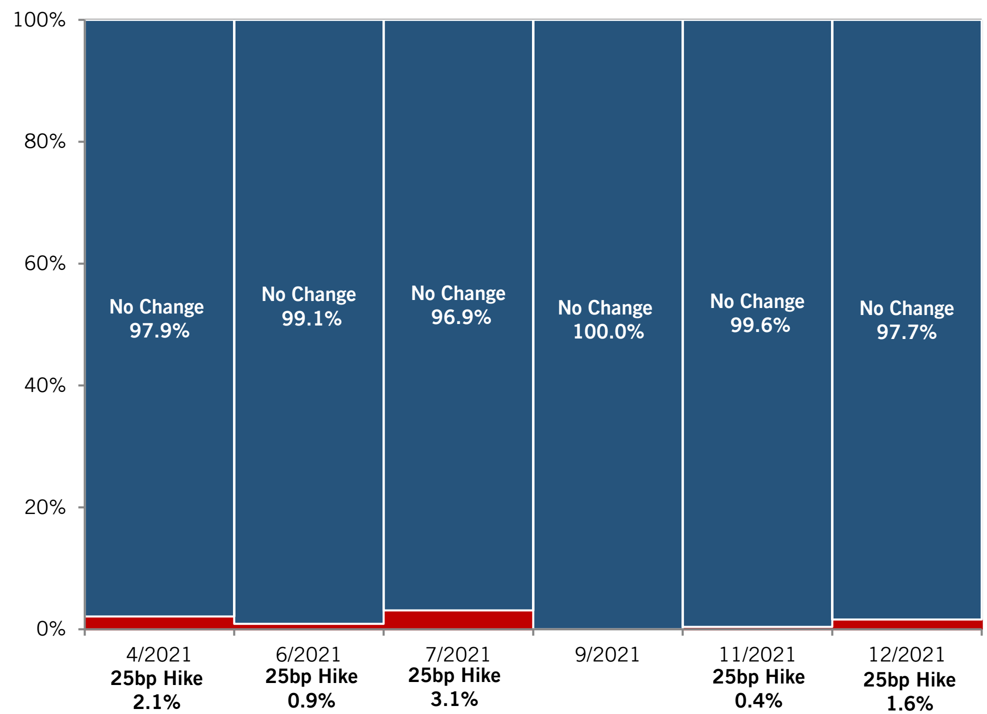
Average municipal daily trading volume through February is $9.6 billion, compared to $12.3 billion over the same period in 2020



Source: SIFMA as of 03/26/2021

Economic activity and consensus forecasts

Implied Fed Funds Rate Changes *(Current Target Range of 0-25 bps)*



Bars indicate "cumulative" increases or decreases by FOMC meeting dates; for example, the market is pricing in a 2.1% probability of a rate hike in the April FOMC meeting
Source: Bloomberg as of 03/26/2021

Market Consensus Interest Rate Forecasts

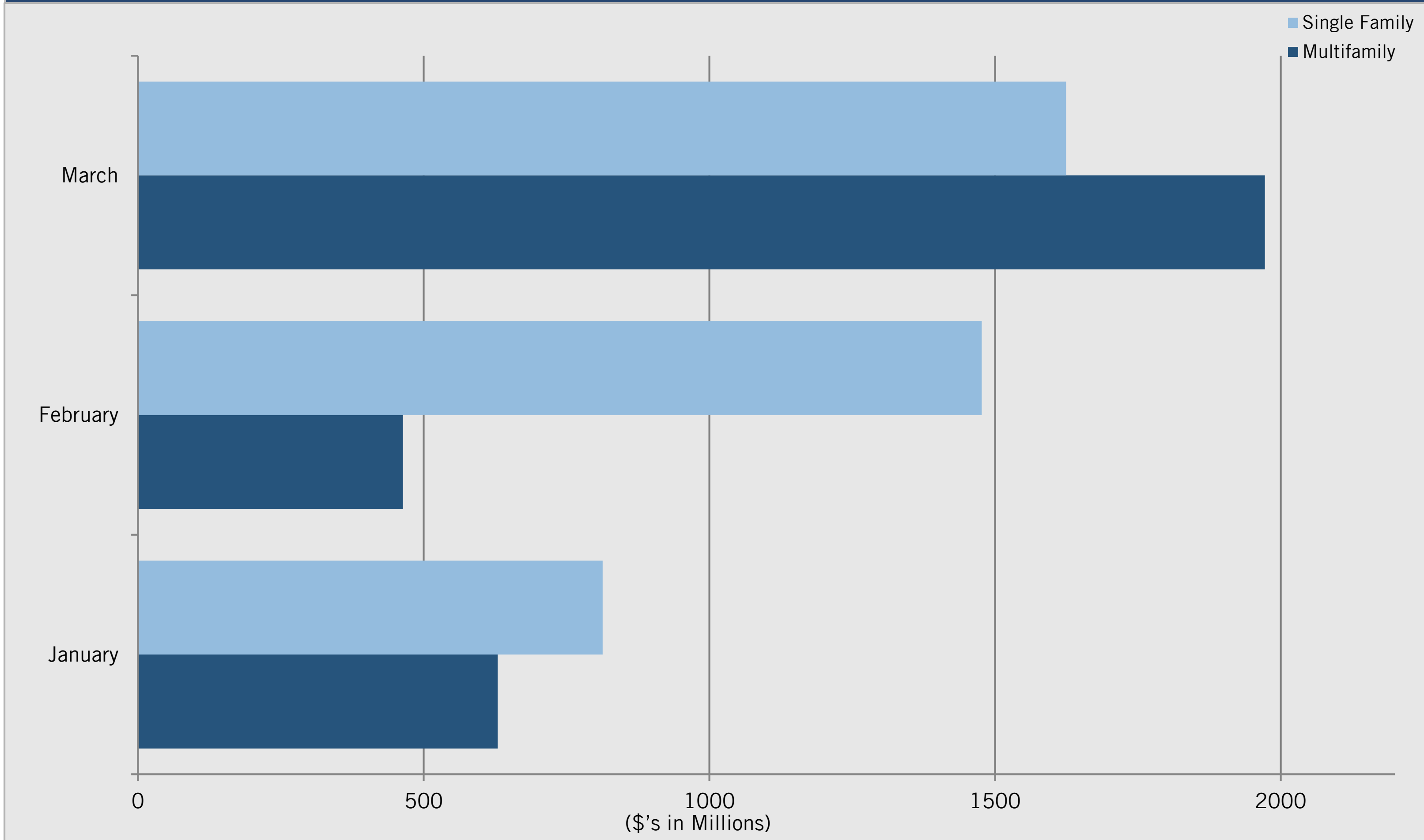
	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022
Fed Funds Target Rate	0.25%	0.25%	0.25%	0.25%	0.30%
3-Month Libor	0.18%	0.21%	0.24%	0.27%	0.31%
2-Year UST	0.15%	0.20%	0.24%	0.30%	0.38%
10-Year UST	1.61%	1.58%	1.62%	1.71%	1.79%
30-Year UST	2.29%	2.31%	2.35%	2.43%	2.50%
Steepness (30Y less 2Y)	**214 bps**	**211 bps**	**211 bps**	**213 bps**	**212 bps**

Source: Bloomberg as of 03/26/2021

Jefferies

Housing issuance year-to-date

March has seen a robust increase in housing issuance with total year-to-date issuance exceeding $6.9 billion, of which $3.9 billion is single family



Source: Thomson Reuters as of 03/26/2021

Forward calendar

Week of March 29, 2021 (Sorted by Par Size and Housing Issues)				
Date	**Issuer**	**State**	**Amount ($000's)**	**Ratings (M/S&P/F/K)**
3/31	**Texas Department of Housing and Community Affairs**	**TX**	**$161,369**	**Aaa/AA+/NR/NR**
Week of	Golden State Tobacco Securitization Corporation	CA	995,685	Aa3/A+/AA-/NR
3/31	Washington State Convention Center	WA	345,000	NR/NR/NR/NR
3/31	City of San Antonio, Texas – Electric and Gas Systems	TX	336,480	Aa2/A+/AA-/NR
3/30	Cleveland-Cuyahoga County Port Authority	OH	279,950	NR/NR/NR/NR
3/30	Pennsylvania Turnpike Commission	PA	250,000	A1/A+/A+/AA-
3/31	Advocate Health and Hospitals Corporation	IL	200,000	Aa3/AA/AA/NR
3/31	Univ. of Pittsburgh – of the Commonwealth Sys. of Higher Educ. PANTHERS™	PA	185,000	Aa1/AA+/NR/NR
3/31	Successor Agency to the La Quinta Redevelopment Agency	CA	156,890	NR/AA-/NR/NR
3/31	Board of Trustees of the University of Arkansas	AR	138,995	Aa2/NR/NR/NR
3/31	Ontario International Airport Authority	CA	115,070	NR/AA/A-/NR
3/31	Kentucky Asset/Liability Commission	KY	114,685	A1/NR/NR/NR
3/30	**CSCDA Community Improvement Authority**	**CA**	**112,590**	**NR/NR/NR/NR**
4/1	Burlington County Bridge Commission	NJ	93,915	Aa1/NR/NR/NR
3/30	City of Waukesha, Wisconsin	WI	89,190	Aa2/NR/NR/NR
3/30	Industrial Development Authority of the County of Cape Girardeau, Missouri	MO	86,070	NR/A+/AA/NR
3/30	Indianapolis Local Public Improvement Bond Bank	IN	72,990	NR/AA-/AA/NR
3/31	New Albany-Plain Local School District of Franklin & Licking Counties, Ohio	OH	55,465	NR/AA+/NR/NR
3/31	**Wyoming Community Development Authority**	**WY**	**53,865**	**Aa1/AA+/NR/NR**
3/30	Cincinnati City School District	OH	50,960	Aa3/NR/NR/NR
3/31	Greene County, Missouri	MO	50,070	Aa3/NR/NR/NR
3/31	Wisconsin Health and Educational Facilities Authority	WI	50,000	Aa3/AA/AA/NR
3/31	Berea College	KY	50,000	Aaa/NR/NR/NR
4/1	Latrobe Industrial Development Authority	PA	42,775	NR/BBB-/NR/NR
3/31	Torrance Joint Powers Financing Authority	CA	40,020	NR/AA/NR/NR
3/31	**Utah Housing Corporation**	**UT**	**40,000**	**NR/AA+/NR/NR**
3/31	Greene County, Missouri	MO	36,880	Aa3/NR/NR/NR
3/30	County of Medina, Ohio	OH	32,000	Aa1/NR/NR/NR
3/30	**Housing Authority of the Town of East Hartford**	**CT**	**9,500**	**Aaa/NR/NR/NR**
Total for the Week (All Negotiated Transactions)			**$4,382,310**	

Note: Totals may not add due to rounding. Excludes daily issues, corporate issues, VR issues and notes. Blue fill denotes housing issuance.
Source: IHS Markit's Negotiated Forward Calendar as of 03/26//2021

Economic calendar

Monday March 29	Tuesday March 30	Wednesday March 31	Thursday April 1	Friday April 2
Economic Releases				
	▪ 10:00 am – Conf. Board Consumer Confidence	▪ 7:00 am – MBA Mortgage Applications	▪ 8:30 am – Initial Jobless Claims ▪ 9:45 AM – Markit US Manufacturing PMI ▪ 10:00 am – ISM Manufacturing	▪ 8:30 am – Change in Nonfarm Payrolls
Treasury Auctions				
▪ 13-week UST ▪ 26-week UST			▪ 4-week UST ▪ 8-week UST	

Jefferies

Recently priced non-AMT housing transactions

Rhode Island Housing and Mortgage Finance Corporation
Homeownership Opportunity Bonds
Series 74 (Social Bonds)
3/25/2021
Aa1 I AA+ I NR
Non-AMT
$135,060,000
Optional call in 4/1/2030 @100.00

Maturity	Par	Coupon	Yield	MMD	Spread
4/1/2022	3,310	5.000	0.120	0.09	+ 3
10/1/2022	2,265	5.000	0.200	0.11	+ 9
4/1/2023	2,310	5.000	0.250	0.15	+ 10
10/1/2023	2,350	5.000	0.300	0.19	+ 11
4/1/2024	2,395	5.000	0.340	0.27	+ 7
10/1/2024	2,440	5.000	0.400	0.31	+ 9
4/1/2025	2,480	5.000	0.500	0.39	+ 11
10/1/2025	2,520	5.000	0.550	0.42	+ 13
4/1/2026	2,570	5.000	0.650	0.51	+ 14
10/1/2026	2,610	5.000	0.700	0.53	+ 17
4/1/2027	2,660	5.000	0.790	0.63	+ 16
10/1/2027	2,710	5.000	0.900	0.68	+ 22
4/1/2028	2,755	5.000	1.000	0.77	+ 23
10/1/2028	2,770	1.300	1.300	0.82	+ 48
4/1/2029	2,750	1.400	1.400	0.91	+ 49
10/1/2029	2,705	1.500	1.500	0.95	+ 55
4/1/2030	2,685	1.650	1.650	1.03	+ 62
10/1/2030	2,715	1.700	1.700	1.07	+ 63
4/1/2031	2,745	1.850	1.850	1.11	+ 74
10/1/2031	2,760	1.900	1.900	1.14	+ 76
4/1/2032	2,700	1.950	1.950	1.16	+ 79
10/1/2032	2,560	2.000	2.000	1.18	+ 82
4/1/2033	2,370	2.050	2.050	1.20	+ 85
10/1/2033	2,225	2.050	2.050	1.23	+ 82
10/1/2036	13,390	2.125	2.125	1.34	+ 79
10/1/2041	23,480	2.350	2.350	1.54	+ 81
4/1/2043	5,660	2.450	2.450	1.62	+ 83
4/1/2049	30,170	3.000	1.000	0.51	+ 49

PAC Avg. Life 5.0 yrs. over range of 100-500% PSA @ 3.00% coupon

Ohio Housing Finance Agency
Residential Mortgage Revenue Bonds (MBS Program)
2021 Series A (Social Bonds)
3/24/2021
Aaa I NR I NR
Non-AMT
$140,000,000
Optional call in 3/1/2030 @100.00

Maturity	Par	Coupon	Yield	MMD	Spread
3/1/2022	805	0.200	0.200	0.11	+ 9
9/1/2022	885	0.250	0.250	0.13	+ 12
3/1/2023	900	0.300	0.300	0.16	+ 14
9/1/2023	910	0.350	0.350	0.20	+ 15
3/1/2024	930	0.450	0.450	0.28	+ 17
9/1/2024	945	0.500	0.500	0.33	+ 17
3/1/2025	965	5.000	0.600	0.41	+ 19
9/1/2025	975	5.000	0.650	0.44	+ 21
3/1/2026	995	5.000	0.750	0.52	+ 23
9/1/2026	1,010	5.000	0.800	0.55	+ 25
3/1/2027	1,030	5.000	0.950	0.64	+ 31
9/1/2027	1,045	5.000	1.000	0.70	+ 30
3/1/2028	1,065	5.000	1.150	0.78	+ 37
9/1/2028	1,080	5.000	1.200	0.84	+ 36
3/1/2029	1,095	5.000	1.400	0.92	+ 48
9/1/2029	1,120	5.000	1.450	0.97	+ 48
3/1/2030	1,135	5.000	1.500	1.05	+ 45
9/1/2030	1,160	1.700	1.700	1.08	+ 62
3/1/2031	1,175	1.800	1.800	1.13	+ 67
9/1/2031	1,195	1.850	1.850	1.16	+ 69
3/1/2032	1,215	1.950	1.950	1.18	+ 77
9/1/2032	1,240	1.950	1.950	1.20	+ 75
3/1/2033	1,255	2.000	2.000	1.22	+ 78
9/1/2033	1,275	2.000	2.000	1.25	+ 75
9/1/2036	8,135	2.050	2.050	1.36	+ 69
9/1/2041	15,510	2.250	2.250	1.56	+ 69
9/1/2046	18,340	2.400	2.400	1.71	+ 69
9/1/2051	21,490	2.450	2.450	1.76	+ 69
3/1/2052	51,120	3.000	1.000	0.53	+ 47

PAC Avg. Life 5.0 yrs. over range of 100-400% PSA @ 3.00% coupon

New York State Housing Finance Agency
Affordable Housing Revenue Bonds
2021 Series A (Climate Bond Certified/Sustainability Bonds)
3/24/2021
Aa2 I NR I NR
Non-AMT
$26,385,000
Optional call in 11/1/2030 @ 100.00

Maturity	Par	Coupon	Yield	MMD	Spread
5/1/2024	75	0.450	0.450	0.29	+ 16
11/1/2024	105	0.500	0.500	0.34	+ 16
5/1/2025	105	0.650	0.650	0.42	+ 23
11/1/2025	105	0.700	0.700	0.45	+ 25
11/1/2025*	17,840	0.750	0.750	0.45	+ 30
5/1/2026	105	0.800	0.800	0.53	+ 27
11/1/2026	105	0.900	0.900	0.56	+ 34
5/1/2027	105	1.000	1.000	0.66	+ 34
11/1/2027	105	1.100	1.100	0.71	+ 39
5/1/2028	105	1.200	1.200	0.80	+ 40
11/1/2028	110	1.300	1.300	0.85	+ 45
5/1/2029	110	1.350	1.350	0.93	+ 42
11/1/2029	110	1.450	1.450	0.98	+ 47
5/1/2030	110	1.600	1.600	1.06	+ 54
11/1/2030	110	1.700	1.700	1.09	+ 61
5/1/2031	110	1.850	1.850	1.14	+ 71
11/1/2031	115	1.900	1.900	1.17	+ 73
5/1/2032	115	1.950	1.950	1.19	+ 76
11/1/2032	115	2.000	2.000	1.21	+ 79
5/1/2033	115	2.050	2.050	1.23	+ 82
11/1/2033	120	2.100	2.100	1.26	+ 84
11/1/2036	740	2.150	2.150	1.36	+ 79
11/1/2041	1,365	2.350	2.350	1.56	+ 79
11/1/2046	1,560	2.500	2.500	1.71	+ 79
11/1/2051	1,800	2.600	2.600	1.76	+ 84
11/1/2053	925	2.650	2.650	1.76	+ 89

*11/1/2025 Optional call in 10/1/2023 @ 100.00

Recently priced non-AMT housing transactions *(continued)*

New York State Housing Finance Agency
Affordable Housing Revenue Bonds
2021 Series B (Sustainability Bonds)
3/24/2021
Aa2 | NR | NR
Non-AMT
$46,660,000
Optional call in 11/1/2030 @ 100.00

11/1/2022	85	0.200	0.200	0.13	+ 7
5/1/2023	100	0.300	0.300	0.17	+ 13
11/1/2023	205	0.400	0.400	0.21	+ 19
5/1/2024	230	0.450	0.450	0.29	+ 16
5/1/2024*	10,865	0.500	0.500	0.29	+ 21
11/1/2024	230	0.500	0.500	0.34	+ 16
11/1/2024**	17,070	0.550	0.550	0.34	+ 21
5/1/2025	230	0.650	0.650	0.42	+ 23
11/1/2025	230	0.700	0.700	0.45	+ 25
5/1/2026	235	0.800	0.800	0.53	+ 27
11/1/2026	235	0.900	0.900	0.56	+ 34
5/1/2027	235	1.000	1.000	0.66	+ 34
11/1/2027	235	1.100	1.100	0.71	+ 39
5/1/2028	240	1.200	1.200	0.80	+ 40
11/1/2028	240	1.300	1.300	0.85	+ 45
5/1/2029	240	1.350	1.350	0.93	+ 42
11/1/2029	245	1.450	1.450	0.98	+ 47
5/1/2030	245	1.600	1.600	1.06	+ 54
11/1/2030	250	1.700	1.700	1.09	+ 61
5/1/2031	250	1.850	1.850	1.14	+ 71
11/1/2031	255	1.900	1.900	1.17	+ 73
5/1/2032	255	1.950	1.950	1.19	+ 76
11/1/2032	260	2.000	2.000	1.21	+ 79
5/1/2033	260	2.050	2.050	1.23	+ 82
11/1/2033	265	2.100	2.100	1.26	+ 84
11/1/2036	1,650	2.150	2.150	1.36	+ 79
11/1/2041	3,040	2.350	2.350	1.56	+ 79
11/1/2046	3,475	2.500	2.500	1.71	+ 79
11/1/2051	3,985	2.600	2.600	1.76	+ 84
11/1/2053	1,320	2.650	2.650	1.76	+ 89

*5/1/2024 Optional call in 4/1/2022 @ 100.00
**11/1/2024 Optional call in 3/1/2023 @ 100.00

Tennessee Housing Development Agency
Residential Finance Program Bonds
Issue 2021-1
3/23/2021
Aa1 | AA+ | NR
Non-AMT
$149,990,000
Optional call in 7/1/2030 @100.00

1/1/2022	1,980	0.200	0.200	0.14	+ 6
7/1/2022	1,980	0.250	0.250	0.15	+ 10
1/1/2023	1,985	0.300	0.300	0.18	+ 12
7/1/2023	1,985	0.375	0.375	0.22	+ 16
1/1/2024	1,990	0.450	0.450	0.30	+ 15
7/1/2024	1,995	0.500	0.500	0.34	+ 16
1/1/2025	2,000	0.600	0.600	0.43	+ 17
7/1/2025	2,005	0.650	0.650	0.46	+ 19
1/1/2026	2,010	0.700	0.700	0.53	+ 17
7/1/2026	2,020	0.800	0.800	0.57	+ 23
1/1/2027	2,025	0.950	0.950	0.64	+ 31
7/1/2027	2,035	1.050	1.050	0.71	+ 34
1/1/2028	2,050	1.150	1.150	0.79	+ 36
7/1/2028	2,060	1.250	1.250	0.85	+ 40
1/1/2029	2,075	1.350	1.350	0.93	+ 42
7/1/2029	2,090	1.450	1.450	0.98	+ 47
1/1/2030	2,105	1.600	1.600	1.06	+ 54
7/1/2030	2,120	1.650	1.650	1.10	+ 55
1/1/2031	2,140	1.800	1.800	1.14	+ 66
7/1/2031	2,160	1.850	1.850	1.18	+ 67
1/1/2032	2,180	1.900	1.900	1.20	+ 70
7/1/2032	2,200	1.950	1.950	1.22	+ 73
1/1/2033	2,220	2.000	2.000	1.24	+ 76
7/1/2033	2,245	2.000	2.000	1.27	+ 73
7/1/2036	13,965	2.050	2.080	1.39	+ 69
7/1/2041	25,425	2.250	2.290	1.59	+ 70
1/1/2046	23,065	2.400	2.430	1.74	+ 69
7/1/2051	37,880	3.000	1.020	0.56	+ 46

PAC Avg. Life 5.0 yrs. over range of 100-400% PSA @ 3.00% coupon

State of New York Mortgage Agency
Homeowner Mortgage Revenue Bonds
Series 231 (Social Bonds)
3/19/2021
Aa1 | NR | NR
Non-AMT
$96,780,000
Optional call in 4/1/2030 @100.00

Maturity	Par	Coupon	Yield	MMD	Spread
10/1/2033	6,555	2.000	2.000	1.28	+ 72
10/1/2036	12,320	2.200	2.200	1.39	+ 81
10/1/2041	23,135	2.400	2.400	1.59	+ 81
10/1/2046	24,195	2.500	2.527	1.74	+ 79
4/1/2050	30,575	3.000	1.170	0.69	+ 48

PAC Avg. Life 6.0 yrs. over range of 60-400% PSA @ 3.00% coupon

Recently priced mortgage-backed securities pass-through transactions (Taxable)

Louisiana Housing Corporation
Single Family Mortgage Revenue Refunding Bonds
Series 2021A (MBS Pass-through Program)
3/10/2021
Aaa | NR | NR
Federally Taxable
$7,646,733
Optional call in 12/1/2029 @ 100.00

Maturity	Par	Coupon	Yield	UST*	Spread
9/1/2041	7,647	1.550	1.550	0.56	**+ 99**

*Spread to interpolated 4-year UST

Minnesota Housing Finance Agency
Homeownership Finance Bonds (MBS Pass-through Program)
2021 Series A
2/10/2021
Aaa | NR | NR
Federally Taxable
$83,327,541
Optional call in 7/1/2030 @ 100.00

Maturity	Par	Coupon	Yield	UST*	Spread
2/1/2051	83,328	1.580	1.580	1.16	**+ 42**

*Spread to 10-year UST

Minnesota Housing Finance Agency
Homeownership Finance Bonds (MBS Pass-through Program)
2020 Series E
11/9/2020
Aaa | NR | NR
Federally Taxable
$40,067,034
Optional call in 1/1/2030 @ 100.00

Maturity	Par	Coupon	Yield	UST*	Spread
12/1/2050	40,067	1.680	1.680	0.92	**+ 76**

*Spread to 10-year UST

Recently priced TDHCA housing transactions (non-AMT)

Texas Department of Housing and Community Affairs
Single Family Mortgage Revenue Bonds
2020 Series A
6/12/2020
Aaa I AA+ I NR
Non-AMT
$174,250,000
Optional call in 3/1/2029 @ 100.00

Maturity	Par	Coupon	Yield	MMD	Spread
3/1/2021	230	0.350	0.350	0.19	+ 16
9/1/2021	1,210	0.400	0.400	0.20	+ 20
3/1/2022	1,225	0.550	0.550	0.21	+ 34
9/1/2022	1,235	0.600	0.600	0.22	+ 38
3/1/2023	1,240	0.750	0.750	0.23	+ 52
9/1/2023	1,250	0.800	0.800	0.24	+ 56
3/1/2024	1,260	0.900	0.900	0.28	+ 62
9/1/2024	1,270	0.950	0.950	0.30	+ 65
3/1/2025	1,280	1.250	1.250	0.36	+ 89
9/1/2025	1,290	1.250	1.250	0.39	+ 86
3/1/2026	1,290	4.000	1.270	0.48	+ 79
9/1/2026	1,300	4.000	1.340	0.53	+ 81
3/1/2027	1,315	5.000	1.490	0.61	+ 88
9/1/2027	1,325	5.000	1.540	0.64	+ 90
3/1/2028	1,335	5.000	1.620	0.69	+ 93
9/1/2028	1,340	5.000	1.680	0.72	+ 96
3/1/2029	1,365	1.900	1.900	0.76	+ 114
9/1/2029	1,370	1.950	1.950	0.78	+ 117
3/1/2030	1,380	2.000	2.000	0.84	+ 116
9/1/2030	1,395	2.050	2.050	0.86	+ 119
3/1/2031	1,410	2.100	2.100	0.92	+ 118
9/1/2031	1,425	2.150	2.150	0.95	+ 120
9/1/2035	12,075	2.150	2.150	1.21	+ 94
9/1/2040	17,120	2.500	2.500	1.41	+ 109
9/1/2045	20,005	3.000	2.720	1.56	+ 116
3/1/2050	21,035	3.000	2.780	1.61	+ 117
3/1/2051	76,275	3.500	1.530	0.51	+ 102

PAC Avg. Life 5.86 yrs. over range of 100-400% PSA @ 3.50% coupon

Texas Department of Housing and Community Affairs
Single Family Mortgage Revenue Bonds
2019 Series A
7/16/2019
Aaa I AA+ I NR
Non-AMT
$165,660,000
Optional call in 9/1/2028 @ 100.00

Maturity	Par	Coupon	Yield	MMD	Spread
9/1/2020	880	1.250	1.250	1.14	+ 11
9/1/2021	1,915	1.400	1.400	1.16	+ 24
3/1/2022	975	1.450	1.450	1.17	+ 28
9/1/2022	985	1.500	1.500	1.17	+ 33
3/1/2023	995	1.550	1.550	1.18	+ 37
9/1/2023	1,005	1.600	1.600	1.18	+ 42
3/1/2024	1,015	1.600	1.600	1.20	+ 40
9/1/2024	1,025	1.650	1.650	1.21	+ 44
3/1/2025	1,040	1.700	1.700	1.27	+ 43
9/1/2025	1,055	1.750	1.750	1.29	+ 46
3/1/2026	1,065	1.850	1.850	1.35	+ 50
9/1/2026	1,075	1.950	1.950	1.37	+ 58
3/1/2027	1,085	2.000	2.000	1.41	+ 59
9/1/2027	1,090	2.050	2.050	1.44	+ 61
3/1/2028	1,105	2.150	2.150	1.49	+ 66
9/1/2028	1,120	2.200	2.200	1.52	+ 68
3/1/2029	1,140	2.250	2.250	1.56	+ 69
9/1/2029	1,155	2.300	2.300	1.59	+ 71
3/1/2030	1,175	2.350	2.350	1.63	+ 72
9/1/2030	1,185	2.400	2.400	1.66	+ 74
9/1/2034	10,305	2.700	2.700	1.87	+ 83
9/1/2039	15,195	3.375	3.060	2.00	+ 106
9/1/2044	18,610	3.625	3.310	2.20	+ 111
9/1/2049	26,585	3.750	3.400	2.26	+ 114
3/1/2050	72,880	4.000	1.960	1.56	+ 40

PAC Avg. Life 5.9 yrs. over range of 100-400% PSA @ 4.00% coupon

Texas Department of Housing and Community Affairs
Residential Mortgage Revenue Bonds
2019 Series A
2/5/2019
Aaa I AA+ I NR
Non-AMT
$166,350,000
Optional call in 7/1/2028 @ 100.00

Maturity	Par	Coupon	Yield	MMD	Spread
7/1/2020	860	5.000	1.740	1.62	+ 12
1/1/2021	885	1.850	1.850	1.64	+ 21
7/1/2021	900	5.000	1.800	1.65	+ 15
1/1/2022	920	1.950	1.950	1.67	+ 28
7/1/2022	935	5.000	1.850	1.68	+ 17
1/1/2023	960	2.050	2.050	1.71	+ 34
7/1/2023	975	5.000	1.930	1.73	+ 20
1/1/2024	1,000	2.200	2.200	1.76	+ 44
7/1/2024	1,015	5.000	2.010	1.78	+ 23
1/1/2025	1,045	2.350	2.350	1.82	+ 53
7/1/2025	1,060	5.000	2.100	1.85	+ 25
1/1/2026	1,095	2.500	2.500	1.89	+ 61
7/1/2026	1,105	5.000	2.210	1.93	+ 28
1/1/2027	1,140	2.650	2.650	1.99	+ 66
7/1/2027	1,155	5.000	2.330	2.02	+ 31
1/1/2028	1,190	2.750	2.750	2.08	+ 67
7/1/2028	1,210	5.000	2.440	2.11	+ 33
1/1/2029	1,245	2.900	2.900	2.18	+ 72
7/1/2029	1,270	5.000	2.560	2.21	+ 35
1/1/2030	1,310	3.000	3.000	2.29	+ 71
7/1/2030	1,330	5.000	2.700	2.32	+ 38
1/1/2031	1,370	2.810	2.810	2.40	+ 41
7/1/2031	1,405	5.000	2.830	2.42	+ 41
1/1/2032	1,440	2.880	2.880	2.47	+ 41
7/1/2032	1,480	5.000	2.890	2.48	+ 41
7/1/2034	6,340	3.500	3.500	2.60	+ 90
7/1/2039	18,735	3.800	3.800	2.89	+ 91
7/1/2044	23,315	3.900	3.900	3.00	+ 90
1/1/2049*	57,410	4.750	2.520	1.76	+ 76
1/1/2050	32,250	3.950	3.950	3.05	+ 90

***PAC Avg. Life 5.0 yrs. over range of 100-500% PSA @ 4.75% coupon**

Recently priced TDHCA mortgage-backed securities pass-through transactions (Taxable)

Texas Department of Housing and Community Affairs
Single Family Mortgage Revenue Refunding Bonds
2020 Series B (MBS Pass-through Program)
6/12/2020
Aaa | AA+ | NR
Federally Taxable
$12,395,143
Optional call in 3/1/2029 @ 100.00

Maturity	Par	Coupon	Yield	UST*	Spread
3/1/2036	12,395	2.000	2.000	0.32	**+ 168**

*Spread to 5-year UST

Texas Department of Housing and Community Affairs
Single Family Mortgage Revenue Refunding Bonds
2017 Series B (MBS Pass-through Program)
6/8/2017
Aa1 | AA+ | NR
Federally Taxable
$29,610,000
Optional call in 9/1/2026 @ 100.00

Maturity	Par	Coupon	Yield	UST*	Spread
9/1/2038	29,610	2.750	2.750	1.74	**+ 101**

*Spread to 5-year UST

Texas Department of Housing and Community Affairs
Single Family Mortgage Revenue Bonds
2017 Series C (MBS Pass-through Program)
6/8/2017
Aa1 | AA+ | NR
Federally Taxable
$42,787,085
Optional call in 9/1/2026 @ 100.00

Maturity	Par	Coupon	Yield	UST*	Spread
9/1/2047	42,787	3.100	3.100	2.18	**+ 92**

*Spread to 10-year UST

Syndicate price views

Price Views								
Series 2021A (Non-AMT)								
Maturity	**Par**	**Jefferies**	**Barclays**	**J.P. Morgan**	**RBC**	**Morgan Stanley**	**Piper Sandler**	**Ramirez & Co.**
7/1/2022	$610,000	0.300%	0.250%	0.250%	0.300%	0.250%	0.300%	0.200%
1/1/2023	615,000	0.350%	0.300%	0.300%	0.350%	0.300%	0.350%	0.280%
7/1/2023	620,000	0.400%	0.350%	0.350%	0.400%	0.350%	0.400%	0.320%
1/1/2024	630,000	0.500%	0.450%	0.450%	0.500%	0.450%	0.450%	0.450%
7/1/2024	635,000	0.550%	0.500%	0.500%	0.550%	0.500%	0.500%	0.490%
1/1/2025	640,000	0.650%	0.600%	0.600%	0.650%	0.550%	0.650%	0.580%
7/1/2025	645,000	0.700%	0.650%	0.650%	0.700%	0.650%	0.700%	0.610%
1/1/2026	650,000	0.750%	0.700%	0.700%	0.750%	0.750%	0.800%	0.730%
7/1/2026	660,000	0.800%	0.800%	0.750%	0.800%	0.850%	0.850%	0.770%
1/1/2027	660,000	0.850%	0.900%	0.790%	0.850%	0.850%	0.950%	0.740%
7/1/2027	675,000	0.950%	1.000%	0.910%	0.950%	0.950%	1.000%	0.810%
1/1/2028	690,000	1.050%	1.100%	1.040%	1.050%	1.150%	1.150%	0.940%
7/1/2028	710,000	1.150%	1.200%	1.150%	1.150%	1.250%	1.200%	1.000%
1/1/2029	725,000	1.250%	1.300%	1.280%	1.250%	1.350%	1.350%	1.130%
7/1/2029	740,000	1.350%	1.400%	1.380%	1.350%	1.450%	1.400%	1.180%
1/1/2030	765,000	1.650%	1.550%	1.600%	1.650%	1.650%	1.500%	1.660%
7/1/2030	775,000	1.700%	1.650%	1.700%	1.700%	1.700%	1.600%	1.750%
1/1/2031	785,000	1.850%	1.750%	1.750%	1.850%	1.850%	1.750%	1.790%
7/1/2031	790,000	1.900%	1.800%	1.800%	1.900%	1.900%	1.800%	1.880%
1/1/2032	805,000	1.950%	1.850%	1.850%	1.950%	1.950%	1.850%	1.900%
7/1/2032	815,000	2.000%	1.900%	1.900%	2.000%	2.000%	1.900%	1.920%
1/1/2033	825,000	2.050%	1.950%	1.950%	2.050%	2.050%	2.000%	1.940%
7/1/2033	840,000	2.050%	2.000%	2.000%	2.050%	2.050%	2.050%	1.970%
7/1/2036	5,300,000	2.100%	2.050%	2.100%	2.100%	2.100%	2.150%	2.040%
7/1/2041	9,935,000	2.300%	2.250%	2.300%	2.300%	2.250%	2.250%	2.240%
7/1/2046	11,565,000	2.450%	2.400%	2.450%	2.450%	2.400%	2.400%	2.390%
7/1/2051	13,495,000	2.500%	2.450%	2.500%	2.500%	2.500%	2.500%	2.440%
1/1/2052 (PAC)	43,400,000	1.050%	1.000%	1.030%	1.040%	1.050%	1.050%	1.000%
Series 2021A Total	**$100,000,000**							
Series 2021B (MBS Pass-through Bonds) (Taxable)								
7/1/2042	$61,369,927	1.650% Area	1.650%	1.700%	1.650%	1.600%	1.750%	2.000%
Series 2021B Total	**$61,369,927**							
Series 2021AB Total	**$161,369,927**							

Daily Rate Sheets

Daily Rate Sheet
Close of Business March 29, 2021

Jefferies

	Jefferies' AAA Scale				UST				SIFMA Swaps				LIBOR Swaps				Jefferies' AAA Scale/UST	SIFMA/LIBOR
Yr.	Rate	Δ 1 Day	Δ 1 Week	Δ 1 Year	Rate	Δ 1 Day	Δ 1 Week	Δ 1 Year	Rate	Δ 1 Day	Δ 1 Week	Δ 1 Year	Rate	Δ 1 Day	Δ 1 Week	Δ 1 Year	Ratio	Ratio
1	0.26%	0.00%	-0.06%	-0.93%	0.06%	-0.01%	-0.01%	-0.07%	0.11%	0.00%	0.01%	-0.50%	0.21%	0.00%	0.01%	-0.47%	465.95%	52.00%
2	0.34%	0.00%	-0.05%	-0.87%	0.14%	0.00%	-0.01%	-0.09%	0.15%	0.00%	0.01%	-0.30%	0.27%	0.01%	0.01%	-0.23%	237.76%	56.88%
3	0.42%	0.00%	-0.05%	-0.80%	0.32%	0.01%	-0.01%	0.02%	0.29%	0.01%	0.02%	-0.15%	0.47%	0.02%	0.03%	-0.01%	132.91%	61.38%
4	0.54%	0.00%	-0.05%	-0.71%	0.60%	0.02%	0.01%	0.25%	0.47%	0.02%	0.03%	0.02%	0.74%	0.03%	0.04%	0.23%	89.70%	64.13%
5	0.68%	0.00%	-0.05%	-0.58%	0.89%	0.03%	0.02%	0.47%	0.66%	0.02%	0.03%	0.17%	0.99%	0.03%	0.05%	0.45%	76.58%	66.75%
6	0.84%	0.00%	-0.03%	-0.45%	1.13%	0.03%	0.02%	0.63%	0.82%	0.02%	0.03%	0.29%	1.21%	0.03%	0.05%	0.62%	74.53%	67.85%
7	1.01%	0.00%	-0.03%	-0.34%	1.37%	0.03%	0.02%	0.78%	0.98%	0.02%	0.03%	0.41%	1.39%	0.03%	0.04%	0.76%	73.94%	70.63%
8	1.14%	0.00%	-0.03%	-0.30%	1.48%	0.03%	0.01%	0.84%	1.09%	0.02%	0.03%	0.49%	1.53%	0.03%	0.04%	0.86%	76.99%	71.09%
9	1.27%	0.00%	-0.03%	-0.23%	1.60%	0.04%	0.01%	0.91%	1.19%	0.02%	0.03%	0.57%	1.64%	0.03%	0.04%	0.94%	79.61%	72.63%
10	1.37%	0.00%	-0.03%	-0.16%	1.71%	0.04%	0.00%	0.98%	1.30%	0.03%	0.03%	0.64%	1.74%	0.03%	0.04%	1.01%	80.12%	74.75%
11	1.46%	0.00%	-0.03%	-0.11%	1.77%	0.04%	-0.01%	1.01%	1.37%	0.03%	0.03%	0.69%	1.82%	0.04%	0.04%	1.06%	82.51%	75.37%
12	1.52%	0.00%	-0.04%	-0.11%	1.83%	0.04%	-0.01%	1.04%	1.44%	0.02%	0.03%	0.74%	1.88%	0.03%	0.03%	1.11%	83.11%	76.63%
13	1.57%	0.00%	-0.03%	-0.14%	1.89%	0.03%	-0.02%	1.07%	1.49%	0.02%	0.03%	0.78%	1.93%	0.03%	0.03%	1.14%	83.15%	77.37%
14	1.61%	0.00%	-0.03%	-0.15%	1.95%	0.03%	-0.02%	1.10%	1.54%	0.02%	0.03%	0.82%	1.97%	0.03%	0.03%	1.17%	82.67%	78.07%
15	1.65%	0.00%	-0.03%	-0.16%	2.01%	0.03%	-0.03%	1.13%	1.59%	0.02%	0.03%	0.85%	2.02%	0.03%	0.03%	1.21%	82.21%	78.75%
16	1.69%	0.00%	-0.03%	-0.15%	2.07%	0.03%	-0.03%	1.15%	1.61%	0.02%	0.03%	0.87%	2.04%	0.03%	0.03%	1.22%	81.78%	79.22%
17	1.72%	0.00%	-0.03%	-0.13%	2.13%	0.03%	-0.04%	1.18%	1.64%	0.02%	0.03%	0.89%	2.06%	0.03%	0.03%	1.23%	80.91%	79.68%
18	1.75%	0.00%	-0.03%	-0.12%	2.19%	0.03%	-0.04%	1.21%	1.67%	0.02%	0.03%	0.91%	2.08%	0.03%	0.03%	1.25%	80.08%	80.13%
19	1.78%	0.00%	-0.03%	-0.14%	2.24%	0.03%	-0.05%	1.24%	1.69%	0.02%	0.03%	0.93%	2.10%	0.03%	0.03%	1.26%	79.30%	80.57%
20	1.80%	0.00%	-0.04%	-0.16%	2.30%	0.02%	-0.05%	1.27%	1.72%	0.02%	0.02%	0.95%	2.12%	0.03%	0.03%	1.27%	78.13%	81.00%
21	1.82%	0.00%	-0.04%	-0.16%	2.31%	0.02%	-0.05%	1.25%	1.73%	0.02%	0.02%	0.96%	2.13%	0.03%	0.03%	1.28%	78.64%	81.34%
22	1.84%	0.00%	-0.04%	-0.16%	2.32%	0.02%	-0.05%	1.23%	1.75%	0.02%	0.02%	0.97%	2.14%	0.03%	0.03%	1.28%	79.15%	81.69%
23	1.86%	0.00%	-0.03%	-0.15%	2.33%	0.03%	-0.05%	1.21%	1.76%	0.02%	0.02%	0.98%	2.14%	0.03%	0.02%	1.29%	79.66%	82.03%
24	1.87%	0.00%	-0.03%	-0.15%	2.35%	0.03%	-0.05%	1.19%	1.77%	0.02%	0.02%	0.99%	2.15%	0.03%	0.02%	1.30%	79.74%	82.36%
25	1.88%	0.00%	-0.03%	-0.15%	2.36%	0.03%	-0.05%	1.17%	1.79%	0.02%	0.02%	1.00%	2.16%	0.03%	0.02%	1.30%	79.81%	82.70%
26	1.89%	0.00%	-0.03%	-0.15%	2.37%	0.03%	-0.05%	1.15%	1.80%	0.02%	0.02%	1.01%	2.16%	0.03%	0.02%	1.30%	79.89%	83.21%
27	1.90%	0.00%	-0.03%	-0.15%	2.38%	0.03%	-0.05%	1.13%	1.81%	0.02%	0.02%	1.02%	2.16%	0.03%	0.02%	1.30%	79.96%	83.72%
28	1.91%	0.00%	-0.03%	-0.15%	2.39%	0.03%	-0.05%	1.11%	1.83%	0.02%	0.02%	1.03%	2.17%	0.03%	0.02%	1.30%	80.04%	84.23%
29	1.92%	0.00%	-0.03%	-0.15%	2.40%	0.03%	-0.04%	1.09%	1.84%	0.02%	0.02%	1.04%	2.17%	0.03%	0.02%	1.31%	80.11%	84.74%
30	1.93%	0.00%	-0.03%	-0.15%	2.41%	0.03%	-0.04%	1.07%	1.85%	0.02%	0.02%	1.06%	2.17%	0.03%	0.02%	1.31%	80.18%	85.25%

Key Rates

	Today	Δ 1 Day	Δ 1 Week	Δ 1 Year
SIFMA*	0.05%	0.00%	0.01%	-4.66%
1M LIBOR	0.11%	0.00%	0.00%	-0.88%
3M LIBOR	0.20%	0.00%	0.02%	-1.23%
Fed Fund	0.07%	0.00%	-0.01%	0.02%
Prime	3.25%	0.00%	0.00%	0.00%
SOFR	0.01%	0.00%	0.00%	0.00%

*Represents reset on March 24, 2021, effective from March 25, 2021 to March 31, 2021

SIFMA/1M LIBOR RATIO

	Today	Δ 1 Day	Δ 1 Week	Δ 1 Year
Spot	46.08%	-0.54%	10.01%	-432.33%
6M Avg.	58.09%	0.05%	-0.80%	-28.91%
2-Yr. Avg.	75.31%	0.20%	0.15%	4.20%

Reinvestment Rates

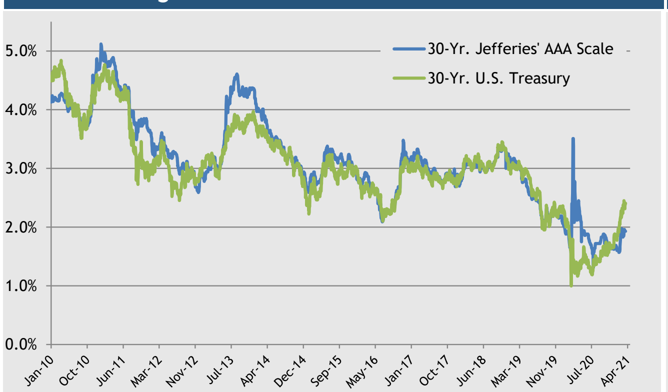
Years	UST	Agencies
1	0.06%	-0.16%
2	0.14%	0.15%
3	0.32%	0.29%
4	0.60%	0.53%
5	0.89%	0.76%
7	1.37%	1.00%
10	1.71%	1.78%

Generic GO Credit Spreads*

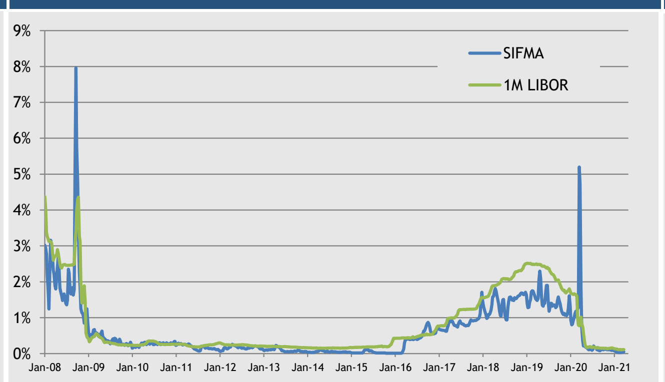
Years	AA	A	BBB
10	15 bps	32 bps	75 bps
20	19 bps	38 bps	78 bps
30	19 bps	38 bps	78 bps

*Source: Thomson Reuters

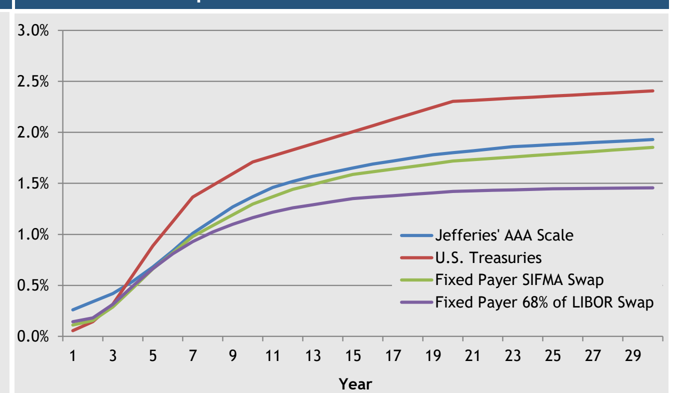
Historical Long-Term Interest Rates



Historical Short-Term Interest Rates



Yield Curve Comparison



Daily Rate Sheet
Close of Business March 30, 2021

Jefferies

	Jefferies' AAA Scale				UST				SIFMA Swaps				LIBOR Swaps				Jefferies' AAA Scale/UST	SIFMA/LIBOR
Yr.	Rate	Δ 1 Day	Δ 1 Week	Δ 1 Year	Rate	Δ 1 Day	Δ 1 Week	Δ 1 Year	Rate	Δ 1 Day	Δ 1 Week	Δ 1 Year	Rate	Δ 1 Day	Δ 1 Week	Δ 1 Year	Ratio	Ratio
1	0.26%	0.00%	-0.06%	-0.93%	0.05%	0.00%	0.00%	-0.07%	0.11%	0.00%	0.01%	-0.50%	0.22%	0.00%	0.01%	-0.46%	487.80%	52.00%
2	0.34%	0.00%	-0.05%	-0.87%	0.15%	0.01%	0.00%	-0.08%	0.16%	0.01%	0.01%	-0.29%	0.28%	0.01%	0.02%	-0.22%	229.73%	56.88%
3	0.42%	0.00%	-0.05%	-0.80%	0.32%	0.01%	-0.01%	0.03%	0.30%	0.01%	0.02%	-0.14%	0.49%	0.02%	0.03%	0.00%	130.03%	61.38%
4	0.54%	0.00%	-0.05%	-0.71%	0.61%	0.01%	0.00%	0.25%	0.48%	0.01%	0.02%	0.03%	0.75%	0.01%	0.03%	0.25%	88.52%	64.13%
5	0.69%	0.01%	-0.04%	-0.57%	0.90%	0.01%	0.02%	0.48%	0.67%	0.01%	0.02%	0.18%	1.01%	0.01%	0.03%	0.46%	76.92%	66.63%
6	0.85%	0.01%	-0.02%	-0.44%	1.14%	0.01%	0.01%	0.63%	0.83%	0.01%	0.01%	0.30%	1.22%	0.01%	0.02%	0.64%	74.89%	67.63%
7	1.02%	0.01%	-0.02%	-0.33%	1.37%	0.01%	0.01%	0.78%	0.98%	0.01%	0.00%	0.42%	1.40%	0.01%	0.01%	0.77%	74.29%	70.38%
8	1.15%	0.01%	-0.02%	-0.29%	1.48%	0.00%	0.00%	0.85%	1.09%	0.00%	0.00%	0.49%	1.54%	0.01%	0.00%	0.87%	77.49%	70.80%
9	1.28%	0.01%	-0.02%	-0.22%	1.60%	0.00%	-0.01%	0.91%	1.19%	0.00%	-0.01%	0.57%	1.65%	0.00%	0.00%	0.94%	80.25%	72.36%
10	1.38%	0.01%	-0.02%	-0.15%	1.71%	0.00%	-0.02%	0.98%	1.29%	0.00%	-0.01%	0.64%	1.74%	0.00%	-0.01%	1.01%	80.89%	74.50%
11	1.47%	0.01%	-0.02%	-0.10%	1.76%	-0.01%	-0.02%	1.00%	1.36%	-0.01%	-0.01%	0.69%	1.81%	0.00%	-0.01%	1.06%	83.37%	75.20%
12	1.53%	0.01%	-0.03%	-0.10%	1.82%	-0.01%	-0.03%	1.03%	1.43%	-0.01%	-0.02%	0.74%	1.88%	0.00%	-0.02%	1.10%	84.04%	76.38%
13	1.58%	0.01%	-0.02%	-0.13%	1.88%	-0.01%	-0.03%	1.06%	1.48%	-0.01%	-0.02%	0.77%	1.92%	-0.01%	-0.02%	1.14%	84.14%	77.07%
14	1.62%	0.01%	-0.02%	-0.14%	1.94%	-0.01%	-0.04%	1.08%	1.53%	-0.01%	-0.02%	0.80%	1.96%	-0.01%	-0.02%	1.17%	83.71%	77.74%
15	1.66%	0.01%	-0.02%	-0.15%	1.99%	-0.01%	-0.04%	1.11%	1.57%	-0.01%	-0.02%	0.84%	2.01%	-0.01%	-0.02%	1.20%	83.31%	78.38%
16	1.70%	0.01%	-0.02%	-0.14%	2.05%	-0.02%	-0.05%	1.14%	1.60%	-0.02%	-0.02%	0.86%	2.03%	-0.01%	-0.02%	1.21%	82.93%	78.82%
17	1.73%	0.01%	-0.02%	-0.12%	2.11%	-0.02%	-0.05%	1.16%	1.62%	-0.02%	-0.03%	0.87%	2.05%	-0.01%	-0.02%	1.22%	82.10%	79.25%
18	1.76%	0.01%	-0.02%	-0.11%	2.16%	-0.02%	-0.05%	1.19%	1.65%	-0.02%	-0.03%	0.89%	2.07%	-0.01%	-0.02%	1.23%	81.32%	79.67%
19	1.79%	0.01%	-0.02%	-0.13%	2.22%	-0.02%	-0.06%	1.22%	1.67%	-0.02%	-0.03%	0.91%	2.09%	-0.01%	-0.02%	1.25%	80.57%	80.09%
20	1.81%	0.01%	-0.03%	-0.15%	2.28%	-0.03%	-0.06%	1.25%	1.70%	-0.02%	-0.03%	0.92%	2.11%	-0.01%	-0.02%	1.26%	79.42%	80.50%
21	1.83%	0.01%	-0.03%	-0.15%	2.29%	-0.03%	-0.06%	1.22%	1.71%	-0.02%	-0.03%	0.93%	2.11%	-0.01%	-0.02%	1.26%	79.98%	80.83%
22	1.85%	0.01%	-0.03%	-0.15%	2.30%	-0.03%	-0.06%	1.20%	1.72%	-0.02%	-0.03%	0.94%	2.12%	-0.02%	-0.03%	1.27%	80.53%	81.16%
23	1.87%	0.01%	-0.02%	-0.14%	2.31%	-0.03%	-0.06%	1.18%	1.73%	-0.02%	-0.03%	0.95%	2.13%	-0.02%	-0.03%	1.27%	81.08%	81.48%
24	1.88%	0.01%	-0.02%	-0.14%	2.32%	-0.03%	-0.06%	1.16%	1.75%	-0.03%	-0.03%	0.96%	2.14%	-0.02%	-0.03%	1.28%	81.20%	81.81%
25	1.89%	0.01%	-0.02%	-0.14%	2.32%	-0.03%	-0.06%	1.14%	1.76%	-0.03%	-0.04%	0.97%	2.14%	-0.02%	-0.03%	1.28%	81.31%	82.13%
26	1.90%	0.01%	-0.02%	-0.14%	2.33%	-0.03%	-0.07%	1.12%	1.77%	-0.03%	-0.04%	0.98%	2.14%	-0.02%	-0.03%	1.28%	81.42%	82.63%
27	1.91%	0.01%	-0.02%	-0.14%	2.34%	-0.03%	-0.07%	1.10%	1.78%	-0.03%	-0.04%	0.99%	2.15%	-0.02%	-0.03%	1.29%	81.53%	83.13%
28	1.92%	0.01%	-0.02%	-0.14%	2.35%	-0.03%	-0.07%	1.07%	1.80%	-0.03%	-0.04%	1.00%	2.15%	-0.02%	-0.03%	1.29%	81.64%	83.63%
29	1.93%	0.01%	-0.02%	-0.14%	2.36%	-0.04%	-0.07%	1.05%	1.81%	-0.03%	-0.04%	1.01%	2.15%	-0.02%	-0.03%	1.29%	81.75%	84.13%
30	1.94%	0.01%	-0.02%	-0.14%	2.37%	-0.04%	-0.07%	1.03%	1.82%	-0.03%	-0.04%	1.02%	2.15%	-0.02%	-0.03%	1.29%	81.86%	84.63%

Key Rates

	Today	Δ 1 Day	Δ 1 Week	Δ 1 Year
SIFMA*	0.05%	0.00%	0.01%	-4.66%
1M LIBOR	0.12%	0.01%	0.01%	-0.87%
3M LIBOR	0.20%	0.00%	0.00%	-1.23%
Fed Fund	0.07%	0.00%	-0.01%	0.02%
Prime	3.25%	0.00%	0.00%	0.00%
SOFR	0.01%	0.00%	0.00%	0.00%

*Represents reset on March 24, 2021, effective from March 25, 2021 to March 31, 2021

SIFMA/1M LIBOR RATIO

	Today	Δ 1 Day	Δ 1 Week	Δ 1 Year
Spot	43.43%	-2.65%	6.52%	-434.99%
6M Avg.	58.21%	0.06%	-0.82%	-29.46%
2-Yr. Avg.	75.65%	0.20%	0.76%	4.42%

Reinvestment Rates

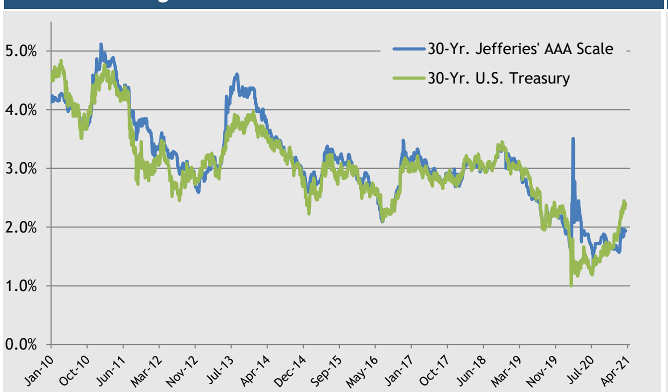
Years	UST	Agencies
1	0.05%	-0.16%
2	0.15%	0.15%
3	0.32%	0.29%
4	0.61%	0.53%
5	0.90%	0.77%
7	1.37%	1.01%
10	1.71%	1.76%

Generic GO Credit Spreads*

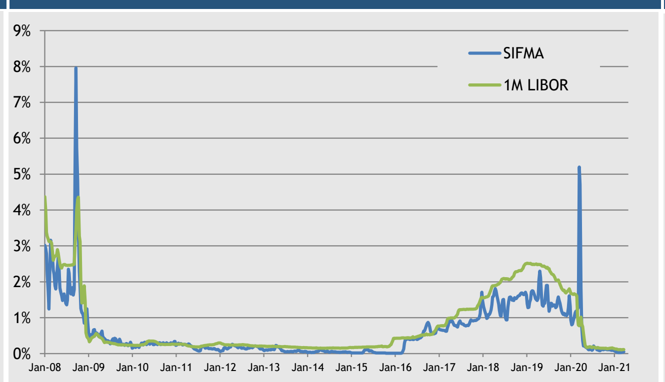
Years	AA	A	BBB
10	15 bps	32 bps	75 bps
20	19 bps	38 bps	78 bps
30	19 bps	38 bps	78 bps

*Source: Thomson Reuters

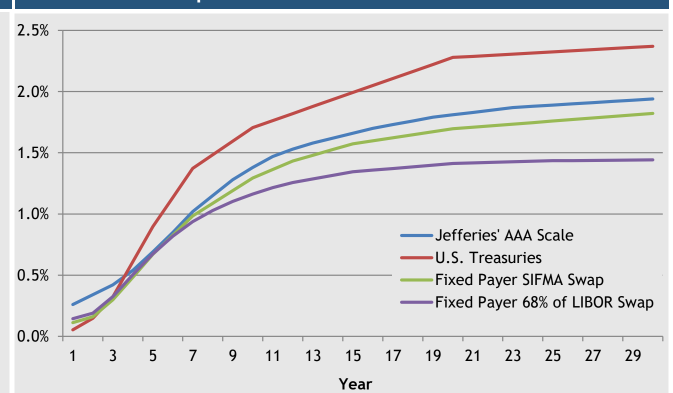
Historical Long-Term Interest Rates



Historical Short-Term Interest Rates



Yield Curve Comparison



Daily Rate Sheet
Close of Business March 31, 2021

Jefferies

Yr.	Jefferies' AAA Scale Rate	Δ 1 Day	Δ 1 Week	Δ 1 Year	UST Rate	Δ 1 Day	Δ 1 Week	Δ 1 Year	SIFMA Swaps Rate	Δ 1 Day	Δ 1 Week	Δ 1 Year	LIBOR Swaps Rate	Δ 1 Day	Δ 1 Week	Δ 1 Year	Jefferies' AAA Scale/UST Ratio	SIFMA/LIBOR Ratio
1	0.26%	0.00%	-0.04%	-0.95%	0.06%	0.00%	0.00%	-0.10%	0.11%	0.00%	0.01%	-0.49%	0.22%	0.00%	0.01%	-0.45%	465.95%	52.00%
2	0.34%	0.00%	-0.03%	-0.93%	0.16%	0.01%	0.01%	-0.09%	0.17%	0.01%	0.02%	-0.28%	0.29%	0.01%	0.03%	-0.20%	209.88%	56.88%
3	0.42%	0.00%	-0.04%	-0.85%	0.35%	0.02%	0.03%	0.05%	0.32%	0.02%	0.04%	-0.10%	0.51%	0.03%	0.06%	0.05%	120.69%	61.38%
4	0.54%	0.00%	-0.03%	-0.76%	0.64%	0.03%	0.05%	0.31%	0.51%	0.03%	0.05%	0.07%	0.79%	0.04%	0.08%	0.31%	83.85%	64.13%
5	0.69%	0.00%	-0.02%	-0.62%	0.94%	0.04%	0.08%	0.56%	0.70%	0.03%	0.06%	0.23%	1.06%	0.05%	0.09%	0.53%	73.40%	66.63%
6	0.85%	0.00%	-0.02%	-0.50%	1.18%	0.05%	0.08%	0.72%	0.86%	0.03%	0.06%	0.35%	1.27%	0.05%	0.09%	0.71%	72.00%	67.58%
7	1.02%	0.00%	-0.02%	-0.40%	1.42%	0.05%	0.08%	0.88%	1.02%	0.03%	0.06%	0.47%	1.45%	0.05%	0.08%	0.84%	71.78%	70.38%
8	1.15%	0.00%	-0.02%	-0.32%	1.53%	0.04%	0.07%	0.94%	1.12%	0.03%	0.05%	0.54%	1.58%	0.05%	0.08%	0.93%	75.26%	70.83%
9	1.28%	0.00%	-0.02%	-0.25%	1.64%	0.04%	0.06%	1.01%	1.22%	0.03%	0.05%	0.61%	1.69%	0.05%	0.07%	1.01%	78.29%	72.36%
10	1.38%	0.00%	-0.02%	-0.24%	1.74%	0.04%	0.05%	1.07%	1.33%	0.03%	0.05%	0.68%	1.78%	0.05%	0.07%	1.07%	79.22%	74.50%
11	1.47%	0.00%	-0.02%	-0.18%	1.80%	0.04%	0.04%	1.10%	1.40%	0.03%	0.05%	0.73%	1.86%	0.04%	0.07%	1.11%	81.70%	75.23%
12	1.53%	0.00%	-0.03%	-0.18%	1.86%	0.04%	0.04%	1.12%	1.47%	0.03%	0.05%	0.78%	1.92%	0.04%	0.06%	1.16%	82.42%	76.38%
13	1.58%	0.00%	-0.02%	-0.21%	1.91%	0.04%	0.04%	1.15%	1.51%	0.03%	0.04%	0.81%	1.97%	0.05%	0.06%	1.19%	82.57%	77.07%
14	1.62%	0.00%	-0.02%	-0.23%	1.97%	0.04%	0.03%	1.17%	1.56%	0.04%	0.04%	0.84%	2.01%	0.05%	0.06%	1.21%	82.20%	77.74%
15	1.66%	0.00%	-0.02%	-0.25%	2.03%	0.04%	0.03%	1.19%	1.61%	0.04%	0.04%	0.87%	2.05%	0.05%	0.06%	1.24%	81.85%	78.38%
16	1.70%	0.00%	-0.02%	-0.28%	2.09%	0.04%	0.03%	1.22%	1.63%	0.04%	0.04%	0.89%	2.07%	0.05%	0.06%	1.25%	81.53%	78.82%
17	1.73%	0.00%	-0.02%	-0.28%	2.14%	0.04%	0.02%	1.24%	1.66%	0.04%	0.04%	0.91%	2.09%	0.05%	0.06%	1.26%	80.75%	79.25%
18	1.76%	0.00%	-0.02%	-0.27%	2.20%	0.04%	0.02%	1.27%	1.68%	0.04%	0.04%	0.92%	2.11%	0.05%	0.06%	1.28%	80.01%	79.67%
19	1.79%	0.00%	-0.02%	-0.26%	2.26%	0.04%	0.01%	1.29%	1.71%	0.04%	0.04%	0.94%	2.13%	0.05%	0.06%	1.29%	79.32%	80.09%
20	1.81%	0.00%	-0.03%	-0.27%	2.31%	0.04%	0.01%	1.32%	1.73%	0.04%	0.04%	0.95%	2.15%	0.05%	0.06%	1.30%	78.22%	80.50%
21	1.83%	0.00%	-0.03%	-0.28%	2.32%	0.04%	0.01%	1.29%	1.75%	0.04%	0.04%	0.96%	2.16%	0.05%	0.06%	1.30%	78.75%	80.83%
22	1.85%	0.00%	-0.03%	-0.28%	2.33%	0.04%	0.01%	1.27%	1.76%	0.04%	0.04%	0.97%	2.17%	0.05%	0.06%	1.31%	79.27%	81.16%
23	1.87%	0.00%	-0.02%	-0.27%	2.34%	0.04%	0.01%	1.25%	1.77%	0.04%	0.04%	0.98%	2.17%	0.05%	0.06%	1.31%	79.79%	81.49%
24	1.88%	0.00%	-0.02%	-0.27%	2.35%	0.04%	0.01%	1.23%	1.78%	0.04%	0.04%	0.99%	2.18%	0.05%	0.06%	1.31%	79.88%	81.82%
25	1.89%	0.00%	-0.02%	-0.27%	2.36%	0.04%	0.01%	1.20%	1.80%	0.04%	0.04%	1.00%	2.19%	0.05%	0.06%	1.32%	79.97%	82.14%
26	1.90%	0.00%	-0.02%	-0.27%	2.37%	0.04%	0.01%	1.18%	1.81%	0.04%	0.03%	1.01%	2.19%	0.05%	0.06%	1.32%	80.05%	82.64%
27	1.91%	0.00%	-0.02%	-0.27%	2.38%	0.04%	0.01%	1.16%	1.82%	0.04%	0.03%	1.02%	2.19%	0.05%	0.06%	1.32%	80.14%	83.14%
28	1.92%	0.00%	-0.02%	-0.27%	2.39%	0.04%	0.01%	1.13%	1.84%	0.04%	0.03%	1.03%	2.19%	0.05%	0.06%	1.32%	80.23%	83.63%
29	1.93%	0.00%	-0.02%	-0.27%	2.40%	0.04%	0.01%	1.11%	1.85%	0.04%	0.03%	1.04%	2.20%	0.05%	0.05%	1.32%	80.31%	84.13%
30	1.94%	0.00%	-0.02%	-0.27%	2.41%	0.04%	0.01%	1.09%	1.86%	0.04%	0.03%	1.05%	2.20%	0.05%	0.05%	1.32%	80.40%	84.63%

Key Rates

	Today	Δ 1 Day	Δ 1 Week	Δ 1 Year
SIFMA*	0.07%	0.02%	0.03%	-4.64%
1M LIBOR	0.11%	0.00%	0.00%	-0.88%
3M LIBOR	0.19%	-0.01%	0.00%	-1.26%
Fed Fund	0.05%	-0.02%	-0.03%	0.03%
Prime	3.25%	0.00%	0.00%	0.00%
SOFR	0.01%	0.00%	0.00%	0.00%

*Represents reset on March 31, 2021, effective from April 01, 2021 to April 07, 2021

SIFMA/1M LIBOR RATIO

	Today	Δ 1 Day	Δ 1 Week	Δ 1 Year
Spot	62.99%	19.56%	25.74%	-411.39%
6M Avg.	58.10%	0.06%	-0.78%	-28.81%
2-Yr. Avg.	75.13%	0.20%	0.75%	4.23%

Reinvestment Rates

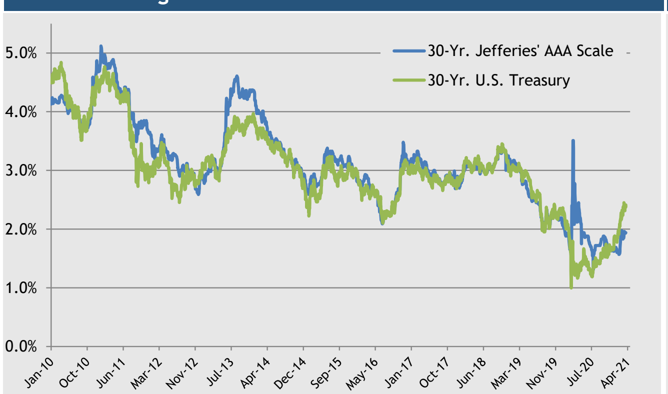
Years	UST	Agencies
1	0.06%	-0.16%
2	0.16%	0.17%
3	0.35%	0.32%
4	0.64%	0.56%
5	0.94%	0.81%
7	1.42%	1.06%
10	1.74%	1.79%

Generic GO Credit Spreads*

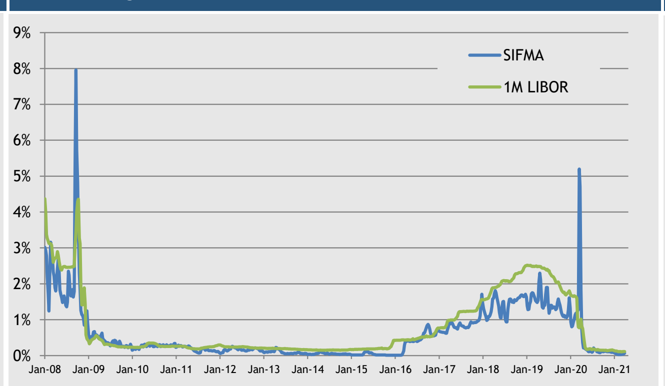
Years	AA	A	BBB
10	15 bps	32 bps	75 bps
20	19 bps	38 bps	78 bps
30	19 bps	38 bps	78 bps

*Source: Thomson Reuters

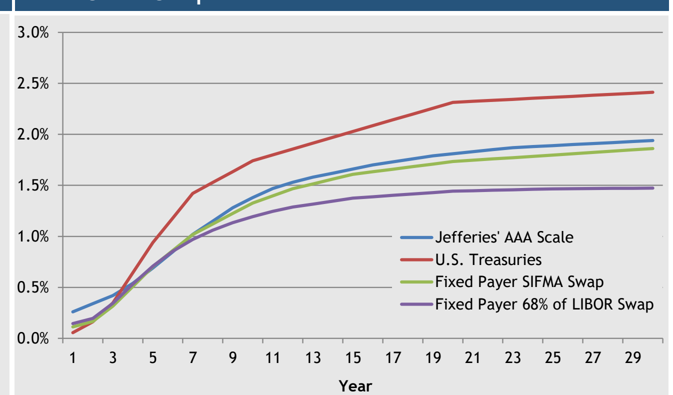
Historical Long-Term Interest Rates



Historical Short-Term Interest Rates



Yield Curve Comparison



Daily Rate Sheet
Close of Business April 1, 2021

Jefferies

	Jefferies' AAA Scale				UST				SIFMA Swaps				LIBOR Swaps				Jefferies' AAA Scale/UST	SIFMA/LIBOR
Yr.	Rate	Δ 1 Day	Δ 1 Week	Δ 1 Year	Rate	Δ 1 Day	Δ 1 Week	Δ 1 Year	Rate	Δ 1 Day	Δ 1 Week	Δ 1 Year	Rate	Δ 1 Day	Δ 1 Week	Δ 1 Year	Ratio	Ratio
1	0.26%	0.00%	-0.02%	-1.11%	0.06%	0.01%	0.01%	-0.06%	0.11%	0.00%	0.01%	-0.48%	0.22%	0.00%	0.01%	-0.44%	426.93%	52.00%
2	0.33%	-0.01%	-0.02%	-1.06%	0.16%	0.00%	0.02%	-0.05%	0.17%	0.00%	0.02%	-0.26%	0.29%	0.00%	0.03%	-0.19%	204.97%	56.75%
3	0.41%	-0.01%	-0.03%	-0.99%	0.34%	-0.01%	0.03%	0.08%	0.31%	-0.01%	0.04%	-0.10%	0.50%	-0.01%	0.07%	0.05%	121.66%	61.38%
4	0.53%	-0.01%	-0.02%	-0.93%	0.62%	-0.02%	0.06%	0.31%	0.49%	-0.02%	0.06%	0.07%	0.77%	-0.03%	0.09%	0.30%	85.55%	64.13%
5	0.68%	-0.01%	-0.01%	-0.83%	0.90%	-0.04%	0.09%	0.55%	0.68%	-0.03%	0.06%	0.22%	1.02%	-0.04%	0.10%	0.51%	75.39%	66.63%
6	0.84%	-0.01%	-0.01%	-0.78%	1.13%	-0.05%	0.09%	0.71%	0.83%	-0.03%	0.06%	0.34%	1.23%	-0.05%	0.10%	0.68%	74.24%	67.58%
7	1.01%	-0.01%	-0.01%	-0.66%	1.36%	-0.06%	0.09%	0.87%	0.98%	-0.04%	0.06%	0.46%	1.39%	-0.06%	0.09%	0.81%	74.21%	70.38%
8	1.14%	-0.01%	-0.01%	-0.62%	1.46%	-0.06%	0.07%	0.94%	1.08%	-0.04%	0.06%	0.53%	1.52%	-0.06%	0.09%	0.90%	77.83%	70.81%
9	1.27%	-0.01%	-0.01%	-0.58%	1.57%	-0.07%	0.06%	1.02%	1.18%	-0.05%	0.06%	0.60%	1.63%	-0.07%	0.08%	0.98%	80.98%	72.39%
10	1.37%	-0.01%	-0.01%	-0.53%	1.67%	-0.07%	0.05%	1.09%	1.28%	-0.05%	0.05%	0.67%	1.71%	-0.07%	0.08%	1.03%	81.94%	74.50%
11	1.46%	-0.01%	-0.01%	-0.54%	1.73%	-0.07%	0.05%	1.11%	1.34%	-0.05%	0.05%	0.71%	1.79%	-0.07%	0.07%	1.08%	84.49%	75.22%
12	1.52%	-0.01%	-0.02%	-0.57%	1.78%	-0.07%	0.04%	1.14%	1.41%	-0.05%	0.05%	0.76%	1.85%	-0.07%	0.07%	1.12%	85.19%	76.38%
13	1.57%	-0.01%	-0.01%	-0.59%	1.84%	-0.07%	0.04%	1.16%	1.46%	-0.06%	0.05%	0.79%	1.89%	-0.07%	0.07%	1.15%	85.31%	77.07%
14	1.61%	-0.01%	-0.01%	-0.62%	1.90%	-0.07%	0.03%	1.18%	1.51%	-0.06%	0.05%	0.82%	1.94%	-0.07%	0.07%	1.18%	84.90%	77.74%
15	1.65%	-0.01%	-0.01%	-0.64%	1.95%	-0.08%	0.03%	1.21%	1.55%	-0.06%	0.04%	0.85%	1.98%	-0.07%	0.07%	1.21%	84.51%	78.38%
16	1.69%	-0.01%	-0.01%	-0.68%	2.01%	-0.08%	0.02%	1.23%	1.58%	-0.06%	0.04%	0.87%	2.00%	-0.07%	0.07%	1.22%	84.14%	78.82%
17	1.72%	-0.01%	-0.01%	-0.69%	2.06%	-0.08%	0.02%	1.26%	1.60%	-0.06%	0.04%	0.88%	2.02%	-0.07%	0.06%	1.23%	83.31%	79.25%
18	1.75%	-0.01%	-0.01%	-0.69%	2.12%	-0.08%	0.01%	1.28%	1.63%	-0.06%	0.04%	0.90%	2.04%	-0.07%	0.06%	1.24%	82.52%	79.68%
19	1.78%	-0.01%	-0.01%	-0.71%	2.18%	-0.08%	0.01%	1.31%	1.65%	-0.06%	0.04%	0.92%	2.06%	-0.07%	0.06%	1.26%	81.77%	80.09%
20	1.80%	-0.01%	-0.01%	-0.73%	2.23%	-0.08%	0.01%	1.33%	1.67%	-0.06%	0.04%	0.93%	2.08%	-0.07%	0.06%	1.27%	80.61%	80.50%
21	1.82%	-0.01%	-0.02%	-0.74%	2.24%	-0.08%	0.01%	1.31%	1.69%	-0.06%	0.04%	0.94%	2.09%	-0.07%	0.06%	1.27%	81.14%	80.84%
22	1.84%	-0.01%	-0.02%	-0.74%	2.25%	-0.08%	0.01%	1.29%	1.70%	-0.06%	0.04%	0.95%	2.09%	-0.07%	0.06%	1.27%	81.66%	81.17%
23	1.86%	-0.01%	-0.01%	-0.74%	2.26%	-0.08%	0.01%	1.26%	1.71%	-0.06%	0.04%	0.96%	2.10%	-0.07%	0.06%	1.28%	82.18%	81.50%
24	1.87%	-0.01%	-0.01%	-0.74%	2.27%	-0.08%	0.01%	1.24%	1.72%	-0.06%	0.04%	0.97%	2.11%	-0.07%	0.06%	1.28%	82.26%	81.84%
25	1.88%	-0.01%	-0.01%	-0.74%	2.28%	-0.08%	0.01%	1.22%	1.74%	-0.06%	0.04%	0.98%	2.11%	-0.07%	0.06%	1.29%	82.33%	82.16%
26	1.89%	-0.01%	-0.01%	-0.74%	2.29%	-0.08%	0.01%	1.20%	1.75%	-0.06%	0.04%	0.99%	2.12%	-0.07%	0.06%	1.29%	82.40%	82.66%
27	1.90%	-0.01%	-0.01%	-0.74%	2.30%	-0.08%	0.01%	1.18%	1.76%	-0.06%	0.04%	1.00%	2.12%	-0.07%	0.06%	1.29%	82.48%	83.15%
28	1.91%	-0.01%	-0.01%	-0.74%	2.31%	-0.08%	0.01%	1.16%	1.77%	-0.06%	0.03%	1.01%	2.12%	-0.07%	0.06%	1.29%	82.55%	83.64%
29	1.92%	-0.01%	-0.01%	-0.75%	2.32%	-0.08%	0.01%	1.13%	1.79%	-0.06%	0.03%	1.02%	2.12%	-0.07%	0.06%	1.28%	82.62%	84.14%
30	1.93%	-0.01%	-0.01%	-0.75%	2.33%	-0.08%	0.01%	1.11%	1.80%	-0.06%	0.03%	1.02%	2.13%	-0.07%	0.05%	1.28%	82.69%	84.63%

Key Rates

	Today	Δ 1 Day	Δ 1 Week	Δ 1 Year
SIFMA*	0.07%	0.00%	0.03%	-1.76%
1M LIBOR	0.11%	0.00%	0.00%	-0.91%
3M LIBOR	0.20%	0.01%	0.00%	-1.24%
Fed Fund	0.07%	0.02%	-0.01%	0.05%
Prime	3.25%	0.00%	0.00%	0.00%
SOFR	0.01%	0.00%	0.00%	0.00%

*Represents reset on March 31, 2021, effective from April 01, 2021 to April 07, 2021

SIFMA/1M LIBOR RATIO

	Today	Δ 1 Day	Δ 1 Week	Δ 1 Year
Spot	63.42%	0.43%	26.60%	-116.66%
6M Avg.	57.25%	-0.93%	-1.78%	-30.34%
2-Yr. Avg.	75.26%	0.20%	0.76%	4.28%

Reinvestment Rates

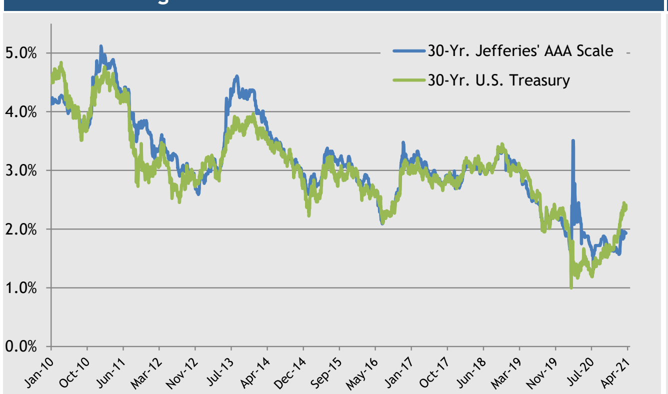
Years	UST	Agencies
1	0.06%	-0.16%
2	0.16%	0.16%
3	0.34%	0.30%
4	0.62%	0.54%
5	0.90%	0.78%
7	1.36%	1.02%
10	1.67%	1.72%

Generic GO Credit Spreads*

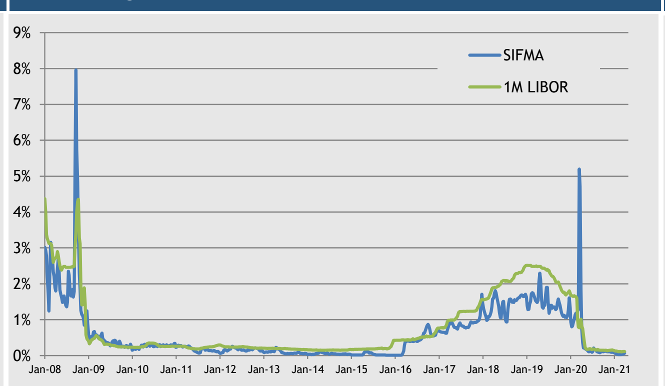
Years	AA	A	BBB
10	15 bps	32 bps	75 bps
20	19 bps	38 bps	78 bps
30	19 bps	38 bps	78 bps

*Source: Thomson Reuters

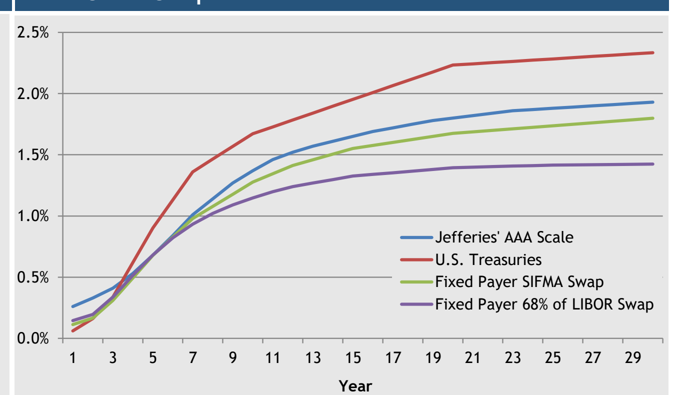
Historical Long-Term Interest Rates



Historical Short-Term Interest Rates



Yield Curve Comparison



Pricing Wires

Pre-Marketing Wire 2021A

RE: $ 100,000,000*

Texas Department of Housing and Community Affairs

Residential Mortgage Revenue Bonds

Series 2021 A (Non-Amt)

POS URL: https://www.munios.com/munios-notice.aspx?i=EGXDJCclMkR1

THE FOLLOWING REPRESENTS A CONSENSUS OF THE MANAGERS FOR PREMARKETING PURPOSES.

MOODY'S: Aaa S&P: AA+

FITCH: NR KROLL: NR

DATED:04/28/2021 FIRST COUPON:07/01/2021

DUE: 01/01 & 07/01

			ADD'L TAKEDOWN
MATURITY	AMOUNT*	COUPON	PRICE (Pts)
07/01/2022	610M	0.30%	100.00
01/01/2023	615M	0.35%	100.00
07/01/2023	620M	0.40%	100.00
01/01/2024	630M	0.50%	100.00
07/01/2024	635M	0.55%	100.00
01/01/2025	640M	0.65%	100.00
07/01/2025	645M	0.70%	100.00
01/01/2026	650M	0.75%	100.00

07/01/2026	660M	0.80%	100.00
01/01/2027	660M	5.00%	0.85
		(Approx. $ Price 122.943)	
07/01/2027	675M	5.00%	0.95
		(Approx. $ Price 124.232)	
01/01/2028	690M	5.00%	1.05
		(Approx. $ Price 125.397)	
07/01/2028	710M	5.00%	1.15
		(Approx. $ Price 126.440)	
01/01/2029	725M	5.00%	1.25
		(Approx. $ Price 127.360)	
07/01/2029	740M	5.00%	1.35
		(Approx. $ Price 128.159)	
01/01/2030	765M	1.65%	100.00
07/01/2030	775M	1.70%	100.00
01/01/2031	785M	1.85%	100.00
07/01/2031	790M	1.90%	100.00
01/01/2032	805M	1.95%	100.00
07/01/2032	815M	2.00%	100.00
01/01/2033	825M	2.05%	100.00
07/01/2033	840M	2.05%	100.00
07/01/2036	5,300M	2.10%	100.00
07/01/2041	9,935M	2.30%	100.00
07/01/2046	11,565M	2.45%	100.00
07/01/2051	13,495M	2.50%	100.00
01/01/2052	43,400M	3.00%	1.05

(PAC)

(Avg. Life: 5.50 years over a range of 100.00 to 400.00% of PSA experience)

CALL FEATURES: Optional call in 01/01/2030 @ 100.00

EXCEPT: The PAC Term bonds are subject to redemption prior to maturity, in whole or in part at anytime and from time to time, on and after January 1, 2030, at the option of the Department, at the redemption prices set forth below (expressed as a percentage of the principal amount to be redeemed):

Redemption Date	PAC Redemption Price
January 1, 2030	
July 1, 2030	
January 1,2031	
July 1, 2031	
January 1, 2032	
July , 2032 and thereafter	100%

The Series 2021A bonds are subject to special, unexpended proceeds, excess revenues and mandatory sinking fund redemption as more fully described in the Preliminary Official Statement beginning on page 6.

The Series 2021A premium serial bonds are not subject to special, excess or mandatory sinking fund redemption as described in the Preliminary Official Statement on pages 6 to 14.

Projected Weighted Average Life (in Years)

Series 2021A Bonds

SIFMA Term Term Term Term PAC Term Bonds Due 1/1/2052

Prepayment Bonds due Bonds due Bonds due Bonds due (Optional Call

(Optional Call

Model 7/1/2036 7/1/2041 7/1/2046 7/1/2051 not Exercised)

Exercised)

0%	13.9	18.0	23.0	27.9	17.1	7.9
50%	13.9	18.0	22.4	25.0	8.4	6.5
75%	13.9	17.3	20.5	21.8	6.5	5.9
100%	13.6	16.2	18.3	18.9	5.5	5.3
125%	12.5	14.3	15.9	16.1	5.5	5.3
150%	11.3	12.8	13.9	14.0	5.5	5.3
175%	10.4	11.5	12.2	12.2	5.5	5.3
200%	9.5	10.3	10.8	10.8	5.5	5.3
300%	6.6	6.8	7.0	6.9	5.5	5.3
400%	4.6	4.6	4.6	4.6	5.5	5.3
500%	4.5	4.5	4.5	4.5	4.1	4.0

Sinking Fund Schedule

2036 Term Bond

01/01/2034 855M

07/01/2034 865M

01/01/2035 875M

07/01/2035 890M

01/01/2036 900M

07/01/2036 915M

Sinking Fund Schedule

2041 Term Bond

01/01/2037 925M

07/01/2037 940M

01/01/2038 955M

07/01/2038 970M

01/01/2039 985M

07/01/2039 1,005M

01/01/2040 1,015M

07/01/2040 1,030M

01/01/2041 1,050M

07/01/2041 1,060M

Sinking Fund Schedule

2046 Term Bond

01/01/2042 1,080M

07/01/2042 1,095M

01/01/2043 1,110M

07/01/2043 1,130M

01/01/2044 1,145M

07/01/2044 1,165M

01/01/2045 1,185M

07/01/2045 1,200M

01/01/2046 1,220M

07/01/2046 1,235M

Sinking Fund Schedule

2051 Term Bond

01/01/2047 1,255M

07/01/2047 1,275M

01/01/2048 1,295M

07/01/2048 1,315M

01/01/2049 1,335M

07/01/2049 1,360M

01/01/2050 1,380M

07/01/2050 1,405M

01/01/2051 1,425M

07/01/2051 1,450M

Sinking Fund Schedule

2052 Term Bond

07/01/2022 450M

01/01/2023 450M

07/01/2023 455M

01/01/2024 460M

07/01/2024 465M

01/01/2025 470M

07/01/2025 475M

01/01/2026 480M

07/01/2026 485M

01/01/2027 495M

07/01/2027 510M

01/01/2028 520M

07/01/2028 530M

01/01/2029 545M

07/01/2029 560M

01/01/2030 565M

07/01/2030 570M

01/01/2031 580M

07/01/2031 590M

01/01/2032 595M

07/01/2032 605M

01/01/2033 615M

07/01/2033 620M

01/01/2034 630M

07/01/2034 640M

01/01/2035 650M

07/01/2035 660M

01/01/2036 670M

07/01/2036 680M

01/01/2037 690M

07/01/2037 700M

01/01/2038 710M

07/01/2038 720M

01/01/2039 730M

07/01/2039 740M

01/01/2040 755M

07/01/2040 765M

01/01/2041 775M

07/01/2041 790M

01/01/2042 800M

07/01/2042 810M

01/01/2043 825M

07/01/2043 835M

01/01/2044 850M

07/01/2044 865M

01/01/2045 875M

07/01/2045 890M

01/01/2046 905M

07/01/2046 920M

01/01/2047 935M

07/01/2047 950M

01/01/2048 965M

07/01/2048 980M

01/01/2049 995M

07/01/2049 1,010M

01/01/2050 1,025M

07/01/2050 1,040M

01/01/2051 1,060M

07/01/2051 1,075M

01/01/2052 1,395M

* - APPROXIMATE SUBJECT TO CHANGE

The compliance addendum MSRB Rule G-11 will apply.

Delivery is expected on Wednesday, April 28, 2021.

This issue is book entry only. This issue is clearing through DTC.

Jefferies LLC

Barclays Capital Inc.

J.P. Morgan Securities LLC

RBC Capital Markets

Morgan Stanley & Co. LLC

Piper Sandler & Co

Ramirez & Co., Inc.

By: Jefferies LLC New York, NY

Pre-Marketing Wire 2021B

RE: $ 61,369,927*

Texas Department of Housing and Community Affairs

Residential Mortgage Revenue Refunding Bonds

Series 2021 B (Taxable)

(Mortgage-Backed Securities Pass-Through Bonds)

POS URL: https://www.munios.com/munios-notice.aspx?i=EGXDJCclMkR1

PLEASE USE THE FOLLOWING FOR PREMARKETING PURPOSES.

WE PLAN TO LAUNCH THIS ISSUE TOMORROW, WEDNESDAY, MARCH 31, 2021.

********************** ATTENTION *********************

THE BONDS ARE TAXABLE MUNICIPAL SECURITIES AND THIS OFFERING IS SUBJECT TO REGULATION BY THE MUNICIPAL SECURITIES RULEMAKING BOARD. ALL ACTIVITY UNDERTAKEN WITH RESPECT TO THIS OFFERING MUST BE SUPERVISED BY A MUNICIPAL SECURITIES PRINCIPAL.

MOODY'S: Aaa S&P: AA+

FITCH: NR KROLL: NR

DATED:04/28/2021 FIRST COUPON:05/01/2021

DUE: 07/01

ADD'L

MATURITY	AMOUNT*	COUPON	PRICE	TAKEDOWN (Pts)
07/01/2042	61,369.927M		1.65	Area

CALL FEATURES: Optional call in 01/01/2030 @ 100.00

Subject to special mandatory redemption and special optional redemption as described in

the Preliminary Official Statement on pages 6 to 11.

INTEREST ACCRUAL DATES: FIRST DAY OF EACH MONTH

INTEREST PAYMENT DATES: FIRST DAY OF EACH MONTH

PRINCIPAL PAYMENT DATES: FIRST DAY OF EACH MONTH

MINIMUM DENOMINATIONS: $1.00 OR ANY MULTIPLE THEREOF AT ORIGINAL ISSUANCE; THEREAFTER

$1.00 OR ANY MULTIPLE THEREOF.

Average Life Information:

SIFMA Prepayment Model	Avg. Life Estimate
0%	11.4
50%	9.3
75%	8.4
100%	7.7
125%	7.0
150%	6.4

175%	5.9
200%	5.4
300%	4.0
400%	3.1
500%	2.5

DATA REGARDING THE 2021B TRANSFERRED MORTGAGE CERTIFICATES:

UNDERLYING MORTGAGE RATES (WAC): 4.926%

UNDERLYING PASS-THROUGH RATES (WEIGHTED AVERAGE): 4.426%

WEIGHTED AVERAGE REMAINING TERM (WAM): 238 MONTHS

HISTORICAL PREPAYMENT SPEEDS:

LIFETIME PSA: 222%

12 MONTH PSA: 250%

6 MONTH PSA: 221%

Please see Appendix H of the POS for more details on the 2021B Transferred Mortgage

Certificates

* - APPROXIMATE SUBJECT TO CHANGE

The compliance addendum MSRB Rule G-11 will apply.

Delivery is expected on Wednesday, April 28, 2021.

This issue is book entry only. This issue is clearing through DTC.

Jefferies LLC

Barclays Capital Inc.

J.P. Morgan Securities LLC

RBC Capital Markets

Morgan Stanley & Co. LLC

Piper Sandler & Co

Ramirez & Co., Inc.

By: Jefferies LLC New York, NY

Preliminary Wire 2021A

RE: $ 100,000,000*
Texas Department of Housing and Community Affairs
Residential Mortgage Revenue Bonds
Series 2021 A (Non-AMT)

POS URL: https://www.munios.com/munios-notice.aspx?i=EGXDJCclMkR1

WE HAVE A RELEASE. ORDERS WILL BE TAKEN UNTIL 11:30AM EASTERN.

FOR ORDERS RECEIVED DURING THE RETAIL ORDER PERIOD, THE ISSUER RESERVES THE RIGHT TO LIMIT
THE RETAIL ALLOTMENTS ON ALL MATURITIES TO 50% OF THE AGGREGATE PAR VALUE OF SUCH MATURITIES AT THE FINAL PRICE.

MOODY'S: Aaa S&P: AA+
FITCH: NR KROLL: NR

DATED:04/28/2021 FIRST COUPON:07/01/2021

DUE: 01/01 & 07/01

MATURITY	AMOUNT*	COUPON	PRICE	ADD'L TAKEDOWN (Pts)
07/01/2022	585M	0.25%	100.00	1/4
01/01/2023	595M	0.30%	100.00	1/4
07/01/2023	600M	0.35%	100.00	1/4
01/01/2024	605M	0.45%	100.00	3/8
07/01/2024	615M	0.50%	100.00	3/8
01/01/2025	620M	0.60%	100.00	1/2
07/01/2025	625M	0.65%	100.00	1/2
01/01/2026	635M	0.75%	100.00	1/2
07/01/2026	640M	0.80%	100.00	1/2
01/01/2027	645M	5.00%	0.85	1/2
		(Approx. $ Price 122.943)		
07/01/2027	655M	5.00%	0.95	1/2
		(Approx. $ Price 124.232)		
01/01/2028	675M	5.00%	1.05	5/8
		(Approx. $ Price 125.397)		
07/01/2028	695M	5.00%	1.15	5/8
		(Approx. $ Price 126.440)		
01/01/2029	705M	5.00%	1.25	5/8
		(Approx. $ Price 127.360)		
07/01/2029	720M	5.00%	1.35	5/8
		(Approx. $ Price 128.159)		
01/01/2030	740M	1.60%	100.00	5/8
07/01/2030	750M	1.65%	100.00	5/8
01/01/2031	765M	1.80%	100.00	5/8
07/01/2031	775M	1.85%	100.00	5/8
01/01/2032	785M	1.95%	100.00	5/8
07/01/2032	795M	1.95%	100.00	5/8
01/01/2033	810M	2.00%	100.00	5/8
07/01/2033	825M	2.00%	100.00	5/8
07/01/2036	5,180M	2.10%	100.00	5/8
07/01/2041	9,770M	2.30%	100.00	5/8

07/01/2046	11,525M	2.45%	100.00	5/8
07/01/2051	13,465M	2.50%	100.00	5/8
01/01/2052 NO RETAIL	44,200M	3.00%	1.03	1/2

(Approx. $ Price 110.420)
(PAC)
(Avg. Life: 5.50 years over a range of 100.00 to 400.00% of PSA experience)
APPROXIMATE AVERAGE LIFE DATE: 10/23/2026

CALL FEATURES: Optional call in 01/01/2030 @ 100.00

EXCEPT: The PAC Term bonds are subject to redemption prior to maturity, in whole or in part at anytime and from time to time, on and after January 1, 2030, at the option of the Department, at the redemption prices set forth below (expressed as a percentage of the principal amount to be redeemed):

Redemption Date	PAC Redemption Price
January 1, 2030	100.275%
July 1, 2030	100.153%
January 1,2031	100.068%
July 1, 2031	100.017%
January 1, 2032 and thereafter	100.000%

The Series 2021A bonds are subject to special, unexpended proceeds, excess revenues and mandatory sinking fund redemption as more fully described in the Preliminary Official Statement beginning on page 6.

The Series 2021A premium serial bonds are not subject to special, excess or mandatory sinking fund redemption as described in the Preliminary Official Statement on pages 6 to 14.

Projected Weighted Average Life (in Years)

Series 2021A Bonds

SIFMA Prepayment Model	Term Bonds due 7/1/2036	Term Bonds due 7/1/2041	Term Bonds due 7/1/2046	Term Bonds due 7/1/2051	PAC Term Bonds Due 1/1/2052 (Optional Call not Exercised)	(Optional Call Exercised)
0%	13.9	18.0	23.0	27.9	16.9	7.9
50%	13.9	18.0	22.4	25.0	8.5	6.6
75%	13.9	17.4	20.5	21.9	6.6	5.9
100%	13.6	16.3	18.4	19.1	5.5	5.3
125%	12.5	14.5	16.0	16.2	5.5	5.3
150%	11.4	12.9	13.9	14.0	5.5	5.3
175%	10.4	11.5	12.2	12.2	5.5	5.3
200%	9.5	10.3	10.8	10.8	5.5	5.3
300%	6.6	6.9	6.9	6.9	5.5	5.3
400%	4.5	4.6	4.6	4.6	5.5	5.3
500%	4.5	4.5	4.4	4.4	4.1	4.0

Sinking Fund Schedule

2036 Term Bond

01/01/2034	835M
07/01/2034	850M
01/01/2035	855M
07/01/2035	865M
01/01/2036	880M
07/01/2036	895M

Sinking Fund Schedule

2041 Term Bond

01/01/2037	905M
07/01/2037	920M
01/01/2038	940M
07/01/2038	955M
01/01/2039	970M
07/01/2039	985M
01/01/2040	1,000M
07/01/2040	1,015M
01/01/2041	1,035M
07/01/2041	1,045M

Sinking Fund Schedule

2046 Term Bond

01/01/2042	1,065M
07/01/2042	1,090M
01/01/2043	1,105M
07/01/2043	1,125M
01/01/2044	1,145M
07/01/2044	1,160M
01/01/2045	1,180M
07/01/2045	1,200M
01/01/2046	1,220M
07/01/2046	1,235M

Sinking Fund Schedule

2051 Term Bond

01/01/2047	1,245M
07/01/2047	1,270M
01/01/2048	1,290M
07/01/2048	1,310M
01/01/2049	1,335M
07/01/2049	1,355M
01/01/2050	1,380M
07/01/2050	1,405M
01/01/2051	1,425M
07/01/2051	1,450M

Sinking Fund Schedule

2052 Term Bond

07/01/2022	460M
01/01/2023	460M
07/01/2023	465M

01/01/2024	470M
07/01/2024	475M
01/01/2025	480M
07/01/2025	485M
01/01/2026	490M
07/01/2026	495M
01/01/2027	505M
07/01/2027	520M
01/01/2028	530M
07/01/2028	535M
01/01/2029	555M
07/01/2029	570M
01/01/2030	575M
07/01/2030	585M
01/01/2031	590M
07/01/2031	600M
01/01/2032	605M
07/01/2032	615M
01/01/2033	625M
07/01/2033	630M
01/01/2034	640M
07/01/2034	650M
01/01/2035	665M
07/01/2035	675M
01/01/2036	685M
07/01/2036	695M
01/01/2037	705M
07/01/2037	715M
01/01/2038	725M
07/01/2038	735M
01/01/2039	745M
07/01/2039	755M
01/01/2040	770M
07/01/2040	780M
01/01/2041	790M
07/01/2041	805M
01/01/2042	815M
07/01/2042	820M
01/01/2043	835M
07/01/2043	845M
01/01/2044	860M
07/01/2044	875M
01/01/2045	885M
07/01/2045	900M
01/01/2046	915M
07/01/2046	935M
01/01/2047	955M
07/01/2047	970M
01/01/2048	985M
07/01/2048	1,000M
01/01/2049	1,015M
07/01/2049	1,030M
01/01/2050	1,045M
07/01/2050	1,060M
01/01/2051	1,080M
07/01/2051	1,095M
01/01/2052	1,425M

* - APPROXIMATE SUBJECT TO CHANGE

Order period until today 11:30 AM, Eastern, Wednesday, 03/31/21.
Please use Electronic Order Entry to enter orders or call (212) 336-7151.

The managers reserve the right to terminate or extend the order period prior to or later than the above-mentioned time and date and to confirm bonds at their discretion.

PRIORITY OF ORDERS AS FOLLOWS:
1. Net Designated
(Exception: If an investor is affiliated with a syndicate member and that syndicate member may not be compensated for the investor's order, the investor will not be required to designate that syndicate member.)
2. Member

PRIORITY POLICY:

At least 3 firm(s) must be designated.

No firm may receive more than 55.00% of any designation.

Each designee must receive a minimum of 5.00% for each priority order.

The Senior Manager requests the identification of all priority orders at the time the orders are entered.

The Senior Manager will pay out all designations.

THE MANAGER WILL ASSUME THAT ORDERS FOR THE SERIAL MATURITIES WITH THE SAME COUPON ON EITHER SIDE CAN BE FILLED IN 3/1 OR 9/1.

The compliance addendum MSRB Rule G-11 will apply.

Delivery is expected on Wednesday, April 28, 2021.

This issue is book entry only. This issue is clearing through DTC.

Jefferies LLC
Barclays Capital Inc.
J.P. Morgan Securities LLC
RBC Capital Markets
Morgan Stanley & Co. LLC
Piper Sandler & Co
Ramirez & Co., Inc.

By: Jefferies LLC New York, NY

Preliminary Wire 2021B

Texas Department of Housing and Community Affairs
Residential Mortgage Revenue Refunding Bonds
Series 2021 B (Taxable)
(Mortgage-Backed Securities Pass-Through Bonds)

POS URL: https://www.munios.com/munios-notice.aspx?i=EGXDJCclMkR1

WE HAVE A RELEASE. ORDERS WILL BE TAKEN UNTIL 11:30AM EASTERN.

*********************** ATTENTION **********************

THE BONDS ARE TAXABLE MUNICIPAL SECURITIES AND THIS OFFERING IS SUBJECT TO REGULATION BY THE MUNICIPAL SECURITIES RULEMAKING BOARD. ALL ACTIVITY UNDERTAKEN WITH RESPECT TO THIS OFFERING MUST BE SUPERVISED BY A MUNICIPAL SECURITIES PRINCIPAL.

MOODY'S:	Aaa	S&P:	AA+
FITCH:	NR	KROLL:	NR

DATED:04/28/2021   FIRST COUPON:05/01/2021

DUE: 07/01

ALL BONDS ARE PRICED AT PAR.

MATURITY	AMOUNT*	COUPON	ADD'L TAKEDOWN (Pts)
07/01/2042	61,369.927M	1.65%	

CALL FEATURES: Optional call in 01/01/2030 @ 100.00

Subject to special mandatory redemption and special optional redemption as described in
the Preliminary Official Statement on pages 6 to 11.

INTEREST ACCRUAL DATES: FIRST DAY OF EACH MONTH
INTEREST PAYMENT DATES: FIRST DAY OF EACH MONTH
PRINCIPAL PAYMENT DATES: FIRST DAY OF EACH MONTH
MINIMUM DENOMINATIONS: $1.00 OR ANY MULTIPLE THEREOF AT ORIGINAL ISSUANCE; THEREAFTER $1.00 OR ANY MULTIPLE THEREOF.

Average Life Information:

SIFMA Prepayment Model	Avg. Life Estimate
0%	11.4
50%	9.3
75%	8.4
100%	7.7
125%	7.0

150%	6.4
175%	5.9
200%	5.4
300%	4.0
400%	3.1
500%	2.5

DATA REGARDING THE 2021B TRANSFERRED MORTGAGE CERTIFICATES:
UNDERLYING MORTGAGE RATES (WAC): 4.926%
UNDERLYING PASS-THROUGH RATES (WEIGHTED AVERAGE): 4.426%
WEIGHTED AVERAGE REMAINING TERM (WAM): 238 MONTHS
HISTORICAL PREPAYMENT SPEEDS:
LIFETIME PSA: 222%
12 MONTH PSA: 250%
6 MONTH PSA: 221%

Please see Appendix H of the POS for more details on the 2021B Transferred Mortgage Certificates

* - APPROXIMATE SUBJECT TO CHANGE

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Jefferies LLC
Barclays Capital Inc.
J.P. Morgan Securities LLC
RBC Capital Markets
Morgan Stanley & Co. LLC
Piper Sandler & Co
Ramirez & Co., Inc.

By: Jefferies LLC New York, NY

Retail Wire 2021A

RE: $ 100,000,000*
Texas Department of Housing and Community Affairs
Residential Mortgage Revenue Bonds
Series 2021 A (Non-AMT)

POS URL: https://www.munios.com/munios-notice.aspx?i=EGXDJCclMkR1

WE HAVE A RELEASE FOR THE RETAIL ORDER PERIOD. ORDERS WILL BE TAKEN UNTIL 4:00PM EASTERN.

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THE RETAIL ALLOTMENTS ON ALL MATURITIES TO 50% OF THE AGGREGATE PAR VALUE OF SUCH MATURITIES AT THE FINAL PRICE.

MOODY'S:	Aaa	S&P:	AA+
FITCH:	NR	KROLL:	NR

DATED:04/28/2021   FIRST COUPON:07/01/2021

DUE: 01/01 & 07/01

MATURITY	AMOUNT*	COUPON	PRICE	ADD'L TAKEDOWN (Pts)
07/01/2022	585M	0.25%	100.00	1/4
01/01/2023	595M	0.30%	100.00	1/4
07/01/2023	600M	0.35%	100.00	1/4
01/01/2024	605M	0.45%	100.00	3/8
07/01/2024	615M	0.50%	100.00	3/8
01/01/2025	620M	0.60%	100.00	1/2
07/01/2025	625M	0.65%	100.00	1/2
01/01/2026	635M	0.75%	100.00	1/2
07/01/2026	640M	0.80%	100.00	1/2
01/01/2027	645M	5.00%	0.85	1/2
		(Approx. $ Price 122.943)		
07/01/2027	655M	5.00%	0.95	1/2
		(Approx. $ Price 124.232)		
01/01/2028	675M	5.00%	1.05	5/8
		(Approx. $ Price 125.397)		
07/01/2028	695M	5.00%	1.15	5/8
		(Approx. $ Price 126.440)		
01/01/2029	705M	5.00%	1.25	5/8
		(Approx. $ Price 127.360)		
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07/01/2030	750M	1.65%	100.00	5/8
01/01/2031	765M	1.80%	100.00	5/8
07/01/2031	775M	1.85%	100.00	5/8
01/01/2032	785M	1.95%	100.00	5/8
07/01/2032	795M	1.95%	100.00	5/8
01/01/2033	810M	2.00%	100.00	5/8
07/01/2033	825M	2.00%	100.00	5/8
07/01/2036	5,180M	2.10%	100.00	5/8

07/01/2041	9,770M	2.30%	100.00	5/8
07/01/2046	11,525M	2.45%	100.00	5/8
07/01/2051	13,465M	2.50%	100.00	5/8
01/01/2052 NO RETAIL	44,200M	3.00%	1.03	1/2

(Approx. $ Price 110.420)
(PAC)
(Avg. Life: 5.50 years over a range of 100.00 to 400.00% of PSA experience)
APPROXIMATE AVERAGE LIFE DATE: 10/23/2026

CALL FEATURES: Optional call in 01/01/2030 @ 100.00

EXCEPT: The PAC Term bonds are subject to redemption prior to maturity, in whole or in part at anytime and from time to time, on and after January 1, 2030, at the option of the
Department, at the redemption prices set forth below (expressed as a percentage of the principal amount to be redeemed):

Redemption Date	PAC Redemption Price
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July 1, 2030	100.153%
January 1,2031	100.068%
July 1, 2031	100.017%
January 1, 2032 and thereafter	100.000%

The Series 2021A bonds are subject to special, unexpended proceeds, excess revenues and
mandatory sinking fund redemption as more fully described in the Preliminary Official Statement beginning on page 6.

The Series 2021A premium serial bonds are not subject to special, excess or mandatory sinking fund redemption as described in the Preliminary Official Statement on pages 6 to
14.

Projected Weighted Average Life (in Years)

Series 2021A Bonds

SIFMA Prepayment Model	Term Bonds due 7/1/2036	Term Bonds due 7/1/2041	Term Bonds due 7/1/2046	Term Bonds due 7/1/2051	PAC Term Bonds Due 1/1/2052 (Optional Call not Exercised)	(Optional Call Exercised)
0%	13.9	18.0	23.0	27.9	16.9	7.9
50%	13.9	18.0	22.4	25.0	8.5	6.6
75%	13.9	17.4	20.5	21.9	6.6	5.9
100%	13.6	16.3	18.4	19.1	5.5	5.3
125%	12.5	14.5	16.0	16.2	5.5	5.3
150%	11.4	12.9	13.9	14.0	5.5	5.3
175%	10.4	11.5	12.2	12.2	5.5	5.3
200%	9.5	10.3	10.8	10.8	5.5	5.3
300%	6.6	6.9	6.9	6.9	5.5	5.3
400%	4.5	4.6	4.6	4.6	5.5	5.3
500%	4.5	4.5	4.4	4.4	4.1	4.0

Sinking Fund Schedule

2036 Term Bond

01/01/2034	835M
07/01/2034	850M
01/01/2035	855M
07/01/2035	865M
01/01/2036	880M
07/01/2036	895M

Sinking Fund Schedule

2041 Term Bond

01/01/2037	905M
07/01/2037	920M
01/01/2038	940M
07/01/2038	955M
01/01/2039	970M
07/01/2039	985M
01/01/2040	1,000M
07/01/2040	1,015M
01/01/2041	1,035M
07/01/2041	1,045M

Sinking Fund Schedule

2046 Term Bond

01/01/2042	1,065M
07/01/2042	1,090M
01/01/2043	1,105M
07/01/2043	1,125M
01/01/2044	1,145M
07/01/2044	1,160M
01/01/2045	1,180M
07/01/2045	1,200M
01/01/2046	1,220M
07/01/2046	1,235M

Sinking Fund Schedule

2051 Term Bond

01/01/2047	1,245M
07/01/2047	1,270M
01/01/2048	1,290M
07/01/2048	1,310M
01/01/2049	1,335M
07/01/2049	1,355M
01/01/2050	1,380M
07/01/2050	1,405M
01/01/2051	1,425M
07/01/2051	1,450M

Sinking Fund Schedule

2052 Term Bond

07/01/2022	460M
01/01/2023	460M

07/01/2023	465M
01/01/2024	470M
07/01/2024	475M
01/01/2025	480M
07/01/2025	485M
01/01/2026	490M
07/01/2026	495M
01/01/2027	505M
07/01/2027	520M
01/01/2028	530M
07/01/2028	535M
01/01/2029	555M
07/01/2029	570M
01/01/2030	575M
07/01/2030	585M
01/01/2031	590M
07/01/2031	600M
01/01/2032	605M
07/01/2032	615M
01/01/2033	625M
07/01/2033	630M
01/01/2034	640M
07/01/2034	650M
01/01/2035	665M
07/01/2035	675M
01/01/2036	685M
07/01/2036	695M
01/01/2037	705M
07/01/2037	715M
01/01/2038	725M
07/01/2038	735M
01/01/2039	745M
07/01/2039	755M
01/01/2040	770M
07/01/2040	780M
01/01/2041	790M
07/01/2041	805M
01/01/2042	815M
07/01/2042	820M
01/01/2043	835M
07/01/2043	845M
01/01/2044	860M
07/01/2044	875M
01/01/2045	885M
07/01/2045	900M
01/01/2046	915M
07/01/2046	935M
01/01/2047	955M
07/01/2047	970M
01/01/2048	985M
07/01/2048	1,000M
01/01/2049	1,015M
07/01/2049	1,030M
01/01/2050	1,045M
07/01/2050	1,060M
01/01/2051	1,080M
07/01/2051	1,095M
01/01/2052	1,425M

* - APPROXIMATE SUBJECT TO CHANGE

Order period until today 4:00 PM, Eastern, Tuesday, 03/30/21.
Please use Electronic Order Entry to enter orders or call (212) 336-7151.

The managers reserve the right to terminate or extend the order period prior to or later
than the above-mentioned time and date and to confirm bonds at their discretion.

PRIORITY OF ORDERS AS FOLLOWS:
1. Texas Retail
2. National Retail

A "RETAIL" ORDER IS DEFINED AS AN ORDER PLACED FOR THE ACCOUNT OF AN INDIVIDUAL, BANK TRUST, OR INVESTMENT ADVISOR ACTING ON BEHALF OF AN INDIVIDUAL, WITH A MAXIMUM OF $1,000,000 PER ACCOUNT, OR AT THE DISCRETION OF THE ISSUER, SOME LARGER AMOUNT. RETAIL ORDERS DO NOT INCLUDE BANK PORTFOLIOS, INSURANCE COMPANIES, BOND FUNDS OR MUNICIPALITIES.
ZIP CODES ARE REQUIRED WITH ALL RETAIL ORDERS.

THE MANAGER WILL ASSUME THAT ORDERS FOR THE SERIAL MATURITIES WITH THE SAME COUPON ON EITHER SIDE CAN BE FILLED IN 3/1 OR 9/1.

The compliance addendum MSRB Rule G-11 will apply.

Delivery is expected on Wednesday, April 28, 2021.

This issue is book entry only. This issue is clearing through DTC.

Jefferies LLC
Barclays Capital Inc.
J.P. Morgan Securities LLC
RBC Capital Markets
Morgan Stanley & Co. LLC
Piper Sandler & Co
Ramirez & Co., Inc.

By: Jefferies LLC New York, NY

Repricing Wire 2021A

RE: $ 100,000,000*
Texas Department of Housing and Community Affairs
Residential Mortgage Revenue Bonds
Series 2021 A (Non-AMT)

POS URL: https://www.munios.com/munios-notice.aspx?i=EGXDJCclMkR1

WE HAVE RECEIVED THE VERBAL AWARD. PLEASE NOTE REPRICING BELOW.

FOR ORDERS RECEIVED DURING THE RETAIL ORDER PERIOD, THE ISSUER RESERVES THE RIGHT TO LIMIT
THE RETAIL ALLOTMENTS ON ALL MATURITIES TO 50% OF THE AGGREGATE PAR VALUE OF SUCH
MATURITIES AT THE FINAL PRICE.

MOODY'S: Aaa S&P: AA+
FITCH: NR KROLL: NR

DATED:04/28/2021 FIRST COUPON:07/01/2021

DUE: 01/01 & 07/01

MATURITY	AMOUNT*	COUPON	PRICE	ADD'L TAKEDOWN (Pts)
07/01/2022	585M	0.25%	100.00	1/4
01/01/2023	595M	0.30%	100.00	1/4
07/01/2023	600M	0.35%	100.00	1/4
01/01/2024	605M	0.45%	100.00	3/8
07/01/2024	615M	0.50%	100.00	3/8
01/01/2025	620M	0.60%	100.00	1/2
07/01/2025	625M	0.65%	100.00	1/2
01/01/2026	635M	0.75%	100.00	1/2
07/01/2026	640M	0.80%	100.00	1/2
01/01/2027	645M	5.00%	0.85	1/2
		(Approx. $ Price 122.943)		
07/01/2027	655M	5.00%	0.95	1/2
		(Approx. $ Price 124.232)		
01/01/2028	675M	5.00%	1.05	5/8
		(Approx. $ Price 125.397)		
07/01/2028	695M	5.00%	1.15	5/8
		(Approx. $ Price 126.440)		
01/01/2029	705M	5.00%	1.25	5/8
		(Approx. $ Price 127.360)		
07/01/2029	720M	5.00%	1.35	5/8
		(Approx. $ Price 128.159)		
01/01/2030	740M	1.60%	100.00	5/8

07/01/2030	750M	1.65%	100.00	5/8
01/01/2031	765M	1.80%	100.00	5/8
07/01/2031	775M	1.85%	100.00	5/8
01/01/2032	785M	1.95%	100.00	5/8
07/01/2032	795M	1.95%	100.00	5/8
01/01/2033	810M	2.00%	100.00	5/8
07/01/2033	825M	2.00%	100.00	5/8
07/01/2036	5,180M	2.05%	100.00	5/8
07/01/2041	9,770M	2.25%	100.00	5/8
07/01/2046	11,525M	2.45%	100.00	5/8
07/01/2051	13,465M	2.50%	100.00	5/8
01/01/2052	44,200M	3.00%	1.03	1/2

(Approx. $ Price 110.420)
(PAC)
(Avg. Life: 5.50 years over a range of 100.00 to 400.00% of PSA experience)
APPROXIMATE AVERAGE LIFE DATE: 10/23/2026

CALL FEATURES: Optional call in 01/01/2030 @ 100.00

EXCEPT: The PAC Term bonds are subject to redemption prior to maturity, in whole or in part at anytime and from time to time, on and after January 1, 2030, at the option of the Department, at the redemption prices set forth below (expressed as a percentage of the principal amount to be redeemed):

Redemption Date	PAC Redemption Price
January 1, 2030	100.275%
July 1, 2030	100.153%
January 1,2031	100.068%
July 1, 2031	100.017%
January 1, 2032 and thereafter	100.000%

The Series 2021A bonds are subject to special, unexpended proceeds, excess revenues and mandatory sinking fund redemption as more fully described in the Preliminary Official Statement beginning on page 6.

The Series 2021A premium serial bonds are not subject to special, excess or mandatory sinking fund redemption as described in the Preliminary Official Statement on pages 6 to

14.

Projected Weighted Average Life (in Years)

Series 2021A Bonds

SIFMA Prepayment Model	Term Bonds due 7/1/2036	Term Bonds due 7/1/2041	Term Bonds due 7/1/2046	Term Bonds due 7/1/2051	PAC Term Bonds Due 1/1/2052 (Optional Call not Exercised)	PAC Term Bonds Due 1/1/2052 (Optional Call Exercised)
0%	13.9	18.0	23.0	27.9	16.9	7.9
50%	13.9	18.0	22.4	25.0	8.5	6.6
75%	13.9	17.4	20.5	21.9	6.6	5.9
100%	13.6	16.3	18.4	19.1	5.5	5.3
125%	12.5	14.5	16.0	16.2	5.5	5.3
150%	11.4	12.9	13.9	14.0	5.5	5.3
175%	10.4	11.5	12.2	12.2	5.5	5.3
200%	9.5	10.3	10.8	10.8	5.5	5.3
300%	6.6	6.9	6.9	6.9	5.5	5.3
400%	4.5	4.6	4.6	4.6	5.5	5.3
500%	4.5	4.5	4.4	4.4	4.1	4.0

Sinking Fund Schedule

2036 Term Bond

01/01/2034	835M
07/01/2034	850M
01/01/2035	855M
07/01/2035	865M
01/01/2036	880M
07/01/2036	895M

Sinking Fund Schedule

2041 Term Bond

01/01/2037	905M
07/01/2037	920M
01/01/2038	940M
07/01/2038	955M
01/01/2039	970M
07/01/2039	985M
01/01/2040	1,000M
07/01/2040	1,015M
01/01/2041	1,035M
07/01/2041	1,045M

Sinking Fund Schedule

2046 Term Bond

01/01/2042	1,065M
07/01/2042	1,090M
01/01/2043	1,105M
07/01/2043	1,125M
01/01/2044	1,145M
07/01/2044	1,160M
01/01/2045	1,180M
07/01/2045	1,200M
01/01/2046	1,220M
07/01/2046	1,235M

Sinking Fund Schedule

2051 Term Bond

01/01/2047	1,245M
07/01/2047	1,270M
01/01/2048	1,290M
07/01/2048	1,310M
01/01/2049	1,335M
07/01/2049	1,355M
01/01/2050	1,380M
07/01/2050	1,405M
01/01/2051	1,425M
07/01/2051	1,450M

Sinking Fund Schedule

2052 Term Bond

07/01/2022	460M
01/01/2023	460M
07/01/2023	465M
01/01/2024	470M
07/01/2024	475M
01/01/2025	480M
07/01/2025	485M
01/01/2026	490M
07/01/2026	495M
01/01/2027	505M
07/01/2027	520M
01/01/2028	530M
07/01/2028	535M
01/01/2029	555M
07/01/2029	570M
01/01/2030	575M
07/01/2030	585M
01/01/2031	590M
07/01/2031	600M
01/01/2032	605M
07/01/2032	615M
01/01/2033	625M

07/01/2033	630M
01/01/2034	640M
07/01/2034	650M
01/01/2035	665M
07/01/2035	675M
01/01/2036	685M
07/01/2036	695M
01/01/2037	705M
07/01/2037	715M
01/01/2038	725M
07/01/2038	735M
01/01/2039	745M
07/01/2039	755M
01/01/2040	770M
07/01/2040	780M
01/01/2041	790M
07/01/2041	805M
01/01/2042	815M
07/01/2042	820M
01/01/2043	835M
07/01/2043	845M
01/01/2044	860M
07/01/2044	875M
01/01/2045	885M
07/01/2045	900M
01/01/2046	915M
07/01/2046	935M
01/01/2047	955M
07/01/2047	970M
01/01/2048	985M
07/01/2048	1,000M
01/01/2049	1,015M
07/01/2049	1,030M
01/01/2050	1,045M
07/01/2050	1,060M
01/01/2051	1,080M
07/01/2051	1,095M
01/01/2052	1,425M

* - APPROXIMATE SUBJECT TO CHANGE

PRIORITY OF ORDERS AS FOLLOWS:
1. Net Designated
(Exception: If an investor is affiliated with a syndicate member and that syndicate member may not be compensated for the investor's order, the investor will not be required to designate that syndicate member.)
2. Member

PRIORITY POLICY:

At least 3 firm(s) must be designated.

No firm may receive more than 55.00% of any designation.

Each designee must receive a minimum of 5.00% for each priority order.

The Senior Manager requests the identification of all priority orders at the time the
orders are entered.

The Senior Manager will pay out all designations.

THE MANAGER WILL ASSUME THAT ORDERS FOR THE SERIAL MATURITIES WITH THE SAME COUPON ON
EITHER SIDE CAN BE FILLED IN 3/1 OR 9/1.

The compliance addendum MSRB Rule G-11 will apply.

Delivery is expected on Wednesday, April 28, 2021.

This issue is book entry only. This issue is clearing through DTC.

Jefferies LLC
Barclays Capital Inc.
J.P. Morgan Securities LLC
RBC Capital Markets
Morgan Stanley & Co. LLC
Piper Sandler & Co
Ramirez & Co., Inc.

By: Jefferies LLC New York, NY

Repricing Wire 2021B

RE: $ 61,369,927*
Texas Department of Housing and Community Affairs
Residential Mortgage Revenue Refunding Bonds
Series 2021 B (Taxable)
(Mortgage-Backed Securities Pass-Through Bonds)

POS URL: https://www.munios.com/munios-notice.aspx?i=EGXDJCclMkR1

WE HAVE RECEIVED THE VERBAL AWARD. PLEASE NOTE REPRICING BELOW.

********************** ATTENTION *********************

THE BONDS ARE TAXABLE MUNICIPAL SECURITIES AND THIS OFFERING IS SUBJECT TO REGULATION BY THE MUNICIPAL SECURITIES RULEMAKING BOARD. ALL ACTIVITY UNDERTAKEN WITH RESPECT TO THIS OFFERING MUST BE SUPERVISED BY A MUNICIPAL SECURITIES PRINCIPAL.

MOODY'S: Aaa   S&P: AA+
FITCH: NR   KROLL: NR

DATED:04/28/2021   FIRST COUPON:05/01/2021

DUE: 07/01

ALL BONDS ARE PRICED AT PAR.

MATURITY	AMOUNT*	COUPON	ADD'L TAKEDOWN (Pts)
07/01/2042	61,369.927M	1.70%	1/2

CALL FEATURES: Optional call in 01/01/2030 @ 100.00

Subject to special mandatory redemption and special optional redemption as described in
the Preliminary Official Statement on pages 6 to 11.

INTEREST ACCRUAL DATES: FIRST DAY OF EACH MONTH
INTEREST PAYMENT DATES: FIRST DAY OF EACH MONTH
PRINCIPAL PAYMENT DATES: FIRST DAY OF EACH MONTH
MINIMUM DENOMINATIONS: $1.00 OR ANY MULTIPLE THEREOF AT ORIGINAL ISSUANCE;
THEREAFTER

$1.00 OR ANY MULTIPLE THEREOF.

Average Life Information:

SIFMA Prepayment Model	Avg. Life Estimate
0%	11.4
50%	9.3
75%	8.4
100%	7.7
125%	7.0
150%	6.4
175%	5.9
200%	5.4
300%	4.0
400%	3.1
500%	2.5

DATA REGARDING THE 2021B TRANSFERRED MORTGAGE CERTIFICATES:
UNDERLYING MORTGAGE RATES (WAC): 4.926%
UNDERLYING PASS-THROUGH RATES (WEIGHTED AVERAGE): 4.426%
WEIGHTED AVERAGE REMAINING TERM (WAM): 238 MONTHS
HISTORICAL PREPAYMENT SPEEDS:
LIFETIME PSA: 222%
12 MONTH PSA: 250%
6 MONTH PSA: 221%

Please see Appendix H of the POS for more details on the 2021B Transferred Mortgage Certificates

* - APPROXIMATE SUBJECT TO CHANGE

PRIORITY OF ORDERS AS FOLLOWS:
1. Net Designated
(Exception: If an investor is affiliated with a syndicate member and that syndicate member may not be compensated for the investor's order, the investor will not be required to designate that syndicate member.)
2. Member

PRIORITY POLICY:

At least 3 firm(s) must be designated.

No firm may receive more than 55.00% of any designation.

Each designee must receive a minimum of 5.00% for each priority order.

The Senior Manager requests the identification of all priority orders at the time the
orders are entered.

The Senior Manager will pay out all designations.

The compliance addendum MSRB Rule G-11 will apply.

Delivery is expected on Wednesday, April 28, 2021.

This issue is book entry only. This issue is clearing through DTC.

Jefferies LLC
Barclays Capital Inc.
J.P. Morgan Securities LLC
RBC Capital Markets
Morgan Stanley & Co. LLC
Piper Sandler & Co
Ramirez & Co., Inc.

By: Jefferies LLC New York, NY

Final Pricing Wire 2021A

RE: $ 100,000,000
Texas Department of Housing and Community Affairs
Residential Mortgage Revenue Bonds
Series 2021 A (Non-AMT)

POS URL: https://www.munios.com/munios-notice.aspx?i=EGXDJCclMkR1

WE HAVE RECEIVED THE WRITTEN AWARD. TRADE TIME IS SET FOR 1:15PM EASTERN.

FOR ORDERS RECEIVED DURING THE RETAIL ORDER PERIOD, THE ISSUER RESERVES THE RIGHT TO LIMIT
THE RETAIL ALLOTMENTS ON ALL MATURITIES TO 50% OF THE AGGREGATE PAR VALUE OF SUCH MATURITIES AT THE FINAL PRICE.

MOODY'S: Aaa S&P: AA+
FITCH: NR KROLL: NR

DATED:04/28/2021 FIRST COUPON:07/01/2021

DUE: 01/01 & 07/01

INITIAL TRADE DATE: 04/01/2021 @ 1:15PM Eastern

MATURITY	AMOUNT	COUPON	PRICE	ADD'L TAKEDOWN (Pts)	CUSIP
07/01/2022	585M	0.25%	100.00	1/4	882750PM8
01/01/2023	595M	0.30%	100.00	1/4	882750PN6
07/01/2023	600M	0.35%	100.00	1/4	882750PP1
01/01/2024	605M	0.45%	100.00	3/8	882750PQ9
07/01/2024	610M	0.50%	100.00	3/8	882750PR7
01/01/2025	620M	0.60%	100.00	1/2	882750PS5
07/01/2025	630M	0.65%	100.00	1/2	882750PT3
01/01/2026	635M	0.75%	100.00	1/2	882750PU0
07/01/2026	645M	0.80%	100.00	1/2	882750PV8
01/01/2027	645M	5.00%	0.85	1/2	882750PW6
		(Approx. $ Price 122.943)			
07/01/2027	665M	5.00%	0.95	1/2	882750PX4
		(Approx. $ Price 124.232)			
01/01/2028	675M	5.00%	1.05	5/8	882750PY2
		(Approx. $ Price 125.397)			
07/01/2028	705M	5.00%	1.15	5/8	882750PZ9
		(Approx. $ Price 126.440)			
01/01/2029	705M	5.00%	1.25	5/8	882750QA3
		(Approx. $ Price 127.360)			
07/01/2029	720M	5.00%	1.35	5/8	882750QB1
		(Approx. $ Price 128.159)			
01/01/2030	750M	1.60%	100.00	5/8	882750QC9
07/01/2030	755M	1.65%	100.00	5/8	882750QD7
01/01/2031	770M	1.80%	100.00	5/8	882750QE5
07/01/2031	780M	1.85%	100.00	5/8	882750QF2
01/01/2032	795M	1.95%	100.00	5/8	882750QG0
07/01/2032	805M	1.95%	100.00	5/8	882750QH8
01/01/2033	815M	2.00%	100.00	5/8	882750QJ4
07/01/2033	830M	2.00%	100.00	5/8	882750QK1

07/01/2036	5,215M	2.05%	100.00	5/8	882750QL9
07/01/2041	9,815M	2.25%	100.00	5/8	882750QM7
07/01/2046	11,555M	2.45%	100.00	5/8	882750QN5
07/01/2051	13,475M	2.50%	100.00	5/8	882750QP0
01/01/2052	44,000M	3.00%	110.37	1/2	882750QQ8

(Approx. Yield 1.030)
(PAC)
(Avg. Life: 5.50 years over a range of 100.00 to 400.00% of PSA experience)
APPROXIMATE AVERAGE LIFE DATE: 10/13/2026

CALL FEATURES: Optional call in 01/01/2030 @ 100.00

EXCEPT: The PAC Term bonds are subject to redemption prior to maturity, in whole or in part at anytime and from time to time, on and after January 1, 2030, at the option of the
Department, at the redemption prices set forth below (expressed as a percentage of the principal amount to be redeemed):

Redemption Date	PAC Redemption Price
January 1, 2030	100.262%
July 1, 2030	100.142%
January 1,2031	100.060%
July 1, 2031	100.014%
January 1, 2032 and thereafter	100.000%

The Series 2021A bonds are subject to special, unexpended proceeds, excess revenues and
mandatory sinking fund redemption as more fully described in the Preliminary Official Statement beginning on page 6.

The Series 2021A premium serial bonds are not subject to special, excess or mandatory sinking fund redemption as described in the Preliminary Official Statement on pages 6 to
14.

Projected Weighted Average Life (in Years)

Series 2021A Bonds

SIFMA Prepayment Model	Term Bonds due 7/1/2036	Term Bonds due 7/1/2041	Term Bonds due 7/1/2046	Term Bonds due 7/1/2051	PAC Term Bonds Due 1/1/2052 (Optional Call not Exercised)	(Optional Call Exercised)
0%	13.9	18.0	23.0	27.9	16.9	7.9
50%	13.9	18.0	22.4	25.0	8.4	6.5
75%	13.9	17.4	20.5	21.8	6.6	5.9
100%	13.6	16.2	18.4	19.0	5.5	5.3
125%	12.5	14.4	16.0	16.2	5.5	5.3
150%	11.3	12.9	13.9	14.0	5.5	5.3
175%	10.4	11.5	12.2	12.2	5.5	5.3
200%	9.5	10.3	10.8	10.7	5.5	5.3
300%	6.6	6.9	6.9	6.9	5.5	5.3
400%	4.6	4.6	4.6	4.6	5.5	5.3
500%	4.5	4.4	4.4	4.4	4.1	4.0

Sinking Fund Schedule

2036 Term Bond

01/01/2034	840M
07/01/2034	855M
01/01/2035	860M
07/01/2035	875M
01/01/2036	885M
07/01/2036	900M

Sinking Fund Schedule

2041 Term Bond

01/01/2037	915M
07/01/2037	925M
01/01/2038	945M
07/01/2038	960M
01/01/2039	975M
07/01/2039	990M
01/01/2040	1,000M
07/01/2040	1,020M
01/01/2041	1,035M
07/01/2041	1,050M

Sinking Fund Schedule

2046 Term Bond

01/01/2042	1,070M
07/01/2042	1,095M
01/01/2043	1,110M
07/01/2043	1,130M
01/01/2044	1,145M
07/01/2044	1,160M
01/01/2045	1,185M
07/01/2045	1,205M
01/01/2046	1,220M
07/01/2046	1,235M

Sinking Fund Schedule

2051 Term Bond

01/01/2047	1,250M
07/01/2047	1,270M
01/01/2048	1,290M
07/01/2048	1,315M
01/01/2049	1,335M
07/01/2049	1,355M
01/01/2050	1,380M
07/01/2050	1,405M
01/01/2051	1,425M
07/01/2051	1,450M

Sinking Fund Schedule

2052 Term Bond

07/01/2022	465M
01/01/2023	465M
07/01/2023	470M
01/01/2024	475M
07/01/2024	480M
01/01/2025	485M
07/01/2025	485M
01/01/2026	490M
07/01/2026	495M
01/01/2027	505M
07/01/2027	515M
01/01/2028	530M
07/01/2028	530M
01/01/2029	555M
07/01/2029	570M
01/01/2030	570M
07/01/2030	585M
01/01/2031	585M
07/01/2031	595M
01/01/2032	600M
07/01/2032	610M
01/01/2033	620M
07/01/2033	625M
01/01/2034	635M
07/01/2034	645M
01/01/2035	660M
07/01/2035	670M
01/01/2036	680M
07/01/2036	690M
01/01/2037	700M
07/01/2037	710M
01/01/2038	720M
07/01/2038	730M
01/01/2039	740M
07/01/2039	750M
01/01/2040	765M
07/01/2040	775M
01/01/2041	785M
07/01/2041	800M
01/01/2042	810M
07/01/2042	815M
01/01/2043	830M
07/01/2043	840M
01/01/2044	855M
07/01/2044	870M
01/01/2045	880M
07/01/2045	895M
01/01/2046	910M
07/01/2046	930M
01/01/2047	950M
07/01/2047	965M
01/01/2048	980M
07/01/2048	995M
01/01/2049	1,010M
07/01/2049	1,025M
01/01/2050	1,040M
07/01/2050	1,055M
01/01/2051	1,075M
07/01/2051	1,090M
01/01/2052	1,420M

PRIORITY OF ORDERS AS FOLLOWS:
1. Net Designated
(Exception: If an investor is affiliated with a syndicate member and that syndicate member may not be compensated for the investor's order, the investor will not be required
to designate that syndicate member.)
2. Member

PRIORITY POLICY:

At least 3 firm(s) must be designated.

No firm may receive more than 55.00% of any designation.

Each designee must receive a minimum of 5.00% for each priority order.

The Senior Manager requests the identification of all priority orders at the time the orders are entered.

The Senior Manager will pay out all designations.

THE MANAGER WILL ASSUME THAT ORDERS FOR THE SERIAL MATURITIES WITH THE SAME COUPON ON EITHER SIDE CAN BE FILLED IN 1/1 OR 7/1.

The compliance addendum MSRB Rule G-11 will apply.

The Award is final for Thursday, April 1, 2021 at 10:44AM Eastern .

Delivery is firm for Wednesday, April 28, 2021.

This issue is book entry only. This issue is clearing through DTC.

Award: 04/01/2021
Award Time: 10:44AM Eastern
Delivery: 04/28/2021 (Firm)
Initial trade: 04/01/2021
Date of Execution: 04/01/2021
Time of Execution: 1:15PM Eastern

Jefferies LLC
Barclays Capital Inc.
J.P. Morgan Securities LLC
RBC Capital Markets
Morgan Stanley & Co. LLC
Piper Sandler & Co
Ramirez & Co., Inc.

By: Jefferies LLC New York, NY

Final Pricing Wire 2021B

RE: $ 61,369,927
Texas Department of Housing and Community Affairs
Residential Mortgage Revenue Refunding Bonds
Series 2021 B (Taxable)
(Mortgage-Backed Securities Pass-Through Bonds)

POS URL: https://www.munios.com/munios-notice.aspx?i=EGXDJCclMkR1

WE HAVE RECEIVED THE WRITTEN AWARD. TRADE TIME IS SET FOR 1:15PM EASTERN.

********************** ATTENTION **********************
THE BONDS ARE TAXABLE MUNICIPAL SECURITIES AND THIS OFFERING IS SUBJECT TO REGULATION BY THE MUNICIPAL SECURITIES RULEMAKING BOARD. ALL ACTIVITY UNDERTAKEN WITH RESPECT TO THIS OFFERING MUST BE SUPERVISED BY A MUNICIPAL SECURITIES PRINCIPAL.

MOODY'S: Aaa S&P: AA+
FITCH: NR KROLL: NR

DATED:04/28/2021 FIRST COUPON:05/01/2021

DUE: 07/01

INITIAL TRADE DATE: 04/01/2021 @ 1:15PM Eastern

ALL BONDS ARE PRICED AT PAR.

MATURITY	AMOUNT	COUPON	ADD'L TAKEDOWN (Pts)	CUSIP
07/01/2042	61,369.927M	1.70%	1/2	882750QR6

CALL FEATURES: Optional call in 01/01/2030 @ 100.00

Subject to special mandatory redemption and special optional redemption as described in
the Preliminary Official Statement on pages 6 to 11.

INTEREST ACCRUAL DATES: FIRST DAY OF EACH MONTH
INTEREST PAYMENT DATES: FIRST DAY OF EACH MONTH
PRINCIPAL PAYMENT DATES: FIRST DAY OF EACH MONTH
MINIMUM DENOMINATIONS: $1.00 OR ANY MULTIPLE THEREOF AT ORIGINAL ISSUANCE; THEREAFTER $1.00 OR ANY MULTIPLE THEREOF.

Average Life Information:

SIFMA Prepayment Model	Avg. Life Estimate
0%	11.4
50%	9.3
75%	8.4

100%	7.7
125%	7.0
150%	6.4
175%	5.9
200%	5.4
300%	4.0
400%	3.1
500%	2.5

DATA REGARDING THE 2021B TRANSFERRED MORTGAGE CERTIFICATES:
UNDERLYING MORTGAGE RATES (WAC): 4.926%
UNDERLYING PASS-THROUGH RATES (WEIGHTED AVERAGE): 4.426%
WEIGHTED AVERAGE REMAINING TERM (WAM): 238 MONTHS
HISTORICAL PREPAYMENT SPEEDS:
LIFETIME PSA: 222%
12 MONTH PSA: 250%
6 MONTH PSA: 221%

Please see Appendix H of the POS for more details on the 2021B Transferred Mortgage Certificates

PRIORITY OF ORDERS AS FOLLOWS:
1. Net Designated
(Exception: If an investor is affiliated with a syndicate member and that syndicate member may not be compensated for the investor's order, the investor will not be required to designate that syndicate member.)
2. Member

PRIORITY POLICY:

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Jefferies LLC
Barclays Capital Inc.
J.P. Morgan Securities LLC
RBC Capital Markets
Morgan Stanley & Co. LLC
Piper Sandler & Co
Ramirez & Co., Inc.

By: Jefferies LLC New York, NY

3. Financing Results

Summary of Results

Summary of Results - 2021A

Market Bonds	**$100,000,000**	
Bond Retail Pricing	**3/30/2021**	
Bond Pricing Date	**3/31/2021**	
Sign BPA	**4/1/2021**	
Delivery Date	**3/19/2019**	
Rating Reports	**Moody's**	**Aaa**
	S&P	**AA+**

Maturity	Principal	Coupon	Price	Premium	Yield
Serial Bonds					
7/1/2022	$585,000	0.250%	100.000%	-	0.250%
1/1/2023	$595,000	0.300%	100.000%	-	0.300%
7/1/2023	$600,000	0.350%	100.000%	-	0.350%
1/1/2024	$605,000	0.345%	100.000%	-	0.345%
7/1/2024	$610,000	0.500%	100.000%	-	0.500%
1/1/2025	$620,000	0.600%	100.000%	-	0.600%
7/1/2025	$630,000	0.650%	100.000%	-	0.650%
1/1/2026	$635,000	0.750%	100.000%	-	0.750%
7/1/2026	$645,000	0.800%	100.000%	-	0.800%
1/1/2030	$750,000	1.600%	100.000%	-	1.600%
7/1/2030	$755,000	1.650%	100.000%	-	1.650%
1/1/2031	$770,000	1.800%	100.000%	-	1.800%
7/1/2031	$780,000	1.850%	100.000%	-	1.850%
1/1/2032	$795,000	1.950%	100.000%	-	1.950%
7/1/2032	$805,000	1.950%	100.000%	-	1.950%
1/1/2033	$815,000	2.000%	100.000%	-	2.000%
7/1/2033	$830,000	2.000%	100.000%	-	2.000%
Premium Serial Bonds					
1/1/2027	$645,000	5.000%	122.943%	147,981.35	0.850%
7/1/2027	$665,000	5.000%	124.232%	161,142.80	0.950%
1/1/2028	$675,000	5.000%	125.397%	171,429.75	1.050%
7/1/2028	$705,000	5.000%	126.440%	186,402.00	1.150%
1/1/2029	$705,000	5.000%	127.360%	192,888.00	1.250%
7/1/2029	$720,000	5.000%	128.159%	202,744.80	1.350%
Term Bonds					
7/1/2036	$5,215,000	2.050%	100.000%	-	2.050%
7/1/2041	$9,815,000	2.250%	100.000%	-	2.250%
7/1/2046	$11,555,000	2.450%	100.000%	-	2.450%
7/1/2051	$13,475,000	2.500%	100.000%	-	2.500%
1/1/2052	$44,000,000	3.000%	110.370%	4,562,800.00	1.030%
TOTAL	**$100,000,000**				

Summary of Results - 2021B					
Market Bonds		**$61,369,927**			
Bond Pricing Date		**3/30/2021**			
Sign BPA		**3/31/2021**			
Delivery Date		**4/1/2021**			
Rating Reports		**Moody's**	**Aaa**		
		S&P	**AA+**		

Term Bonds					
7/1/2042	$61,369,927	1.700%	100.000%	-	1.700%
TOTAL	**$61,369,927**				

Pricing Progression

Texas Department of Housing and Community Affairs
Residential Mortgage Revenue Bonds
Series 2021A
$100,000,000

Maturity	Principal	Coupon	MMD	Pre-marketing	Final Pricing
Serial Bonds					
7/1/2022	$585,000	0.250%	0.100%	+ 20	+ 15
1/1/2023	$595,000	0.300%	0.130%	+ 22	+ 17
7/1/2023	$600,000	0.350%	0.170%	+ 23	+ 18
1/1/2024	$605,000	0.345%	0.250%	+ 25	+ 10
7/1/2024	$610,000	0.500%	0.290%	+ 26	+ 21
1/1/2025	$620,000	0.600%	0.380%	+ 27	+ 22
7/1/2025	$630,000	0.650%	0.410%	+ 29	+ 24
1/1/2026	$635,000	0.750%	0.490%	+ 26	+ 26
7/1/2026	$645,000	0.800%	0.530%	+ 27	+ 27
1/1/2030	$750,000	1.600%	1.020%	+ 63	+ 58
7/1/2030	$755,000	1.650%	1.060%	+ 64	+ 59
1/1/2031	$770,000	1.800%	1.100%	+ 75	+ 70
7/1/2031	$780,000	1.850%	1.140%	+ 76	+ 71
1/1/2032	$795,000	1.950%	1.160%	+ 79	+ 79
7/1/2032	$805,000	1.950%	1.180%	+ 82	+ 77
1/1/2033	$815,000	2.000%	1.200%	+ 85	+ 80
7/1/2033	$830,000	2.000%	1.230%	+ 82	+ 77
Premium Serial Bonds					
1/1/2027	$645,000	5.000%	0.540%	+ 31	+ 31
7/1/2027	$665,000	5.000%	0.540%	+ 41	+ 41
1/1/2028	$675,000	5.000%	0.540%	+ 51	+ 51
7/1/2028	$705,000	5.000%	0.540%	+ 61	+ 61
1/1/2029	$705,000	5.000%	0.540%	+ 71	+ 71
7/1/2029	$720,000	5.000%	0.540%	+ 81	+ 81
Term Bonds					
7/1/2036	$5,215,000	2.050%	1.350%	+ 75	+ 70
7/1/2041	$9,815,000	2.250%	1.550%	+ 75	+ 70
7/1/2046	$11,555,000	2.450%	1.700%	+ 75	+ 75
7/1/2051	$13,475,000	2.500%	1.750%	+ 75	+ 75
1/1/2052	$44,000,000	3.000%	0.540%	+ 49	+ 49
TOTAL	**$100,000,000**				

Texas Department of Housing and Community Affairs
Residential Mortgage Revenue Bonds
Series 2021B
$100,000,000

Term Bond					
Maturity	**Principal**	**Coupon**	**UST**	**Pre-marketing**	**Final Pricing**
7/1/2042	$61,370	1.700%	0.900%	+ 75	+ 80
TOTAL	**$61,370**				

Pricing Comparisons

Non-AMT Housing Transactions Priced During the Week of March 22nd

Rhode Island Housing and Mortgage Finance Corporation
Homeownership Opportunity Bonds
Series 74 (Social Bonds)
3/25/2021
Aa1 I AA+ I NR
Non-AMT
$135,060,000
Optional call in 4/1/2030 @100.00

Maturity	Par	Coupon	Yield	MMD	Spread
4/1/2022	3,310	5.000	0.120	0.09	**+ 3**
10/1/2022	2,265	5.000	0.200	0.11	**+ 9**
4/1/2023	2,310	5.000	0.250	0.15	**+ 10**
10/1/2023	2,350	5.000	0.300	0.19	**+ 11**
4/1/2024	2,395	5.000	0.340	0.27	**+ 7**
10/1/2024	2,440	5.000	0.400	0.31	**+ 9**
4/1/2025	2,480	5.000	0.500	0.39	**+ 11**
10/1/2025	2,520	5.000	0.550	0.42	**+ 13**
4/1/2026	2,570	5.000	0.650	0.51	**+ 14**
10/1/2026	2,610	5.000	0.700	0.53	**+ 17**
4/1/2027	2,660	5.000	0.790	0.63	**+ 16**
10/1/2027	2,710	5.000	0.900	0.68	**+ 22**
4/1/2028	2,755	5.000	1.000	0.77	**+ 23**
10/1/2028	2,770	1.300	1.300	0.82	**+ 48**
4/1/2029	2,750	1.400	1.400	0.91	**+ 49**
10/1/2029	2,705	1.500	1.500	0.95	**+ 55**
4/1/2030	2,685	1.650	1.650	1.03	**+ 62**
10/1/2030	2,715	1.700	1.700	1.07	**+ 63**
4/1/2031	2,745	1.850	1.850	1.11	**+ 74**
10/1/2031	2,760	1.900	1.900	1.14	**+ 76**
4/1/2032	2,700	1.950	1.950	1.16	**+ 79**
10/1/2032	2,560	2.000	2.000	1.18	**+ 82**
4/1/2033	2,370	2.050	2.050	1.20	**+ 85**
10/1/2033	2,225	2.050	2.050	1.23	**+ 82**
10/1/2036	13,390	2.125	2.125	1.34	**+ 79**
10/1/2041	23,480	2.350	2.350	1.54	**+ 81**
4/1/2043	5,660	2.450	2.450	1.62	**+ 83**
4/1/2049	30,170	3.000	1.000	0.51	**+ 49**

PAC Avg. Life 5.0 yrs. over range of 100-500% PSA @ 3.00% coupon

Ohio Housing Finance Agency
Residential Mortgage Revenue Bonds (MBS Program)
2021 Series A (Social Bonds)
3/24/2021
Aaa I NR I NR
Non-AMT
$140,000,000
Optional call in 3/1/2030 @100.00

Maturity	Par	Coupon	Yield	MMD	Spread
3/1/2022	805	0.200	0.200	0.11	**+ 9**
9/1/2022	885	0.250	0.250	0.13	**+ 12**
3/1/2023	900	0.300	0.300	0.16	**+ 14**
9/1/2023	910	0.350	0.350	0.20	**+ 15**
3/1/2024	930	0.450	0.450	0.28	**+ 17**
9/1/2024	945	0.500	0.500	0.33	**+ 17**
3/1/2025	965	5.000	0.600	0.41	**+ 19**
9/1/2025	975	5.000	0.650	0.44	**+ 21**
3/1/2026	995	5.000	0.750	0.52	**+ 23**
9/1/2026	1,010	5.000	0.800	0.55	**+ 25**
3/1/2027	1,030	5.000	0.950	0.64	**+ 31**
9/1/2027	1,045	5.000	1.000	0.70	**+ 30**
3/1/2028	1,065	5.000	1.150	0.78	**+ 37**
9/1/2028	1,080	5.000	1.200	0.84	**+ 36**
3/1/2029	1,095	5.000	1.400	0.92	**+ 48**
9/1/2029	1,120	5.000	1.450	0.97	**+ 48**
3/1/2030	1,135	5.000	1.500	1.05	**+ 45**
9/1/2030	1,160	1.700	1.700	1.08	**+ 62**
3/1/2031	1,175	1.800	1.800	1.13	**+ 67**
9/1/2031	1,195	1.850	1.850	1.16	**+ 69**
3/1/2032	1,215	1.950	1.950	1.18	**+ 77**
9/1/2032	1,240	1.950	1.950	1.20	**+ 75**
3/1/2033	1,255	2.000	2.000	1.22	**+ 78**
9/1/2033	1,275	2.000	2.000	1.25	**+ 75**
9/1/2036	8,135	2.050	2.050	1.36	**+ 69**
9/1/2041	15,510	2.250	2.250	1.56	**+ 69**
9/1/2046	18,340	2.400	2.400	1.71	**+ 69**
9/1/2051	21,490	2.450	2.450	1.76	**+ 69**
3/1/2052	51,120	3.000	1.000	0.53	**+ 47**

PAC Avg. Life 5.0 yrs. over range of 100-400% PSA @ 3.00% coupon

New York State Housing Finance Agency
Affordable Housing Revenue Bonds
2021 Series A (Climate Bond Certified/Sustainability Bonds)
3/24/2021
Aa2 I NR I NR
Non-AMT
$26,385,000
Optional call in 11/1/2030 @ 100.00

Maturity	Par	Coupon	Yield	MMD	Spread
5/1/2024	75	0.450	0.450	0.29	**+ 16**
11/1/2024	105	0.500	0.500	0.34	**+ 16**
5/1/2025	105	0.650	0.650	0.42	**+ 23**
11/1/2025	105	0.700	0.700	0.45	**+ 25**
11/1/2025*	17,840	0.750	0.750	0.45	**+ 30**
5/1/2026	105	0.800	0.800	0.53	**+ 27**
11/1/2026	105	0.900	0.900	0.56	**+ 34**
5/1/2027	105	1.000	1.000	0.66	**+ 34**
11/1/2027	105	1.100	1.100	0.71	**+ 39**
5/1/2028	105	1.200	1.200	0.80	**+ 40**
11/1/2028	110	1.300	1.300	0.85	**+ 45**
5/1/2029	110	1.350	1.350	0.93	**+ 42**
11/1/2029	110	1.450	1.450	0.98	**+ 47**
5/1/2030	110	1.600	1.600	1.06	**+ 54**
11/1/2030	110	1.700	1.700	1.09	**+ 61**
5/1/2031	110	1.850	1.850	1.14	**+ 71**
11/1/2031	115	1.900	1.900	1.17	**+ 73**
5/1/2032	115	1.950	1.950	1.19	**+ 76**
11/1/2032	115	2.000	2.000	1.21	**+ 79**
5/1/2033	115	2.050	2.050	1.23	**+ 82**
11/1/2033	120	2.100	2.100	1.26	**+ 84**
11/1/2036	740	2.150	2.150	1.36	**+ 79**
11/1/2041	1,365	2.350	2.350	1.56	**+ 79**
11/1/2046	1,560	2.500	2.500	1.71	**+ 79**
11/1/2051	1,800	2.600	2.600	1.76	**+ 84**
11/1/2053	925	2.650	2.650	1.76	**+ 89**

*11/1/2025 Optional call in 10/1/2023 @ 100.00

Jefferies

Non-AMT Housing Transactions Priced During the Week of March 22nd *(continued)*

New York State Housing Finance Agency
Affordable Housing Revenue Bonds
2021 Series B (Sustainability Bonds)
3/24/2021
Aa2 I NR I NR
Non-AMT
$46,660,000
Optional call in 11/1/2030 @ 100.00

11/1/2022	85	0.200	0.200	0.13	**+ 7**
5/1/2023	100	0.300	0.300	0.17	**+ 13**
11/1/2023	205	0.400	0.400	0.21	**+ 19**
5/1/2024	230	0.450	0.450	0.29	**+ 16**
5/1/2024*	10,865	0.500	0.500	0.29	**+ 21**
11/1/2024	230	0.500	0.500	0.34	**+ 16**
11/1/2024**	17,070	0.550	0.550	0.34	**+ 21**
5/1/2025	230	0.650	0.650	0.42	**+ 23**
11/1/2025	230	0.700	0.700	0.45	**+ 25**
5/1/2026	235	0.800	0.800	0.53	**+ 27**
11/1/2026	235	0.900	0.900	0.56	**+ 34**
5/1/2027	235	1.000	1.000	0.66	**+ 34**
11/1/2027	235	1.100	1.100	0.71	**+ 39**
5/1/2028	240	1.200	1.200	0.80	**+ 40**
11/1/2028	240	1.300	1.300	0.85	**+ 45**
5/1/2029	240	1.350	1.350	0.93	**+ 42**
11/1/2029	245	1.450	1.450	0.98	**+ 47**
5/1/2030	245	1.600	1.600	1.06	**+ 54**
11/1/2030	250	1.700	1.700	1.09	**+ 61**
5/1/2031	250	1.850	1.850	1.14	**+ 71**
11/1/2031	255	1.900	1.900	1.17	**+ 73**
5/1/2032	255	1.950	1.950	1.19	**+ 76**
11/1/2032	260	2.000	2.000	1.21	**+ 79**
5/1/2033	260	2.050	2.050	1.23	**+ 82**
11/1/2033	265	2.100	2.100	1.26	**+ 84**
11/1/2036	1,650	2.150	2.150	1.36	**+ 79**
11/1/2041	3,040	2.350	2.350	1.56	**+ 79**
11/1/2046	3,475	2.500	2.500	1.71	**+ 79**
11/1/2051	3,985	2.600	2.600	1.76	**+ 84**
11/1/2053	1,320	2.650	2.650	1.76	**+ 89**

*5/1/2024 Optional call in 4/1/2022 @ 100.00
**11/1/2024 Optional call in 3/1/2023 @ 100.00

Tennessee Housing Development Agency
Residential Finance Program Bonds
Issue 2021-1
3/23/2021
Aa1 I AA+ I NR
Non-AMT
$149,990,000
Optional call in 7/1/2030 @100.00

1/1/2022	1,980	0.200	0.200	0.14	**+ 6**
7/1/2022	1,980	0.250	0.250	0.15	**+ 10**
1/1/2023	1,985	0.300	0.300	0.18	**+ 12**
7/1/2023	1,985	0.375	0.375	0.22	**+ 16**
1/1/2024	1,990	0.450	0.450	0.30	**+ 15**
7/1/2024	1,995	0.500	0.500	0.34	**+ 16**
1/1/2025	2,000	0.600	0.600	0.43	**+ 17**
7/1/2025	2,005	0.650	0.650	0.46	**+ 19**
1/1/2026	2,010	0.700	0.700	0.53	**+ 17**
7/1/2026	2,020	0.800	0.800	0.57	**+ 23**
1/1/2027	2,025	0.950	0.950	0.64	**+ 31**
7/1/2027	2,035	1.050	1.050	0.71	**+ 34**
1/1/2028	2,050	1.150	1.150	0.79	**+ 36**
7/1/2028	2,060	1.250	1.250	0.85	**+ 40**
1/1/2029	2,075	1.350	1.350	0.93	**+ 42**
7/1/2029	2,090	1.450	1.450	0.98	**+ 47**
1/1/2030	2,105	1.600	1.600	1.06	**+ 54**
7/1/2030	2,120	1.650	1.650	1.10	**+ 55**
1/1/2031	2,140	1.800	1.800	1.14	**+ 66**
7/1/2031	2,160	1.850	1.850	1.18	**+ 67**
1/1/2032	2,180	1.900	1.900	1.20	**+ 70**
7/1/2032	2,200	1.950	1.950	1.22	**+ 73**
1/1/2033	2,220	2.000	2.000	1.24	**+ 76**
7/1/2033	2,245	2.000	2.000	1.27	**+ 73**
7/1/2036	13,965	2.050	2.080	1.39	**+ 69**
7/1/2041	25,425	2.250	2.290	1.59	**+ 70**
1/1/2046	23,065	2.400	2.430	1.74	**+ 69**
7/1/2051	37,880	3.000	1.020	0.56	**+ 46**

PAC Avg. Life 5.0 yrs. over range of 100-400% PSA @ 3.00% coupon

State of New York Mortgage Agency
Homeowner Mortgage Revenue Bonds
Series 231 (Social Bonds)
3/19/2021
Aa1 I NR I NR
Non-AMT
$96,780,000
Optional call in 4/1/2030 @100.00

Maturity	Par	Coupon	Yield	MMD	Spread
10/1/2033	6,555	2.000	2.000	1.28	**+ 72**
10/1/2036	12,320	2.200	2.200	1.39	**+ 81**
10/1/2041	23,135	2.400	2.400	1.59	**+ 81**
10/1/2046	24,195	2.500	2.527	1.74	**+ 79**
4/1/2050	30,575	3.000	1.170	0.69	**+ 48**

PAC Avg. Life 6.0 yrs. over range of 60-400% PSA @ 3.00% coupon

Jefferies

Mortgage-Backed Securities Pass-Through Transactions (Taxable) Priced Week of March 22nd

Louisiana Housing Corporation
Single Family Mortgage Revenue Refunding Bonds
Series 2021A (MBS Pass-through Program)
3/10/2021
Aaa | NR | NR
Federally Taxable
$7,646,733
Optional call in 12/1/2029 @ 100.00

Maturity	Par	Coupon	Yield	UST*	Spread
9/1/2041	7,647	1.550	1.550	0.56	**+ 99**

*Spread to interpolated 4-year UST

Minnesota Housing Finance Agency
Homeownership Finance Bonds (MBS Pass-through Program)
2021 Series A
2/10/2021
Aaa | NR | NR
Federally Taxable
$83,327,541
Optional call in 7/1/2030 @ 100.00

Maturity	Par	Coupon	Yield	UST*	Spread
2/1/2051	83,328	1.580	1.580	1.16	**+ 42**

*Spread to 10-year UST

Minnesota Housing Finance Agency
Homeownership Finance Bonds (MBS Pass-through Program)
2020 Series E
11/9/2020
Aaa | NR | NR
Federally Taxable
$40,067,034
Optional call in 1/1/2030 @ 100.00

Maturity	Par	Coupon	Yield	UST*	Spread
12/1/2050	40,067	1.680	1.680	0.92	**+ 76**

*Spread to 10-year UST

Jefferies

4. Order Book

Orders and Allotments

Allotments per Syndicate Member
Series 2021 A

		Jefferies		Barclays		JPMorgan		RBC Capital Markets		Ramirez & Co.		Morgan Stanley		Piper Sandler		Total
Maturity	Par Amount ($000)	Allotments	%	Allotments	%	Allotments	%	Allotments	%	Allotments	%	Allotments	%	Allotments	%	Allotments
7/1/2022	585	385	66%	-	-	100	17%	-	-	-	-	100	17%	-	-	585
1/1/2023	595	495	83%	-	-	100	17%	-	-	-	-	-	-	-	-	595
7/1/2023	600	600	100%	-	-	-	-	-	-	-	-	-	-	-	-	600
1/1/2024	605	605	100%	-	-	-	-	-	-	-	-	-	-	-	-	605
7/1/2024	610	610	100%	-	-	-	-	-	-	-	-	-	-	-	-	610
1/1/2025	620	620	100%	-	-	-	-	-	-	-	-	-	-	-	-	620
7/1/2025	630	85	13%	-	-	-	-	-	-	-	-	50	8%	495	79%	630
1/1/2026	635	260	41%	-	-	-	-	-	-	-	-	-	-	375	59%	635
7/1/2026	645	545	84%	-	-	-	-	-	-	-	-	100	16%	-	-	645
1/1/2027	645	645	100%	-	-	-	-	-	-	-	-	-	-	-	-	645
7/1/2027	665	665	100%	-	-	-	-	-	-	-	-	-	-	-	-	665
1/1/2028	675	575	85%	-	-	-	-	-	-	-	-	100	15%	-	-	675
7/1/2028	705	580	82%	-	-	-	-	-	-	-	-	125	18%	-	-	705
1/1/2029	705	705	100%	-	-	-	-	-	-	-	-	-	-	-	-	705
7/1/2029	720	720	100%	-	-	-	-	-	-	-	-	-	-	-	-	720
1/1/2030	750	705	94%	-	-	-	-	-	-	-	-	45	6%	-	-	750
7/1/2030	755	715	95%	-	-	-	-	-	-	-	-	40	5%	-	-	755
1/1/2031	770	640	83%	-	-	-	-	-	-	-	-	130	17%	-	-	770
7/1/2031	780	755	97%	-	-	-	-	-	-	-	-	25	3%	-	-	780
1/1/2032	795	795	100%	-	-	-	-	-	-	-	-	-	-	-	-	795
7/1/2032	805	805	100%	-	-	-	-	-	-	-	-	-	-	-	-	805
1/1/2033	815	400	49%	-	-	-	-	-	-	-	-	10	1%	405	50%	815
7/1/2033	830	830	100%	-	-	-	-	-	-	-	-	-	-	-	-	830
7/1/2036	5,215	4,015	77%	-	-	-	-	-	-	-	-	200	4%	1,000	19%	5,215
7/1/2041	9,815	8,815	90%	-	-	-	-	-	-	-	-	1,000	10%	-	-	9,815
7/1/2046	11,555	11,020	95%	-	-	10	0%	25	0%	-	-	500	4%	-	-	11,555
7/1/2051	13,475	13,050	97%	-	-	50	0%	245	2%	-	-	130	1%	-	-	13,475
1/1/2052	44,000	44,000	100%	-	-	-	-	-	-	-	-	-	-	-	-	44,000
Total	**100,000,000**	**94,640,000**	**95%**	**-**	**-**	**260,000**	**0%**	**270,000**	**0%**	**-**	**-**	**2,555,000**	**3%**	**2,275,000**	**2%**	**100,000,000**

Series 2021 B

		Jefferies		Barclays		JPMorgan		RBC Capital Markets		Ramirez & Co.		Morgan Stanley		Piper Sandler		Total
Maturity	Par Amount ($000)	Allotments	%	Allotments	%	Allotments	%	Allotments	%	Allotments	%	Allotments	%	Allotments	%	Allotments
7/1/2042	61,370	32,870	54%	-	-	-	-	27,500	45%	1,000	2%		-		-	61,370
Total	**61,369,927**	**32,869,927**	**54%**	**-**	**-**	**-**	**-**	**27,500,000**	**45%**	**1,000,000**	**2%**	**-**	**-**	**-**	**-**	**61,369,927**

Orders and Allotments by Maturity Series 2021A									
		Retail		Institutional		Member		Total	
Maturity	Par Amount ($000)	Orders	Allotments	Orders	Allotments	Orders	Allotments	Orders	Allotments
7/1/2022	585	200	200	-	-	-	385	200	585
1/1/2023	595	100	100	495	495	-	-	595	595
7/1/2023	600	-	-	600	600	-	-	600	600
1/1/2024	605	100	100	505	505	-	-	605	605
7/1/2024	610	130	130	485	480	-	-	615	610
1/1/2025	620	145	145	-	-	-	475	145	620
7/1/2025	630	765	630	-	-	-	-	765	630
1/1/2026	635	995	615	-	-	-	20	995	635
7/1/2026	645	100	100	640	545	-	-	740	645
1/1/2027	645	-	-	645	645	-	-	645	645
7/1/2027	665	-	-	655	665	-	-	655	665
1/1/2028	675	100	100	675	575	-	-	775	675
7/1/2028	705	125	125	695	580	-	-	820	705
1/1/2029	705	-	-	705	705	-	-	705	705
7/1/2029	720	250	250	720	470	-	-	970	720
1/1/2030	750	795	375	740	375	-	-	1,535	750
7/1/2030	755	795	375	750	380		-	1,545	755
1/1/2031	770	900	385	765	385	-	-	1,665	770
7/1/2031	780	805	390	775	390	-	-	1,580	780
1/1/2032	795	795	795	-	-	-	-	795	795
7/1/2032	805	805	805	-	-	-	-	805	805
1/1/2033	815	825	410	1,625	405	-	-	2,450	815
7/1/2033	830	830	415	1,655	415	-	-	2,485	830
7/1/2036	5,215	200	200	22,340	5,015	1,500	-	24,040	5,215
7/1/2041	9,815	1,025	1,025	35,215	8,790	4,000	-	40,240	9,815
7/1/2046	11,555	535	535	15,450	11,020	5,000	-	20,985	11,555
7/1/2051	13,475	705	705	12,980	12,770	7,000	-	20,685	13,475
1/1/2052	44,000	-	-	60,835	44,000	37,500	-	98,335	44,000
Total	**100,000**	**12,025**	**8,910**	**159,950**	**90,210**	**55,000**	**880**	**226,975**	**100,000**

Orders and Allotments by Maturity
Series 2021B

		Institutional		Member		Total	
Maturity	**Par Amount ($000)**	**Orders**	**Allotments**	**Orders**	**Allotments**	**Orders**	**Allotments**
7/1/2042	61,370	71,000	61,370	12,500	-	83,500	61,370
Total	**61,370**	**71,000**	**61,370**	**12,500**	**-**	**83,500**	**61,370**

Designations Summary

Orders and Allotments by Manager Series 2021A										
	Texas Retail		National Retail		Institutional		Member		Total	
Syndicate Member	**Orders**	**Allotments**	**Orders**	**Allotments**	**Orders**	**Allotments**	**Orders**	**Allotments**	**Orders**	**Allotments**
Jefferies	1,045	1,025	6,850	4,150	152,870	88,585	-	880	160,765	94,640
Barclays	-	-	-	-	-	-	15,000	-	15,000	-
JPMorgan	-	-	210	210	50	50	12,000	-	12,260	260
RBC Capital Markets	75	75	25	25	170	170	20,000	-	20,270	270
Morgan Stanley	440	510	2,115	2,045	-	-	3,000	-	5,555	2,555
Piper Sandler	-	-	1,265	870	6,860	1,405	-	-	8,125	2,275
Ramirez & Co	-	-	-	-	-	-	5,000	-	5,000	-
Total	**1,560**	**1,610**	**10,465**	**7,300**	**159,950**	**90,210**	**55,000**	**880**	**226,975**	**100,000**

Designations by Syndicate Member			
Underwriter	**Member Order Revenue**	**Net Designations**	**Total Revenue**
Jefferies LLC	31,281.25	269,710.34	300,991.59
Barclays	0.00	26,180.66	26,180.66
JPMorgan	562.50	62,997.85	63,560.35
RBC Capital markets	625.00	55,287.22	55,912.22
Morgan Stanley	15,406.25	36,358.46	51,764.71
Piper Sandler	4,350.00	15,506.59	19,856.59
Ramirez & Co	0.00		0.00
Total Designations	**52,225.00**	**466,041.12**	**518,266.12**

Orders and Allotments by Manager
Series 2021B

	Institutional		Member		Total	
Syndicate Member	**Orders**	**Allotments**	**Orders**	**Allotments**	**Orders**	**Allotments**
Jefferies	40,000	32,870	-	-	40,000	32,870
Barclays	-	-	7,500	-	7,500	-
JPMorgan	-	-	-	-	-	-
RBC Capital Markets	30,000	27,500	-	-	30,000	27,500
Morgan Stanley	-	-	-	-	-	-
Piper Sandler	-	-	-	-	-	-
Ramirez & Co	1,000	1,000	5,000	-	6,000	1,000
Total	**71,000**	**61,370**	**12,500**	**-**	**83,500**	**61,370**

Designations by Syndicate Member

Underwriter	Member Order Revenue	Net Designations	Total Revenue
Jefferies LLC	0.00	136,392.30	136,392.30
Barclays	0.00	16,684.96	16,684.96
JPMorgan	0.00	16,684.96	16,684.96
RBC Capital markets	0.00	92,309.96	92,309.96
Morgan Stanley	0.00	14,717.48	14,717.48
Piper Sandler	0.00	13,467.48	13,467.48
Ramirez & Co	0.00	16,592.48	16,592.48
Total Designations	**0.00**	**306,849.62**	**306,849.62**

Designations by Maturity

Texas Department of Housing and Community Affairs
Residential Mortgage Revenue Bonds
Series 2021 A (Non-AMT)

Boyd Watterson Asset Management							
Underwriter	**Maturity**	**Coupon**	**Credit**	**Amount**	**% of Total**	**Total $**	**% of Total $**
Jefferies LLC	1/1/2023	0.300	2.50	272.25	55.00%	680.63	55.00%
Jefferies LLC	7/1/2023	0.350	2.50	330.00	55.00%	825.00	55.00%
Jefferies LLC	1/1/2024	0.450	3.75	277.75	55.00%	1,041.56	55.00%
Jefferies LLC	7/1/2024	0.500	3.75	264.00	55.00%	990.00	55.00%
RBC Capital Markets	1/1/2023	0.300	2.50	99.00	20.00%	247.50	20.00%
RBC Capital Markets	7/1/2023	0.350	2.50	120.00	20.00%	300.00	20.00%
RBC Capital Markets	1/1/2024	0.450	3.75	101.00	20.00%	378.75	20.00%
RBC Capital Markets	7/1/2024	0.500	3.75	96.00	20.00%	360.00	20.00%
Morgan Stanley	1/1/2023	0.300	2.50	49.50	10.00%	123.75	10.00%
Morgan Stanley	7/1/2023	0.350	2.50	60.00	10.00%	150.00	10.00%
Morgan Stanley	1/1/2024	0.450	3.75	50.50	10.00%	189.38	10.00%
Morgan Stanley	7/1/2024	0.500	3.75	48.00	10.00%	180.00	10.00%
Piper Sandler & Co	1/1/2023	0.300	2.50	74.25	15.00%	185.63	15.00%
Piper Sandler & Co	7/1/2023	0.350	2.50	90.00	15.00%	225.00	15.00%
Piper Sandler & Co	1/1/2024	0.450	3.75	75.75	15.00%	284.06	15.00%
Piper Sandler & Co	7/1/2024	0.500	3.75	72.00	15.00%	270.00	15.00%
Institution Total				**2,080.00**		**6,431.26**	

Northwestern Mutual Investment							
Underwriter	**Maturity**	**Coupon**	**Credit**	**Amount**	**% of Total**	**Total $**	**% of Total $**
Jefferies LLC	7/1/2026	0.800	5.00	299.75	55.00%	1,498.75	55.00%
Jefferies LLC	1/1/2027	5.000	5.00	354.75	55.00%	1,773.75	55.00%
Jefferies LLC	7/1/2027	5.000	5.00	365.75	55.00%	1,828.75	55.00%
Jefferies LLC	1/1/2028	5.000	6.25	316.25	55.00%	1,976.56	55.00%
Jefferies LLC	7/1/2028	5.000	6.25	319.00	55.00%	1,993.75	55.00%
Jefferies LLC	1/1/2029	5.000	6.25	387.75	55.00%	2,423.44	55.00%
Jefferies LLC	7/1/2029	5.000	6.25	258.50	55.00%	1,615.63	55.00%
Jefferies LLC	1/1/2030	1.600	6.25	206.25	55.00%	1,289.06	55.00%
Jefferies LLC	7/1/2030	1.650	6.25	209.00	55.00%	1,306.25	55.00%
Jefferies LLC	1/1/2031	1.800	6.25	211.75	55.00%	1,323.44	55.00%
Jefferies LLC	7/1/2031	1.850	6.25	214.50	55.00%	1,340.63	55.00%
Barclays	7/1/2026	0.800	5.00	54.50	10.00%	272.50	10.00%
Barclays	1/1/2027	5.000	5.00	64.50	10.00%	322.50	10.00%
Barclays	7/1/2027	5.000	5.00	66.50	10.00%	332.50	10.00%
Barclays	1/1/2028	5.000	6.25	57.50	10.00%	359.38	10.00%
Barclays	7/1/2028	5.000	6.25	58.00	10.00%	362.50	10.00%
Barclays	1/1/2029	5.000	6.25	70.50	10.00%	440.63	10.00%
Barclays	7/1/2029	5.000	6.25	47.00	10.00%	293.75	10.00%
Barclays	1/1/2030	1.600	6.25	37.50	10.00%	234.38	10.00%
Barclays	7/1/2030	1.650	6.25	38.00	10.00%	237.50	10.00%
Barclays	1/1/2031	1.800	6.25	38.50	10.00%	240.63	10.00%
Barclays	7/1/2031	1.850	6.25	39.00	10.00%	243.75	10.00%
J.P. Morgan Sec	7/1/2026	0.800	5.00	54.50	10.00%	272.50	10.00%
J.P. Morgan Sec	1/1/2027	5.000	5.00	64.50	10.00%	322.50	10.00%
J.P. Morgan Sec	7/1/2027	5.000	5.00	66.50	10.00%	332.50	10.00%
J.P. Morgan Sec	1/1/2028	5.000	6.25	57.50	10.00%	359.38	10.00%

J.P. Morgan Sec	7/1/2028	5.000	6.25	58.00	10.00%	362.50	10.00%
J.P. Morgan Sec	1/1/2029	5.000	6.25	70.50	10.00%	440.63	10.00%
J.P. Morgan Sec	7/1/2029	5.000	6.25	47.00	10.00%	293.75	10.00%
J.P. Morgan Sec	1/1/2030	1.600	6.25	37.50	10.00%	234.38	10.00%
J.P. Morgan Sec	7/1/2030	1.650	6.25	38.00	10.00%	237.50	10.00%
J.P. Morgan Sec	1/1/2031	1.800	6.25	38.50	10.00%	240.63	10.00%
J.P. Morgan Sec	7/1/2031	1.850	6.25	39.00	10.00%	243.75	10.00%
RBC Capital Markets	7/1/2026	0.800	5.00	54.50	10.00%	272.50	10.00%
RBC Capital Markets	1/1/2027	5.000	5.00	64.50	10.00%	322.50	10.00%
RBC Capital Markets	7/1/2027	5.000	5.00	66.50	10.00%	332.50	10.00%
RBC Capital Markets	1/1/2028	5.000	6.25	57.50	10.00%	359.38	10.00%
RBC Capital Markets	7/1/2028	5.000	6.25	58.00	10.00%	362.50	10.00%
RBC Capital Markets	1/1/2029	5.000	6.25	70.50	10.00%	440.63	10.00%
RBC Capital Markets	7/1/2029	5.000	6.25	47.00	10.00%	293.75	10.00%
RBC Capital Markets	1/1/2030	1.600	6.25	37.50	10.00%	234.38	10.00%
RBC Capital Markets	7/1/2030	1.650	6.25	38.00	10.00%	237.50	10.00%
RBC Capital Markets	1/1/2031	1.800	6.25	38.50	10.00%	240.63	10.00%
RBC Capital Markets	7/1/2031	1.850	6.25	39.00	10.00%	243.75	10.00%
Morgan Stanley	7/1/2026	0.800	5.00	27.25	5.00%	136.25	5.00%
Morgan Stanley	1/1/2027	5.000	5.00	32.25	5.00%	161.25	5.00%
Morgan Stanley	7/1/2027	5.000	5.00	33.25	5.00%	166.25	5.00%
Morgan Stanley	1/1/2028	5.000	6.25	28.75	5.00%	179.69	5.00%
Morgan Stanley	7/1/2028	5.000	6.25	29.00	5.00%	181.25	5.00%
Morgan Stanley	1/1/2029	5.000	6.25	35.25	5.00%	220.31	5.00%
Morgan Stanley	7/1/2029	5.000	6.25	23.50	5.00%	146.88	5.00%
Morgan Stanley	1/1/2030	1.600	6.25	18.75	5.00%	117.19	5.00%
Morgan Stanley	7/1/2030	1.650	6.25	19.00	5.00%	118.75	5.00%
Morgan Stanley	1/1/2031	1.800	6.25	19.25	5.00%	120.31	5.00%
Morgan Stanley	7/1/2031	1.850	6.25	19.50	5.00%	121.88	5.00%
Piper Sandler & Co	7/1/2026	0.800	5.00	27.25	5.00%	136.25	5.00%
Piper Sandler & Co	1/1/2027	5.000	5.00	32.25	5.00%	161.25	5.00%
Piper Sandler & Co	7/1/2027	5.000	5.00	33.25	5.00%	166.25	5.00%
Piper Sandler & Co	1/1/2028	5.000	6.25	28.75	5.00%	179.69	5.00%
Piper Sandler & Co	7/1/2028	5.000	6.25	29.00	5.00%	181.25	5.00%
Piper Sandler & Co	1/1/2029	5.000	6.25	35.25	5.00%	220.31	5.00%
Piper Sandler & Co	7/1/2029	5.000	6.25	23.50	5.00%	146.88	5.00%
Piper Sandler & Co	1/1/2030	1.600	6.25	18.75	5.00%	117.19	5.00%
Piper Sandler & Co	7/1/2030	1.650	6.25	19.00	5.00%	118.75	5.00%
Piper Sandler & Co	1/1/2031	1.800	6.25	19.25	5.00%	120.31	5.00%
Piper Sandler & Co	7/1/2031	1.850	6.25	19.50	5.00%	121.88	5.00%
Ramirez & Co.	7/1/2026	0.800	5.00	27.25	5.00%	136.25	5.00%
Ramirez & Co.	1/1/2027	5.000	5.00	32.25	5.00%	161.25	5.00%
Ramirez & Co.	7/1/2027	5.000	5.00	33.25	5.00%	166.25	5.00%
Ramirez & Co.	1/1/2028	5.000	6.25	28.75	5.00%	179.69	5.00%
Ramirez & Co.	7/1/2028	5.000	6.25	29.00	5.00%	181.25	5.00%
Ramirez & Co.	1/1/2029	5.000	6.25	35.25	5.00%	220.31	5.00%
Ramirez & Co.	7/1/2029	5.000	6.25	23.50	5.00%	146.88	5.00%
Ramirez & Co.	1/1/2030	1.600	6.25	18.75	5.00%	117.19	5.00%
Ramirez & Co.	7/1/2030	1.650	6.25	19.00	5.00%	118.75	5.00%
Ramirez & Co.	1/1/2031	1.800	6.25	19.25	5.00%	120.31	5.00%
Ramirez & Co.	7/1/2031	1.850	6.25	19.50	5.00%	121.88	5.00%

Institution Total				**5,715.00**		**33,400.10**	

Morgan Stanley							
Underwriter	**Maturity**	**Coupon**	**Credit**	**Amount**	**% of Total**	**Total $**	**% of Total $**
Jefferies LLC	7/1/2033	2.000	6.25	228.25	55.00%	1,426.56	55.00%
Jefferies LLC	7/1/2036	2.050	6.25	550.00	55.00%	3,437.50	55.00%
Jefferies LLC	7/1/2041	2.250	6.25	550.00	55.00%	3,437.50	55.00%
Jefferies LLC	7/1/2046	2.450	6.25	825.00	55.00%	5,156.25	55.00%
Jefferies LLC	7/1/2051	2.500	6.25	550.00	55.00%	3,437.50	55.00%
J.P. Morgan Sec	7/1/2033	2.000	6.25	62.25	15.00%	389.06	15.00%
J.P. Morgan Sec	7/1/2036	2.050	6.25	150.00	15.00%	937.50	15.00%
J.P. Morgan Sec	7/1/2041	2.250	6.25	150.00	15.00%	937.50	15.00%
J.P. Morgan Sec	7/1/2046	2.450	6.25	225.00	15.00%	1,406.25	15.00%
J.P. Morgan Sec	7/1/2051	2.500	6.25	150.00	15.00%	937.50	15.00%
RBC Capital Markets	7/1/2033	2.000	6.25	62.25	15.00%	389.06	15.00%
RBC Capital Markets	7/1/2036	2.050	6.25	150.00	15.00%	937.50	15.00%
RBC Capital Markets	7/1/2041	2.250	6.25	150.00	15.00%	937.50	15.00%
RBC Capital Markets	7/1/2046	2.450	6.25	225.00	15.00%	1,406.25	15.00%
RBC Capital Markets	7/1/2051	2.500	6.25	150.00	15.00%	937.50	15.00%
Ramirez & Co.	7/1/2033	2.000	6.25	62.25	15.00%	389.06	15.00%
Ramirez & Co.	7/1/2036	2.050	6.25	150.00	15.00%	937.50	15.00%
Ramirez & Co.	7/1/2041	2.250	6.25	150.00	15.00%	937.50	15.00%
Ramirez & Co.	7/1/2046	2.450	6.25	225.00	15.00%	1,406.25	15.00%
Ramirez & Co.	7/1/2051	2.500	6.25	150.00	15.00%	937.50	15.00%
Institution Total				**4,915.00**		**30,718.74**	

First Horizon Bank							
Underwriter	**Maturity**	**Coupon**	**Credit**	**Amount**	**% of Total**	**Total $**	**% of Total $**
Jefferies LLC	7/1/2036	2.050	6.25	833.25	55.00%	5,207.81	55.00%
Jefferies LLC	7/1/2041	2.250	6.25	1,534.50	55.00%	9,590.63	55.00%
Barclays	7/1/2036	2.050	6.25	151.50	10.00%	946.88	10.00%
Barclays	7/1/2041	2.250	6.25	279.00	10.00%	1,743.75	10.00%
J.P. Morgan Sec	7/1/2036	2.050	6.25	151.50	10.00%	946.88	10.00%
J.P. Morgan Sec	7/1/2041	2.250	6.25	279.00	10.00%	1,743.75	10.00%
RBC Capital Markets	7/1/2036	2.050	6.25	151.50	10.00%	946.88	10.00%
RBC Capital Markets	7/1/2041	2.250	6.25	279.00	10.00%	1,743.75	10.00%
Morgan Stanley	7/1/2036	2.050	6.25	151.50	10.00%	946.88	10.00%
Morgan Stanley	7/1/2041	2.250	6.25	279.00	10.00%	1,743.75	10.00%
Piper Sandler & Co	7/1/2036	2.050	6.25	75.75	5.00%	473.44	5.00%
Piper Sandler & Co	7/1/2041	2.250	6.25	139.50	5.00%	871.88	5.00%
Institution Total				**4,305.00**		**26,906.28**	

Taylor Advisors							
Underwriter	**Maturity**	**Coupon**	**Credit**	**Amount**	**% of Total**	**Total $**	**% of Total $**
Jefferies LLC	7/1/2036	2.050	6.25	825.00	55.00%	5,156.25	55.00%
Jefferies LLC	7/1/2041	2.250	6.25	1,650.00	55.00%	10,312.50	55.00%

Jefferies LLC	7/1/2046	2.450	6.25	1,798.50	55.00%	11,240.63	55.00%
Barclays	7/1/2036	2.050	6.25	75.00	5.00%	468.75	5.00%
Barclays	7/1/2041	2.250	6.25	150.00	5.00%	937.50	5.00%
Barclays	7/1/2046	2.450	6.25	163.50	5.00%	1,021.88	5.00%
J.P. Morgan Sec	7/1/2036	2.050	6.25	150.00	10.00%	937.50	10.00%
J.P. Morgan Sec	7/1/2041	2.250	6.25	300.00	10.00%	1,875.00	10.00%
J.P. Morgan Sec	7/1/2046	2.450	6.25	327.00	10.00%	2,043.75	10.00%
RBC Capital Markets	7/1/2036	2.050	6.25	150.00	10.00%	937.50	10.00%
RBC Capital Markets	7/1/2041	2.250	6.25	300.00	10.00%	1,875.00	10.00%
RBC Capital Markets	7/1/2046	2.450	6.25	327.00	10.00%	2,043.75	10.00%
Morgan Stanley	7/1/2036	2.050	6.25	150.00	10.00%	937.50	10.00%
Morgan Stanley	7/1/2041	2.250	6.25	300.00	10.00%	1,875.00	10.00%
Morgan Stanley	7/1/2046	2.450	6.25	327.00	10.00%	2,043.75	10.00%
Piper Sandler & Co	7/1/2036	2.050	6.25	150.00	10.00%	937.50	10.00%
Piper Sandler & Co	7/1/2041	2.250	6.25	300.00	10.00%	1,875.00	10.00%
Piper Sandler & Co	7/1/2046	2.450	6.25	327.00	10.00%	2,043.75	10.00%
Institution Total				**7,770.00**		**48,562.51**	

Equitrust Life Insurance Company

Underwriter	Maturity	Coupon	Credit	Amount	% of Total	Total $	% of Total $
Jefferies LLC	7/1/2041	2.250	6.25	1,100.00	55.00%	6,875.00	55.00%
Jefferies LLC	7/1/2046	2.450	6.25	2,062.50	55.00%	12,890.63	55.00%
Jefferies LLC	7/1/2051	2.500	6.25	3,602.50	55.00%	22,515.63	55.00%
J.P. Morgan Sec	7/1/2041	2.250	6.25	500.00	25.00%	3,125.00	25.00%
J.P. Morgan Sec	7/1/2046	2.450	6.25	937.50	25.00%	5,859.38	25.00%
J.P. Morgan Sec	7/1/2051	2.500	6.25	1,637.50	25.00%	10,234.38	25.00%
RBC Capital Markets	7/1/2041	2.250	6.25	200.00	10.00%	1,250.00	10.00%
RBC Capital Markets	7/1/2046	2.450	6.25	375.00	10.00%	2,343.75	10.00%
RBC Capital Markets	7/1/2051	2.500	6.25	655.00	10.00%	4,093.75	10.00%
Ramirez & Co.	7/1/2041	2.250	6.25	200.00	10.00%	1,250.00	10.00%
Ramirez & Co.	7/1/2046	2.450	6.25	375.00	10.00%	2,343.75	10.00%
Ramirez & Co.	7/1/2051	2.500	6.25	655.00	10.00%	4,093.75	10.00%
Institution Total				**12,300.00**		**76,875.02**	

Pioneer Investment Management, Inc.

Underwriter	Maturity	Coupon	Credit	Amount	% of Total	Total $	% of Total $
Jefferies LLC	7/1/2046	2.450	6.25	1,100.00	55.00%	6,875.00	55.00%
J.P. Morgan Sec	7/1/2046	2.450	6.25	500.00	25.00%	3,125.00	25.00%
Ramirez & Co.	7/1/2046	2.450	6.25	400.00	20.00%	2,500.00	20.00%
Institution Total				**2,000.00**		**12,500.00**	

First New York Securities

Underwriter	Maturity	Coupon	Credit	Amount	% of Total	Total $	% of Total $
Jefferies LLC	7/1/2046	2.450	6.25	275.00	55.00%	1,718.75	55.00%
Barclays	7/1/2046	2.450	6.25	50.00	10.00%	312.50	10.00%
RBC Capital Markets	7/1/2046	2.450	6.25	75.00	15.00%	468.75	15.00%

Piper Sandler & Co	7/1/2046	2.450	6.25	75.00	15.00%	468.75	15.00%
Ramirez & Co.	7/1/2046	2.450	6.25	25.00	5.00%	156.25	5.00%
Institution Total				**500.00**		**3,125.00**	

Sit Investment Advisors, Inc.

Underwriter	Maturity	Coupon	Credit	Amount	% of Total	Total $	% of Total $
Jefferies LLC	7/1/2051	2.500	6.25	2,750.00	55.00%	17,187.50	55.00%
J.P. Morgan Sec	7/1/2051	2.500	6.25	750.00	15.00%	4,687.50	15.00%
RBC Capital Markets	7/1/2051	2.500	6.25	750.00	15.00%	4,687.50	15.00%
Morgan Stanley	7/1/2051	2.500	6.25	500.00	10.00%	3,125.00	10.00%
Ramirez & Co.	7/1/2051	2.500	6.25	250.00	5.00%	1,562.50	5.00%
Institution Total				**5,000.00**		**31,250.00**	

Charles Schwab & Co., Inc.

Underwriter	Maturity	Coupon	Credit	Amount	% of Total	Total $	% of Total $
Jefferies LLC	7/1/2051	2.500	6.25	20.00	40.00%	125.00	40.00%
J.P. Morgan Sec	7/1/2051	2.500	6.25	27.50	55.00%	171.88	55.00%
Piper Sandler & Co	7/1/2051	2.500	6.25	2.50	5.00%	15.63	5.00%
Institution Total				**50.00**		**312.51**	

Retail Account

Underwriter	Maturity	Coupon	Credit	Amount	% of Total	Total $	% of Total $
Jefferies LLC	7/1/2051	2.500	6.25	34.00	20.00%	212.50	20.00%
Barclays	7/1/2051	2.500	6.25	25.50	15.00%	159.38	15.00%
RBC Capital Markets	7/1/2051	2.500	6.25	93.50	55.00%	584.38	55.00%
Piper Sandler & Co	7/1/2051	2.500	6.25	17.00	10.00%	106.25	10.00%
Institution Total				**170.00**		**1,062.51**	

Schroder Investment Management N.A. Inc. (USA)

Underwriter	Maturity	Coupon	Credit	Amount	% of Total	Total $	% of Total $
Jefferies LLC	1/1/2052	3.000	5.00	3,547.50	55.00%	17,737.50	55.00%
RBC Capital Markets	1/1/2052	3.000	5.00	1,612.50	25.00%	8,062.50	25.00%
Ramirez & Co.	1/1/2052	3.000	5.00	1,290.00	20.00%	6,450.00	20.00%
Institution Total				**6,450.00**		**32,250.00**	

Capital Research

Underwriter	Maturity	Coupon	Credit	Amount	% of Total	Total $	% of Total $
Jefferies LLC	1/1/2052	3.000	5.00	17,600.00	55.00%	88,000.00	55.00%
Barclays	1/1/2052	3.000	5.00	3,200.00	10.00%	16,000.00	10.00%
J.P. Morgan Sec	1/1/2052	3.000	5.00	3,200.00	10.00%	16,000.00	10.00%
RBC Capital Markets	1/1/2052	3.000	5.00	3,200.00	10.00%	16,000.00	10.00%
Morgan Stanley	1/1/2052	3.000	5.00	3,200.00	10.00%	16,000.00	10.00%
Ramirez & Co.	1/1/2052	3.000	5.00	1,600.00	5.00%	8,000.00	5.00%

Texas Department of Housing and Community Affairs
Residential Mortgage Revenue Bonds
Series 2021 A (Non-AMT)

Institution Total				**32,000.00**		**160,000.00**	

Deutsche Asset Management							
Underwriter	**Maturity**	**Coupon**	**Credit**	**Amount**	**% of Total**	**Total $**	**% of Total $**
Jefferies LLC	1/1/2052	3.000	5.00	302.50	55.00%	1,512.50	55.00%
J.P. Morgan Sec	1/1/2052	3.000	5.00	110.00	20.00%	550.00	20.00%
RBC Capital Markets	1/1/2052	3.000	5.00	27.50	5.00%	137.50	5.00%
Morgan Stanley	1/1/2052	3.000	5.00	110.00	20.00%	550.00	20.00%
Institution Total				**550.00**		**2,750.00**	

Boston Company							
Underwriter	**Maturity**	**Coupon**	**Credit**	**Amount**	**% of Total**	**Total $**	**% of Total $**
Jefferies LLC	1/1/2052	3.000	5.00	2,750.00	55.00%	13,750.00	55.00%
Barclays	1/1/2052	3.000	5.00	250.00	5.00%	1,250.00	5.00%
J.P. Morgan Sec	1/1/2052	3.000	5.00	750.00	15.00%	3,750.00	15.00%
Morgan Stanley	1/1/2052	3.000	5.00	750.00	15.00%	3,750.00	15.00%
Piper Sandler & Co	1/1/2052	3.000	5.00	250.00	5.00%	1,250.00	5.00%
Ramirez & Co.	1/1/2052	3.000	5.00	250.00	5.00%	1,250.00	5.00%
Institution Total				**5,000.00**		**25,000.00**	

Keystate Companies							
Underwriter	**Maturity**	**Coupon**	**Credit**	**Amount**	**% of Total**	**Total $**	**% of Total $**
RBC Capital Markets	1/1/2033	2.000	6.25	40.50	10.00%	253.13	10.00%
RBC Capital Markets	7/1/2036	2.050	6.25	100.00	10.00%	625.00	10.00%
Morgan Stanley	1/1/2033	2.000	6.25	141.75	35.00%	885.94	35.00%
Morgan Stanley	7/1/2036	2.050	6.25	350.00	35.00%	2,187.50	35.00%
Piper Sandler & Co	1/1/2033	2.000	6.25	222.75	55.00%	1,392.19	55.00%
Piper Sandler & Co	7/1/2036	2.050	6.25	550.00	55.00%	3,437.50	55.00%
Institution Total				**1,405.00**		**8,781.26**	

Grand Total				**90,210.00**		**499,925.19**	

Texas Department of Housing and Community Affairs
Residential Mortgage Revenue Refunding Bonds
Series 2021 B (Taxable)
(Mortgage-Backed Securities Pass-Through Bonds)

Castleton Partners							
Underwriter	**Maturity**	**Coupon**	**Credit**	**Amount**	**% of Total**	**Total $**	**% of Total $**
Jefferies LLC	7/1/2042	1.700	5.00	200.00	20.00%	1,000.00	20.00%
Barclays	7/1/2042	1.700	5.00	50.00	5.00%	250.00	5.00%
J.P. Morgan Sec	7/1/2042	1.700	5.00	50.00	5.00%	250.00	5.00%
RBC Capital Markets	7/1/2042	1.700	5.00	50.00	5.00%	250.00	5.00%
Morgan Stanley	7/1/2042	1.700	5.00	50.00	5.00%	250.00	5.00%
Piper Sandler & Co	7/1/2042	1.700	5.00	50.00	5.00%	250.00	5.00%
Ramirez & Co.	7/1/2042	1.700	5.00	550.00	55.00%	2,750.00	55.00%
Institution Total				**1,000.00**		**5,000.00**	

City of Chicago, Illinois							
Underwriter	**Maturity**	**Coupon**	**Credit**	**Amount**	**% of Total**	**Total $**	**% of Total $**
Jefferies LLC	7/1/2042	1.700	5.00	9,000.00	32.73%	45,000.00	32.73%
RBC Capital Markets	7/1/2042	1.700	5.00	12,375.00	45.00%	61,875.00	45.00%
Ramirez & Co.	7/1/2042	1.700	5.00	1,125.00	4.09%	5,625.00	4.09%
Institution Total				**22,500.00**		**112,500.00**	

National Investment Services, Inc.							
Underwriter	**Maturity**	**Coupon**	**Credit**	**Amount**	**% of Total**	**Total $**	**% of Total $**
Jefferies LLC	7/1/2042	1.700	5.00	5,500.00	55.00%	27,500.00	55.00%
Barclays	7/1/2042	1.700	5.00	1,000.00	10.00%	5,000.00	10.00%
J.P. Morgan Sec	7/1/2042	1.700	5.00	1,000.00	10.00%	5,000.00	10.00%
RBC Capital Markets	7/1/2042	1.700	5.00	1,000.00	10.00%	5,000.00	10.00%
Morgan Stanley	7/1/2042	1.700	5.00	500.00	5.00%	2,500.00	5.00%
Piper Sandler & Co	7/1/2042	1.700	5.00	500.00	5.00%	2,500.00	5.00%
Ramirez & Co.	7/1/2042	1.700	5.00	500.00	5.00%	2,500.00	5.00%
Institution Total				**10,000.00**		**50,000.00**	

Northwestern Mutual Investment							
Underwriter	**Maturity**	**Coupon**	**Credit**	**Amount**	**% of Total**	**Total $**	**% of Total $**
Jefferies LLC	7/1/2042	1.700	5.00	12,578.46	55.00%	62,892.30	55.00%
Barclays	7/1/2042	1.700	5.00	2,286.99	10.00%	11,434.96	10.00%
J.P. Morgan Sec	7/1/2042	1.700	5.00	2,286.99	10.00%	11,434.96	10.00%
RBC Capital Markets	7/1/2042	1.700	5.00	2,286.99	10.00%	11,434.96	10.00%
Morgan Stanley	7/1/2042	1.700	5.00	1,143.50	5.00%	5,717.48	5.00%
Piper Sandler & Co	7/1/2042	1.700	5.00	1,143.50	5.00%	5,717.48	5.00%
Ramirez & Co.	7/1/2042	1.700	5.00	1,143.50	5.00%	5,717.48	5.00%
Institution Total				**22,869.93**		**114,349.62**	

Independent Bank Corp.							
Underwriter	**Maturity**	**Coupon**	**Credit**	**Amount**	**% of Total**	**Total $**	**% of Total $**
RBC Capital Markets	7/1/2042	1.700	5.00	2,750.00	10.00%	13,750.00	10.00%
Morgan Stanley	7/1/2042	1.700	5.00	1,250.00	4.55%	6,250.00	4.55%
Piper Sandler & Co	7/1/2042	1.700	5.00	1,000.00	3.64%	5,000.00	3.64%
Institution Total				**5,000.00**		**25,000.00**	

Grand Total				**61,369.93**		**306,849.62**	

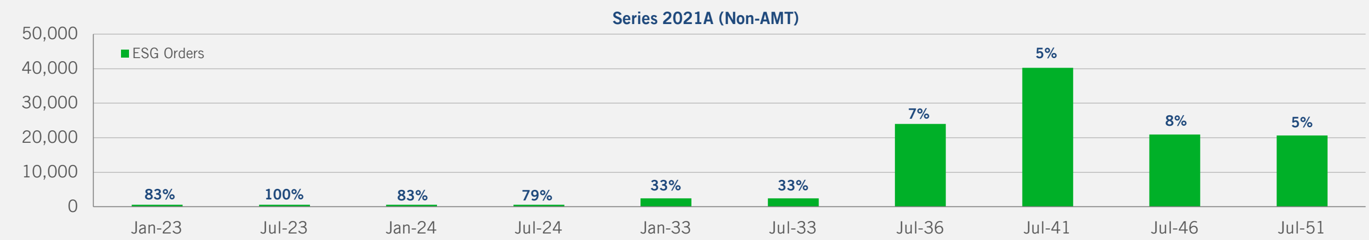
ESG Summary

Texas Department of Housing and Community Affairs
ESG Investor Feedback

Residential Mortgage Revenue Bonds
$100,000,000 Series 2021A (Social Bonds) and $61,369,927 Series 2021B (Mortgage-backed Securities Pass-through Bonds)

	Retail	Institutional	Total Orders	Allotments	Money Type	Notes
Boyd Watterson Asset Management	-	2,085	2,085	2,080	Bond Fund	ESG driven; First time account for the Department.
Morgan Stanley CRA	-	8,165	8,165	4,915	Bank	Morgan Stanley's order for the Series 2021A 2051 term bonds were critical and are a first time account for the Department.
Castleton Partners	-	1,000	1,000	1,000	IA	ESG driven; Participated in the Series 2021B Bonds.
Total	-	11,250	11,250	7,995	-	

Texas Deparment of Housing and Community Affairs Residential Mortgage Revenue Bonds Series 2021A (Social Bonds) - ESG Participation by Maturity



Note: Includes total ESG orders by maturity for the Series 2021A Bonds only. **Data labels represent the percentage of orders by Boyd Watterson and Morgan Stanley CRA.**

Final Investor Roadshow Log
Texas Department of Housing and Community Affairs
Residential Mortgage Revenue Bonds
Series 2021A (Non-AMT) (Social Bonds) and Series 2021B Refunding Bonds (Taxable) (Mortgage-Backed Securities Pass-Through Bonds)

Name	Primary Role	Company	Email	Last Viewed
Eric Dean	Investor - Institutional	The Bank of Marion	ericd@bomva.com	3/31/2021 4:47:51 PM
Ralph Saturné	Investor - Institutional	Earnest Partners	ralphsaturne@earnestpartners.com	3/31/2021 12:42:03 PM
Tom Venezia	Investor - Institutional	EARNEST Partners	tomvenezia@earnestpartners.com	3/31/2021 12:11:43 PM
Erik Schleicher	Investor - Institutional	Robert W. Baird & Co.	eschleicher@rwbaird.com	3/31/2021 10:52:39 AM
Zachary Bloom	Investor - Institutional	Northwestern Mutual	zachbloom@northwesternmutual.com	3/31/2021 10:40:54 AM
Michael Kobs	Investor - Institutional	Northwestern Mutual	michaelkobs@northwesternmutual.com	3/31/2021 10:11:25 AM
John Goetz	Investor - Institutional	Fort Washington IA	john.goetz@fortwashington.com	3/30/2021 4:33:43 PM
Bruce Pflaum	Investor - Institutional	Northwestern Mutual	brucepflaum@northwesternmutual.com	3/30/2021 11:41:22 AM
Vikas Malhotra	Analyst / Research	The Capital Group	vikas.malhotra@capgroup.com	3/29/2021 5:08:12 PM
Leah Black	Analyst / Research	Fidelity Investments	leah.black@fmr.com	3/29/2021 4:53:39 PM
Adam Kennedy	Analyst / Research	Deutsche AWM	adam.kennedy@db.com	3/29/2021 4:24:05 PM
Elly Clary	Analyst / Research	Nuveen Investments	eligija.clary@nuveen.com	3/29/2021 2:45:57 PM
Andy Rosemore	Investor - Individual	Rosemore Investments	andy@rosemore.net	3/29/2021 10:42:01 AM
David Dirk	Investor - Institutional	Boyd Watterson AM	ddirk@boydwatterson.com	3/29/2021 10:08:50 AM
Sharon Carroll	Analyst / Research	MetLife	scarroll1@metlife.com	3/29/2021 8:14:53 AM
Andre Zeromski	Investor - Institutional	Kemper	azeromski@kemper.com	3/28/2021 11:52:43 PM
Jeffrey Sayman	Analyst / Research	Mellon	jsayman@mellon.com	3/26/2021 3:04:51 PM
John McCray-Goldsmith	Investor - Institutional	Wells Fargo	john.mccray-goldsmith@wellsfargo.com	3/25/2021 1:41:52 PM
Suma J Haque	Analyst / Research	Payden And Rygel	shaque@payden.com	3/24/2021 4:40:58 PM
Chris Sour	Investor - Institutional	Sit Investment Associates	ccs@sitinvest.com	3/24/2021 10:09:49 AM
Kurt van Kuller	Investor - Institutional	Sit Investment Associates	kvk@sitinvest.com	3/24/2021 10:00:14 AM
Baltazar Juarez	Investor - Institutional	Vanguard	balto_92@yahoo.com	3/24/2021 9:41:03 AM
Jae Chung	Analyst / Research	Fidelity	jae.chung@fmr.com	3/24/2021 9:13:29 AM
Daniel Workman	Investor - Institutional	Franklin Templeton	daniel.workman@franklintempleton.com	3/24/2021 8:56:33 AM

Investor Roadshow

Texas Department of Housing and Community Affairs

$161,369,927*
Residential Mortgage Revenue Bonds

Consisting of:

$100,000,000* Series 2021A (Non-AMT) (Social Bonds)

$61,369,927* Series 2021B Refunding Bonds
(Mortgage-Backed Securities Pass-Through Bonds) (Taxable)

Monica Galuski
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Investor Presentation

March 23, 2021

*Preliminary subject to change

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Definitions

TDHCA or the Department	Texas Department of Housing and Community Affairs
the State	State of Texas
RMRB	Residential Mortgage Revenue Bonds
Series 2021 or the Bonds	Series 2021A and Series 2021B RMRB
ICMA	International Capital Markets Association
UNSDG	United Nations 17 Sustainable Development Goals

Transaction Overview*

Issuer	**Texas Department of Housing and Community Affairs** (“TDHCA” or the “Department”)
Bond Program	**Residential Mortgage Revenue Bonds** (“RMRB”)
Designation	The Series 2021A Bonds are designated as “**Social Bonds**”
Bond Series	$100,000,000* Series 2021A $61,369,927* Series 2021B (Mortgage-Backed Securities Pass-Through Bonds)
Use of Proceeds	Proceeds will be used to provide funds for the purchase of mortgage-backed, pass-through certificates, fund down payment and closing cost assistance, and refund certain outstanding bonds of the Department’s RMRB program
Security	The Series 2021 Bonds are limited obligations of the Department and are payable solely from the revenues and funds pledged for the payment thereof as more fully described in the POS
Tax Status	**Series 2021A:** Non-AMT **Series 2021B:** Taxable
Interest Payment Dates	Series 2021A: Payable on January 1 and July 1 of each year, commencing July 1, 2021 Series 2021B: Payable on the first day of each month, commencing May 1, 2021
Ratings	Aaa (Moody’s) and AA+ (S&P)
Redemption Features	Subject to optional redemption on January 1, 2030, as well as special, unexpended proceeds, excess revenues and mandatory sinking fund redemption as more fully described in the POS The Series 2021A premium serial bonds are not subject to special, excess or mandatory sinking fund redemption
Pricing	**Retail Order Period:** March 30, 2021 **Institutional Pricing:** March 31, 2021
Closing Date	April 28, 2021

Source: Preliminary Official Statement
*Preliminary subject to change

Preliminary Bond Structure*

Maturity	Series 2021A (Non-AMT)	
7/1/2022	$610,000	
1/1/2023	615,000	
7/1/2023	620,000	
1/1/2024	630,000	Par Serials
7/1/2024	635,000	
1/1/2025	640,000	
7/1/2025	645,000	
1/1/2026	650,000	
7/1/2026	660,000	
1/1/2027	660,000	
7/1/2027	675,000	
1/1/2028	690,000	Premium Serials
7/1/2028	710,000	
1/1/2029	725,000	
7/1/2029	740,000	
1/1/2030	765,000	
7/1/2030	775,000	
1/1/2031	785,000	
7/1/2031	790,000	Par Serials
1/1/2032	805,000	
7/1/2032	815,000	
1/1/2033	825,000	
7/1/2033	840,000	
7/1/2036	5,300,000	
7/1/2041	9,935,000	Terms
7/1/2046	11,565,000	
7/1/2051	13,495,000	
1/1/2052	43,400,000	PAC
2021A Total	**$100,000,000**	

Maturity	Series 2021B (Taxable)	
7/1/2042	$61,369,927	Term
2021B Total	**$61,369,927**	
2021AB Total	**$161,369,927**	

- Optional redemption at par on or after 01/01/2030
- Special redemptions of the Series 2021A and Series 2021B bonds as described in the POS beginning on pages 6 and 15, respectively
- The premium serial bonds will not be subject to Special Redemption from mortgage prepayments, excess revenues or Optional Redemption
- 5.5-year average life PAC (100% PSA)

Projected Weighted Average Life (in years)

	Series 2021A PAC		Series 2021B
SIFMA Prepayment Model	Average Life (Optional Call not Exercised)	Average Life (Optional Call Exercised)	Average Life
0%	17.1	7.9	11.4
50%	8.4	6.5	9.3
75%	6.5	5.9	8.4
100%	5.5	5.3	7.7
125%	5.5	5.3	7.0
150%	5.5	5.3	6.4
175%	5.5	5.3	5.9
200%	5.5	5.3	5.4
300%	5.5	5.3	4.1
400%	5.5	5.3	3.1
500%	4.1	4.0	2.5

Source: Preliminary Official Statement
*Preliminary subject to change

Refunding Plan*

- The Series 2021B Bonds are being issued for the primary purpose of refunding approximately $61.4 million of the Department's outstanding Residential Mortgage Revenue Bonds, Series 2009C-1 (Taxable), Series 2009C-2, Series 2011A and Series 2011B (collectively, the "Refunded Bonds")

Series	Total Refunded Par	Coupon Range	Optional Redemption Date
RMRB, Series 2009C-1 (Taxable)	$22,670,000	2.875%	05/03/2021
RMRB, Series 2009C-2	$16,080,000	2.480%	05/03/2021
RMRB, Series 2011A	$7,725,000	4.375% - 5.050%	05/03/2021
RMRB, Series 2011B	$14,895,000	3.300% - 4.450%	05/03/2021
Total	**$61,370,000**		

- Ginnie Mae Mortgage Certificates originally funded with proceeds of the Refunded Bonds will become 2021B Transferred Mortgage Certificates

- As of March 31, 2021, the outstanding principal amount of the 2021B Transferred Mortgage Certificates, is $61,369,927. Substantially all of the 2021B Transferred Mortgage Certificates were acquired between August 2010 and July 2012 and had original terms of thirty years. The following table reflects summary information with respect to the 2021B Transferred Mortgage Certificates:

Outstanding Principal	Weighted Average Pass-Through Rate	Weighted Average Mortgage Rate	Weighted Average Remaining Term (in months)	Lifetime PSA	12-Month PSA	6-Month PSA
$61,369,927	4.426%	4.926%	238	222	250	221

- For more detailed data regarding the 2021B Transferred Mortgage Certificates, see Appendix H of the POS

Source: Preliminary Official Statement
*Preliminary subject to change

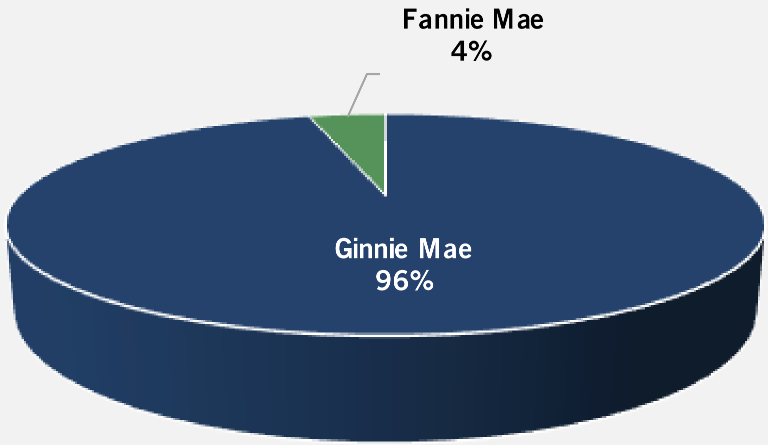
Issuer Overview

Overview and Mission

- Public and official agency of the State of Texas created on September 1, 1991; the Department is the successor agency to the Texas Housing Agency and the Texas Department of Community Affairs
- Mission of the TDHCA is to administer its assigned programs efficiently, transparently, and lawfully and to invest its resources strategically and develop high quality affordable housing which allows Texas communities to thrive
- Single family program loans are financed through the Department's Residential Mortgage Revenue Bond ("RMRB"), Single Family Mortgage Revenue Bond ("SFMRB") and Mortgage Credit Certificate ("MCC") programs and the sale of MBS
- **The RMRB Program is rated Aaa (Moody's) and AA+ (S&P)**

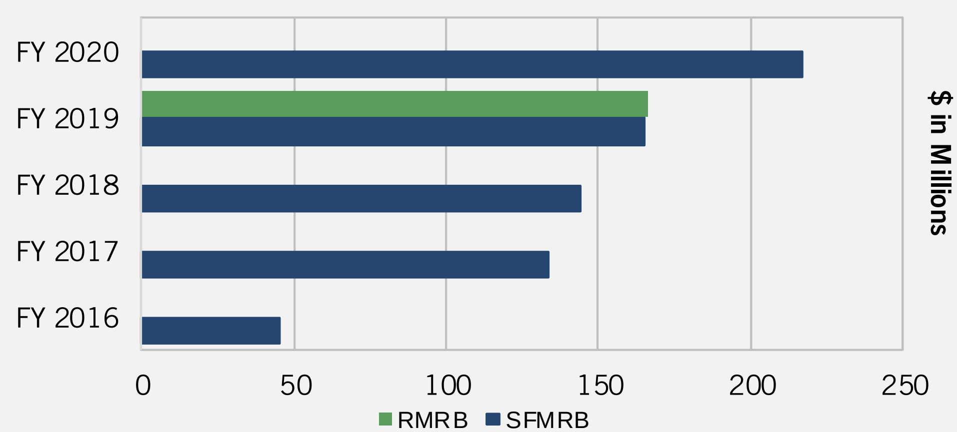
MBS Composition

- RMRB Indenture consists of 100 percent MBS guaranteed by Ginnie Mae and Fannie Mae
- As of January 31st, 2021 Mortgage Loans and Mortgage Certificates under the RMRB Program totaled $228.7 million



Single Family Bond Issuance by Fiscal Year

- Since 2016, the Department has issued $804.6 million of single family bonds, including $166.4 million of RMRB
- After issuance of the Series 2021 Bonds, the RMRB indenture will be comprised of 2019A ($166.4 million) and 2021AB Bonds



Source: Preliminary Official Statement, TDHCA Audited Financials

Social Bonds Designation

Use of Proceeds

- The Series 2021A Bonds are the Department's inaugural issuance of **Social Bonds**
- Kestrel Verifiers has designated the Series 2021A Bonds as **Social Bonds** based on the determination
  - The Series 2021A Bonds are in conformance with the four pillars of the ICMA Social Bond Principles, as described in Kestrel Verifiers' Second Party Opinion in the POS
- Proceeds of the 2021A Bonds will be used to purchase Mortgage Certificates, fund down payment and closing cost assistance and to pay lender compensation related to the 2021A Mortgage Loans

UNSDG	Mapping to Social Bond Principle
Goal 1: No Poverty	Affordable Housing, Access to Essential Services, Socioeconomic Advancement and Empowerment
Goal 8: Decent Work and Economic Growth	Access to Essential Services
Goal 10: Reduced Inequalities	Socioeconomic Advancement and Empowerment, Access to Essential Services
Goal 11: Sustainable Cities and Communities	Affordable Housing, Affordable Basic Infrastructure

Project Evaluation and Selection

- Mortgage loans funded through RMRB bonds, including the Series 2021A Bonds, must meet origination standards, eligibility requirements and underwriting standards consistent with the Program

Management of Proceeds

- Net of certain transaction costs, the proceeds of the 2021A Bonds shall be deposited into the Mortgage Loan Fund and invested according to the Residential Mortgage Revenue Bond Trust Indenture prior to purchasing Mortgage Certificates backed by Mortgage Loans

Tracking/ Reporting/ Investments

- Upon the final expenditure of the proceeds of the Series 2021A Bonds to acquire Mortgage Certificates, the Department expects to prepare a report regarding the 2021A Mortgage Loans consisting of the information set forth in Appendix K of the POS

Source: Preliminary Official Statement, Kestrel Second Party Opinion

The Single Family Mortgage Purchase Program (the "Program")

The Department has established a single family mortgage purchase program for the purpose of assisting in financing the costs of acquisition of residences within the State of Texas by Eligible Borrowers (as described below)

Low- and Moderate-Income Reservations

- For the first one-year period, 30% of the funds from the Series 2021A Bonds will be reserved for Mortgage Loans for individuals and families of low income (not exceeding 80% of AMFI)
- The remaining lendable funds will be made available for Mortgage Loans to low and moderate incomes whose family income does not exceed:
  - ✓ 115% AMFI for 3+ person households, 140% in targeted areas
  - ✓ 100% AMFI for 1-2 person households, 120% in targeted areas

Targeted Areas

- Targeted Areas consist of (i) Census tracts that have high concentrations of low-income persons and (ii) areas of chronic distress identified by the State and approved by HUD
- The Code requires that either an amount equal to (a) at least 20% of the lendable bond proceeds or (b) 40% of the average annual aggregate principal amount of mortgages executed during the immediately preceding three calendar years for single family, owner-occupied residences in targeted areas within the Department's jurisdiction, if such amount is less, must be reserved for at least one year for Targeted Area residences

Servicing and Master Servicers

- Idaho Housing and Finance Association ("Idaho HFA") will serve as Master Servicer of Mortgage Loans related to the Series 2021A Bonds
- Idaho HFA, Bank of America and US Bank are the three Master Servicers for loans financed under the Program
- As of 1/31/21, Idaho HFA services approximately, 956 loans ($156.4 million), Bank of America with 752 loans ($68.2 million) and US Bank with 42 loans ($4.0 million)

Mortgage Eligibility Requirements

- Federal Tax Requirements set limitations on the Mortgage Loans, including, among other things, the following:
  – 95% of net bond proceeds for 1st time homebuyers
  (Targeted Area Residences, residences of qualified veterans and certain residences on possessed land are exempt)
  – Purchase price limits
  – Family income limits
  - ✓ Non-Targeted Areas: capped at 115% AMFI (or 100%, for 1-2 person households) of the greater of area or state median income
  - ✓ Targeted Areas: No income limit for 1/3 of Mortgage Loans financed; balance of loans capped at 140% AMFI (or 120% for 1-2 person households) of median family income, subject to increase due to "high housing cost areas"

Source: Preliminary Official Statement

TDHCA Borrower Profile

Summary Statistics for Single Family Bond Financings and Other Mortgage Loan Financings (2020)

Program Loan Statistics	
Borrowers Served	14,308
Homes Financed	12,657
First Mortgages	$2.4 Billion
MCCs Issued	3,666
Average Loan Amount	$191,055
Prospective Buyers that Used Homebuyer U[1]	19,273

TDHCA Housing Finance Activity (2020)

Average FICO Score of 674

Average Household Income of $57,890

Average AMFI of 67%

Average Household Size of 2.55

Average Age of Borrower is 36

Source: Preliminary Official Statement, Certain data provided by TDHCA (March 2021 Board Book), tdhca.state.tx.us
Note: Totals may not add due to rounding
[1]Homebuyer U is a statewide, free online pre- and post-purchase tutorial, providing mortgage certificate introduction courses for TDHCA's first time homebuyer education requirement.

TDHCA Borrower Profile

Income Bands of Loans Financed by the Department's Single Family Bond Program (1/1/2019 – 1/31/2021)						
	$ Amount of 1st Liens		$ Amount of 2nd Liens		Number of Loans	
AMI Band	$ of Loans	% of Proceeds	$ of Loans	% of Proceeds	# of Loans	% of Loans
<50.0%	$70,615,981	14%	$2,660,467	15%	515	18%
50.00%-59.999%	$86,795,881	17%	$3,154,965	17%	536	19%
60.0%-69.999%	$90,212,558	18%	$3,320,919	18%	521	18%
70.0%-79.999%	$101,232,147	20%	$3,752,591	21%	543	19%
80.0%-89.999%	$83,508,534	17%	$3,006,185	16%	432	15%
90.00%-100%	$66,498,852	13%	$2,371,344	13%	339	12%
>100.01%	$172,812	0%	$6,912	0%	1	0%
Total	**$499,036,765**	**100%**	**$18,273,382**	**100%**	**2,887**	**100%**

Source: Preliminary Official Statement
Note: Totals may not add due to rounding

RMRB Indenture Overview

RMRB History	The RMRB Indenture was established in 1987 and amended and restated in 2019
Ratings	Aaa by Moody's and AA+ by S&P
Bonds Outstanding	$223.415 million as of 1/31/21
Security	The Series 2021 Bonds are limited obligations of the Department and are payable solely from the revenues and funds pledged for the payment thereof. Neither the State of Texas (the "State") nor any agency of the State, other than the Department, nor the United States of America or any agency, department or other instrumentality thereof, including Ginnie Mae, is obligated to pay the principal or Redemption Price of or interest on the Series 2021 Bonds. Neither the faith and credit nor the taxing power of the State or the United States of America is pledged, given or loaned to such payment. The Department has no taxing power. Ginnie Mae guarantees only the payment of the principal of and interest on the Ginnie Mae Certificates when due and does not guarantee the payment of the Series 2021 Bonds or any other obligations issued by the Department
MBS Guarantee	All mortgage loans in the RMRB Indenture have been pooled into MBS guaranteed by Ginnie Mae or Fannie Mae

Source: Preliminary Official Statement

COVID-19

Department Activities	▪ As part of the State's response to the COVID-19 pandemic, the Department has allocated approximately $105.9 million of the State's CARES Act funds for use in rent and mortgage payments assistance including eviction diversion. These funds are designed to provide short term relief to income eligible renters and homeowners who are behind in their rent or mortgage payments and may be at risk of eviction or foreclosure
Loan Forbearance Requests	▪ On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") was singed into law to address the crisis created by the COVID-19 pandemic. Among other things, the CARES Act provides that: – a) lenders are prohibited from foreclosing all mortgage loans which are FHA insured, VA, HUD or Rural Housing guaranteed, or purchased or securitized by Fannie Mae or Freddie Mac (collectively, "Federal Single Family Loans") for a period of 60-days commencing March 18, 2020, and; – (b) until the sooner of the termination of the pandemic or December 31, 2020, Federal Single Family Loan borrowers directly or indirectly facing economic difficulties as a result of the coronavirus can seek up to 360 days of payment forbearance ▪ The CARES Act does not allow fees, penalties or additional interest to be charged as a result of delayed payments ▪ Separately, Ginnie Mae has announced a program to assist Ginnie Mae seller/servicers which experience financial hardships in meeting their obligations to advance funds and/or repurchase loans due to the forbearance provisions of the CARES Act. Ginnie Mae stated it will implement a "pass-through assistance program" through which Ginnie Mae seller/servicers with payment shortfalls may request that Ginnie Mae advance (subject to Ginnie Mae approval) the difference between available funds and the scheduled payments to investors. Ginnie Mae stated that the program would apply initially to seller/services of single family loans and that it anticipated the program subsequently applying to multifamily loans, as well
Additional Disclosures	▪ Additional COVID-19 disclosures regarding the CARES Act, FHFA Orders, HUD/FHA, USDA, VA, Ginnie Mae Orders, and Gubernatorial Orders are discussed in further detail in the POS

Conclusion and Financing Schedule

Program Highlights	▪ Series 2021 Bonds are the Department's inaugural issuance of **Social Bonds** ▪ The Bonds have ratings of Aaa and AA+ by Moody's and S&P, respectively ▪ All mortgage loans in the RMRB Indenture have been pooled into MBS guaranteed by Ginnie Mae or Fannie Mae
Anticipated Financing Schedule*	▪ **POS Posting:** Tuesday, March 23rd ▪ **Retail Order Period:** Tuesday, March 30th ▪ **Institutional Pricing Date:** Wednesday, March 31st ▪ **Closing Date:** Wednesday, April 28th
TDHCA Contact Information	**Monica Galuski** *Director of Bond Finance and Chief Investment Officer* (512) 936-9268 monica.galuski@tdhca.state.tx.us
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Series 2021 Bonds Senior Manager (Jefferies) Contact Information	**Robert Foggio** *Senior Vice President* (973) 747-7656 rfoggio@jefferies.com **Alan Jaffe** *Managing Director* (917) 494-2386 ajaffe@jefferies.com **Sammi Chhea** *Senior Vice President* (347) 495-1111 schhea@jefferies.com

*Preliminary subject to change

5. Rating Reports

Moody’s

MOODY'S
INVESTORS SERVICE

Rating Action: Moody's assigns Aaa to Texas DHCA's Residential Mortgage Revenue Bonds Series 2021A and Residential Mortgage Revenue Refunding Bonds Series 2021B; outlook stable

10 Mar 2021

New York, March 10, 2021 -- Moody's Investors Service, has assigned a rating of Aaa to the proposed Texas Department of Housing and Community Affairs' (TDHCA) $100M Residential Mortgage Revenue Bonds (RMRB) Series 2021A (Non-AMT) (Social Bonds) and approximately $59M Residential Mortgage Revenue Refunding Bonds Series 2021B (Taxable) (Mortgage-Backed Securities Pass-Through Bonds). The outlook is stable. Moody's maintains Aaa ratings on all outstanding parity debt issued under the RMRB Indenture.

RATINGS RATIONALE

The Aaa rating on the Bonds reflects the strong program portfolio which consists of 100% mortgage-backed securities (MBS) and a program asset-to-debt ratio (PADR) of 1.36x (1.08x excluding all second lien loans) as of August 31, 2019. The rating also incorporates a sound legal structure and cash flow projections that exhibit sufficient revenues to pay timely debt service.

RATING OUTLOOK

The outlook is stable based on our expectation of continued solid financial performance of the program in the near term.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

- Not applicable.

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

- Substantial and sustained decrease in program PADR.

LEGAL SECURITY

The bonds are special, limited obligation revenue bonds of the Department payable solely from the revenues pledged under the resolution. The bonds are on parity with other obligations secured by the existing RMRB master resolution.

USE OF PROCEEDS

Proceeds of the Series 2021A bonds are expected to be primarily used to purchase GNMA MBS backed by pools of qualifying mortgages to finance the acquisition of single-family residences in the State of Texas. Proceeds of the Series 2021B bonds are expected to be primarily used to refund the TDHCA's outstanding Residential Mortgage Revenue Bonds, Series 2009C-1 (Taxable), Series 2009C-2, Series 2011A and Series 2011B.

PROFILE

The Residential Mortgage Revenue Bonds Program was established in 1987. The proceeds of bonds issued under this indenture are used to finance affordable residential housing to low and moderate income persons in the State of Texas. All the bonds under the indenture are secured equally by all of the mortgage loans.

METHODOLOGY

The principal methodology used in these ratings was US Housing Finance Agency Single-Family Housing Methodology published in October 2019 and available at https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_1154478 . Alternatively, please see the Rating Methodologies page on www.moodys.com for a copy of this methodology.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found at: https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_79004

For ratings issued on a program, series, category/class of debt or security this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series, category/class of debt, security or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the credit rating action on the support provider and in relation to each particular credit rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Moody's general principles for assessing environmental, social and governance (ESG) risks in our credit analysis can be found at https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_1243406 .

Please see www.moodys.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

Please see the ratings tab on the issuer/entity page on www.moodys.com for additional regulatory disclosures for each credit rating.

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MOODY'S
INVESTORS SERVICE

Standard and Poor’s

S&P Global Ratings

RatingsDirect®

Summary:

Texas Department of Housing & Community Affairs; Multifamily Multiple MBS; Single Family Multiple MBS

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Rating Action

Stable Outlook

Credit Opinion

Related Research

Summary:

Texas Department of Housing & Community Affairs; Multifamily Multiple MBS; Single Family Multiple MBS

Credit Profile		
US$100.0 mil residential mtg rev bnds ser 2021A due 01/01/2052		
Long Term Rating	AA+/Stable	New
US$59.046 mil residential mtg rev bnds ser 2021B due 07/01/2042		
Long Term Rating	AA+/Stable	New
Texas Dept of Hsg & Comnty Affairs SFMULTMBS		
Long Term Rating	AA+/Stable	Affirmed

Rating Action

S&P Global Ratings assigned its 'AA+' rating to the Texas Department of Housing & Community Affairs' (TDHCA) series 2021A and 2021B residential mortgage revenue bonds (RMRBs). At the same time, we affirmed our 'AA+' ratings on all outstanding bonds under the RMRB indenture. The outlook on the long-term ratings is stable.

The $100 million 2021A bonds will be issued to purchase Ginnie Mae mortgage-backed securities (MBS). The $59 million 2021B bonds will be issued to refund existing series series 2011A/2009C1 and series 2011B/2009C2 bonds.

The series 2021A and 2021B bonds are limited obligations of the department and are payable solely from and secured by all funds pledged under the indenture. The bonds will be held on parity with approximately $234 million bonds and notes outstanding (as of Jan. 1, 2021).

Credit overview

The rating reflects our opinion of:

- The indenture's very strong resolution cash flows showing opening assets-to-liabilities (A/L) parity of 104.826% and low A/L parity of 102.31%;
- The bond program's cash flow sufficiency and overcollateralization;
- High-quality MBS assets, virtually all of which are secured through either Ginnie Mae or Fannie Mae; and
- The very high quality of investments of the indenture.

The stable outlook reflects our opinion that the indenture will perform at the current rating level--specifically in regard to A/L parity, asset quality, and risk profile--during the two-year outlook period.

Environmental, social, and governance (ESG) factors

We have analyzed the transaction's ESG risks relative to its legal framework, operational risk framework, cash flow, and enhancement. We view health and safety risks related to the COVID-19 pandemic as social risks, which have broadly affected the U.S. economy and its workforce. The resulting elevated unemployment and the greater likelihood of nonpayment of rent could lead to a decrease in rental revenue and elevate near-term social risk. In addition to increased federal funding support to individuals, we believe the transaction's A/L parity and federal enhancement on the MBS insulate it from near-term financial pressures related to COVID-19. As vaccine rollouts continue in the U.S., S&P Global Ratings believes there remains a high degree of uncertainty about the evolution of the coronavirus pandemic and its economic effects. Widespread immunization will pave the way for a return to more normal levels of social and economic activity. As the situation evolves, we will update our views. We believe governance and environmental risks for the transaction are both in line with the sector standard.

Stable Outlook

Downside scenario

While we find it unlikely, should the indenture's A/L parity deteriorate to near or below 100%, where full and timely payment on the bonds becomes uncertain, we could lower the rating. Additionally, a negative rating action on the U.S. government could result in a lower rating on the bonds.

Upside scenario

Should, through overcollateralization, the indenture's A/L parity increase to levels that are able to satisfy our stressed loss coverage requirements for a 'AAA' rating, we could take a positive rating action. Additionally, a positive rating action on the U.S. government could result in a positive rating action on the bonds.

Credit Opinion

The indenture

The RMRB trust indenture was created in 1987 as a whole loan indenture. As of Jan. 1, 2021, the indenture was entirely MBS, consisting of $231 million MBS. As of Jan. 1, 2021, the indenture's consolidated A/L parity was strong, with an opening parity of 104.826% and a low parity of 102.311%.

Legal framework and operational risk framework requirements

The transaction meets the legal framework as set forth in our criteria, "Global Framework For Assessing Operational Risk In Structured Finance Transactions," published Oct. 9, 2014, which focuses on the underlying security and collateral, bankruptcy risk, eligible investments, flow of funds, additional bonds, redemptions, events of default, reserves, and trustee responsibilities. The transaction also meets the eligibility conditions for key transaction participants (KTP) as set forth under our criteria for assessing operational risk. The maximum potential rating for the bonds is 'AAA' based on our view of moderate severity risk of the potential impact of a disruption in KTP services on the issuer's cash flows and low portability risk (or the likelihood that the KTP could be replaced if needed).

Federal enhancement

All of the underlying mortgage collateral supporting the bonds outstanding in the resolution is in the form of MBS, of which all are 'AA+' eligible under our criteria, based on full credit enhancement via a guarantee from a U.S. federal agency (Ginnie Mae), and from a U.S. government-sponsored enterprise (Fannie Mae and Freddie Mac).

Cash flow analysis

We have analyzed consolidated indenture cash flows, which assumed S&P Global Ratings' stressed reinvestment earnings commensurate with the rating on the bonds (0.05% for the 'AA' rating category) and include a variety of stress scenarios including nonorigination, several different prepayment speeds, and assumption of a $10 million withdrawal for permitted expenditures in the resolution. The cash flows have a basis date of Jan. 1, 2021. In our view, the cash flows demonstrate the issuer's ability to pay full and timely debt service on the bonds through their maturity or earlier redemption. While the lowest A/L parity ratio calculated in any of the consolidated cash flow scenarios is approximately 102.31% for the consolidated cash flows (which is above the 100.25% threshold as stated in our "U.S. Federally Enhanced Housing Bonds" criteria, published Nov. 12, 2019), the ratio has dropped from 104.10% based on the series 2019 issuance. In our view, this is due to increased bond issuance and conservative assumptions in the cash flows.

Related Research

Through The ESG Lens 2.0: A Deeper Dive Into U.S. Public Finance Credit Factors, April 28, 2020

Ratings Detail (As Of March 12, 2021)		
Texas Dept of Hsg & Comnty Affairs residential mtg rev bnds		
Long Term Rating	AA+/Stable	Affirmed
Texas Dept of Hsg & Comnty Affairs rmktd and conversion date 04/10/2013 (Taxable)		
Long Term Rating	AA+/Stable	Affirmed
Texas Dept of Hsg & Comnty Affairs single fam mtg rev bnds ser 2020A due 09/01/2050		
Long Term Rating	AA+/Stable	Affirmed
Texas Dept of Hsg & Comnty Affairs single fam mtg rev rfdg bnds ser 2020B due 09/01/2050		
Long Term Rating	AA+/Stable	Affirmed
Texas Dept of Hsg & Comnty Affairs SFMULTMBS		
Long Term Rating	AA+/Stable	Affirmed
Texas Dept of Hsg & Comnty Affairs SFMULTMBS		
Long Term Rating	AA+/Stable	Affirmed
Texas Dept of Hsg & Comnty Affairs (Resid Mtg Rev Bnd Trust Indenture)		
Long Term Rating	AA+/Stable	Affirmed

6. Publications

Jefferies' Municipal Weekly Strategy

Jefferies

Municipal Weekly Strategy

GLOBAL FIXED INCOME

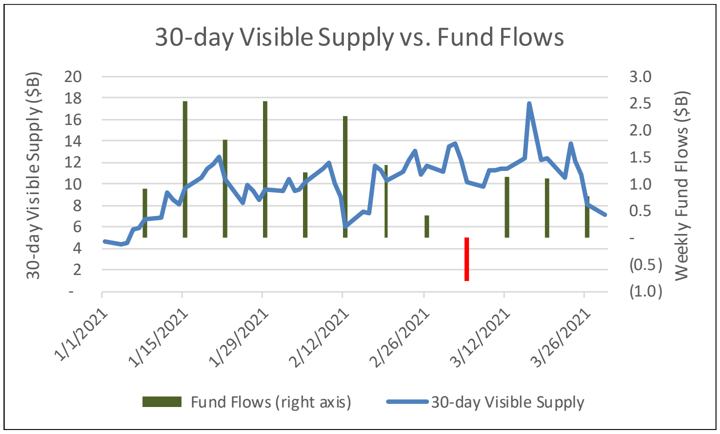
Commentary

"Keep digging until further notice." – @SuezDiggerGuy

Market Recap – Firm

- Municipal investors extended duration as rate fears receded a bit partly on weaker economic data (home sales, durable goods, personal spending and income)
- Additionally, the slope of the municipal curve remained steady vs. a 6 basis point flattening in Treasuries (5s30s) resulting in slightly better relative value out the curve in exempts
- Exempt rates rallied 5 - 7 basis points across the curve on the week, outperforming the Treasury rally down the curve (5 - 7bps) but underperforming out long (3 bps)
- The secondary market was firm, but volume was light; credit spreads were marginally tighter in exempts and mostly unchanged in taxables
- Weekly bid-wanted volume remained in the same context as the 4-wk MAVG of $3.4B
- Municipal fund flows also came in just above the 4-wk MAVG of $547mm (EPFR)
- 30-day visible supply remained rangebound between $11B-$13B, before ticking down to a very thin $8 billion ahead of the holiday week (early bond market close Friday)

CHART OF THE WEEK: 30-day visible supply vs. Weekly Fund Flows Source: Blmbg, EPFR, Jefferies



Primary Market Recap

- The week's $7.6bn negotiated calendar was easily absorbed as inflows and slightly higher yields attracted investors
- Several highly rated deals that went out with wider preliminary levels after a soft end to the prior week were met with strong demand. For example, $1bn Jefferies' co-managed NYC TFA (Aa1/AAA) bumped long end yields 7bps on solid demand, and $255mm CTRMA Senior bonds (Baa1/A-) repriced max yields 23bps tighter.
- In high yield, Jefferies' sole-managed $434mm Glendale (unrated) saw strong sponsorship, especially for junior bonds which had the highest subscription
- This week, the calendar expands contracts to $4.9bn, $3.9bn of which is negotiated. The largest deals, including Jefferies' senior-managed Golden State Tobacco, are:

Upcoming Transactions			Source: Bloomberg, Jefferies
Issuer/Obligor	State	Amt ($000)	Description
Golden State Tobacco (Aa3/A+/AA-)	CA	$995,685	Enhanced Tobacco Asset-Backed Txbl.
Washington State Convention	WA	345,000	Pub. Facs. Junior Lodging Tax Notes
Cleveland-Cuyahoga Cnty. Port Auth.	OH	$279,950	VA Cleveland Health Care Center Txbl.

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Important Disclosures

I, Christopher White, certify that all of the views expressed in this Strategist Material accurately reflect my personal views about the subject security(ies) and subject company(ies). I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

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Jefferies' Housing Weekly Update

Market Update Slides

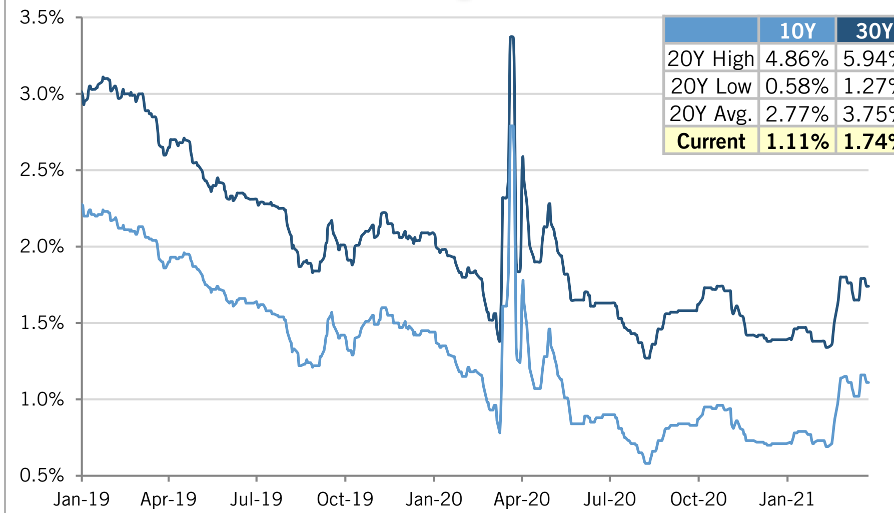
March 29, 2021

Benchmark rates remain attractive compared to historic levels

10-year and 30-year UST rates are currently 146 and 143 bps below their respective 20-year averages

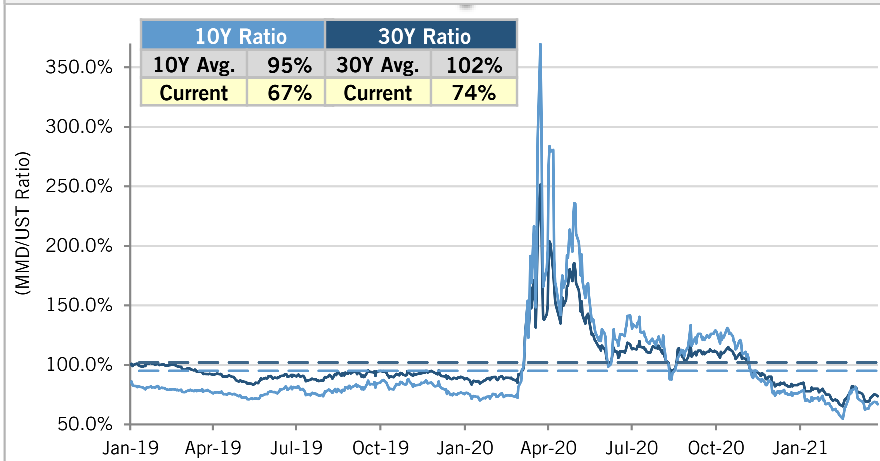
	10Y	30Y
20Y High	5.52%	5.91%
20Y Low	0.53%	1.00%
20Y Avg.	3.13%	3.81%
Current	1.67%	2.38%

10-year and 30-year MMD rates are currently 166 and 201 bps below their respective 20-year averages



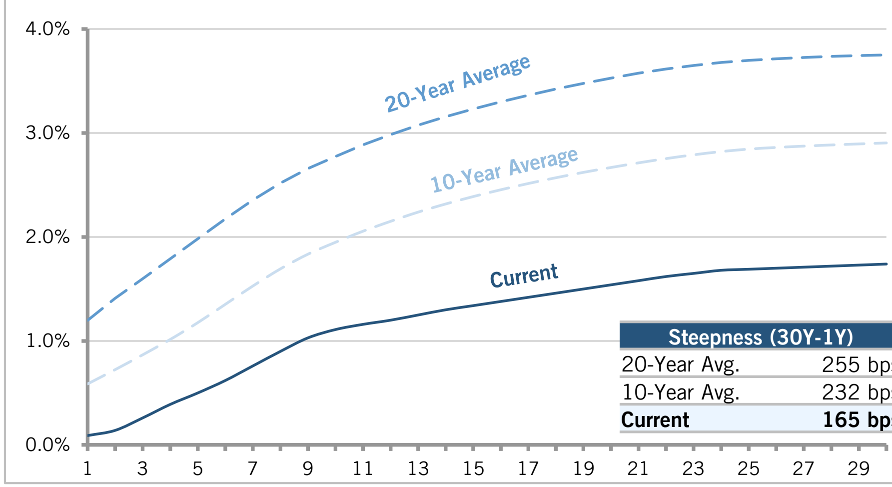
	10Y	30Y
20Y High	4.86%	5.94%
20Y Low	0.58%	1.27%
20Y Avg.	2.77%	3.75%
Current	1.11%	1.74%

Volatility in the market due to Coronavirus has led to substantial movement in tax-exempt/taxable ratios



10Y Ratio		30Y Ratio	
10Y Avg.	95%	30Y Avg.	102%
Current	67%	Current	74%

The current yield curve is significantly flatter than its historic averages



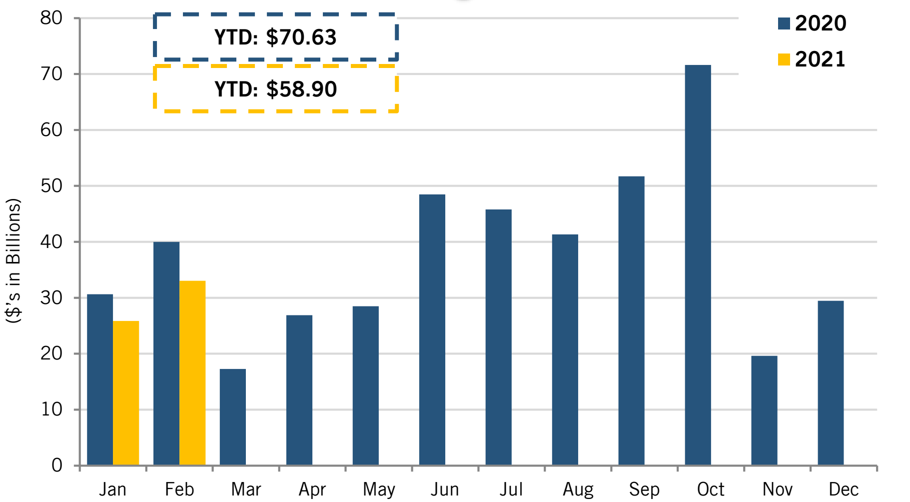
Steepness (30Y-1Y)	
20-Year Avg.	255 bps
10-Year Avg.	232 bps
Current	165 bps

Source: Bloomberg and Thomson Reuters as of 03/26/2021

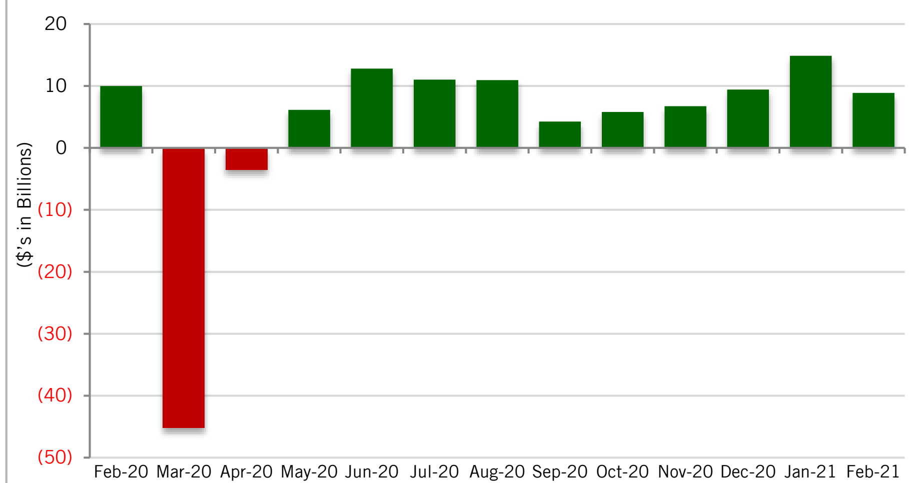
Jefferies

Municipal supply and demand

Municipal issuance through February is down 17% compared to the same period in 2020

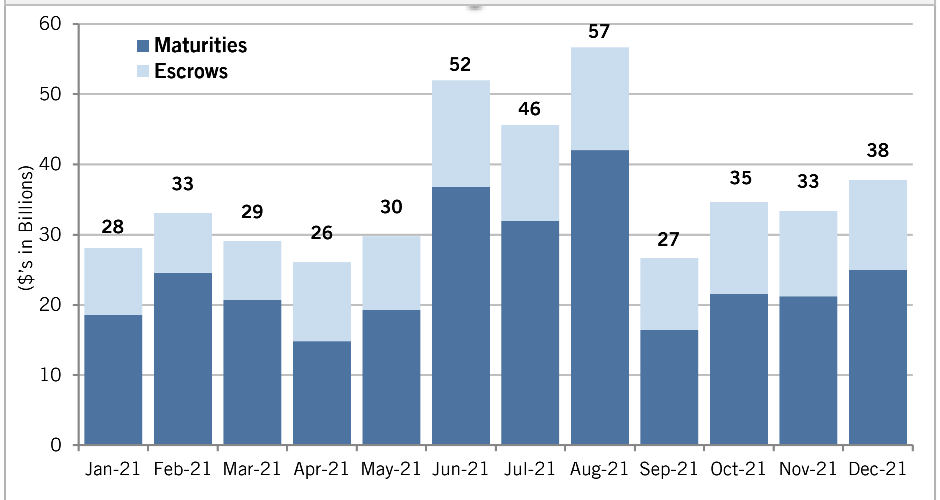


The municipal market has recovered since March/April, as total inflows through February are over $23.7 billion



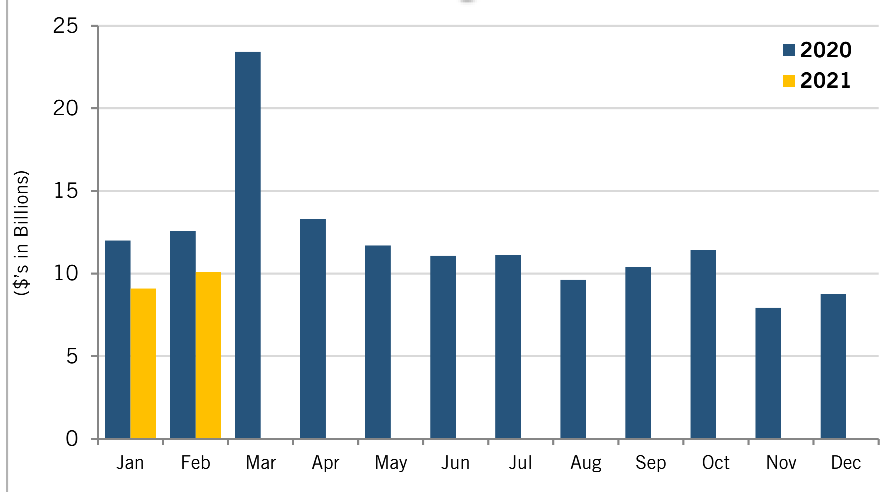
Source: EPFR data as of 03/26/2021, only includes funds which report on a monthly basis through February

Expected redemptions for the year are highest in the summer months



Source: Bloomberg as of 03/26/2021

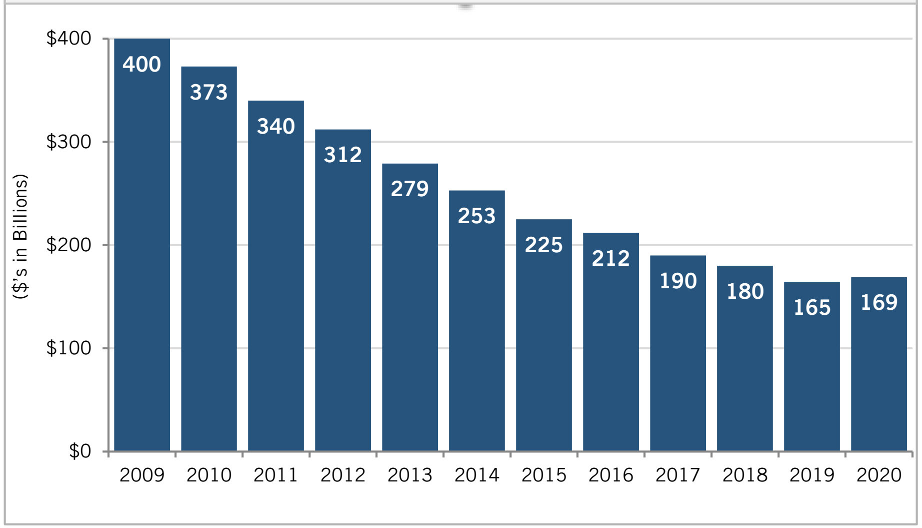
Average municipal daily trading volume through February is $9.6 billion, compared to $12.3 billion over the same period in 2020



Source: SIFMA as of 03/26/2021

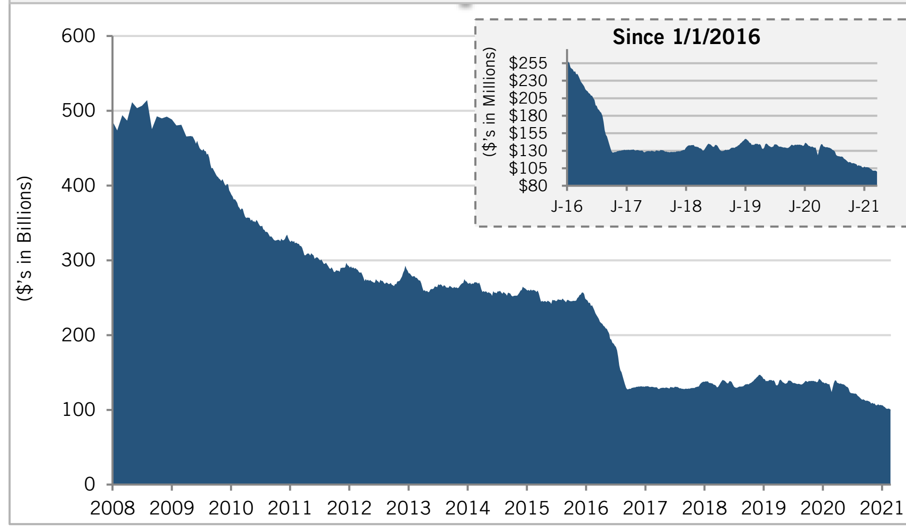
Short-term market

VRDBs outstanding have increased for the first time since 2009 as issuers capitalized on all-time low rates in 2020



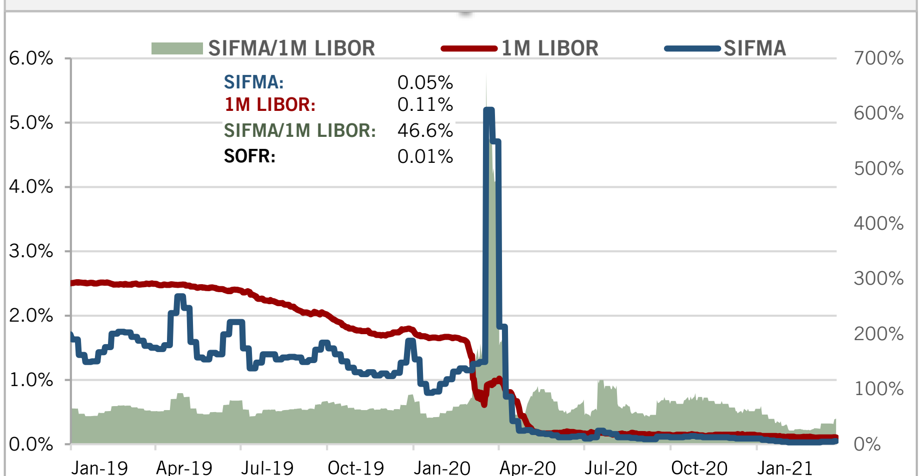
Source: Thomson Reuters as of 03/26/2021

Tax-exempt money market fund assets have stabilized since October 2016 (i.e., money market fund reform implementation)



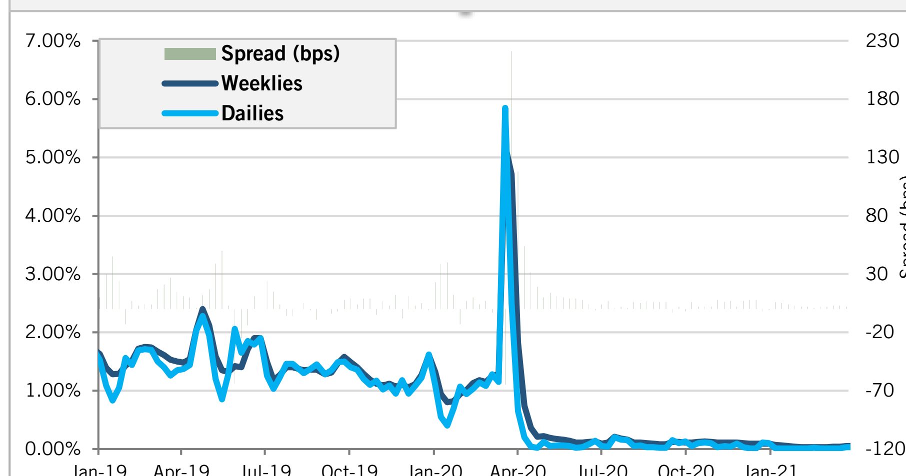
Source: EPFR as of 03/26/2021

Tax-exempt/taxable ratios have declined after increasing significantly in March 2020, current ratio is 46.6%



Source: Bloomberg, 03/26/2021

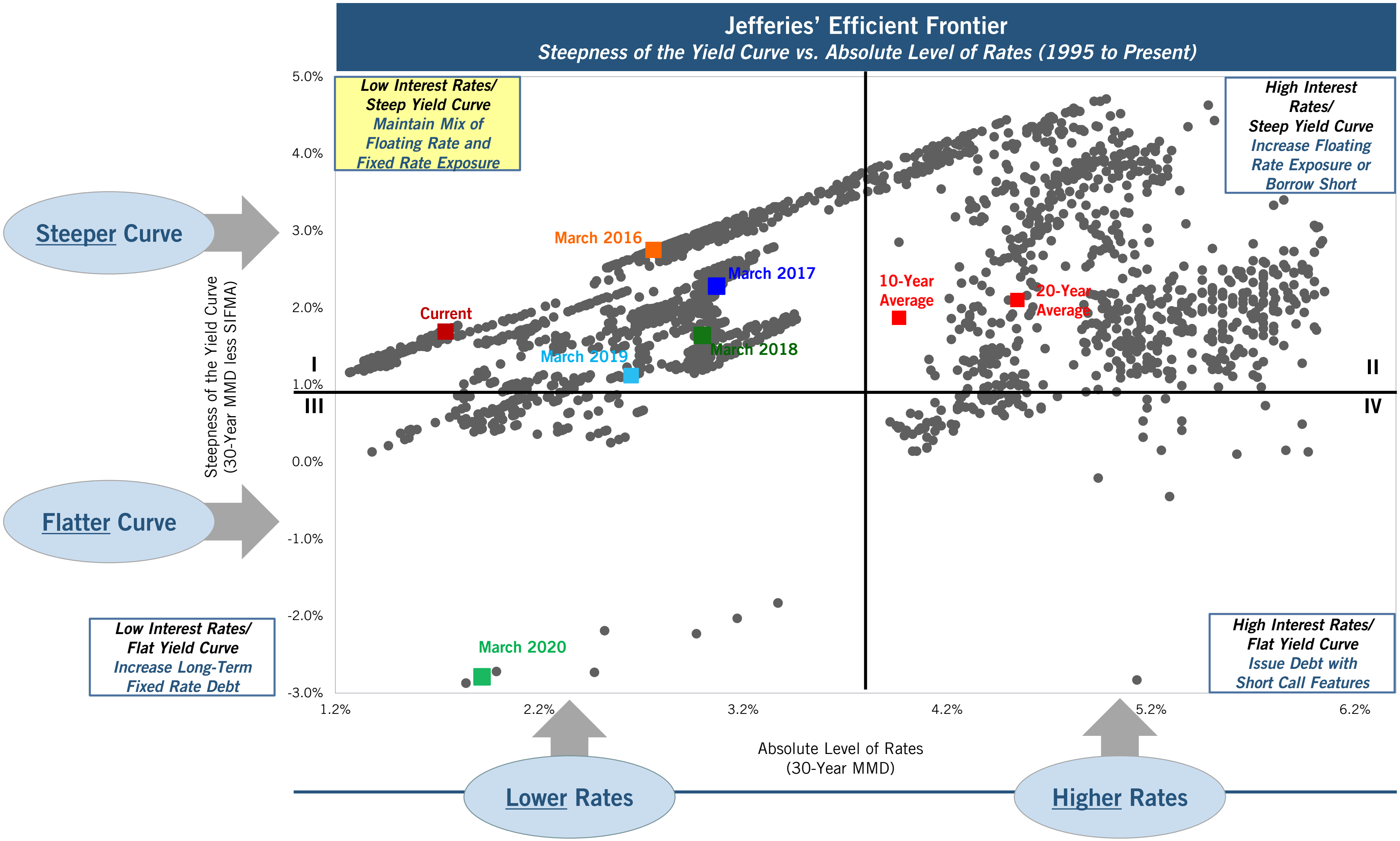
Since the beginning of 2017, daily VRDBs have outperformed weeklies by an average of 8 bps



Reflects illustrative results of comparable programs with similar terms and liquidity facilities

Jefferies

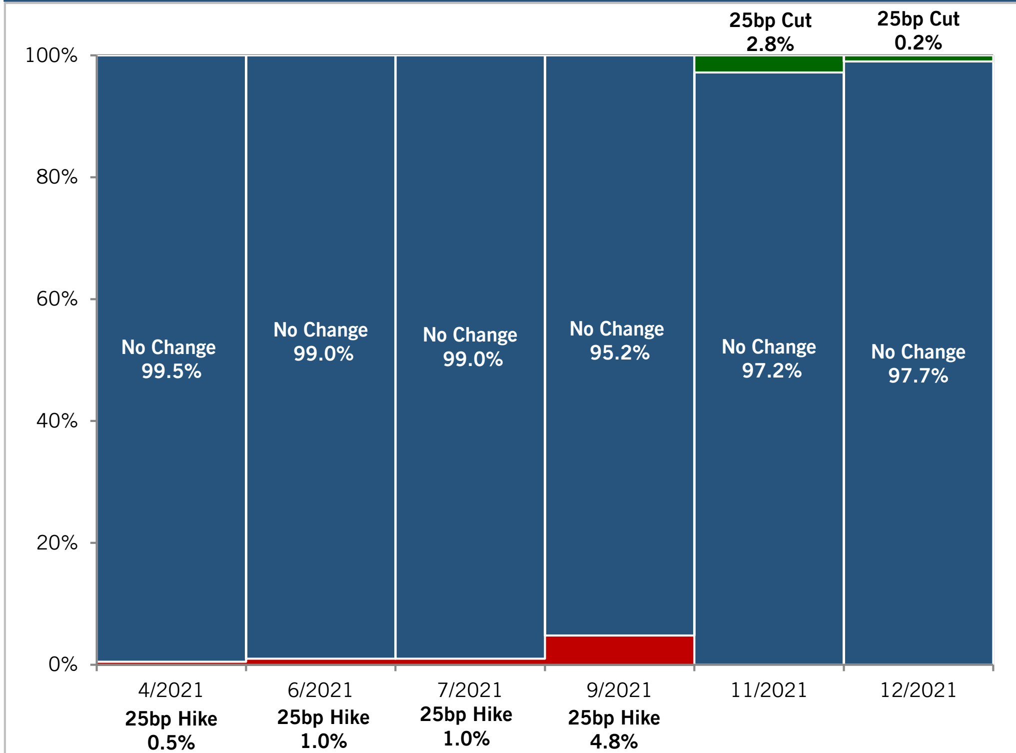
Jefferies' Efficient Frontier puts a historical context around today's market environment



Source: Thomson Reuters as of March 26, 2021

Economic activity and consensus forecasts

Implied Fed Funds Rate Changes *(Current Target Range of 0-25 bps)*



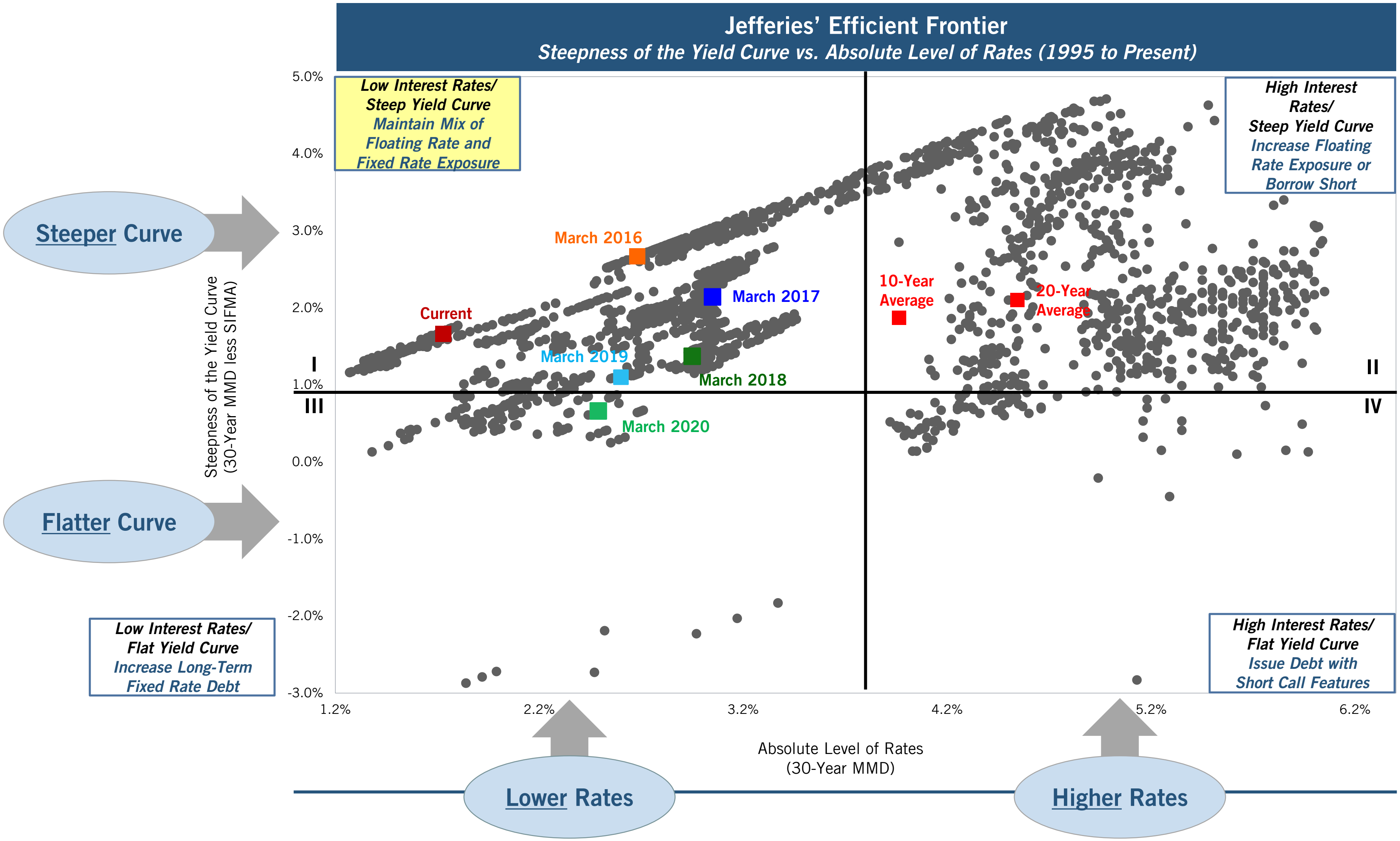
Bars indicate "cumulative" increases or decreases by FOMC meeting dates; for example, the market is pricing in a 0.5% probability of a rate hike in the April FOMC meeting
Source: Bloomberg as of 03/28/2021

Market Consensus Interest Rate Forecasts

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022
Fed Funds Target Rate	0.25%	0.25%	0.25%	0.25%	0.30%
3-Month Libor	0.18%	0.21%	0.24%	0.27%	0.31%
2-Year UST	0.15%	0.20%	0.24%	0.30%	0.38%
10-Year UST	1.61%	1.58%	1.62%	1.71%	1.79%
30-Year UST	2.29%	2.31%	2.35%	2.43%	2.50%
Steepness (30Y less 2Y)	**214 bps**	**211 bps**	**211 bps**	**213 bps**	**212 bps**

Source: Bloomberg as of 03/28/2021

Jefferies' Efficient Frontier puts a historical context around today's market environment



Source: Thomson Reuters as of April 2, 2021

Jefferies

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BOARD ACTION REQUEST

BOND FINANCE DIVISION

JUNE 17, 2021

Presentation, discussion and possible action on Resolution No. 21-032 regarding Amendments to Funding Loan Agreements relating to certain Governmental Lender Notes issued by the Department

RECOMMENDED ACTION

WHEREAS, the Department previously issued its Governmental Lender Note for Gateway at Hutchins Apartments in August 2016;

WHEREAS, as part of the financing, the Department entered into a Funding Loan Agreement, dated August 1, 2016, with Wilmington Trust, National Association, as Fiscal Agent and Citibank, N.A. as the Funding Lender;

WHEREAS, the Funding Loan Agreement includes provisions relating to Department policy for an Approved Transferee of the underlying security and includes the Form of Transferee Representations Letter required for those who hold the Department's Governmental Lender Note; and

WHEREAS, Citibank, N.A., has requested modifications to these provisions, as further discussed herein, that would be applicable to Gateway at Hutchins Apartments, as well as other transactions in which Citibank, N.A., serves as Funding Lender and specifically mentioned herein;

NOW, therefore, it is hereby

RESOLVED, that the Amendment to the Funding Loan Agreement relating to Governmental Lender Note Series 2016 for Gateway at Hutchins Apartments, and the other transactions specified herein, is hereby approved in the form presented to this meeting.

BACKGROUND

The unrated Governmental Lender Note (the Note) in the original amount of $29,000,000 for Gateway at Hutchins Apartments was originally issued by the Department in August 2016. The Funding Loan Agreement between the Department, the Fiscal Agent and the Funding Lender includes provisions relating to who would be considered an Approved Transferee and hold the underlying security for the specific multifamily transaction. Moreover, the Funding Loan Agreement includes a Form of Transferee Representations Letter required to be signed and delivered to the Fiscal Agent by the registered holder of the Note. The Transferee Representations Letter requires certain representations regarding transferee qualification to hold the Note, and keeps the Department informed as to current holders of the security.

Citibank has requested modifications to the definition of an Approved Transferee and corresponding changes to the Form of Transferee Representations Letter in the Funding Loan Agreement specific to the Gateway at Hutchins transaction, but such modifications are intended to be applicable to other current TDHCA transactions in which Citibank is serving as Funding Lender that have not yet converted to the permanent phase. These would include Preserve at Hunters Crossing (Series 2018) and Granada Terrace (Series 2020), as well as current transactions that are pending closing, which would include Caroline Lofts (Series 2021) and Citadel Apartments (Series 2021). Such changes will also be applicable to future transactions with Citibank.

Historically, the Department's requirements for an Approved Transferee on its private placement transactions have been defined as:

> "Approved Transferee" means (1) a Qualified Institutional Buyer (QIB) as defined in Rule 144A promulgated under the Securities Act of 1933, that is a financial institutional or commercial bank with capital and surplus of $5,000,000,000 or more; (2) an affiliate of the funding Lender, or (3) a trust or custodial arrangement established by the Funding Lender or one of its affiliates the beneficial interests in which will be owned by QIBs.

Citibank has requested the Department's consideration to expand this definition to include other governmental entities across the country with whom they do business. Citibank would be transferring the Notes to a governmental entity who will create the trust/securitization, allowing for the issuance of a municipal CUSIP, which expands the universe of potential investors by including the municipal market and buyers. The governmental entity will then be the holder of the Governmental Lender Note, while Citibank will remain as the servicer of the loan and our point of contact on the transaction.

Citibank has represented that in 2019 they began securitizing balance sheet loans. With annual origination of $3 to $5 billion in new loans, their balance sheet is growing exponentially, and they are looking for ways to continue to securitize. The modifications requested will allow the loans to come off their balance sheet, thereby reducing their exposure and allowing them to originate new transactions in Texas. This request is not specific to TDHCA-issued transactions; Citibank has requested similar modifications from the local issuers across the state in which they serve as Funding Lender.

Through multiple discussions with Citibank and their counsel, staff recommends the current definition for an Approved Transferee in the Funding Loan Agreement be replaced in its entirety with the following:

> "Approved Transferee" means (1) a "qualified institutional buyer" ("QIB") as defined in Rule 144A promulgated under the Securities Act of 1933, as in effect on the date hereof (the "Securities Act") that is a financial institution or commercial bank having capital and surplus of $5,000,000,000 or more, (2) an affiliate of the Funding Lender, (3) a trust or custodial arrangement established by (a) the Funding Lender or one of its affiliates or (b) one of the New Hampshire National Finance Authority, the Arizona Industrial Development Authority, or solely upon advance written consent of the Governmental Lender, any other state or local government or agency or entity which is a political subdivision of a federal, state or local government (such entity as described in this subsection 3(b) referred to herein as a "Governmental Entity"), in each case the beneficial interests in which will be either (i) owned only by QIBs or (ii) rated in the

"BBB" category or higher without regard to modifier (or the equivalent investment grade category) by at least one nationally recognized rating agency, or (4) a Governmental Entity.

In considering the aforementioned requested changes to the definition, similar changes to the Form of Transferee Representations Letter would also be required, including particularly modifications of the applicable rating category and indemnification provisions. While there are limitations that require an "A" rating or higher in certain contexts, the Department's statute and rules do not address the rating associated with a secondary market transaction. In shifting to a minimum rating of "BBB" category or higher, staff believes the restrictions requiring $100,000 minimum denominations and that holders of beneficial interests in the Note be QIBs, along with the fact that these are not done as stand-alone transactions, but have been part of a pool of only sophisticated buyers, limits the risk that there will be a retail sale of the underlying security. Moreover, Citibank has represented that they are only marketing to institutional buyers and they share the Department's position that these securities should only be in the hands of sophisticated entities.

Although Citibank has the ability, through the bond documents, to bundle loans and sell them, the entities with which they want to do business do not fit the requirements of the Department's Form of Transferee Representations Letter and would be unable to sign without making the proposed modifications.

As it relates to the indemnification modification, the Borrower Loan Agreement on these transactions makes it clear that the borrower is looked to first if they are in default under the Department's bond documents. While that would still be the case, if the Borrower fails, given the securitization, the indemnification would allow the Department to look to Citibank, and not the governmental entity who holds the underlying certificates.

RESOLUTION NO. 21-032

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AMENDMENTS TO ONE OR MORE FUNDING LOAN AGREEMENTS IN CONNECTION WITH CERTAIN OF THE DEPARTMENT'S OUTSTANDING DEBT ISSUANCES; 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 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, the Department has previously issued, or is currently in the process of issuing, the Governmental Lender Notes and Multifamily Housing Governmental Notes identified in Exhibit A to this Resolution (each, a "Note" and collectively, the "Notes"); and

WHEREAS, each of the Notes was initially, or will be, purchased by Citibank, N.A., ("Citibank") in its role as funding lender pursuant to a separate Funding Loan Agreement entered into with respect to each Note (collectively referred to herein as the "Funding Loan Agreements"); and

WHEREAS, pursuant to the Funding Loan Agreements and with respect to each of the Notes, Citibank has requested that the Department enter into a separate Amendment to Funding Loan Agreement in substantially the form attached as Exhibit B to this Resolution (each, an "Amendment") with Citibank and the fiscal agent identified in the respective Funding Loan Agreement to make certain modifications to the terms of the respective Note and Funding Loan Agreement; and

WHEREAS, the Department now desires to take certain actions with respect to the Amendment; and

WHEREAS, the Board has examined the proposed form of the Amendment (which is attached to and comprises a part of this Resolution); has found the form and substance of such document to be satisfactory and proper and the recitals contained therein to be true, correct and complete; and has determined, subject to the conditions set forth in Article 1, to authorize the execution and delivery of each Amendment and the taking of such other actions as may be necessary or convenient in connection therewith;

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

ARTICLE 1

APPROVAL OF DOCUMENTS AND CERTAIN ACTIONS

Section 1.1 Approval, Execution and Delivery of Amendment. The Amendment, in substantially the form presented at this meeting, is hereby approved and adopted by the Department, and the Authorized Representatives of the Department named in this Resolution are each hereby authorized and empowered to execute and deliver each Amendment on behalf of the Department, with such changes as may be approved by the Authorized Representative executing the same, such approval to be evidenced by such Authorized Representative's execution thereof.

Section 1.2 Taking of Any Action; Execution and Delivery of Other Documents. That the Authorized Representatives are each hereby authorized to take any actions and to execute, attest and affix the Department's seal to, and to deliver to the appropriate parties, all such other agreements, commitments, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, notices of acceptance, written requests and other papers, whether or not mentioned herein, as they or any of them consider to be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 1.3 Power to Revise Form of Documents. That, notwithstanding any other provision of this Resolution, the Authorized Representatives 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 Bracewell LLP, 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.

Section 1.4 Exhibits Incorporated Herein. That 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 B - Amendment

Section 1.5 Authorized Representatives. The following persons are hereby named as authorized representatives of the Department for purposes of executing, attesting, affixing the Department's seal to, and delivering the documents and instruments and taking the other actions referred to in this Article 1: the Chair or Vice Chair of the Board, the Executive Director of the Department, the Director of Administration of the Department, the Director of Financial Administration of the Department, the Director of Bond Finance and Chief Investment Officer of the Department, the Director of Multifamily Bonds of the Department, the Director of Texas Homeownership of the Department, and the Secretary or any Assistant Secretary to the Board. Such persons are referred to herein collectively as the "Authorized Representatives." Any one of the Authorized Representatives is authorized to act individually as set forth in this Resolution.

Section 1.6 Ratifying Other Actions. That all other actions taken by the Executive Director of the Department and the Department staff in connection with the execution of each Amendment and the redemption and defeasance of the Bonds are hereby ratified and confirmed.

ARTICLE 2

GENERAL PROVISIONS

Section 2.1 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 2.2 Certification of the Minutes and Records. That the Secretary or Assistant Secretary to the Board hereby is authorized to certify and authenticate minutes and other records on behalf of the Department for the Bonds and all other Department activities.

Section 2.3 Notice of Meeting. This Resolution was considered and adopted at a meeting of the Governing Board that was noticed, convened, and conducted in full compliance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, and with §2306.032 of the Texas Government Code, and the March 16, 2020 action by the Governor of the State of Texas under Section 418.016, Texas Government Code, suspending certain provisions of the Texas Open Meetings Act, regarding meetings of the Governing Board.

Section 2.4 Effective Date. This resolution shall be in full force and effect from and upon its adoption.

PASSED AND APPROVED this 17th day of June, 2021.

EXHIBIT A

1. Governmental Lender Note (Gateway at Hutchins Apartments) Series 2016
2. Governmental Lender Note (The Preserve at Hunters Crossing) Series 2018
3. Multifamily Housing Governmental Note (Granada Terrace Apartments) Series 2020A and Series 2020B
4. Multifamily Housing Governmental Note (The Citadel Apartments) Series 2021A and Series 2021B
5. Multifamily Housing Governmental Note (Caroline Lofts) Series 2021

EXHIBIT B

AMENDMENT TO FUNDING LOAN AGREEMENT

by and among

CITIBANK, N.A.,
as the Original Funding Lender

and

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS,
as the Governmental Lender

and

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as the Fiscal Agent

dated as of _________ 1, 2021

---

relating to:

$29,000 ,000
Original Principal Amount
Texas Department of Housing and Community Affairs
Governmental Lender Note

(Gateway at Hutchins Apartments) Series 2016

AMENDMENT TO FUNDING LOAN AGREEMENT

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AMENDMENT TO FUNDING LOAN AGREEMENT

This **AMENDMENT TO FUNDING LOAN AGREEMENT** dated as of _________ 1, 2021 (this "***Amendment***"), by and among **CITIBANK, N.A.** (the "***Original Funding Lender***", and together with any successor to its rights, duties and obligations hereunder, the "***Funding Lender***"), **TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS** (together with any successor to its rights, duties and obligations hereunder, the "***Governmental Lender***") and **WILMINGTON TRUST, NATIONAL ASSOCIATION** (together with any successor to its rights, duties and obligations hereunder, the "***Fiscal Agent***").

A. Pursuant to the terms of that certain Funding Loan Agreement dated as of August 1, 2016 (the "***Original Funding Loan Agreement***"), the Governmental Lender issued its promissory note in the maximum principal amount of $29,000,000 (the "***Governmental Lender Note***").

B. The proceeds of the Governmental Lender Note were used to fund a loan in the total principal amount of $29,000,000 to Hutchins 805 North Denton, LLC, a Texas limited liability company (the "***Borrower***") from the Governmental Lender pursuant to that certain Borrower Loan Agreement dated as of August 1, 2016, by and between the Governmental Lender and the Borrower for the purposes described therein.

C. The Original Funding Lender is now the holder of the Governmental Lender Note and is the Funding Lender under the Original Funding Loan Agreement.

D. The Original Funding Lender, the Governmental Lender and the Fiscal Agent have agreed to make certain changes to the Original Funding Loan Agreement.

For and in consideration of the mutual agreements hereinafter contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1.1. Definitions. The capitalized words and terms used in this Amendment shall have the meanings as set forth in the Original Funding Loan Agreement, unless the context or use indicates a different meaning or intent, or unless a different meaning is ascribed to them herein.

Section 1.2. Interpretation. Unless the context clearly requires otherwise, words of masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to included correlative words of the plural number and vice versa. This Amendment and all the terms and provisions hereof shall be construed to effectuate the purpose set forth herein and to sustain the validity hereof.

Section 1.3. Titles and Headings. The title and headings of the articles and sections of this Amendment have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Amendment or any provision hereof or in ascertaining intent, if any question of intent should arise.

ARTICLE II

AMENDMENTS

Section 2.1. Amendment to Article I. Section 1.1 of the Original Funding Loan Agreement is hereby amended by deleting the definition for "***Approved Transferee***" in its entirety and replacing it with the following:

> "Approved Transferee" means (1) a "qualified institutional buyer" ("QIB") as defined in Rule 144A promulgated under the Securities Act of 1933, as in effect on the date hereof (the "Securities Act") that is a financial institution or commercial bank having capital and surplus of $5,000,000,000 or more, (2) an affiliate of the Funding Lender, (3) a trust or custodial arrangement established by (a) the Funding Lender or one of its affiliates or (b) one of the New Hampshire National Finance Authority, the Arizona Industrial Development Authority, or, solely upon advance written consent of the Governmental Lender, any other state or local government or agency or entity which is a political subdivision of a federal, state or local government (such entity as described in this subsection 3(b) referred to herein as a "Governmental Entity"), in each case the beneficial interests in which will be either (i) owned only by QIBs or (ii) rated in the "BBB" category or higher without regard to modifier (or the equivalent investment grade category) by at least one nationally recognized rating agency, or (4) a Governmental Entity.

Section 2.2. Amendments to Article II. Section 2.6(b) of the Original Funding Loan Agreement is hereby amended by deleting that subsection in its entirety and replacing it with the following:

> "The Funding Lender shall have the right to sell (i) the Governmental Lender Note and the Funding Loan, or (ii) any portion of or a participation interest in the Governmental Lender Note and the Funding Loan, to the extent permitted by Section 2.6(d) below, provided that such sale shall be only to Approved Transferees that execute and deliver to the Funding Lender, with a copy to the Governmental Lender, the Transferee Representations Letter; provided, however, that no Transferee Representations Letter shall be required to be delivered by transferees or beneficial interest holders described in clauses (3) or (4) of the definition of 'Approved Transferee,' but a Transferor Letter in the form attached hereto as Exhibit E shall be delivered by the Funding Lender in connection with a transfer to a Governmental Entity for purposes of facilitating a transfer under clause (3) of the definition of 'Approved Transferee.'"

Section 2.6(d) shall be added to the Original Funding Loan Agreement as follows:

> "Notwithstanding the other provisions of this Section 2.6, no beneficial ownership interest in the Governmental Lender Note and the Funding Loan shall be sold in an amount that is less than the Minimum Beneficial Ownership Amount; provided, however, that beneficial ownership interests in the Governmental Lender Note and Funding Loan described in clause (3) of the definition of 'Approved Transferee' may be sold in any amount equal to or greater than $100,000 without regard to the Minimum Beneficial Ownership Amount."

Section 2.3. Amendment to add new Exhibit E, a form of Transferor Letter. A new Exhibit E shall be added to the Original Funding Loan Agreement as follows:

EXHIBIT E

FORM OF TRANSFEROR LETTER

Texas Department of Housing and Community Affairs

Wilmington Trust, National Association, as Fiscal Agent

RE: Multifamily Revenue Notes listed on Exhibit A hereto (the "Notes")

Ladies and Gentlemen:

The undersigned representative of [TRANSFEROR] (the "Transferor"), as Seller under the Portfolio Purchase Agreement (the "Purchase Agreement") pursuant to which the Transferor has sold the Notes to [CERTIFICATE ISSUER] (the "Certificate Issuer") for purposes of the deposit by the Certificate Issuer of the Notes with [CERTIFICATE TRUSTEE] (the "Trustee"), as trustee under a Trust Agreement between the Certificate Issuer and the Trustee ("Trust Agreement"), and the issuance of municipal certificates (the "Certificates"), does hereby certify, represent and warrant, solely on the basis of the Purchase Agreement and the Trust Agreement, for the benefit of the Texas Department of Housing and Community Affairs (the "Issuer") and Wilmington Trust, National Association, as Fiscal Agent (the "Fiscal Agent") for the Notes under the Funding Loan Agreement among the Issuer, the Transferor and the Fiscal Agent (as amended, the "Funding Loan Agreement") pursuant to which the Notes were issued, as applicable, as follows:

(1) The Certificate Issuer is acquiring the Notes solely for purposes of depositing them with the Trustee under the Trust Agreement as security for the payment of the Certificates.

(2) The Certificates issued pursuant to the Trust Agreement will only be (i) owned by QIBs or (ii) rated at the time of issuance in the "BBB" category or higher without regard to modifier (or the equivalent investment grade category) by at least one nationally recognized rating agency.

(3) The registered holder of the Notes will at all times be obligated to comply with the requirements of the Funding Loan Agreement governing any future transfer of the Notes or any portion of or a participation interest therein.

(4) The Transferor has provided the Certificate Issuer all information and documentation that has been requested by the Certificate Issuer in order for the Certificate Issuer to conduct its own investigation to the extent it deemed necessary. The Certificate Issuer has been offered an opportunity to have made available to it any and all such information it might request regarding the Notes and the collateral for the Notes. The Certificate Issuer has represented in the Purchase Agreement that it is not relying on any other party or person, other than the Transferor, to undertake the furnishing or verification of information related to the Notes.

(5) The Transferor is transferring an amount of the Notes amount equal to or greater than $100,000.

(6) THE TRANSFEROR INDEMNIFIES THE ISSUER AND THE FISCAL AGENT AGAINST ANY AND ALL LIABILITY, COST OR EXPENSE (INCLUDING ATTORNEYS' FEES) THAT RESULT IF THE REPRESENTATIONS CONTAINED IN TRANSFEROR LETTER ARE FALSE IN ANY MATERIAL RESPECT.

This letter and the representations and agreements contained herein are made for your benefit.

IN WITNESS WHEREOF, I have hereunto set my hand the _______ day of ____________.

[TRANSFEROR]

By: ______________________________

Name:

Title:

ARTICLE III

MISCELLANEOUS

Section 3.1. Ratification of the Original Funding Loan Agreement. Except as supplemented and amended hereby, the Original Funding Loan Agreement is in all respects ratified and confirmed and the Original Funding Loan Agreement as so supplemented and amended hereby shall be read, taken and construed as one and the same instrument. Except insofar as herein otherwise expressly provided, all the provisions, definitions, terms and conditions of the Original Funding Loan Agreement as supplemented and amended hereby, shall be deemed to be incorporated in, and made a part of, this Amendment, and the Original Funding Loan Agreement as supplemented and amended by this Amendment and as otherwise supplemented and amended is in all respects ratified and confirmed.

Section 3.2. Authorization of Amendment. This Amendment shall be construed as having been authorized, executed and delivered under the provisions of Section 10.1 of the Original Funding Loan Agreement. The Original Funding Lender, the Governmental Lender and the Fiscal Agent (as directed by the Funding Lender) hereby waive the provisions of Section 10.3 of the Original Funding Loan Agreement requiring the delivery of an Opinion of Counsel and a Tax Counsel No Adverse Effect Opinion in connection with the execution of this Amendment.

Section 3.3. Binding Effect. This Amendment shall inure to the benefit of and shall be binding upon the Governmental Lender, the Funding Lender, the Fiscal Agent, any Approved Transferee and their respective successors and assigns.

Section 3.4. Severability. If any provision of this Amendment shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative, or unenforceable to any extent whatsoever.

Section 3.5. Governing Law. This Amendment shall be governed exclusively by and construed in accordance with the internal laws of the State applicable to contracts made and performed in the State.

Section 3.6. Inclusion as Part of the Funding Loan Agreement. This Amendment on its delivery shall be a part of the Funding Loan Agreement and all references herein to "Funding Loan Agreement" shall include reference to this Amendment as well as the Original Funding Loan Agreement.

Section 3.7. Funding Lender Direction of Fiscal Agent; Approval of Governmental Lender. By its execution of this Amendment, the Funding Lender hereby directs the Fiscal Agent to (a) execute this Amendment and (b) waive the requirement of an Opinion of Counsel and a Tax Counsel No Adverse Effect Opinion, and the Governmental Lender hereby approves the execution of this Amendment by the Fiscal

Agent without the necessity of receiving an Opinion of Counsel and a Tax Counsel No Adverse Effect Opinion.

Section 3.8. Funding Lender Indemnity of Governmental Lender. The Original Funding Lender agrees to indemnify and hold harmless the Governmental Lender and its governing board members, officers, directors, employees and agents with respect to any and all liabilities, losses, damages, costs or expenses (including attorneys' fees), taxes, causes of action, suits, claims, demands and judgments of any nature or form, by or on behalf of any person (collectively, the "Liabilities") (i) arising in any manner in connection with the sale or transfer of the Governmental Lender Note or (ii) that result if the representations contained in a Transferor Letter are false in any material respect, if, in each case, such Liabilities arise out of or are based upon the changes to the Funding Loan Agreement effected by this Amendment; provided, however, that the Funding Lender's obligation to provide the indemnification contemplated by subsection (i) of this Section 3.8 shall only exist to the extent that indemnification from the Borrower pursuant to Section 5.15 of the Borrower Loan Agreement for the Liabilities is unenforceable or, after due pursuit by the Governmental Lender, is unavailable. For purposes of the preceding sentence, indemnification from the Borrower will be deemed to be unavailable if the Borrower has defaulted on the payment of debt service on the Borrower Loan and such default has remained uncured until the earlier of (x) the date upon which the Funding Lender or its representative takes any action to foreclose the Security Instrument in whole or in part or any Borrower Loan Document is put into the hands of an attorney for collection, suit, action or foreclosure, or (y) 6 months from the date such payment was originally due.

Section 3.9. Counterparts. This Amendment may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Signature Page for Gateway at Hutchins Apartments Funding Loan Agreement Amendment]

IN WITNESS WHEREOF, the parties have executed this Amendment to Funding Loan Agreement, all as of the date first above written.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

By: ______________________________
Name: James B. "Beau" Eccles
Title: Secretary to the Board

CITIBANK, N.A., as Original Funding Lender

By: ______________________________
Name:
Title: Vice President
Citi Deal ID #23965

WILMINGTON TRUST, NATIONAL ASSOCIATION, as Fiscal Agent

By: ______________________________
Name:
Title:

7e

TO BE POSTED NOT LATER THAN THE THIRD DAY BEFORE THE DATE OF THE MEETING

8a

BOARD ACTION REQUEST

MULTIFAMILY FINANCE DIVISION

JUNE 17, 2021

Presentation, discussion, and possible action regarding a waiver of 10 TAC §11.101(b)(5) of the 2021 Qualified Allocation Plan relating to Common Amenities for El Rosario Homes (#21423) in Mission and La Merced Homes (#21424) in Mercedes

RECOMMENDED ACTION

WHEREAS, two applications as further detailed below were submitted to the Department under the 4% Housing Tax Credit program;

WHEREAS, both applications require a waiver regarding 10 TAC §11.101(b)(5) of the 2021 Qualified Allocation Plan (QAP), relating to the threshold number of points for required common amenities;

WHEREAS, due to the unique configuration of the development site described as individual single family homes scattered throughout a neighborhood, the ability for such a development site to meet the threshold requirement is not contemplated or addressed in the rule;

WHEREAS, the applicant has proposed an overage of the unit amenity requirements for each application to help fulfill the deficit of common amenities, however, each application will still fall short of meeting the common amenity requirement;

WHEREAS, staff believes that allowing the overage in amenities proposed for each unit to help fulfill the common amenity requirement is appropriate given the non-contiguous, single family configuration of the existing development sites;

WHEREAS, pursuant to 10 TAC §11.207 staff believes there is good cause to grant a waiver for each of the applications as such configuration of the existing development sites could not have been foreseeable or preventable and the ability to have common areas for such amenities is non-existent; and

WHEREAS, the purposes and policies of the Department pursuant to Tex. Gov't Code, Chapter 2306 are met through the preservation of these existing affordable properties and through the Housing Tax Credit program the Department is assisting local governments in their preservation efforts;

NOW, therefore, it is hereby

RESOLVED, staff recommends that a waiver of 10 TAC §11.101(b)(5) as discussed herein for each of the specified applications be granted;

BACKGROUND

El Rosario Homes (#21423)

El Rosario Homes proposes the acquisition and rehabilitation of 100 single family homes located on scattered sites in Mission, Hidalgo County. Included herein is a list of the addresses and the respective years of construction in Exhibit B. The general population will be served and the application reflects that all of the units will be rent and income restricted at 60% of AMFI, with the exception of one of the homes which will serve as the leasing office. Moreover, there is a Section 8 HAP contract that is expected to continue for all of the units.

Waiver Request: A waiver of the threshold number of points necessary to meet the common amenity requirement was submitted with the application. Pursuant to 10 TAC §11.101(b)(5) of the QAP, a development site containing between 77 and 99 units is required to provide 10 points worth of common amenities that all residents of the development will be able to access free of charge. This development site consists of 99 single family homes, originally built in the 1980s, on separate lots that are scattered throughout a neighborhood in Mission. Some are contiguous while others are not. There is a separate existing leasing office that has a floorplan that is similar to a four-bedroom home. Based on the information provided by the applicant and contained in the application, the uniqueness of the sites allow for little to no common area to provide enough shared amenities to achieve the required minimum point threshold under the QAP.

After reviewing the specific aspects of the development site, the applicant has proposed to provide the following common amenities, which achieves a total of 3 points out of the 10 points required.

- Business Center with workstations and seating internet access, 1 printer and at least one scanner which may be integrated with the printer, and either 2 desktop computers or laptops available to check-out upon request (2 points);

- High speed Wi-Fi of 10 Mbps download speed or more with coverage throughout the clubhouse and/or community building (1 point);

Also required to be provided at each development site, free of charge to residents, are a certain threshold of points for unit amenities. These are not based on development size, as is the case with common amenities, but rather pursuant to §11.101(b)(6) of the QAP, a minimum of 9 points are required, with Rehabilitation developments starting with a base score of 5 points. Therefore, only 4 points worth of unit amenities are required to be provided for El Rosario Homes. The applicant has proposed to provide the following unit features, which achieves a total of 7 points which constitute 3 points in excess of what they are required to provide under the QAP:

- Covered entries (0.5 point);

- Storage room or closet, of approximately 9 square feet or greater, separate from and in addition to the bedroom, entryway or linen closets and which does not need to be in the Unit but must be on the Property site (0.5 point);

- Hard floor surfaces in over 50% of unit NRA (0.5 point);

- Thirty-year roof (0.5 point);

- Greater than 30% stucco or masonry or stucco or masonry (includes stone, cultured stone, and brick but excludes cementitious and metal siding) on all building exteriors; the percentage calculation may exclude exterior glass entirely (2 points);

- Recessed LED lighting or LED lighting fixtures in kitchen and living areas (1 point);

- EPA WaterSense or equivalent qualified toilets in all bathrooms (0.5 point);

- EPA WaterSense or equivalent qualified showerheads and faucets in all bathrooms (0.5 point);

- 15 SEER HVAC, or in Region 13, an efficient evaporative cooling system. For Rehabilitation (excluding Reconstruction) where such systems are not being replaced as part of the scope of work, a radiant barrier in the attic is provided. (1 point).

The applicant has requested that the excess points for unit amenities be allowed to apply to the number of points they are deficient with respect to common amenities. Staff believes that given the complexity associated with the development site and the single family nature of each "unit", that the additional unit amenities provided would serve the residents in a manner consistent with the policy objectives behind the common amenity requirement and; therefore, believes the overage in points should be attributable to the deficit that exists under 10 TAC §11.101(b)(5) regarding common amenities.

After review of the site plan, locations of each of the single family residences throughout the neighborhood, staff believes that the single-family, non-contiguous nature of the sites are an existing condition that is not within the control of the applicant. Moreover, the site could not have been reasonably foreseeable given the rehab nature of the request and limitations on space and; therefore, is believed by staff to meet the waiver requirements in 10 TAC §11.207 of the QAP. Staff recommends that a waiver of 10 TAC §11.101(b)(5) relating to common amenity requirements be granted, specifically, that the development only be required to substantiate 3 points of common amenities instead of the required 10 points. Moreover, staff recommends that the applicant be required to substantiate 7 points in unit amenities as previously discussed.

La Merced Homes (#21424)

La Merced Homes proposes the acquisition and rehabilitation of 100 single family homes located on scattered sites in Mercedes, Hidalgo County. This is a sister application to El Rosario Homes (#21423) which are expected to be financed under one bond issuance. Included herein is a list of the addresses and the respective years of construction in Exhibit B. The general population will be served and the application reflects that all of the units will be rent and income restricted at 60% of AMFI, with the exception of one of the homes which will serve as the leasing office. Moreover, there is a Section 8 HAP contract that is expected to continue for all of the units.

Waiver Request: A waiver of the threshold number of points necessary to meet the common amenity requirement was submitted with the application. Pursuant to 10 TAC §11.101(b)(5) of the QAP, a development site containing between 77 and 99 units is required to provide 10 points worth of common amenities that all residents of the development will be able to access free of charge. This development site consists of 99 single family homes, originally built in the 1980s, on separate lots that are scattered throughout a neighborhood in Mercedes. Some are contiguous while others are not. There is a separate existing leasing office that has a floorplan that is similar to a four-bedroom home. Based on the information provided by the applicant and contained in the application, the uniqueness of the sites allow for little to no common area to provide enough shared amenities to achieve the required minimum point threshold under the QAP.

After reviewing the specific aspects of the development site, the applicant has proposed to provide the following common amenities, which achieves a total of 5 points out of the 10 points required.

- One Children's Playscape equipped for five-to-12 year old's, or one Tot Lot. Must be covered with a shade canopy or awning, intended to keep equipment cool, and provide shad and ultraviolet protection. (2 points);

- Business Center with workstations and seating internet access, 1 printer and at least one scanner which may be integrated with the printer, and either 2 desktop computers or laptops available to check-out upon request (2 points);

- High speed Wi-Fi of 10 Mbps download speed or more with coverage throughout the clubhouse and/or community building (1 point);

Also required to be provided at each development site, free of charge to residents, are a certain threshold of points for unit amenities. These are not based on development size, as is the case with common amenities, but rather pursuant to §11.101(b)(6) of the QAP, a minimum of 9 points are required, with Rehabilitation developments starting with a base score of 5 points. Therefore, only 4 points worth of unit amenities are required to be provided. The applicant has proposed to provide the following unit features, which achieves a total of 7 points which constitute 3 points in excess of what they are required to provide under the QAP:

- Covered entries (0.5 point);

- Storage room or closet, of approximately 9 square feet or greater, separate from and in addition to the bedroom, entryway or linen closets and which does not need to be in the Unit but must be on the Property site (0.5 point);

- Hard floor surfaces in over 50% of unit NRA (0.5 point);

- Thirty-year roof (0.5 point);

- Greater than 30% stucco or masonry or stucco or masonry (includes stone, cultured stone, and brick but excludes cementitious and metal siding) on all building exteriors; the percentage calculation may exclude exterior glass entirely (2 points);

- Recessed LED lighting or LED lighting fixtures in kitchen and living areas (1 point);

- EPA WaterSense or equivalent qualified toilets in all bathrooms (0.5 point);

- EPA WaterSense or equivalent qualified showerheads and faucets in all bathrooms (0.5 point);

- 15 SEER HVAC, or in Region 13, an efficient evaporative cooling system. For Rehabilitation (excluding Reconstruction) where such systems are not being replaced as part of the scope of work, a radiant barrier in the attic is provided. (1 point).

The applicant has requested that the excess points for unit amenities be allowed to apply to the number of points they are deficient with respect to common amenities. Staff believes that given the complexity associated with the development site and the single family nature of each “unit”, that the additional unit amenities provided would serve the residents in a manner consistent with the policy objectives behind the common amenity requirement and; therefore, believes the overage in points should be attributable to the deficit that exists under 10 TAC §11.101(b)(5) regarding common amenities.

After review of the site plan, locations of each of the single family residences throughout the neighborhood, staff believes that the single-family, non-contiguous nature of the sites are an existing condition that is not within the control of the applicant. Moreover, the site could not have been reasonably foreseeable given the rehab nature of the request and limitations on space and; therefore, is believed by staff to meet the waiver requirements in 10 TAC §11.207 of the QAP. Staff recommends that a waiver of 10 TAC §11.101(b)(5) relating to common amenity requirements be granted, specifically, that the development only be required to substantiate 5 points of common amenities instead of the required 10 points. Moreover, staff recommends that the applicant be required to substantiate 7 points in unit amenities as previously discussed.

EXHIBIT B

El Rosario in Mission, Hidalgo County

Address	Year of Construction
205 RIO ST	1982
305 RIO ST	1982
407 RIO ST	1982
409 RIO ST	1982
501 RIO ST	1982
505 RIO ST	1982
507 RIO ST	1982
509 RIO ST	1982
511 RIO ST	1982
513 RIO ST	1982
111 S FRANCISCO AVE	1982
411 E BAHIA ST	1982
101 RETAMA AVE	1982
107 RETAMA AVE	1982
111 RETAMA AVE	1982
113 RETAMA AVE	1982
115 RETAMA AVE	1982
117 RETAMA AVE	1982
119 RETAMA AVE (Office)	1984
105 S HUISACHE ST	1982
107 S HUISACHE ST	1982
109 S HUISACHE ST	1982
111 S HUISACHE ST	1982
113 S HUISACHE ST	1982
115 S HUISACHE ST	1982
108 RETAMA AVE	1985
106 RETAMA AVE	1985
104 RETAMA AVE	1985
102 RETAMA AVE	1985
100 RETAMA AVE	1982
101 ENCINO AVE	1982
103 ENCINO AVE	1982
105 ENCINO AVE	1982
109 ENCINO AVE	1985
225 E BAHIA ST	1982
110 S HUISACHE ST	1982
108 S HUISACHE ST	1982
102 S HUISACHE ST	1982
105 S EBANO AVE	1980
118 S ENCINO AVE	1982
102 S ENCINO AVE	1982
103 MESQUITE AVE	1982

La Merced in Mercedes, Hidalgo County

Address	Year of Construction
364 PALM	1969
539 S WASHINGTON	1969
529 S GEORGIA	1969
518 S WASHINGTON	1969
522 S WASHINGTON	1969
524 S WASHINGTON	1969
413 S VIRGINIA (Office)	1969
417 S VIRGINIA	1969
620 MATHIS	1969
721 S COLORADO	1969
610 S COLORADO	1969
622 S COLORADO	1969
726 S COLORADO	1969
740 S COLORADO	1969
723 S INDIANA	1969
601 S WASHINGTON	1969
633 S WASHINGTON	1969
732 S INDIANA	1969
719 S WASHINGTON	1969
609 S GEORGIA	1969
623 S GEORGIA	1969
634 S WASHINGTON	1969
628 S WASHINGTON	1969
935 S COLORADO	1969
820 S COLORADO	1969
814 S COLORADO	1969
806 S COLORADO	1969
942 S COLORADO	1969
909 S INDIANA	1969
908 S VERMONT	1969
818 S VERMONT	1969
846 S INDIANA	1969
926 S WASHINGTON	1969
820 S GEORGIA	1969
812 S GEORGIA	1969
1100 S WASHINGTON	1969
611 S. VIRGINIA	1969
945 S COLORADO	1969
727 S WASHINGTON	1969
321 PALM	1969
804 S. VIRGINIA	1969
835 S. VIRGINIA	1969

125 E BAHIA ST	1985
102 S EBANO AVE	1985
109 S CONWAY AVE	1982
117 S CONWAY AVE	1985
119 S CONWAY AVE	1982
121 S CONWAY AVE	1985
110 MESQUITE AVE	1982
106 MESQUITE AVE	1985
201 LOMITA AVE	1985
112 E BAHIA ST	1982
114 E BAHIA ST	1982
116 E BAHIA ST	1982
118 E BAHIA ST	1982
202 E BAHIA ST	1982
206 E BAHIA ST	1982
322 E BAHIA ST	1982
400 E BAHIA ST	1982
404 E BAHIA ST	1982
408 E BAHIA ST	1982
410 E BAHIA ST	1982
414 E BAHIA ST	1982
416 E BAHIA ST	1982
109 S FRANCISCO AVE	1978
107 S FRANCISCO AVE	1978
105 S FRANCISCO AVE	1978
103 S FRANCISCO AVE	1978
101 S FRANCISCO AVE	1978
104 S ST MARIE AVE	1978
108 S ST MARIE AVE	1978
110 S ST MARIE AVE	1978
112 S ST MARIE AVE	1978
109 S ST MARIE AVE	1978
130 S KERALUM AVE	1978
426 E BAHIA ST	1978
428 E BAHIA ST	1978
430 E BAHIA ST	1978
114 S KERALUM AVE	1978
129 S KERALUM AVE	1975
127 S KERALUM AVE	1975
126 S MAYBERRY ST	1981
134 S MAYBERRY ST	1981
146 S MAYBERRY ST	1981
1816 N NICHOLSON AVE	1980
1814 N NICHOLSON AVE	1981
1812 N NICHOLSON AVE	1980
1810 N NICHOLSON AVE	1981
1808 N NICHOLSON AVE	1981

437 S VIRGINIA	1969
540 S OHIO	1969
440 S VIRGINIA	1969
828 S GEORGIA	1969
928 S COLORADO	1969
709 S VERMONT	1969
713 S VERMONT	1969
1115 S GEORGIA	1969
514 S COLORADO	1969
840 S INDIANA	1969
624 S. VIRGINIA	1969
811 W TENTH	1969
802 S WASHINGTON	1969
815 S WASHINGTON	1969
426 S WASHINGTON	1969
612 S GEORGIA	1969
1144 S WASHINGTON	1969
1502 S. VIRGINIA	1969
1508 S. VIRGINIA	1969
1512 S. VIRGINIA	1969
1520 S. VIRGINIA	1969
1526 S. VIRGINIA	1969
1401 S. GEORGIA	1969
1407 S. GEORGIA	1969
1413 S. GEORGIA	1969
1419 S. GEORGIA	1969
1425 S. GEORGIA	1969
1431 S. GEORGIA	1969
1437 S. GEORGIA	1969
1443 S. GEORGIA	1969
1449 S. GEORGIA	1969
1450 S. WASHINGTON	1969
1444 S. WASHINGTON	1969
1438 S. WASHINGTON	1969
1432 S. WASHINGTON	1969
1426 S. WASHINGTON	1969
1420 S. WASHINGTON	1969
1414 S. WASHINGTON	1969
1408 S. WASHINGTON	1969
1402 S. WASHINGTON	1969
1525 S. VIRGINIA	1969
1519 S. VIRGINIA	1969
1513 S. VIRGINIA	1969
1507 S. VIRGINIA	1969
1501 S. VIRGINIA	1969
1449 S. VIRGINIA	1969
1443 S. VIRGINIA	1969

1806 N NICHOLSON AVE	1981
1804 N NICHOLSON AVE	1981
1802 N NICHOLSON AVE	1981
1803 N NICHOLSON AVE	1980
1805 N NICHOLSON AVE	1980
1807 N NICHOLSON AVE	1980
1809 N NICHOLSON AVE	1980
1811 N NICHOLSON AVE	1980
1813 N NICHOLSON AVE	1980
1815 N NICHOLSON AVE	1980
1817 N NICHOLSON AVE	1980

Total	**100**

1437 S. VIRGINIA	1969
1431 S. VIRGINIA	1969
1425 S. VIRGINIA	1969
1419 S. VIRGINIA	1969
1413 S. VIRGINIA	1969
1407 S. VIRGINIA	1969
1401 S. VIRGINIA	1969
1619 S. VIRGINIA	1969
1613 S. VIRGINIA	1969
1607 S. VIRGINIA	1969
1601 S. VIRGINIA	1969

Total	**100**

8b

BOARD ACTION REQUEST

MULTIFAMILY FINANCE DIVISION

JUNE 17, 2021

Presentation, discussion, and possible action regarding a waiver of 10 TAC §11.101(b)(1)(A)(ii) of the Qualified Allocation Plan (QAP) and the issuance of a Determination Notice for 4% Housing Tax Credits for Yager Flats (#21435)

RECOMMENDED ACTION

WHEREAS, a 4% Housing Tax Credit application for Yager Flats, sponsored by the Strategic Housing Finance Corporation of Travis County was submitted to the Department on March 4, 2021;

WHEREAS, the Certification of Reservation from the Texas Bond Review Board (BRB) was issued on March 4, 2021, and will expire on August 31, 2021;

WHEREAS, the proposed issuer of the bonds is the Strategic Housing Finance Corporation of Travis County;

WHEREAS, the application requires a waiver regarding 10 TAC §11.101(b)(1)(A)(ii), relating to any development with any building(s) with four or more stories that does not include an elevator; and

WHEREAS, the Department finds that there is good cause for the Board to grant a waiver based on the topography of the site and the split level foundations that require no household to walk more than two flights of stairs to reach their unit; however, the Department is not waiving any accessibility requirements under 10 TAC Chapter 1, Subchapter B or the QAP;

NOW, therefore, it is hereby

RESOLVED, a waiver of §11.101(b)(1)(A)(ii) is hereby granted; and

FURTHER RESOLVED, that the issuance of a Determination Notice of $3,460,215 in 4% Housing Tax Credits, subject to underwriting conditions that may be applicable as found in the Real Estate Analysis report posted to the Department's website for Yager Flats, is hereby approved as presented to this meeting.

BACKGROUND

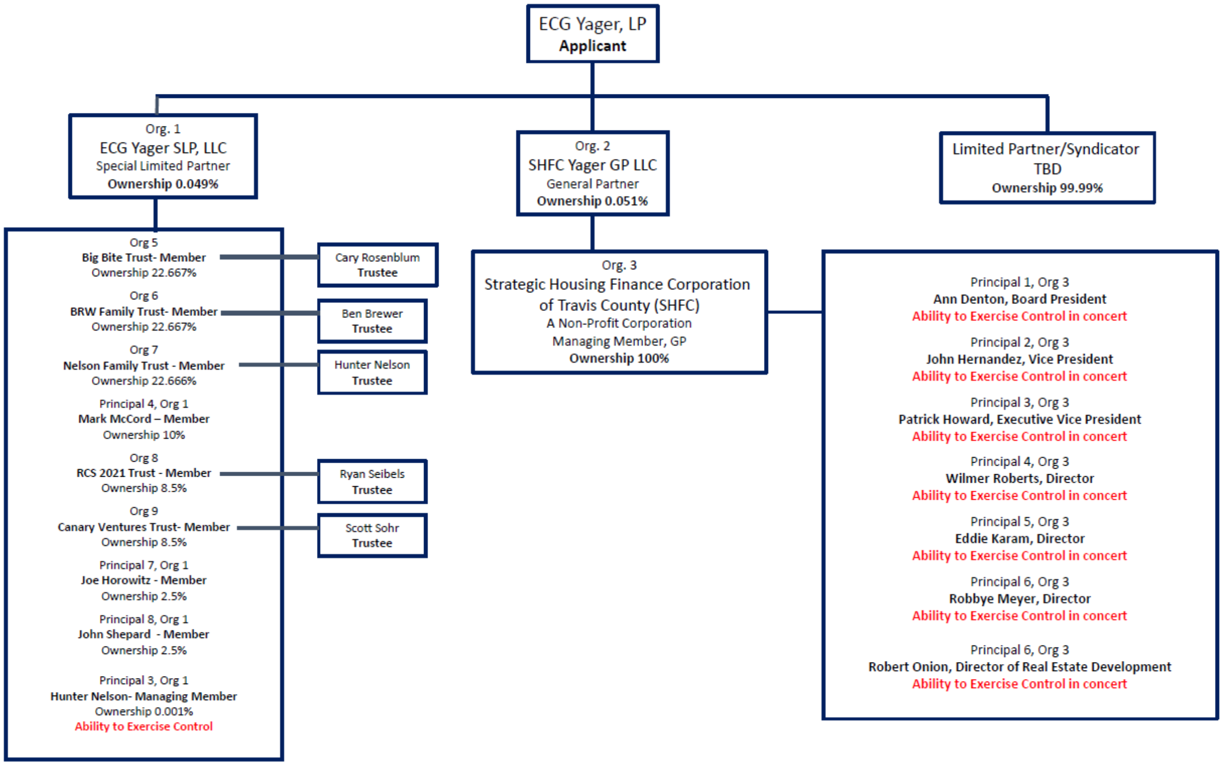
General Information: The development proposes the new construction of 300 units to be located at 4818 East Yager Lane in the extraterritorial jurisdiction of Austin, Travis County. The general population will be served and the income averaging minimum set-aside has been elected. The Certificate of Reservation issued by the BRB indicates that the development has a Priority 2 designation, which requires a minimum of 80% of the units to be rent and income restricted at 60% of AMFI, and allows ups to 20% of the units to be leased as market rate. The application will adhere to the requirement as 80% of the units (240) will be rent and income restricted at 60% of AMFI, 15 units will be rent and income restricted at 30% of AMFI, and 45 units will be rent and income restricted at 70% of AMFI.

Waiver: A waiver of one of the general ineligibility criteria is necessary based on the site and design of buildings. Specifically, any development with any building(s) with four or more stories that does not include an elevator is considered ineligible, pursuant to 10 TAC §11.101(b)(1)(A)(ii) of the QAP. According to the architect, three residential buildings are proposed to be constructed as three-stories with basement splits due to the topography of the development site. The general building design for the project will be substantially built in accordance with the 2015 International Building Code (IBC), which includes definitions of a basement, story, grade plane and story above grade plane. A brief description of the grade plane from the IBC definition is that it is “a reference plane representing the average of finished ground level adjoining the building at exterior walls.” The 2015 IBC defines a basement as “a story that is not a story above grade plane.” The architect has indicated that the split-levels, or lowest levels of the buildings, do not satisfy the IBC definition of a story above grade plane and; therefore, must be considered basements. Similar to the non-split foundation building types, residents will ascend no more than two flights of stairs to access any unit, with the exception being that a resident living on the basement level will descend one flight of stairs to access their unit. Accessible paths will be provided from the parking lot to the first floor and all accessibility requirements described in 10 TAC Chapter 1, Subchapter B and the QAP will be followed. While staff does not believe that the IBC definitions control the interpretation of the QAP, staff believes that there is good cause to grant the waiver due to the topography of the site and because no household will walk more than two flights of stairs to their unit.

Organizational Structure: The Borrower is ECG Yager, LP and includes the entities and principals as indicated in the organization chart in Exhibit A. The applicant’s portfolio is considered a Category 1.

Public Comment: There were no letters of support or opposition received by the Department.

EXHIBIT A



ECG Yager, LP
Applicant
Org. 1
ECG Yager SLP, LLC
Special Limited Partner
Ownership 0.049%
Org. 2
SHFC Yager GP LLC
General Partner
Ownership 0.051%
Limited Partner/Syndicator
TBD
Ownership 99.99%
Org 5
Big Bite Trust- Member
Ownership 22.667%
Cary Rosenblum
Trustee
Org 6
BRW Family Trust- Member
Ownership 22.667%
Ben Brewer
Trustee
Org 7
Nelson Family Trust - Member
Ownership 22.666%
Hunter Nelson
Trustee
Principal 4, Org 1
Mark McCord – Member
Ownership 10%
Org 8
RCS 2021 Trust - Member
Ownership 8.5%
Ryan Seibels
Trustee
Org 9
Canary Ventures Trust- Member
Ownership 8.5%
Scott Sohr
Trustee
Principal 7, Org 1
Joe Horowitz - Member
Ownership 2.5%
Principal 8, Org 1
John Shepard - Member
Ownership 2.5%
Principal 3, Org 1
Hunter Nelson- Managing Member
Ownership 0.001%
Ability to Exercise Control
Org. 3
Strategic Housing Finance Corporation of Travis County (SHFC)
A Non-Profit Corporation
Managing Member, GP
Ownership 100%
Principal 1, Org 3
Ann Denton, Board President
Ability to Exercise Control in concert
Principal 2, Org 3
John Hernandez, Vice President
Ability to Exercise Control in concert
Principal 3, Org 3
Patrick Howard, Executive Vice President
Ability to Exercise Control in concert
Principal 4, Org 3
Wilmer Roberts, Director
Ability to Exercise Control in concert
Principal 5, Org 3
Eddie Karam, Director
Ability to Exercise Control in concert
Principal 6, Org 3
Robbye Meyer, Director
Ability to Exercise Control in concert
Principal 6, Org 3
Robert Onion, Director of Real Estate Development
Ability to Exercise Control in concert

21435 Yager Flats - Application Summary

REAL ESTATE ANALYSIS DIVISION
May 19, 2021

PROPERTY IDENTIFICATION	
Application #	**21435**
Development	**Yager Flats**
City / County	**Manor / Travis**
Region/Area	**7 / Urban**
Population	**General**
Set-Aside	**Income Averaging**
Activity	**New Construction**

RECOMMENDATION

TDHCA Program	Request	Recommended		
LIHTC (4% Credit)	$3,473,070	**$3,460,215**	**$11,534/Unit**	**$0.87**

KEY PRINCIPALS / SPONSOR

- **Hunter Nelson / Elmington Capital**
- **General Partner / Travis County Housing Finance Corp.**

Related Parties	Contractor - Yes	Seller - No

TYPICAL BUILDING ELEVATION/PHOTO

UNIT DISTRIBUTION

# Beds	# Units	% Total
Eff	-	0%
1	60	20%
2	126	42%
3	90	30%
4	24	8%
TOTAL	300	100%

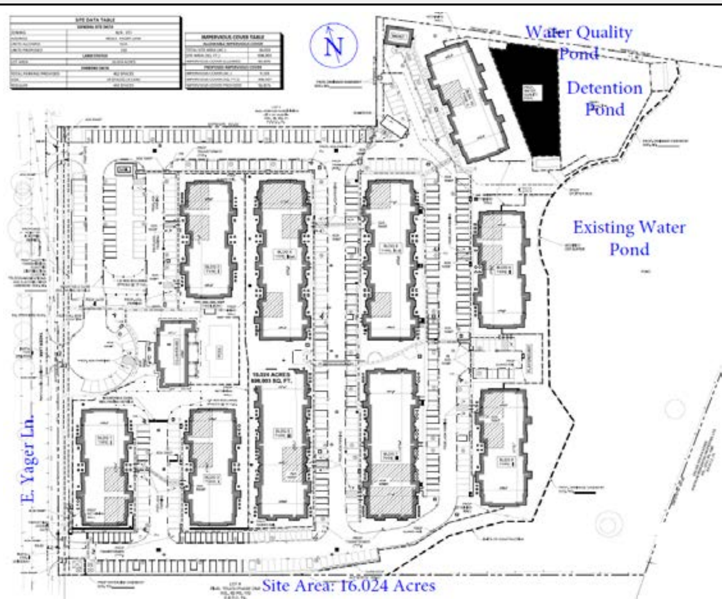
Income Averaging

Income	# Units	% Total
20%	-	0%
30%	15	5%
40%	-	0%
50%	-	0%
60%	240	80%
70%	45	15%
80%	-	0%
MR	-	
TOTAL	300	100%

PRO FORMA FEASIBILITY INDICATORS

Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.31	**Expense Ratio**	34.0%
Breakeven Occ.	78.0%	**Breakeven Rent**	$1,057
Average Rent	$1,257	**B/E Rent Margin**	$200
Property Taxes	Exempt	**Exemption/PILOT**	100%
Total Expense	$3,489/unit	**Controllable**	$3,300/unit

SITE PLAN



MARKET FEASIBILITY INDICATORS

Gross Capture Rate (10% Maximum)	2.0%		
Highest Unit Capture Rate	18%	3 BR/60%	70
Dominant Unit Cap. Rate	8%	2 BR/60%	106
Premiums (↑60% Rents)	N/A		N/A
Rent Assisted Units	N/A		

DEVELOPMENT COST SUMMARY

Costs Underwritten		Applicant's Costs	
Avg. Unit Size	1,086 SF	**Density**	18.7/acre
Acquisition		$07K/unit	$2,005K
Building Cost	$100.14/SF	$109K/unit	$32,637K
Hard Cost		$147K/unit	$44,211K
Total Cost		$250K/unit	$74,991K
Developer Fee	$8,713K	(52% Deferred)	Paid Year: 6
Contractor Fee	$6,148K	**30% Boost**	Yes

DEBT (Must Pay)

Source	Term	Rate	Amount	DCR
Barings LLC	15/35	4.00%	$40,345,940	1.31
TOTAL DEBT (Must Pay)			**$40,345,940**	

CASH FLOW DEBT / GRANT FUNDS

Source	Term	Rate	Amount	DCR
CASH FLOW DEBT / GRANTS			**$0**	

EQUITY / DEFERRED FEES

Source	Amount
Red Stone Equity Partners	$30,100,865
ECG Yager Developer, LLC	$4,544,254
TOTAL EQUITY SOURCES	**$34,645,119**
TOTAL DEBT SOURCES	**$40,345,940**
TOTAL CAPITALIZATION	**$74,991,059**

CONDITIONS

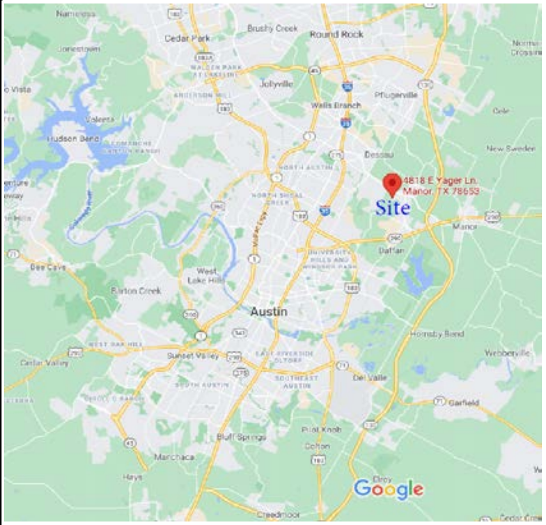
1 Receipt and acceptance by Cost Certification:

- Certification that testing for asbestos was performed on the existing structures prior to demolition, and if necessary, a certification that any appropriate abatement procedures were implemented.

BOND RESERVATION / ISSUER

Issuer	Strategic Housing Finance Corporation
Expiration Date	8/31/2021
Bond Amount	$32,524,093
BRB Priority	Priority 2
Bond Structure	Tax Exempt
% Financed with Tax-Exempt Bonds	**54.0%**

AREA MAP



AERIAL PHOTOGRAPH(s)

8c

BOARD ACTION REQUEST

MULTIFAMILY FINANCE DIVISION

JUNE 17, 2021

Presentation, discussion, and possible action on a waiver relating to 10 TAC §11.101(b)(1)(B)(i) relating to Ineligibility of Elderly Developments for Historic Oaks of Allen Parkway Village in Houston

RECOMMENDED ACTION

WHEREAS, pursuant to 10 TAC §11.101(b)(1)(B)(i) of the Qualified Allocation Plan (QAP), elderly developments of two stories or more that do not include elevator service for any units or common areas above the ground floor are considered ineligible;

WHEREAS, the Department received a request for waiver relating to a proposed rehabilitation of Historic Oaks of Allen Parkway Village (HOAPV), an existing development originally built in the 1940s that received an award of housing tax credits in 1997;

WHEREAS, simultaneously with the rehabilitation of HOAPV, the applicants intends to rehabilitate an adjacent property consisting of townhome units, also originally built in the 1940s, and have historically served elderly, individuals and small families;

WHEREAS, the housing tax credit application, when submitted intends to combine the two developments and operate them as one property with an intent to serve an elderly population according to the definition allowed by the U.S. Department of Housing and Urban Development;

WHEREAS, some of the buildings containing the townhomes are comprised of one-story flats (on both first and second floors) and split-level units with both first and second floors and whereby all access to the second floor is by stairway;

WHEREAS, the QAP would require elevator access to each second story flat and to the upstairs of each of the split-level units;

WHEREAS, staff has performed an evaluation of the factors considered as further discussed herein and believes the granting of the waiver supports the requirements articulated in 10 TAC §11.207 relating to waivers granted by the Board and better serves the policies and purposes as articulated in Tex. Gov't Code, §§2306.001 and 2306.6701; and

WHEREAS, the granting of the waiver is specific to the facts and circumstances relating to this pre-determination request and information provided by the applicant; should those change at the time the housing tax credit application is submitted or should the application be submitted in a subsequent program year where there is a change in the Department's accessibility standards, a re-evaluation of the request by the Board may be warranted;

NOW, therefore, it is hereby

RESOLVED, that the waiver relating to 10 TAC §11.101(b)(1)(b)(i) of the QAP for the Historic Oaks of Allen Parkway Village, as specifically stated herein, is hereby granted.

BACKGROUND

The Historic Oaks of Allen Parkway Village (HOAPV) is an existing development, built in the 1940s, that received a 9% competitive HTC award in 1997. The property consists of 155 units, all of which are flats and serve an elderly population. The owner of the property, the Houston Housing Authority (HHA), also owns an adjacent property (Townhomes) that contains six buildings, some of which include townhome units and, while not currently restricted as to a tenant population, the Townhomes have historically served the elderly, individuals and small families. The applicant intends to rehab both properties and operate them as one development, utilizing the 4% HTC program. In working through the planned submission the applicant has raised concerns, as discussed herein, regarding their ability to comply with the QAP requirement that elderly developments contain an elevator.

The 2021 QAP identifies criteria relating to the ineligibility of elderly developments, and specifically states that the following would render such development ineligible:

"(B) Ineligibility of Elderly Developments.
(i) any Elderly Development of two stories or more that does not include elevator service for any Units or Common Areas above the ground floor;"

The Townhomes were also originally built in the 1940s and consist of six Townhome buildings that the applicant has described to contain four one-story flats (two on the ground floor and two on the second floor) and seven split-level units with both first and second floors, whereby all access to the second floor is by stairway. The applicant has represented that the Townhomes are of a historic nature to which they are pursuing federal and state Historic Tax Credits as part of their financing for rehabilitation. Information was provided by the applicant based on representations from MacRostie Historic Advisors, LLC and HHA's architects, GSMA, Inc. indicating that the design of the Townhomes is not adaptable to provide ADA access to each floor within a single unit or to second story flats. In adding an elevator to the interior of the unit, too much living space was lost (the one-bedroom units currently range in size from 628 square feet to 809 square feet and the two-bedroom units range in size from 847 square feet to 1,032 square feet). In exploring the possibility of adding elevators to the exterior of the

Townhomes, the applicant provided documentation from the Texas Historical Commission who objected on the basis that such additions *"not only add bulk and vertical emphasis to these otherwise low, horizontal early modern style buildings, they also considerably alter the courtyards which are significant and character-defining landscape elements…the introduction of the elevators is not an appropriate solution and does not meet the Secretary of the Interior's Standard #1: A property shall be used for its historic purpose or be placed in a new use that requires minimal change to the defining characteristics of the building and its site and environment."*

Given the year that HOAPV and the Townhomes were originally built, they are exempt from the Department's visitability requirements contained in 10 TAC §11.101(b)(8)(B) of the QAP. Moreover, the applicant has represented to staff that the rehabilitation of both properties will comply with the Department's 2010 ADA standards.

The general process for a waiver granted by the Board, as articulated under 10 TAC §11.207 of the QAP, requires an applicant to demonstrate how, by the granting of the waiver, the Department would better serve its policies and purposes under Tex. Gov't Code §2306. Pursuant to §11.207(1) there are some design elements in the buildings designated as historic structures that would conflict with retaining the historic nature of the buildings. Moreover, the extent to which incorporating the design element would not benefit the tenant can also be a factor to be considered. In the case of the Townhomes, it would mean making a one- and two-bedroom unit even smaller. As it relates to the rehabilitation of the HOAPV and Townhomes development, staff believes that considering the aforementioned facts, granting the waiver fulfills the purposes identified under Tex. Gov't Code §§2306.001 and 2306.6701 by contributing to the preservation of affordable housing, preservation of government-assisted housing (as both are also public housing), and providing the financing under the HTC program that would add the Townhomes to the Department's property inventory, maximizes the number of affordable residential rental units added to the state's housing supply.

Staff notes that Board action on this waiver is based on a pre-determination, as requested by the applicant, and that a full HTC application has not yet been submitted. Should an application be submitted and new or different information is presented that conflicts with any of the facts and circumstances noted herein, the waiver granted today may warrant a re-consideration by the Board.

8d

BOARD ACTION REQUEST

MULTIFAMILY FINANCE DIVISION

JUNE 17, 2021

Presentation, Discussion, and Possible Action on a waiver relating to 10 TAC **§**11.101(b)(2), related to Development Size Limitations for The Narrows Apartments in Hutto

RECOMMENDED ACTION

WHEREAS, new construction Tax-Exempt Bond developments located in Rural Areas are limited to a maximum number of 120 units pursuant to 10 TAC §11.101(b)(2) of the Qualified Allocation Plan (QAP);

WHEREAS, the Department has received a request from an applicant to build a 312-unit development in Hutto, Williamson County, which is considered a Rural Area pursuant to the 2021 Site Demographic Characteristics Report released by the Department;

WHEREAS, staff has performed an evaluation of the proposed primary market area, demand calculations, number of units proposed, drive times to major employers in the area and population trends of Hutto, and staff believes granting the waiver supports the requirements articulated in 10 TAC §11.207 relating to waivers granted by the Board; and

WHEREAS, the granting of the waiver is specific to the facts and circumstances relating to this request and information provided by the applicant; should those change at the time the housing tax credit application is submitted or should the application be submitted in a subsequent program year, a re-evaluation of the request may be warranted;

NOW, therefore, it is hereby

RESOLVED, that the waiver relating to 10 TAC §11.101(b)(2) of the QAP concerning Development Size Limitations for a proposed development in Hutto, Williamson County, planned for submission in the 2021 program year is hereby granted.

BACKGROUND

The QAP contains a provision relating to limitations of the size of a development which reads in part "*Competitive Housing Tax Credit or Multifamily Direct Loan-only Developments involving New Construction or Adaptive Reuse in Rural Areas are limited to a maximum of 80 total Units.*

Tax-Exempt Bond Developments involving New Construction or Adaptive Reuse in a Rural Area are limited to a maximum of 120 total Units."

This requirement stems, in part, from the definition of a Rural Development as found in Tex. Gov't Code §2306.004(28-b), which reads "*a development or proposed development that is located in a rural area, other than rural new construction developments with more than 80 units*." This definition has applicability as it relates to Competitive 9% HTC applications under what is known as the Rural Set-Aside, which requires a certain amount of the HTC ceiling be reserved for developments in a rural area. staff believes the definition represents a characterization of a development that would have greater implication under the Competitive 9% HTC program considering the Rural Set-Aside and other provisions that relate to the scoring of a rural application. Under the Non-competitive 4% HTC program, set-aside and scoring provisions do not exist. Moreover, staff modified the maximum number of units under the 4% HTC program from 80 to 120 units starting with the 2019 QAP. The requirement in the rule that limits the size of multifamily developments in rural areas, regardless of funding source, is representative of Department policy in preventing the over-burdening of units in a rural area.

The request was represented to involve a new construction, 312-unit development located in Hutto, Williamson County that will serve the general population. It has been represented that all 312 units will be restricted to 60% of Area Median Income (AMI). Hutto is located to the east of IH-35, north of Austin and just outside of Pflugerville, which is considered an Urban Area according to the Department's 2021 Site Demographic Characteristics Report. According to 10 TAC §11.1(d)(114), an area is considered Rural if it is within a metropolitan statistical area that has a population of less than 25,000, and does not share a boundary with an Urban Area. According to US Census Bureau data, Hutto had a population of 27,947 in 2019, compared to 13,470 in 2010. The city limit boundaries of Hutto and Pflugerville are separated by less than 50 feet, and staff notes that if Hutto and Pflugerville shared a boundary, Hutto would have been considered urban based on the aforementioned population figure. Based on the growing population, proximity to other urban areas, presence of multiple large employers nearby, and several large-scale events that take place within the City of Hutto, the applicant believes that Hutto has many of the characteristics consistent with other areas and municipalities that are considered urban.

Included with the waiver request, the applicant provided a complete market study for the proposed development that evaluates capture rates and demand calculations based on the Primary Market Area. From a limited review of the market study, the capture rates for the project are within the required parameters for both rural and urban areas under 10 TAC §11.302(i)(1) of the Underwriting Rules and Guidelines. According to information provided by the applicant, there are 542 employers with 50+ employees, totaling over 34,000 jobs, within a 20-minute drive of the proposed development site. Moreover, information from the applicant indicated that single family development continues to grow and that in 2020 there have been over 800 new single family homes while multifamily construction has been more limited.

Within the PMA there are four affordable properties, all but one of which have an occupancy rate above 90%. Trinity Place Apartments, an elderly development, was awarded a Competitive HTC allocation in 2019 and has yet to reach stabilization. In addition to the restricted properties, there are four market-rate developments with similar drive-times to job centers, which have an average occupancy rate of 97%. Staff notes that most of these market rate developments have unit counts comparable to that of the proposed development, and are characteristic of the types of developments seen in areas that are considered urban. Staff also notes that, despite the affordable properties located within the PMA, there has never been a new construction, general-use affordable development built in within the city limits of Hutto.

The general process for a waiver granted by the Board, as articulated under 10 TAC §11.207 of the QAP, requires an applicant to demonstrate that the need for such waiver is beyond the applicant's control, and also requires an applicant to demonstrate how, by granting the waiver, the Department would better serve its policies and purposes under Tex. Gov't Code §2306. It is important to note that 4% HTC transactions are financially feasible only on a larger scale in order for the development to be able to absorb the costs associated with issuing bonds. The applicant cannot control these costs and this application is not proposed to be part of a portfolio of other transactions where such costs could be absorbed. As previously noted, the Department's property inventory reflects only one development in Hutto, which serves a senior population and contains 50 affordable units and was awarded under the Competitive HTC program in 2013.

Within the request, applicant argues that due to the growing population and current lack of affordable housing within and near the City of Hutto, the need for affordable housing in the community will go unmet, which speaks to Tex. Gov't Code §2306.001(2). Staff believes the proposed development would also serve to stimulate economic development in Hutto as articulated under Tex. Gov't Code §2306.002 and would maximize the number of affordable units added to the state's housing supply as identified under Tex. Gov't Code §2306.6701.

Considering all of the aforementioned facts, staff believes Hutto has the characteristics that would be representative of an urban area, and that the area could support the number of units now proposed by the applicant based on the preliminary information received. Staff also notes that the applicant provided a resolution, adopted by the City of Hutto, which supports an application for up to 312 units.

8e

BOARD ACTION REQUEST

MULTIFAMILY FINANCE DIVISION

JUNE 17, 2021

Presentation, discussion and possible action regarding eligibility under 10 TAC §11.101(b)(1)(C) related to Ineligibility of Developments within Certain School Attendance Zones for Villas at Shriner's Point (#21612) in San Angelo

RECOMMENDED ACTION

WHEREAS, pursuant to 10 TAC §11.101(b)(1)(C) of the 2021 Qualified Allocation Plan (QAP) any development that falls within the attendance zone of a school that has a Texas Education Agency (TEA) Accountability Rating of F for the most recent year available prior to Application and an Improvement Required Rating for the most recent year preceding is ineligible with no opportunity for mitigation;

WHEREAS, a bond pre-application for Villas at Shriner's Point was submitted to the Department on January 7, 2021, at which time it was identified that the proposed site was ineligible based on the TEA Accountability Ratings of Goliad Elementary School and Lincoln Elementary School;

WHEREAS, an Inducement Resolution for Villas at Shriner's Point was approved by the Board at its meeting on February 11, 2021, to allow the application the ability to get on the Department's waiting list for Private Activity Bond volume cap;

WHEREAS, a waiver request relating to 10 TAC §11.101(b)(1)(C) was submitted to the Department on May 24, 2021;

WHEREAS, there is no provision under the rule by which staff has the discretion to review the information submitted as part of the waiver request in order to find the Villas at Shriner's Point eligible;

WHEREAS, staff believes that the Board could find that waiver request meets the requirements of 10 TAC §11.207, but must defer to the Board whether or not to waive the ineligibility of the proposed site based on the information included in the waiver request; and

WHEREAS, if the waiver was granted it would be specific to the facts and circumstances relating to this request and information provided by the applicant; should those change at the time the application is submitted or should the application be submitted in a subsequent program year, a re-evaluation of the request would be warranted;

NOW, therefore, it is hereby,

RESOLVED, that the proposed site of Villas at Shriner's Point is ineligible based on the aforementioned factors and information specific to Goliad Elementary and Lincoln Middle School, as noted herein.

BACKGROUND

Villas at Shriner's Point is a proposed general population development to be located at 1000 E 40th Street, in the northern part of San Angelo, in a census track with a 25.4% poverty rate. It proposes the new construction of 156 units, all of which will be rent- and income-restricted at 60% of Area Median Family Income (AMFI).

The proposed development is located within the San Angelo Independent School District, a district with an overall rating of B according to the 2019 TEA Accountability Ratings. Specifically, the development is in the attendance zone of Goliad Elementary School (Goliad) and Lincoln Middle School (Lincoln), both of which received a 2019 TEA Accountability Rating of F and a 2018 Improvement Required rating. In reviewing the TEA Accountability reports for 2015, 2016, and 2017, Goliad achieved a Met Standard rating for these years, while Lincoln received a Met Standard rating for 2015 and 2016, but an Improvement Required rating for 2017. Staff notes that the high school for the attendance zone, Lake View High School, received a 2019 TEA Accountability Rating of B and a 2018 Met Standard Rating.

10 TAC §11.101(b)(1)(C) reads as follows:

> *"(C) Ineligibility of Developments within Certain School Attendance Zones. Any Development that falls within the attendance zone of a school that has a TEA Accountability Rating of F for the most recent year available prior to Application and an Improvement Required Rating for the most recent available year preceding is ineligible with no opportunity for mitigation. Developments that are encumbered by a TDHCA LURA on the first day of the Application Acceptance Period or at the time of Pre-application (if applicable), an Elderly Development, or a Supportive Housing SRO Development or Supportive Housing Development where all Units are Efficiency Units are exempt."*

Villas at Shriner's Point would be newly constructed and is therefore not encumbered by a TDHCA LURA, nor does it meet any of the other criteria in the rule that would allow it to be considered eligible despite the school rating. Included in this Board item is information provided by the applicant relating to the lack of existing available affordable units in the City of San Angelo, as well as multiple articles discussing the effects of housing affordability, stability, and quality on the cognitive achievement and academic performance of low-income children.

The Applicant also pointed out that, due to the COVID-19 pandemic, TEA Accountability Ratings would be paused for the 2020-2021 school year. According to the request, the relatively recent implementation of the A-F accountability rating system combined with the academic disruptions caused by the pandemic, means that the available school performance data is insufficient and inadequate as a means of determining the eligibility of a site. Within the QAP there is no framework by which staff could review the information submitted and arrive at a recommendation other than a recommendation of ineligibility.

According to 10 TAC §11.207 of the QAP, the applicant must demonstrate how the need for the waiver is not within control of the applicant, and establish how, by granting the waiver, the Department would better serve its policies and purposes under Tex. Gov't Code §2306. Within the request, applicant notes that only 0.5% of the affordable units in San Angelo are currently available, indicating that the current supply of affordable housing in San Angelo is insufficient. According to the Department's property inventory, there are only seven multifamily properties in San Angelo, with the earliest dating back to 2005 and the most recent development was in 2018 for 48 affordable units. Of the seven existing properties, three are elderly and four serve the general population. Moreover, all of these developments were funded through the Department's Competitive (9%) HTC program. The Private Activity Bond and Non-competitive (4%) HTC programs have been an under-utilized funding source for development in San Angelo. Staff believes that the Board could find that the construction of the proposed development would serve to not only maximize the number of affordable units added to the state's housing supply, but also better provide for the housing needs of low-income families within the community, as articulated in Tex. Gov't Code §§2306.002 and 2306.6701. Moreover, as previously mentioned, the pandemic has caused disruptions to the TEA accountability system that are not within the applicant's control. As a result, an accurate picture of school performance following the 2019 Rating of "F" could not be obtained. Where it has been determined that a multifamily development is the highest and best use of a site, where it is zoned appropriately and has been preliminarily determined to be financially feasible, are factors that could further the Department's responsibilities under provisions of Tex. Gov't Code. Despite the recommendation of ineligibility regarding the requirements of 10 TAC §11.101(b)(1)(C), based on the totality of the information provided, the Board could find that the waiver request meets the requirements under 10 TAC §11.207..

Included herein is information provided by the applicant that would serve as the basis for the Board's review regarding eligibility (Exhibit A). A letter of support from Robert Salas, Director of Neighborhood and Family Services for the City of San Angelo, is also included herein (Exhibit B).

EXHIBIT A

MacDonald
COMPANIES

Affordable Lifestyles. Community Values.

May 24, 2021

Teresa Morales
Director of Multifamily Bonds
Texas Department of Housing & Community Affairs
221 E. 11th Street Austin, Texas 78701

Dear Mrs. Teresa Morales,

There are San Angelo families in need. Our family business was built on meeting that need and adding value to the communities we serve. There is an opportunity in San Angelo, and our team is ready to make a difference. We have built our reputation on high-quality housing for all, especially for those who need it most, and the Villas at Shriner's Point will be just that.

The Villas at Shriner's Point will be a 156 unit rent-restricted apartment community for families, located in the heart of North San Angelo. Thanks to The Neighborhood Revitalization Program implemented 10 years ago, North San Angelo is beginning to see vast improvements such as property value increases, new construction, and reduced crime rates in the area. One element that hasn't shown the necessary improvement in school performance and we believe this is largely due to the lack of quality affordable housing in the area.

There is currently less than .5% availability of San Angelo's income-restricted units. The impact of this transience is palpable since frequent family moves are highly associated with low-income families as well as poor school performance. Low-income and at-risk families have documented higher rates of mobility and these moves have significant negative effects on children's learning gains. This neighborhood's demographic data affirms this research as well. In the US, it is documented that 16% of the population moves at least once per year. In San Angelo, that number is even higher.

Stability in housing is one of the most conclusive factors in school performance. School quality is largely judged by student performance, which is affected by both in-school factors and inputs that cannot be controlled by the school district. We have the opportunity in this community to control one essential factor: housing stability.

Residential housing stability and academic achievement have been well documented and are significantly correlated. Learning disruptions and a lack of consistent, longitudinal data inhibit educators from best serving highly-mobile students. Low-income students are at the greatest risk of falling through the cracks due to residential mobility issues.

Furthermore, there has been a complete pause in summative school ratings and across the accountability system the last two school years due to COVID-19. The little student performance data that is currently available is muddied by the effects of the pandemic and paints an incomplete picture.

“The issuance of A-F ratings for schools has proven to be a valuable tool to support continuous improvement for our students, allowing educators, parents and the general public to better identify and expand efforts that are working for kids. But the pandemic has disrupted school operations in fundamental ways that have often been outside the control of our school leaders, making it far more difficult to use these ratings as a tool to support student academic growth," TEA Commissioner Mike Morath said in a December 10, 2020 press release.

In addition to having major disruptions due to the pandemic, Texas schools underwent a major reconfiguration of its accountability system the two years prior to COVID-19 in response to the passing of House Bill 22 in the 85th Texas Legislative Session in 2017. The accountability system (“A-F”) implemented between 2017 and 2019 is far more rigorous and identifies more domains of performance to highlight successes and failures. Any transition in the accountability system takes several years to be fully realized and understood, and the transition to this new A-F system adequately showed learning gaps in these neighborhood schools. Unfortunately, the intervention measures and strategic plans to rectify those shortcomings were interrupted by the pandemic.

Given the reality of the past four school years, it will take several more years to get the student achievement data needed to make a significant impact in school performance and implement an actionable improvement plans. It is our goal with Shriner’s Point to provide the stability and foundation so badly needed in this community as the school turnaround begins and the recent learning gaps encountered from COVID-19 disruptions are reconciled.

The need for a tectonic shift is apparent in this community. However, the inclusion of school performance in the TDHCA approval process is problematic for the proposed development at this time. We believe that school performance is a critical element and should be a positive outcome from the increased availability of more high-quality affordable housing within the neighborhood. Moreover, we contend that there is insufficient and inadequate data available to make such a determination regarding school performance for this purpose.

References
Google Drive for Shriner's Point

Sincerely,

T. Justin MacDonald

Housing as a Platform for Improving Education Outcomes among Low-Income Children

Mary Cunningham
Graham MacDonald

Urban Institute

May 2012

*The **What Works Collaborative** is a foundation-supported research partnership that conducts timely research and analysis to help inform the implementation of an evidence-based housing and urban policy agenda. The collaborative consists of researchers from the Brookings Institution's Metropolitan Policy Program, Harvard University's Joint Center for Housing Studies, New York University's Furman Center for Real Estate and Urban Policy, and the Urban Institute's Center for Metropolitan Housing and Communities, as well as other experts from practice, policy, and academia. Support for the collaborative comes from the Annie E. Casey Foundation, Ford Foundation, John D. and Catherine T. MacArthur Foundation, Kresge Foundation, Rockefeller Foundation, Surdna Foundation, and the Open Society Institute.*

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Introduction

Researchers and policymakers hypothesize that housing can be a platform for academic achievement among low-income students—that is, high-quality, affordable housing, located in safe neighborhoods can go *beyond* providing basic shelter and stability, and can help provide a stable environment where children access high-performing schools, learn, and succeed academically. Most of the empirical evidence to date, however, focuses on the *absence* of high-quality, affordable housing and its consequences for children. There is a dearth of research on how housing can be a *positive* pathway to achieving better school outcomes. Further, methodological limitations plague research on both the negative and positive effects of housing and school outcomes, making it difficult to draw conclusive findings.

To help inform policymakers and move policy forward, this paper discusses the current state of housing in the United States, provides a conceptual framework for housing as a platform to improve educational outcomes for children, reviews the existing evidence that supports conceptual models, and identifies the major gaps in research. Finally, it proposes a list of projects that make up a research agenda for understanding the issue and guiding investments in new research.

Meeting Basic Needs: The Current State of Housing in the United States

The federal government has focused on improving housing for U.S. households since the introduction of the Housing Act of 1937 and the subsequent 1949 Housing Act, which articulated the goal of "a decent home and suitable living environment for every American family" (P.L. 87-71, Sec.2, as cited in Newman 2008). While "a decent home and suitable living environment" is often thought of as one package, it is made up of many different dimensions—including housing stability, affordability, quality, and neighborhood location.[1] All these dimensions may matter in different ways for meeting children's basic needs and helping them achieve positive educational outcomes. Since Congress passed these pieces of legislation, housing policies and programs have led to vast improvements in some dimensions of housing, while other dimensions have fallen seriously behind.

Housing quality, though still a problem for some, has improved significantly since the 1940s, when lead paint, lack of plumbing, and shoddy and aging buildings were commonplace (Turner and Kingsley 2008). Slum removal, large investments in assisted housing, and strict enforcement of housing codes have improved housing quality overall. While these improvements have been significant, about 3.2 million households still live in severely or moderately inadequate housing (i.e., problems with plumbing, heating, electricity, maintenance, and overcrowding) in the private market (U.S. Department of Housing and Urban Development [HUD] 2005). And with no or limited funding for capital improvements, many households living in publicly assisted housing experience substandard housing quality (HUD 2011b).

More recently, affordability and the closely linked problem of residential stability have been the most significant housing challenges facing policymakers. The deep, long-lasting economic crisis and unprecedented problems with housing foreclosures have had major repercussions for the housing

[1] Newman (2008) refers to a housing package as a "housing bundle." Although we define a housing bundle differently than Newman, we use this label to describe the sum of different dimensions of housing.

situations of low-income families. Homelessness and doubling up is increasing among families with children.[2] The U.S. Department of Housing and Urban Development (HUD) reports that homelessness among people in families has increased 20 percent, from 473,541 in 2007 to 567,334 in 2010 (HUD 2011a). Today, among homeless students identified by schools, nearly two-thirds (65 percent) are doubled up; 21 percent are living in homeless shelters; 7 percent are living in hotels or motels; and 7 percent are unsheltered, sleeping in places not meant for human habitation (National Center for Homeless Education 2011). While reliable data on doubled-up households are hard to find, schools across the nation report that the number of students living in doubled up housing situations has grown from 502,082 in 2008 to 668,024 in 2010—a 32 percent increase (National Center for Homeless Education 2011).[3]

Nearly 2 million children are living in homes going through foreclosure as a result of subprime-related foreclosures alone (Lovell and Isaacs 2008). Generally, the effects of foreclosure on children are unknown. One concern, however, is that households going through foreclosure will experience residential instability that will negatively affect members of the household, particularly children, who may be uprooted from their neighborhood, friends, and schools. How do moves caused by foreclosure affect children? Evidence from New York City and Washington, D.C., finds that students affected by foreclosure change schools more often than they would have otherwise and that the schools they transfer to are of lower academic quality, as measured by test scores (Been et al. 2011; Comey and Grosz 2011).

Even before the economic and foreclosure crises, housing affordability has been a problem that policymakers have largely ignored. The rent burden among low-income households has become worse over time: the Joint Center for Housing Studies of Harvard University (2011) finds that the share of severely burdened renters, or those paying more than 50 percent of their income for housing, increased from 20.7 percent to 26.1 percent between 2001 and 2009. Today, the affordable housing shortage is estimated to be 6.4 million units. As Crowley (2003) notes, the availability of affordable housing for low-income households has shrunk significantly in the past two decades as a result of “gentrification, conversion, demolition, and abandonment.” As the availability of affordable housing on the private market has declined over time so has the availability of housing subsidies: only one in four households eligible for housing subsidies actually receives assistance (Turner and Kingsley 2008).

Affordability, in many ways, influences residential instability. Families that cannot afford their rent may miss payments and face eviction. In tight housing markets, where obtaining an affordable housing unit is fiercely competitive, low-income families often experience high rates of “churning” from one apartment to the next, as they search for more affordable units. Of course, households move for various reasons, and housing mobility can be positive (e.g., moving to a better housing unit or better neighborhood, or

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[2] “Both HUD and ED take homelessness to mean children who ‘lack a fixed, regular, and adequate nighttime residence’ due to the lack of alternative accommodations; are living in emergency or transitional shelters; are abandoned in hospitals or awaiting foster care placement; or are living in cars, parks, public spaces, abandoned buildings, or other places not ordinarily used as a regular sleeping accommodation for human beings. But the ED definition differs from the HUD definition in that it includes children living in households that are temporarily doubled up due to hardship or loss of housing and migrant workers and their children who are living in the conditions described above. It also includes children who are temporarily living in motels” (Cunningham, Harwood, and Hall 2010).

[3] The reliability of these data varies significantly from school to school and it is unclear if these numbers are increasing due to real increases in doubled up students or better counting methods.

purchasing a home) or negative (e.g., moving because of eviction or problems making the rent). Low-income households experience high rates of housing mobility, often for negative reasons (Coulton, Theodos, and Turner 2009; Crowley 2003). For example, the Making Connections Initiative, a 10-city survey of low-income households, finds that 46 percent of those who moved during the study period were "churning movers," suggesting that their moves were "a response to financial stress or problems in their rental housing arrangements" (Coulton et al. 2009, 12). These frequent moves can lead to frequent school changes.

Where housing is located also matters for children since where households live is inextricably linked to where they attend school. Overcoming the history of residential segregation in the housing market and improving neighborhood outcomes for low-income households has been a major challenge for policymakers. Discrimination in the housing market persists today (Ross and Turner 2005). Minority households are more likely to live in high-poverty tracts with low-quality schools (Galvez 2010; Newman and Schnare 1997; Orfield and Lee 2005). Households that receive housing assistance or public housing are also highly concentrated in poor neighborhoods (Turner, Popkin, and Rawlings 2008). Drug and gang violence plague these neighborhoods, making safety a major concern. School quality is an issue. Most children living in high-poverty neighborhoods attend lower-quality schools than their middle-class counterparts (Orfield and Lee 2005).

While all children are assigned default public schools based on neighborhood location, many students have other schooling options. In 2007, half of students had parents who reported that public school choice was available to them, although only 27 percent of students were enrolled in a school other than their assigned public school. Though this percentage has grown from 24 percent in 1996, among low-income children it has remained constant at 22 percent over this period, despite recent charter school growth (Grady, Bielick, and Aud 2010).

The Current State of Education for Low-Income Children

Although test scores for all students have risen over the past decade, poor children still lag behind their wealthier classmates. Reading and math scores for 4th and 8th grade students qualifying for free lunch were 9 to 12 percent lower on average than students that did not qualify for any lunch subsidies, roughly equivalent to the gap observed in 2003 (National Center for Education Statistics 2011a, 2011b).10.8 million children (25 percent) age 5 to 17 lived in households with incomes below the federal poverty level (FPL) in 2010 (American Community Survey 2010). Using a slightly different measure of poverty, 43 percent of 4th graders and 39 percent of 8th graders qualified for free school lunch (meaning their family's income was below 130 percent of FPL) during the 2010–11 school year, and 5 percent of both groups qualified for reduced-price lunch (family income below 185 percent of FPL).

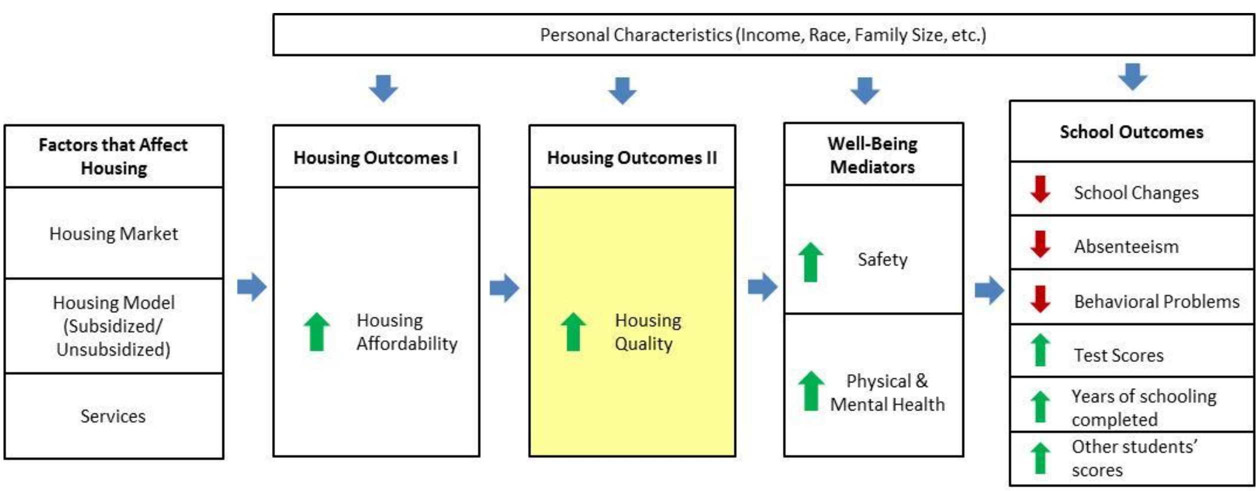
While the free lunch measure of poverty provides an average for all children in families earning below 130 percent of FPL, it masks significant variation in the low-income population. Children in families earning between 50 and 100 percent of FPL perform worse than children from near-poor households, and children in families earning below 50 percent of FPL typically score twice as far below children from near-poor households than those earning 50–100 percent of FPL (Lacour and Tissington 2011). Students in subsidized housing and homeless children perform similarly poorly. Fifty-four percent of homeless children score below grade level in math, and 75 percent score below grade level in reading. In addition, this particular population is four times more likely than other children to score at or below the 10th percentile in reading (Hart-Shegos 1999). In education literature, typical effect sizes measure approximately one-tenth of a standard deviation for improvements in teacher quality or cognitive ability (H. Schwartz 2009). Against this backdrop, students living in New York City public housing score on average 0.31 standard deviations below the citywide mean in math and 0.33 standard deviations below the citywide mean in reading (A. Schwartz et al. 2010).

Test scores from early childhood evaluations and high school dropout rates reveal a similar pattern of academic achievement for low-income students. Low-income kindergarten students score around the 30th percentile on the Early Childhood Longitudinal Study reading assessment, while upper-income students score in the 70th percentile (Lacour and Tissington 2011). And although the dropout rate for students from low-income families (8.7 percent) has fallen slightly over the past decade, it is still more than four times greater than the dropout rate for students from upper-income families (2.0 percent) (Chapman, Laird, and KewalRamani 2010).

Housing as a Platform to Improved Education Outcomes for Children

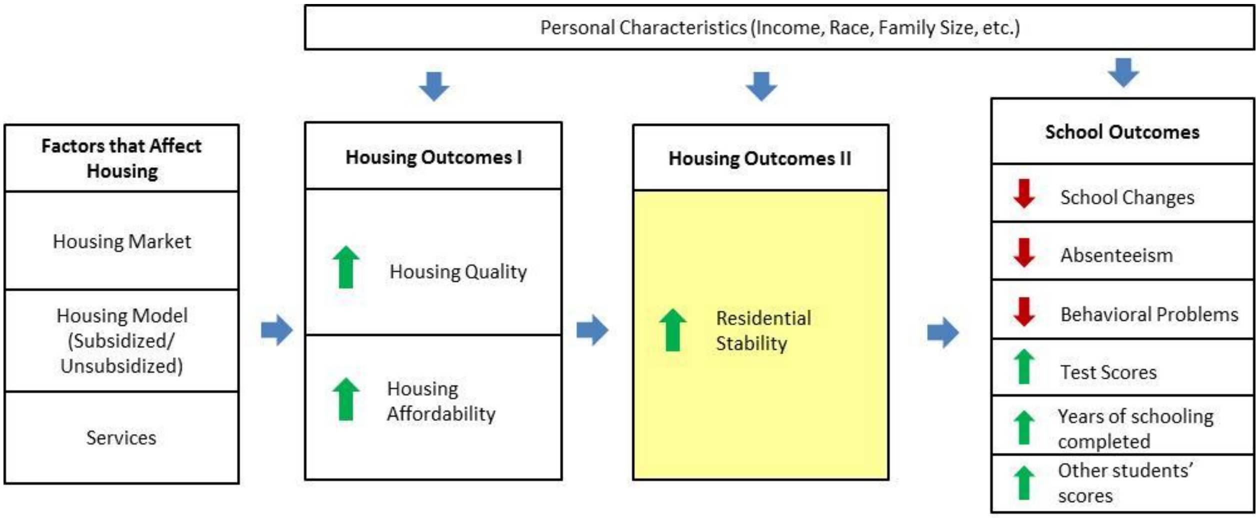
While many factors affect school outcomes among low-income children, including parental involvement and school quality, researchers hypothesize that meeting children's basic housing needs is a critical part of school readiness and academic success. As noted above, different dimensions make up a housing "bundle," and before understanding how housing affects school outcomes for children, researchers must "unbundle" these dimensions. Many researchers have hypothesized and measured how housing affects educational outcomes.[4] The following diagrams provide conceptual models and hypotheses for how housing can create positive pathways toward children's educational success. As the models note, we focus on four housing dimensions that may affect outcomes: housing quality, residential stability, housing affordability, and neighborhood location. These mechanisms affect school outcomes in different ways and, importantly, often interact with each other:

- *Housing quality (*often affected by housing affordability) can positively affect children's safety and health outcomes, leading to better school attendance rates and improved attentiveness in class. Living in a housing unit that comfortably accommodates all members of the household provides a stress-free environment in which children can accomplish homework assignments.

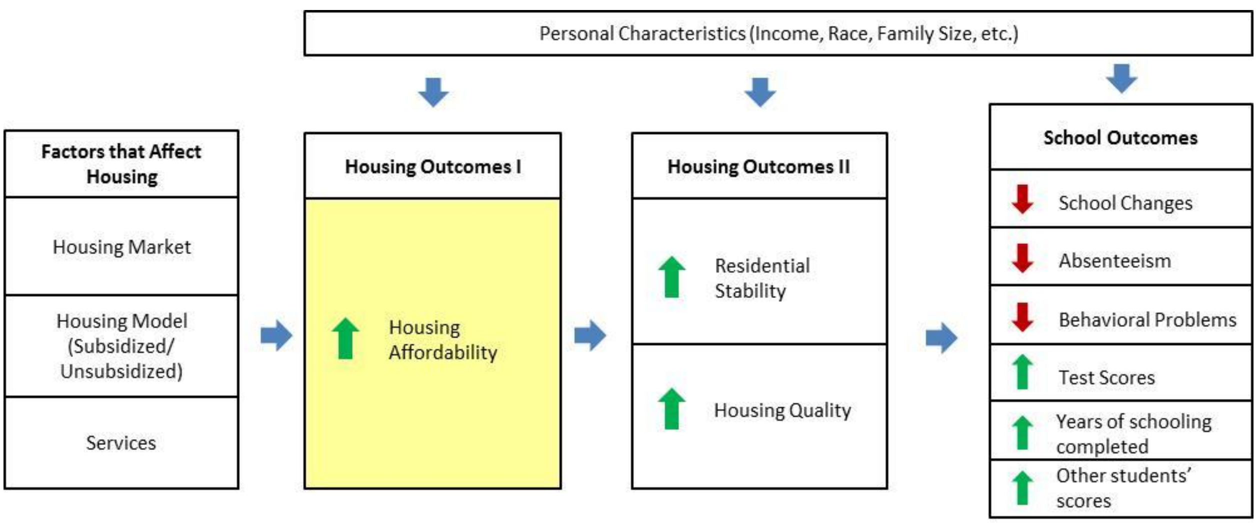


[4] For previous reviews see Brennan (2011) and Newman

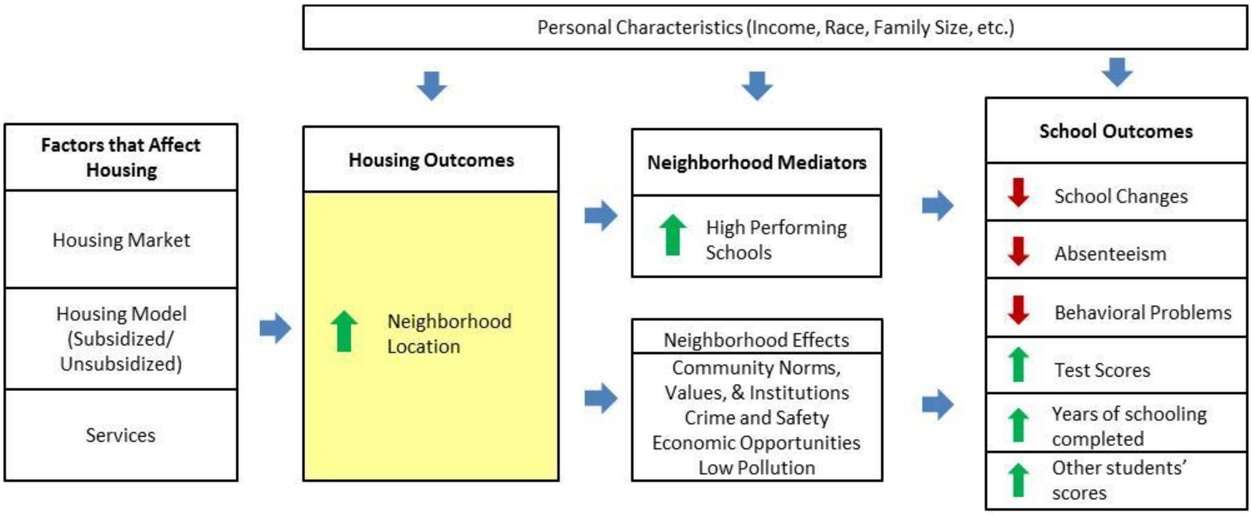
- *Residential stability* (often affected by housing quality and housing affordability) can lead to an uninterrupted school year, avoid disruptions at home caused by an unplanned move, and lead to fewer school changes that leave children behind academically.



- Since housing is the biggest expenditure in household budgets, *affordable housing* can provide families with financial security, leading to improvements in housing quality and residential stability; these improvements lead to better school outcomes, as noted above.



- Housing in a safe and healthy *neighborhood location* can improve household access to high-performing schools that lead to improved academic outcomes. Factors independent of school quality, such as community norms and values, day care availability, and safety may also lead to improved educational outcomes in a good neighborhood.



To gauge the impact of housing on children's educational outcomes, researchers must define not only housing quality, but also the dimensions of school quality, and measuring school outcomes is just as difficult. Typically, student test scores are used a measure of school quality, but researchers, parents, and government officials each have their own definitions for the components of a quality educational institution. Most define quality schools "as having higher teaching quality, greater educational resources, more rigorous course offerings, smaller class sizes, and a school climate that values learning and achievement and holds high expectations for students" (Darling-Hammond 1996 as quoted in Sanbonmatsu et al. 2011). Parents agree with certain aspects of this definition and are silent on others. In a series of nine focus groups, D.C. parents most often cited curriculum and programs, school safety, school resources, location, and teacher quality as the most important aspects of a good school. Only a few parents mentioned student body test scores as a major factor (Filardo et al. 2008). However, in a study of 20 states that publish school ratings and other measures, researchers found that, although schools reported on school inputs such as school resources, and a select few reported on school processes, school accountability measures were exclusively defined by test scores, dropout rates, or course-taking (H. Schwartz et al. 2011).

The Impact of Housing on School Outcomes: What the Research Says

What does the research say about these hypotheses? Most research focuses on the absence of housing and its negative consequences for children's school outcomes. There are a few ways that inadequate housing may affect school outcomes, as measured by accessibility to high-quality schools, attendance, and academic achievement (i.e., school test scores). First, researchers posit that children who experience homelessness or are living in overcrowded, doubled-up situations may lack the necessary tools to do well in school (Dworsky 2008). For example, overcrowded shelters may be noisy and chaotic, interfering with children's ability to complete homework assignments; children may have to share common space and have inadequate workspaces or access to school supplies. Further, parents experiencing homelessness or residential instability may not be able to prioritize helping children with their homework or be involved in school activities (Cunningham, Harwood, and Hall 2010). Conley (2001) analyzed the Panel Study of Income Dynamics and found that after controlling for family characteristics, children living in overcrowded conditions completed less schooling than their counterparts.

Health problems related to housing quality may affect school attendance, putting children behind in schoolwork and lowering academic achievement. The evidence shows that families living in low-quality housing, particularly children, may suffer severe health consequences. For example, low-income children living in deteriorated public housing, with infestations of cockroaches, mice, and mold, suffer from high rates of asthma (Howell, Harris, and Popkin 2005). Research shows that lead poisoning, an attribute of low-quality housing, is associated with developmental delays and poor educational outcomes (Moonie et al. 2008; Bellinger and Needleman 2003; Lanphear et al. 2000). These health problems can lead to high rates of absenteeism, which is linked to poor educational outcomes. As Kinney and colleagues note (2002), "asthma is one of the leading causes of absences from school." Health problems may also lead to inattentiveness in the classroom, leading to poor grades and test scores. However, much of the literature that links housing, health, and poor educational outcomes only proves correlation, not causation, and suffers from selection issues. It is unclear if poor educational outcomes are *caused* by housing-related health problems or from other family characteristics (e.g., poverty, etc.), making it difficult to clearly establish causality. For example, a study that examined school outcomes for families living in public housing against those in privately owned assisted housing and those eligible for assisted housing but not receiving housing assistance found that after controlling for demographic and family background, the differences in outcomes between the groups disappear (Newman and Harkness 2000). The authors note that "educational outcomes are unaffected by whether a child ever lives in public housing, the duration of the residence, and the stage of childhood in which he or she lives there. These results show that it is the more disadvantaged family background of children who live in public housing, in particular lower levels of earnings, parental education, and economic self-sufficiency, which lead to worse educational outcomes, not public housing itself."

Residential instability may also lead to absenteeism and school changes. The research on school attendance is mixed: some studies find that homeless children have higher rates of absenteeism than housed children, while other studies find no differences (Zima, Wells, and Freeman 1994; Rubin et al. 1996; Buckner, Bassuk, and Weinreb 2001). Residential instability, in many cases, clearly causes frequent school changes. In one study of Chicago elementary school students, only half remained enrolled in the same school over three years, and the majority of school moves were as a result of residential moves (Kerbow, Azcoitia, and Buell 2003). Students who changed schools frequently lag behind their non-mobile students by a year or more in reading and math, and half of this difference can be attributed to mobility (Garriss-Hardy and Vrooman 2005). Low-income families, generally, have high mobility rates (Coulton et al. 2009). Low-income students attending inner-city schools are more likely to change schools frequently: over 17 percent of all third graders have changed schools more than three times, and frequent movers are more likely to have repeated a grade or have low reading scores (GAO 1994; Garriss-Hardy and Vrooman 2005). As the data on children affected by foreclosure indicate, families affected by foreclosure move and change schools more frequently (Been et al. 2011; Comey and Grosz 2011). These school changes may demand the child adapt to a new curriculum and new teacher, and may often require the child to make up schoolwork covered earlier in the year. Further, as Obradovic and colleagues (2009) note, highly mobile students are at risk for "broken bonds" with teachers that may disadvantage those needing the most help in the classroom.

In fact, *all* students suffer in a school with a large population of highly mobile students. Research shows that review and catch-up work become the norm in high-mobility schools, and lessons often stall at elementary skill levels. Teacher morale may be poor as a result, leading to high teacher turnover and an influx of inexperienced teachers (Rhodes 2006). By fifth grade, the curricular pace at schools with highly mobile populations is so different from more stable schools that the math curriculum is typically one grade below grade level (Kerbow et al. 2003). As a result, students perform poorly on standardized tests (Kaase 2005).

One way to decrease residential mobility is through housing subsidies. Research from HUD's Welfare to Work Voucher experiment found that housing vouchers reduce residential mobility, but it is unclear if residential *stability* resulted in better school outcomes since the analysis did not examine outcomes beyond basic housing (Gubits, Khadduri, and Turnham 2009; Mills et al. 2006). More research is needed to understand if these voucher families have improvements in school outcomes as well.

Beyond the stability of the housing unit, the neighborhood location and proximity to high-quality schools may also matter. However, as evidence from the Moving to Opportunity Demonstration (MTO) shows, merely moving families to better neighborhoods may not translate into access to better schools. As Ferryman and colleagues (2008) note, many families who had a chance to switch school districts kept their children enrolled in the pre-move neighborhood schools. Qualitative data suggests that many MTO families were "information poor" and did not make school choices the way middle-class families often do. MTO families reported that neighborhood safety was the first priority when deciding where to live and that safety is the mark of a good school (Ferryman et al. 2008). Despite these challenges, research suggests that getting low-income children into high-performing schools could improve school outcomes. A recent study shows that low-income children who attend schools with middle- and upper-income children do better academically (H. Schwartz 2009).

Finally, housing affordability may lead to low-quality housing and residential instability. The lack of affordable housing can lead to difficult choices in household budgets—for example, choosing between paying the rent or paying for food and other necessities like adequate health care. Families with affordability issues may choose lower quality housing to make up for the gap in income. Financial trouble may also negatively affect children's academic performance and behavioral development (Pribesh and Downey 1999). However, there is some evidence that high-priced housing is not linked to negative long-term outcomes. An analysis of the Panel Study of Income Dynamics finds that "children growing up in higher-priced markets appear to fare no worse than those in lower-priced markets" (Harkness, Newman, and Holupka 2009, 123). These households may be "buying" into better neighborhoods and, thus, better schools. These types of decisions may create positive tradeoffs: by improving the neighborhood location dimension of housing (and therefore increasing the quality of the school attended) and decreasing the affordability dimension, children may experience positive outcomes.

Academically, some studies have found that homeless and highly mobile students score lower than stably housed children do on standardized tests in reading, spelling, and math (Obradovic et al. 2009; Rafferty, Shinn, and Weitzman 2004; Rubin et al. 1996). These differences remain even after controlling for poverty and other stressors. For example, Rubin and colleagues (1996) compared 102 homeless children with 178 housed children and found, controlling for differences in socioeconomic status and demographic characteristics, that homeless children scored lower on tests of reading, spelling, and math proficiency. While this study offers the best evidence of the independent effects of a lack of housing on children's academic success, there still may be unobserved differences between the level of disadvantage of families who end up homeless and those who do not; further, the study does not explain which dimension of housing is driving the improved outcomes. Is it the frequent moves, school changes, or disruptions in the home that cause these differences?

Common Methodological Challenges in the Research Base

Most studies that examine the impact of housing on children's education outcomes are plagued by methodological limitations. A few limitations stand out in the literature:

- **Studies do not adequately control for family characteristics and selection issues.** Selection bias can affect research on the impact of housing in two different ways. First, it may cause researchers to overlook differences in outcomes that may exist. For example, many studies show mixed results when it comes to understanding the independent effects of the absence of adequate housing (Buckner 2008; Newman 2008). This is because, as many researchers note, it is difficult to disentangle the effects of poverty from those of inadequate housing and homelessness. This same condition may cause researchers to erroneously attribute school outcomes to housing situations, when those outcomes are actually caused by family characteristics. Since most studies do not use experimental or longitudinal designs that would overcome selection issues and omitted variable bias, selection bias remains problematic.
- **Studies do not "unbundle" housing dimensions.** As noted earlier, a housing "bundle" is made up of several different dimensions, and these dimensions may affect school outcomes in different ways. To understand the impacts of housing and design responses to the problem, policymakers need more nuanced information on the "what" and the "how." What is causing the negative outcome? How is that factor causing it? Of course, housing policy should strive to ensure that all dimensions of housing need are met, but each is costly to attain, so knowing which dimensions will achieve the most benefit is critical. Are there dimensions of housing that are more important to achieve? What are the tradeoffs? Is residential stability more important than housing quality or affordability? Is it enough to provide neighborhood location (and therefore access to high-quality schools) but not maximize affordability?
- **Studies do not fully measure housing along those different dimensions.** Many studies examine housing as a dichotomous variable: children are either housed or homeless. However, homelessness is just one end of the inadequate housing spectrum—the worst possible outcome. Even if children do not become literally homeless, as noted above, many low-income families experience substandard housing, affordability problems, and residential instability—all of which may affect children's education outcomes. The duration of these conditions may also matter. As Rog and Buckner (2007) note, "homeless episodes are typically part of a long period of residential instability, marked by frequent moves, stays in one's own housing, and doubling up with friends and relatives." Families move in and out of these circumstances, and they may appear stable at one point in time but experience inadequate housing in others. They may, for example, live in low-quality housing or overcrowded units. Thus, many studies that compare homeless children to other low-income housed children may in fact be comparing homeless children to low-income, *inadequately* housed children.
- **Studies do not adequately describe housing models.** Another challenge with understanding the difference in outcomes among children who are adequately or inadequately housed is highlighting the differences among and within housing models. For example, some public housing may be

distressed, while other developments may offer healthy, safe neighborhoods with high-quality units. Similarly, some private-market housing may offer high-quality units in neighborhoods with high-performing schools, while others may be located in unsafe neighborhoods with substandard housing quality. Private-market housing may look similar or quite different from public housing. Put simply, not all assisted housing or private-market housing is the same, and capturing the condition of the housing along different dimensions is important for interpreting the results of the study.

- **Studies do not explore alternative dimensions of school quality.** The majority of studies attempting to link housing and educational outcomes invariably focus on test scores or graduation rates. However, researchers, parents, and educators may have alternative definitions for the components of a quality education that may include, but are not limited to, social and behavioral outcomes and college readiness (Filardo et al. 2008; H. Schwartz et al. 2011). Understanding how housing interacts with alternative measures of school quality would help researchers and policymakers understand the broader range of educational benefits and costs mediated by housing.

Plan for Future Research

The purpose of creating a research agenda is to inform government agencies, foundations, and other stakeholder organizations about research questions that will help move policy and practice forward. Prioritizing questions will help focus investments and stimulate the interest of researchers from academic and research organizations, ensuring that research undertaken is policy relevant. To optimize the value of research findings, research designs should include rigorous data collection strategies, including quasi-experimental and experimental designs where appropriate. Research should also include qualitative data collection strategies that help understand program design, implementation, and cost analyses that provide data to policymakers so they can weigh costs and benefits of different program and policy approaches. Drawing on the evidence outlined in this framing paper, three areas deserve attention:

- **Understanding the what and the how.** As is clear from our review of the evidence, understanding the impact of housing on school education outcomes is still incomplete. Specifically, researchers have not unbundled different dimensions of housing to understand the "what" and the "how." These questions are not merely academic. To prioritize where to invest "housing dollars," policymakers must know if one housing dimension is more important than another for school outcomes. More research is needed in this area.

- **Testing the efficacy of shallow housing subsidies.** Research shows that providing housing subsidies to families can protect them against homelessness and provide residential stability (Khadduri 2008; Wood, Turnham, and Mills 2008). Considering the current budget environment, it is unlikely that Congress will significantly increase funding for housing vouchers— though advocates should continue to push for this evidence-based program. Meanwhile, policymakers must learn how to do more with less. While it is still an open question, providing a shallow subsidy to families that require less assistance may help keep them stably housed and protect them against unforeseen circumstances, such as health issues or job loss. Researchers need to rigorously evaluate the impact of shallow subsidies and other subsidy structures to understand if they are effective.

- **Linking housing more closely to high-performing schools and helping families make positive choices when searching for housing.** Research shows that low-income children who attend schools with middle- and upper-income children do better academically (H. Schwartz 2009). The data indicate that without a purposeful intervention, low-income children will meet numerous barriers accessing high-performing middle- and upper-income schools. As MTO reveals, even helping families move to lower-poverty neighborhoods may not result in positive school changes for children (Ferryman et al. 2008). Despite powerful evidence that low-income children are constrained by their low-performing neighborhood schools, housing policy and school policy operate in silos. As Turner and Berube (2009, 1) note, "Public policies have helped shape today's disparities in neighborhood affordability and school quality…programs focused on affordable housing rarely take public schools into account and school officials typically assume that they have no influence over housing patterns." Policymakers must do more to integrate housing and school policy. First, they must identify neighborhoods where high-performing schools are located and map the share of affordable housing in these neighborhoods. Second, policymakers can implement some changes immediately, like prioritizing placement of subsidized housing in neighborhoods with high-performing schools; improving housing and attracting middle-income families to neighborhoods with lower performing schools, with the goal of improving schools over the long term; and providing incentives to housing agencies for helping families move to these neighborhoods (Turner and Berube 2009). In addition, policymakers can provide funding for provision of early childhood education programs on site. Lastly, program interventions could be tested and further studied to understand their full impact. One such example is launching a demonstration project that provides housing vouchers to families to help them move to neighborhoods with high-performing schools and requiring households to switch to the new schools.

To understand more about these gaps in research, we suggest a few research projects in Table 1. The table provides research questions, descriptions of the research projects that would answer the questions, and incubator projects that would serve as a seed to getting the larger research project off the ground.

Conclusion

Research suggests that housing is not only critical for meeting children's basic needs; it can be a platform for improving education outcomes. Further, devoting more resources to housing now that improve educational outcomes could lead to improved employment outcomes, thereby saving money and boosting national productivity. Much more research is needed to understand the how and the why, but the literature clearly demonstrates that some aspects of housing—residential instability and neighborhood location—affect education outcomes. In addition to the how and the why, policymakers lack research on policy interventions that either mitigate the effects of these housing dimensions or solve them. This paper provides a priority list of research questions that, if answered, can help inform policymakers to design potential solutions and go a long way toward connecting the dots between housing and school outcomes for low-income children.

Table 1: Research Questions and Potential Research Projects

Research questions	Research project	Incubator project
Does providing vouchers plus school-focused housing search assistance help low-income families access high-quality schools and help improve their children's educational outcomes?	Launch an experimental demonstration, including cost analyses, that provides enhanced vouchers (vouchers plus school-focused housing search assistance) to low-income families.	Draft hypothesis, research design, and conduct a feasibility analysis.
For hyper-mobile families, what is the impact of shallow subsidies on residential instability and school outcomes? How does providing shallow subsidies to families in neighborhoods with high rates of mobility reduce churning and improve neighborhood outcomes?	Launch an experimental demonstration, including cost analyses, that provides a shallow subsidy to hyper-mobile families in neighborhoods with high mobility rates.	Review literature for research on the efficacy of shallow subsidies. Draft hypothesis, research design, and conduct feasibility analysis.
What are the key components of initiatives that link community development efforts and schools, including providing on-site childhood education programs?	Conduct a national scan of model programs, complete site visits and key informant interviews, and produce case studies.	Complete the scan and outline a typology for understanding core program dimensions.
What is the impact of housing on school outcomes? Which dimensions of the "housing bundle" are the most important when it comes to influencing school outcomes?	Analyze data from integrated databases to examine the impact of housing outcomes on school outcomes.	Draft a paper that investigates ways to use integrated databases to examine the impact of housing outcomes on education outcomes. The paper should specifically look at possibilities to unbundle housing dimensions and to use propensity score matching to create comparison groups.

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DATE:	**December 10, 2020**
SUBJECT:	**A–F Accountability Pause; Addendum and Amendment Requests to the State's Every Student Succeeds Act State Plan**
CATEGORY:	**Notice**
NEXT STEPS:	**Share with appropriate administrators and staff**

The COVID-19 pandemic has highlighted the importance of balancing health and safety concerns with the impact on student learning and growth. Recognizing the unique challenges schools face this year, the Texas Education Agency (TEA) will not issue A–F accountability ratings for the 2020–2021 school year and will seek waivers of aspects of federal accountability requirements. However, because it remains critical that parents, educators, and policymakers understand the impact of the pandemic on student learning, state assessments will continue this school year through the administrations of the State of Texas Assessments of Academic Readiness (STAAR®), STAAR Alternate 2, the Texas English Language Assessment System (TELPAS), and TELPAS Alternate. TEA will process and report all available data from the 2020–2021 school year but will not calculate accountability scores or assign A–F ratings. The underlying student achievement data can then be used by legislative leadership, TEA, and school systems to inform changes moving forward and otherwise target resources to schools and students that need the greatest support. Parents and educators can use this important information to gain a deeper understanding of individual student strengths and needs.

Background on Federal Accountability

This letter serves as notice of TEA's intent to submit addendum and amendment requests to the U.S. Department of Education (USDE) to address aspects of the federal accountability system.

In March 2020, the USDE granted TEA a waiver from annual assessment and accountability requirements for school year 2019–2020 under the Elementary and Secondary Education Act (ESEA), as amended by the Every Student Succeeds Act (ESSA) due to the widespread impact of COVID-19. In October 2020, the USDE notified state education agencies of the opportunity to modify their federal accountability systems for the 2020–2021 school year to account for the lack of data due to this waiver.

Upon review of its federal accountability system, TEA determined that the lack of data from the 2019–2020 school year and the ongoing impact of COVID-19 on the 2020–2021 school year will have a significant impact on the ability to properly calculate the Closing the Gaps domain and issue identifications of schools for federal school improvement. TEA will process and report to the USDE all available 2020–2021 data but will not calculate accountability scores or assign A–F ratings. Therefore, TEA will submit addendum and amendment requests to the USDE to adjust the Closing the Gaps domain methodology used in the academic accountability system and the methodology used to identify schools for support and improvement.

Addendum Request

TEA is requesting the following one-year adjustments for 2021 accountability determinations:

- To delay the implementation of the accelerated testers requirement by one year.
- To report only reading and mathematics STAAR participation rates for districts and campuses.

- To process the Closing the Gaps domain without the Academic Growth component due to the lack of sufficient growth data.
- To delay the identification of the next cohort of comprehensive support and improvement (CSI), targeted support and improvement (TSI), and additional targeted support (ATS) campuses by one year. This request would also postpone the escalation of three-year ATS campuses to comprehensive status until August 2023.
- To retain existing CSI, TSI, and ATS labels for 2021–2022. In order to receive funding for 2021–2022, CSI campuses must opt-in for continued interventions. Campuses that opt-out of continued interventions would continue to be identified and would also be opting-out of funding. Current CSI campuses identified solely by the graduation rate criteria would have an opportunity to exit if the campus met the graduation rate exit criteria.
- To not calculate or assign scaled scores or A–F rating labels to the Closing the Gaps domain.

Amendment Request

TEA is asking to amend the following sections of the state plan:

- The language in the school interventions section to reflect current interventions.
- The language in the Title I, Part C: Education of Migratory Children to reflect current needs and procedures.
- The language in the accountability section to align with the addendum request. For example, the definition of "three consecutive years" of data for TSI identification will be updated to exclude data from the 2020–2021 school year due to the lack 2021 Academic Growth.

Comment Period

All comments on this proposed amendment are due by Monday, January 11, 2021, by electronic mail addressed to performance.reporting@tea.texas.gov.

Once TEA has reviewed any comments received and has made any appropriate modifications to the proposals, the comments will be submitted to the USDE as part of the state's request. When, and if, TEA receives USDE approval of these proposals, additional information will be provided to local education agencies.

For Further Information

If you have any questions regarding these proposals, please contact TEA's Performance Reporting Division at (512) 463-9704 or performance.reporting@tea.texas.gov. In addition, copies of the proposed requests can be found at https://tea.texas.gov/about-tea/laws-and-rules/essa/every-student-succeeds-act.

OPPORTUNITY STARTS AT HOME

EDUCATION ADVOCATES ARE HOUSING ADVOCATES

Teachers know that children learn better and are more likely to graduate when they live in a stable, affordable home.

Stable, affordable housing drives stronger student outcomes.

- "Low-income children in affordable housing score better on cognitive development tests than those in unaffordable housing (Newman & Holupka, 2015). Researchers suggest that is partly because parents with affordable housing can invest more in activities and materials that support their children's development (Newman & Holupka, 2014). Parents also are able to save more money for their children's college tuition when they are not rent burdened and are more likely to attend a parent teacher conference (Public and Affordable Housing Research Corporation, 2016)." Quoted from NLIHC, *A Place to Call Home*
- "Low income children who switch schools frequently due to housing instability or homelessness tend to perform less well in school, have learning disabilities and behavioral problems, and are less likely to graduate from high school (Voight, Shinn, & Nation, 2012). When they grow up, they are also more likely to be employed in jobs with lower earnings and skill requirements (Fischer, 2015)." Quoted from NLIHC, *A Place to Call Home*
- "Students who attend schools with large populations of hypermobile children [due to unstable and unaffordable housing] also suffer academically since more time must be devoted to review and catching up on work (Cunningham & MacDonald, 2012)." Quoted from NLIHC, *A Place to Call Home*
- "Children who live in a crowded household at any time before age 19 are less likely to graduate from high school and tend to have lower educational attainment at age 25 (Lopoo & London, 2016)." Quoted from *How Housing Matters*
- "Living in poor-quality housing and disadvantaged neighborhoods is associated with lower kindergarten readiness scores (Coulton et. al., 2016)." Quoted from *How Housing Matters*

Schools should not "go it alone." Out-of-school factors greatly influence academic outcomes. After all, children spend more time in and around their home than they do in school.

- "The preponderance of evidence shows that achievement differences between students are overwhelmingly attributable to factors outside of schools and classrooms (Hanushek et al. 1998; Rockoff 2003; Goldhaber et al. 1999; Rowan et al. 2002; Nye et al. 2004)." Quoted from DiCarlo, The Shanker Institute
- Because school funding largely comes from local property taxes, housing plays a pivotal role in how much schools can spend on students' education. The highest poverty school districts receive roughly $1,000 less per pupil in state/local funding than the wealthiest districts (The Education Trust, 2018).

Near a high-scoring public school, housing costs

2.4 times as much

OR $11,000 more a year

as housing near a low-scoring public school (Rothwell, 2012).

From *How Housing Matters*

Affordable housing options located in high-opportunity areas can lead to economically diverse neighborhoods, which, in turn, can lead to economically diverse schools which consistently drive strong student outcomes for all children.

Economically diverse schools are

22times

more likely to be high performing as high-poverty schools

Harris, 2007

- "Students in integrated schools have higher average test scores. On the 2011 National Assessment of Educational Progress (NAEP) given to fourth graders in math, for example, low-income students attending more affluent schools scored roughly two years of learning ahead of low-income students in high-poverty schools. Controlling carefully for students' family background, another study found that students in mixed-income schools showed 30 percent more growth in test scores over their four years in high school than peers with similar socioeconomic backgrounds in schools with concentrated poverty." Quoted from The Century Foundation, Benefits of Integrated Schools
- In Montgomery County, Maryland, scattered-site public housing gave low-income children an opportunity to live in more affluent neighborhoods and thereby attend more affluent schools, which drove stronger achievement and significantly reduced gaps. This ground-breaking study showed that affordable housing, in and of itself, can help raise student achievement and can be more effective than some traditional education reforms (Schwartz, 2010).
- Attending a diverse school reduces prejudice and stereotypes, and prepares students for success in a diverse global economy (The Century Foundation, Benefits of Integrated Schools).
- When a low-income child is able to access affordable housing located in a better neighborhood, it improves the likelihood of college attendance (Chetty & Hendren, 2015).

"School reform cannot succeed without housing reform."
– Richard Rothstein, Economic Policy Institute

For more information, please visit www.opportunityhome.org

House Bill 22 2018 Accountability FAQs

How did House Bill (HB) 22 change the state academic accountability system?

From 2013 through 2017, the state academic accountability system framework used four indices, Student Achievement, Student Progress, Closing Performance Gaps, and Postsecondary Readiness, to assign either a *Met Standard* or *Improvement Required* rating to districts and campuses. House Bill 22, passed by the Texas Legislature in June 2017, establishes three domains of indicators to evaluate the academic performance of districts and campuses: Student Achievement, School Progress, and Closing the Gaps. It requires the commissioner to adopt rules to assign districts a rating of *A, B, C, D*, or *F* for overall performance, as well as for performance in each domain, beginning in August 2018. Campuses will receive *A–F* ratings beginning in August 2019.

Additionally, HB 22 establishes local accountability systems to allow districts and charter schools to develop plans to locally evaluate their campuses. Once a plan receives approval from the agency, districts and charter schools may use locally developed domains and indicators together with the three state-mandated domains to assign overall *A–F* ratings for each campus.

Finally, HB 22 requires the commissioner to report to the legislature by January 1, 2019, the overall and domain performance rating each campus would have received for the 2017–18 school year if the *A–F* ratings for campuses had been in place.

What is the purpose of the Student Achievement domain?

The Student Achievement domain evaluates district and campus performance based on student achievement in three areas: performance on STAAR assessments, College, Career, and Military Readiness (CCMR) indicators, and graduation rates.

What is the purpose of the School Progress domain?

The School Progress domain measures district and campus outcomes in two areas, Part A: Academic Growth and Part B: Relative Performance. Academic Growth evaluates the number of students that grew at least one year academically (or are on track) as measured by STAAR results, and Relative Performance evaluates the achievement of students relative to districts or campuses with similar economically disadvantaged percentages.

How does the state evaluate academic growth in School Progress, Part A?

School Progress, Part A: Academic Growth awards points to districts and campuses based on whether the student achieved *Expected* or *Accelerated* on the STAAR progress measure or maintained proficiency from the prior year to the current year. The following charts provide additional details.

STAAR

Prior-Year Performance on STAAR	Current-Year Performance on STAAR: Did Not Meet Grade Level	Approaches Grade Level	Meets Grade Level	Masters Grade Level
Did Not Meet Grade Level	Met or Exceeded Growth Expectation=1 point, Else=0 points	Met or Exceeded Growth Expectation=1 point, Else=0.5 point	1 point	1 point
Approaches Grade Level	Met or Exceeded Growth Expectation=1 point, Else=0 points	Met or Exceeded Growth Expectation=1 point, Else=0.5 point	1 point	1 point
Meets Grade Level	0 points	0 points	Met or Exceeded Growth Expectation=1 point, Else=0.5 point	1 point
Masters Grade Level	0 points	0 points	0 points	1 point

STAAR Alternate 2

Prior-Year Performance on STAAR Alternate 2	Current-Year Performance on STAAR Alternate 2: Level I: Developing	Level II: Satisfactory	Level III: Accomplished
Level I: Developing	Met or Exceeded Growth Expectation=1 point, Else=0 points	1 point	1 point
Level II: Satisfactory	0 points	Met or Exceeded Growth Expectation=1 point, Else=0.5 point	1 point
Level III: Accomplished	0 points	0 points	1 point

What is the STAAR progress measure?

The STAAR progress measure quantifies a student's year-to-year improvement by comparing current and prior-year scores on STAAR. By comparing the change in his or her score to growth expectations, each student is assigned to one of three categories: *Limited*, *Expected*, or *Accelerated*. More information about the STAAR progress measure is available on the TEA website at http://tea.texas.gov/student.assessment/.

Why didn't a student get a progress measure?

There are several reasons why a student might not receive a STAAR progress measure. More information about the STAAR progress measure is available on the TEA website at https://tea.texas.gov/student.assessment/progressmeasure/.

How is School Progress, Part B: Relative Performance evaluated?

For elementary and middle schools, School Progress, Part B evaluates the overall student performance on the Student Achievement STAAR component compared to campuses with similar percentages of economically disadvantaged students, as reported in the TSDS PEIMS fall snapshot.

For high schools, K–12 campuses, and districts, School Progress, Part B evaluates the average of the Student Achievement STAAR and the College, Career, and Military Readiness (CCMR) components compared to districts or campuses with similar percentages of economically disadvantaged students, as reported in the TSDS PEIMS fall snapshot.

If CCMR outcomes are not available for a high school, K–12, or district, only the Student Achievement STAAR component is used.

What is the purpose of the Closing the Gaps domain?

The Closing the Gaps domain uses disaggregated data to demonstrate differentials among racial/ethnic groups, socioeconomic backgrounds, and other factors. The indicators in this domain, as well as the domain's construction, align the state accountability system with the Every Student Succeeds Act (ESSA).

How does the accountability system ensure that individual student groups are not ignored?

The Closing the Gaps domain is specifically designed to address this concern. Closing the Gaps is the critical domain in the overall district or campus evaluation that ensures their lowest-performing student groups receive focused interventions. The system evaluates the performance of fourteen student groups: all students, African American, Hispanic, white, American Indian, Asian, Pacific Islander, two or more races, economically disadvantaged, current special education, former special education, current and monitored English learners, continuously enrolled, and non-continuously enrolled.

Who helped TEA develop the state accountability rating system?

Two advisory committees, the Accountability Technical Advisory Committee (ATAC) and the Accountability Policy Advisory Committee (APAC), met with TEA staff numerous times to consider the complex technical issues related to accountability and make recommendations to the commissioner on the specific features of the system. The accountability development materials that were reviewed at each meeting by the advisory groups are available online at the 2018 Accountability Development Materials website.

Furthermore, TEA sought feedback from many sources, including 60+ regional forums with superintendents, 40+ focus group meetings, and countless emails and one-on-one conversations conducted by multiple agency staff with superintendents, school board members, principals, teachers, parents, students, business leaders, professional associations, and other advocacy groups. As is expected given the complexity of the topic and the size of Texas, stakeholders brought a range of perspectives. The feedback the agency solicited did not give us one consistent direction, and at times stakeholders proposed radically different or even directly conflicting directions for our A–F framework. To help us weigh competing recommendations, the Accountability Policy Advisory Committee (APAC), with technical support provided by the Accountability Technical Advisory Committee (ATAC), reviewed much of this feedback and engaged in rigorous discussions on these topics. These advisory groups then submitted synthesized recommendations from this feedback, which we found immensely helpful in reconciling competing points of view, but even their recommendations were not unanimous in all cases.

Despite these challenges, this feedback was immensely helpful and guided our revisions to the accountability system framework substantially. For additional details about feedback received by the agency, please see the "Notable Changes to House Bill 22 Framework Based on Feedback" document at https://tea.texas.gov/2018AccountabilityDevelopment/.

Why are districts rated *A–F* but campuses are rated *Met Standard* or *Improvement Required*?

House Bill 22 (85th Texas Legislature, 2017) requires that districts receive *A–F* ratings and campuses receive *Met Standard* or *Improvement Required* ratings for 2018. Both districts and campuses will receive *A–F* ratings in 2019.

Will the *Met Standard/Improvement Required* ratings that campuses receive in August 2018 be based on the four indices that have been in place since 2013?

No. Both districts and campuses will be evaluated on all three domains. Districts receive *A–F* ratings beginning in August 2018. In 2018, campuses will be evaluated on the three domains and receive a *Met Standard or Improvement Required* rating. Campuses will receive *A–F* ratings beginning in 2019.

What are the domain cut points for 2018?

Cut points vary for each domain and depend on the campus type (elementary, middle, high/K–12) and whether the campus is an alternative education campus. Chapter 5 of the *2018 Accountability Manual* will provide domain cut points. The manual will be available on the TEA website at http://tea.texas.gov/2018accountabilitymanual.aspx.

All the campuses in our district are rated *Met Standard,* but the district is rated an *F*. How is this possible?

It's not uncommon for a campus to have a higher rating than its district. This could be caused by any of several scenarios:

- One or more student groups are excluded from a campus's accountability rating because the groups do not meet minimum-size criteria. At the district level, however, these student groups meet minimum-size criteria and are included in the district's accountability rating.
- Students move between campuses in a district during the school year. The STAAR results of these students are not included in the accountability ratings of either campus. The results are, however, included in the district's accountability ratings.
- A district's high school has a low graduation rate. Because elementary and middle schools are not accountable for the graduation rate component, they would be unaffected, but the district's rating would reflect the low graduation rate.

How are multiple-year *Improvement Required* status for purposes of accountability interventions and sanctions be determined this year?

In determining consecutive years of *Improvement Required* ratings for purposes of accountability interventions and sanctions, considerations for multiple-year *Improvement Required* status will continue from the previous index system to the new three-domain system. Years that a district, charter school, or campus is assigned an accountability rating shown below will be considered.

- 2018: *A, B, C, D, F* for districts and *Met Standard, Met Alternative Standard, Improvement Required* for campuses
- 2013–2017: *Met Standard, Met Alternative Standard, Improvement Required*
- 2012: [No state accountability ratings issued]
- 2004–2011: *Exemplary, Recognized, Academically Acceptable, Academically Unacceptable, AEA: Academically Acceptable, AEA: Academically Unacceptable*

While no ratings were issued in 2012, an *Improvement Required* rating assigned in 2013 and *Academically Unacceptable/AEA: Academically Unacceptable* ratings assigned in 2011 are considered consecutive years. In addition, although the consecutive years of *F/Improvement Required* ratings may be separated by one or more years of temporary closure or *Not Rated* ratings, such separations, whether for single or multiple years, do not break the chain of consecutive years of unacceptable ratings for purposes of accountability interventions and sanctions. This policy applies to districts and charter schools as well as campuses when *Not Rated* and *Not Rated: Data Integrity Issues* labels are assigned.

Did the accountability subset rule change at all?

No. The agency will continue to hold districts and campuses accountable for students who were reported as enrolled on the previous TSDS PEIMS fall snapshot and testing date.

Did the accountability cycle change?

No. The accountability cycle remains the same: summer, fall, and spring. Accountability ratings released in August 2018 will be based on assessments administered in summer 2017, fall 2017, and spring 2018.

How are substitute assessments included in 2018 accountability?

Substitute assessments are included at the Meets Grade Level standard in Student Achievement, School Progress, Part B and Closing the Gaps. They are not included in School Progress, Part A because they don’t have a STAAR progress measure. The agency will explore using the differentiated performance level descriptors to calculate academic growth for substitute assessments in the future. The goal is for this to be in place for the 2020 accountability ratings.

How does the agency determine whether a graduate was enrolled in a CTE coherent sequence and completed and earned credit for coursework aligned with the approved industry-based certification list for College, Career, and Military Readiness?

The CTE coherent sequence status comes from the summer 2017 submission of TSDS PEIMS Element ID E0031. Then the agency verifies the graduate completed one of the 85 aligned courses through the TSDS PEIMS course completion records. See the TSDS PEIMS Data Standards for more information.

How does the agency determine whether a graduate met the criteria for dual-credit course completion for College, Career, and Military Readiness?

The dual credit course completion data comes from two elements in TSDS PEIMS. Specifically, Element ID E1011 and Element ID E1081 are used to determine whether the graduate met the requirements. See the TSDS PEIMS Data Standards for more information.

Did the TSI criteria for the SAT change from last year?

The TSI criteria for SAT tests taken prior to 2016 did not change. The Texas Higher Education Coordinating Board adjusted the TSI exemption criteria for SAT tests taken in March 2016 or later. Subsequently, the TSI criteria used in accountability has also been adjusted. The following table shows the TSI criteria for each of the timeframes.

TSI Criteria	
SAT Taken Before March 2016	**SAT Taken in March 2016 or Later**
>= 500 on Critical Reading *and* >=1070 Total	>=480 on Evidenced-Based Reading
>= 500 on Mathematics *and* >=1070 Total	>=530 on Mathematics

Does the College, Career, and Military Readiness (CCMR) component use the most recent SAT/ACT score instead of the best score to determine CCMR status? If a graduate took the SAT once in their sophomore year, would that score be captured for accountability in 2018?

For SAT/ACT results, the agency is provided with the most recent examination and only one record is received per student. Therefore, the results used for accountability are based on the most recent SAT/ACT outcome, not the best. If a student took the SAT as a sophomore and did not test again, TEA would receive that result and use it for accountability calculations.

The agency is working with the College Board and ACT to obtain multiple years of results. When that data is available, the agency will have the ability to use the best SAT/ACT result for future accountability years.

How does TEA get the Texas Success Initiative assessment (TSIA) data?

The College Board provides the Texas Higher Education Coordinating Board (THECB) with TSIA results of graduating seniors. The THECB provides the results to the TEA.

How does TEA match the TSIA data to students?

TEA uses TSIA data through October 2017 to match to the 2016–17 annual graduates file from TSDS PEIMS. TSIA results received from the Texas Higher Education Coordinating Board are matched to students on our annual graduates list using an algorithm which includes TSDS Unique ID, SSN, and a combination of first name, last name, and DOB. Then the results are attributed to the districts and campuses at which the students are identified as annual graduates in TSDS PEIMS.

How and when will the new College, Career, and Military Readiness (CCMR) indicators be incorporated into accountability?

All CCMR indicators that are used in accountability lag by a year, meaning that, for 2017–18 accountability, the data for those indicators will be taken from the 2016–17 school year. This is not new; the accountability system has used lagging data for some time simply because the collection of that data comes too late in the year to be current in the accountability system. Because of this lag, and because some indicators take time to develop and for data collection to begin, there are three CCMR indicators that won't be used the first year of the *A–F* system:

- Successful completion of an OnRamps course (beginning in the 2018–19 school year)
- Admission to a postsecondary industry certification program (School year TBD)
- Meeting standards on a composite of indicators that indicate college preparation (School year TBD)

How do districts collect, report, and document that a student has enlisted or intended to enlist in the U.S. Armed Forces so the student can be counted in the new indicator for college, career, and military readiness?

Each district decides how to collect this data. This may be a senior survey, contact with a local recruiter, or any other method. Each district must maintain supporting documentation.
Each fall districts will report military enlistment for the graduating class from the previous year in the TSDS PEIMS submission. Districts use element E1589 to indicate whether students enlisted in or intended to enlist in the U.S. Armed Forces. These data were first collected in the fall 2017 TSDS PEIMS collection for 2017 graduates. The data may be updated any time until the January resubmission deadline.

How is the percentage of economically disadvantaged students calculated?

The district or campus overall percentage of economically disadvantaged students is calculated based on TSDS PEIMS Fall Snapshot data. The number of students in membership who are eligible for free or reduced-price lunch or other public assistance is divided by the total number of students in membership. This percentage is used in School Progress, Part B: Relative Performance.
Whether a student is considered economically disadvantaged is also reported on STAAR answer documents. This information, however, is not used to calculate the percentage of economically disadvantaged students for a district or campus. It is used only to identify which students are included in the economically disadvantaged student group where STAAR performance is reported.

How does district participation in the Texas Writing Pilot program impact accountability?

All STAAR writing assessment results (including STAAR Alternate 2) received for students in the accountability subset will be used for district and campus accountability calculations. Writing samples and portfolios from the pilot program will not be used in accountability calculations.

How are STAAR results for English learners (ELs) included in each of the domains?

ELs who are year one in U.S. schools are excluded from all accountability performance calculations. Due to changes to the Texas English Language Proficiency Assessment System (TELPAS), Texas requested a waiver from the U.S. Department of Education to exclude EL students who are year two in U.S. schools from 2018 performance calculations. If granted, ELs who are in their second year in U.S. schools will be included in accountability beginning in 2019.

STAAR Alternate 2 assessment results will be included regardless of an EL's years in U.S. schools.

The STAAR progress measure is used for ELs and non-ELs in the School Progress, Part A domain. Unschooled asylees, unschooled refugees, and students with interrupted formal education (SIFEs) are not included in state accountability until their sixth year of enrollment in U.S. schools.

Why is there no longer an EL progress measure?

Due to changes to the Texas English Language Proficiency Assessment System (TELPAS), an EL progress measure is not calculated for 2018.

How are students with No Authentic Academic Response (NAAR), medical exception, or medically exempt designations included in accountability?

STAAR Alternate 2 students with NAAR, medical exception, or STAAR medically exempt designations are not included in domain calculations. In the Closing the Gaps domain, STAAR Alternate 2 students with NAAR designation are included as participants. Students with the medical exception or medically exempt designation are excluded from the participation rate.

What about distinction designations? Will they be awarded in 2018?

Yes. Distinction designations are awarded to campuses for outstanding performance in relation to 40 other similar campuses of similar type, size, grade span, and student demographics. A campus that receives an accountability rating of *Met Standard* is eligible for the following distinction designations in 2018. Districts that earn a rating of *A, B, C, or D* are eligible for a distinction designation in postsecondary readiness.
For 2018, distinction designations are awarded in the following areas:

- Academic Achievement in English Language Arts/Reading (campus only)
- Academic Achievement in Mathematics (campus only)
- Academic Achievement in Science (campus only)
- Academic Achievement in Social Studies (campus only)
- Top 25 Percent: Comparative Academic Growth (campus only)
- Top 25 Percent: Comparative Closing the Gaps (campus only)
- Postsecondary Readiness (district and campus)

A campus earns a distinction designation if it is in the top quartile (Q1) of its comparison group for at least 33 percent (for high schools and K–12 campuses) or 50 percent (for elementary and middle schools) of the indicators used to award the distinction.

For an indicator to be used to evaluate campuses for a distinction designation, at least 20 campuses in the comparison group must have data for that indicator. If fewer than 20 campuses have data for an indicator, it cannot be used to evaluate campuses for the distinction. This often affects schools with non-traditional grade spans.

By Sandra Newman and C. Scott Holupka

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Housing Affordability And Children's Cognitive Achievement

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ABSTRACT Housing cost burden—the fraction of income spent on housing—is the most prevalent housing problem affecting the healthy development of millions of low- and moderate-income children. By affecting disposable income, a high burden affects parents' expenditures on both necessities for and enrichment of their children, as well as investments in their children. Reducing those expenditures and investments, in turn, can affect children's development, including their cognitive skills and physical, social, and emotional health. This article summarizes the first empirical evidence of the effects of housing affordability on children's cognitive achievement and on one factor that appears to contribute to these effects: the larger expenditures on child enrichment by families in affordable housing. We found that housing cost burden has the same relationship to both children's cognitive achievement and enrichment spending on children, exhibiting an inverted U shape in both cases. The maximum benefit occurs when housing cost burden is near 30 percent of income—the long-standing rule-of-thumb definition of affordable housing. The effect of the burden is stronger on children's math ability than on their reading comprehension and is more pronounced with burdens above the 30 percent standard. For enrichment spending, the curve is "shallower" (meaning the effect of optimal affordability is less pronounced) but still significant.

The most prevalent housing problem affecting the healthy development of millions of low- and moderate-income children is housing affordability—that is, the portion of a household's income spent on housing. Although poor physical housing conditions, including toxins such as lead, have undeniable deleterious health effects, physical housing conditions have improved dramatically over the past four decades, even in housing for poor children.[1] By contrast, housing affordability problems have followed the opposite trajectory and now affect roughly 70 percent of a group that includes not only children in households at or below the federal poverty level but also children in households with incomes up to 200 percent of the poverty level.[2] *Affordable housing* is most commonly defined as housing whose costs do not exceed 30 percent of household income.

This article presents the first empirical evidence of the effects of housing affordability on the cognitive achievement of children and on one mechanism that may contribute to this effect: the increasing amount that families in affordable housing can spend on child enrichment.[3,4] The issue is not trivial. Research has documented the relationship between parents' earnings, which contribute significantly to disposable income, on the one hand, and the development of cognitive skills in childhood (such as age-appropriate verbal and math abilities) and adult outcomes (including physical, social, and emotional health and earnings), on the other.[5,6]

Because housing affordability directly affects disposable income, parents in unaffordable housing have less to spend on their children, including spending on goods, services, and experiences that benefit child development. Empirical evidence also shows that child enrichment expenditures affect intellectual stimulation.[7] Intellectual stimulation, in turn, is associated with cognitive achievement.

At first glance, it might appear that providing low-income families with affordable housing would solve this problem.[8] But this would be true only if parents spent at least some portion of the greater disposable income that would be available if they lived in affordable housing on their children's needs and enrichment. In this article we examine whether, in fact, they would do so.

Hypotheses

The child development and economic literature suggests two ways in which responses to housing affordability could affect child outcomes. In the first hypothesis, having unaffordable housing forces the household to spend relatively more of its budget on housing. This can have several effects on children, such as leaving less discretionary income to use on purchases that are important for children's healthy development and creating economic stress—which can result in marital strain or disruption and the harsh disciplining of children.[9,10] The second hypothesis suggests the opposite: Family stress could rise because lower-income families decide to spend too little on housing, not too much.[11] The housing units of these families are likely to have physical inadequacies and be located in distressed neighborhoods. Despite the stark differences between these two hypotheses, they both predict that child well-being will be compromised.

The second hypothesis suggests a corollary—which we have used as a third hypothesis—based on public finance theory. According to this hypothesis, communities with less affordable housing are also likely to have higher-quality schools, lower crime rates, and other features that benefit children, because these community characteristics are capitalized into housing prices.[12] Family decisions about how much to spend on housing may reflect a desire to "purchase" (by paying more for housing) these community attributes that have beneficial effects on children. Thus, living in a community with beneficial attributes could be a mitigating factor in cases where low-income families spend relatively large shares of their income on housing.

Previous Research

No previous studies have systematically examined the effects of housing affordability on child outcomes. However, three studies have examined the related topic of the effects of housing prices on child outcomes, with mixed results.

The authors of the first study, an analysis of data from the National Longitudinal Survey of Youth, found small or negligible effects of housing prices on child and young adult outcomes.[13] This study was not restricted to low-income households. In the second study, a longitudinal analysis of the Panel Study of Income Dynamics, the authors found that low-income children growing up in higher-price housing markets fared no worse than those in lower-price markets in terms of cognitive achievement, behavior, or health outcomes.[14] However, an earlier study—which used data from the 1997 cross-section of the National Survey of America's Families and included children across the full income spectrum—showed that living in higher-price housing markets was associated with poorer health among children ages 6–11 and with poorer health and behavior among children ages 12–17, compared to children living in lower-price markets.[15]

These studies focused on prices in the housing market, not on the housing cost burden that families experienced. Although housing prices are correlated with housing affordability, the two are not equivalent. The results of these three studies therefore pertain primarily to outcomes in higher- versus lower-price markets, not to affordability per se.

Defining 'Housing Cost Burden'

We defined *housing cost burden* as the percentage of household income spent on housing costs. As explained above, the normative standard used by both the public and private sectors designates as "affordable" housing that costs no more than 30 percent of household income. Despite its strong external validity and simplicity, the measure of housing cost burden has several weaknesses as a determinant of family spending on child enrichment activities and children's healthy development.

Arguably, the most important weakness related to making causal inferences is that the same factors that influence parents' decisions about what fraction of family income to spend on housing might also affect both their children's healthy development and how much they spend on their children. In other words, there may be an underlying proclivity to simultaneously spend a particular share of income on housing, support children's healthy development, and make greater investments in children. This problem, known as selection bias, could undermine the analysis. We describe below how we addressed this problem.

Study Data And Methods

No single data source provides information on housing affordability, children's cognitive achievement, and parents' expenditures on children. Therefore, to study the effects of housing affordability on children's cognitive achievement, we used data from the Panel Study of Income Dynamics (described below), its Child Development Supplement, and several other sources (for example, sources of data on school quality and housing markets) for the period 1990–2002. We then used data for 2004–09 from the Consumer Expenditure Survey (described below) of the Bureau of Labor Statistics to study the relationship of housing affordability to spending on children. We examined these relationships using multivariate statistical analysis techniques that also addressed the possibilities of selection bias and non-normal distributions.

DATA AND SAMPLES To analyze the effects of housing affordability on children's cognitive achievement, we used several data sources to compile variables on children, their families, and various community features. First, for socioeconomic and demographic measures on parents and families, we used the national Panel Study of Income Dynamics for the period 1986–2001. We used the study's Child Development Supplements for 1997 and 2002 for measures of children's demographic characteristics and outcomes and of mothers' cognitive achievement.

The Panel Study of Income Dynamics is an ongoing nationally representative survey. It began in 1968 and was conducted annually through 1997 and biennially thereafter. The survey's Child Development Supplement began in 1997 among families participating in the survey who had at least one child age twelve or younger, and those families were surveyed again in 2002. Although these data pertain primarily to the 1990s, we expect that the relationship among these measures has not changed appreciably since then. The economic fluctuations of the volatile decade of the 2000s might have affected the level of these relationships, but not their basic pattern.

We enriched the information from the Child Development Supplement with data on housing markets from the Department of Housing and Urban Development;[16] school quality from the National Center for Education Statistics;[17] and community amenities such as crime and neighborhood quality from the Department of Agriculture,[18] National Oceanographic and Atmospheric Administration,[19] Department of Justice,[20] and Census Bureau.[21] These data were linked by geographic identifiers, including census tracts and Metropolitan Statistical Areas. The sample for this housing affordability analysis consisted of 688 children from birth to age seventeen for whom complete data on cognitive measures were available and whose family incomes were no more than 200 percent of poverty—a group of families in which excessive housing cost burdens are common.[22]

We then explored one plausible mechanism through which housing affordability conveys its effects: parents' spending on child enrichment. This second analysis used data for 2004–09 from the Consumer Expenditure Survey. During this period there were dramatic fluctuations in the economy, including both a boom and the Great Recession, which provided a strong test of the effects of housing affordability on enrichment expenditures.

The Consumer Expenditure Survey is a nationally representative sample of approximately 7,000 households over five consecutive quarter-years. Respondents provide information on household demographic characteristics and on spending on more than five hundred items.[23] We augmented the data from this survey with Metropolitan Statistical Area or county poverty rates and a housing market measure, the Department of Housing and Urban Development's Fair Market Rents.[24] The sample for this analysis consisted of 3,075 households with one or more children age twelve or younger—the age when enrichment expenditures should have their greatest effect on cognitive achievement. The sample was limited to households with at least three interviews during a twelve-month period between 2004 and 2009 and—as with the sample for the affordability analysis—with incomes of no more than 200 percent of poverty.

HOUSING AFFORDABILITY ANALYSIS Cognitive achievement, the dependent variable to be explained, was indicated by scores on tests of reading comprehension and math ability from the well-established Woodcock-Johnson revised tests of achievement.[25]

Covariates included child and household background (for example, the child's age, sex, and race, and whether he or she received welfare benefits; the mother's education and cognitive achievement; and the family structure) and the policy variable of interest, housing cost burden. We also included measures related to the child's school (for example, the percentage of children at the school who received subsidized meals), neighborhood (such as the census-tract poverty rate), and broader community (for example, amenities and crime in the Metropolitan Statistical Area).

CHILD EXPENDITURE ANALYSIS The Consumer Expenditure Survey data identify three main categories of child expenditures: spending on child necessities (such as food, clothing, medical care, and health insurance); spending on child enrichment (for example, child care, toys, and musical instruments); and total expenditures, which consist of spending on necessities and enrichment plus spending on furniture, sports, and recreation equipment.

We included a combination of current consumption (such as current medical spending) and future investment (such as health insurance) because both are relevant to a child's well-being. To estimate expenditures on the child's portion of food purchased for home use, health insurance, and medical expenditures, we used formulas from the Department of Agriculture based on the child's age.[26]

Following previous research on child expenditures, we controlled for mother's age, education, race and ethnicity, receipt of Supplemental Nutrition Assistance Program (SNAP) benefits, income, number of infants (ages 2 and younger), and number of older children (ages 3–17).[27,28] We accounted for geographic price differences for the two expenditures for which such indices exist: spending on food and health.

PROPENSITY AND INSTRUMENTAL VARIABLE APPROACHES To address the selection problem noted above, we used two different methods (propensity score matching and instrumental variables) to separate the effect of housing affordability on child cognitive achievement from other factors that jointly determined a family's housing cost burden, children's cognitive achievement, and child expenditures. With propensity score matching, we attempted to approximate an experimental design by grouping and analyzing cases with comparable individual, household, and locational characteristics but with varying levels of housing cost burden. With the instrumental variable approach, we accounted for observed and unobserved differences by using the variation in housing cost burden (the causal variable) that could be explained by a third variable (the instrument) that was uncorrelated with the outcomes. The variation in housing cost burden explained by the instrumental variable can be viewed as a natural experiment.[29]

We used the housing market measure of Fair Market Rent as the instrument in these models. Our rationale for choosing this instrument was that rents are correlated with housing affordability but should not have been correlated with children's cognitive achievement, once we removed the relationship between rents and locational features. This proved to be a strong instrument (results available on request).

We used the propensity-adjusted data set from the Child Development Supplement of the Panel Study of Income Dynamics and the instrumental variable approach in all analyses of the effects of housing affordability on children's cognitive achievement. We used the propensity-adjusted data set from the Consumer Expenditure Survey for our analysis of the effects of housing affordability on child expenditures.

NONLINEAR REGRESSIONS Because the first and second hypotheses described above together predict a nonlinear relationship between housing cost burden and children's cognitive achievement, with worse performance occurring with both low and high housing cost burdens, we tested both linear and nonlinear models. We used a statistical test (the likelihood ratio) to select the best-fitting model for each Woodcock-Johnson test.[25] Testing for nonlinearity with the instrumental variable approach required a two-stage model.[30] We tested the third hypothesis described above by controlling for multiple features of the family's location, including school quality, crime, and rent.

GENERALIZED LINEAR MODELS In our child expenditure analysis, average expenditures had large standard deviations because they were skewed by a few high expenditures and some expenditures of zero. Therefore, we used generalized linear models.

LIMITATIONS Our analysis had several limitations. One limitation was the difficulty of identifying causal effects through the use of observational data. Although we used statistical techniques to address potential biases, these had their own limitations. For example, instrumental variable models require finding a variable that, in the present case, is associated with housing affordability but not with child cognitive achievement. Therefore, we conducted sensitivity tests to gauge the robustness of our results—although these were not perfect, either.

A second limitation was that even if we found strong correlations between housing affordability and cognitive achievement, on the one hand, and enrichment expenditures and housing affordability, on the other hand, this would not establish a causal path between expenditures and cognitive achievement. But those correlations would suggest one plausible explanation worthy of further examination.

Study Results

SAMPLE CHARACTERISTICS The average child in the analysis sample drawn from the Child Development Supplement of the Panel Study of Income Dynamics was ten years old (data not shown). Nearly 70 percent of the mothers in the sample were high school graduates, although only about 6 percent were college graduates. The average annual family income was less than $24,000, more than 60 percent of the families were nonwhite, and on average the children spent nearly half of their childhood on welfare and less than half of their childhood in a two-parent family. Children also experienced considerable residential instability during childhood, averaging more than two moves. However, 93 percent of the children had the same primary caregiver—typically their mother—during their childhood years.

Compared to all children of the same age in the 2002 Child Development Supplement of the Panel Study of Income Dynamics, the low-income children in the analysis sample had reading scores on the Woodcock-Johnson test[25] that were five points lower and math ability scores that were six points lower. Similarly, the cognitive scores of mothers in the analysis sample were nearly one-third lower than the scores of mothers in the full 2002 sample.

Roughly half of the children in the analysis sample experienced severe housing cost burdens (51 percent or more of household income) at some point during childhood. On average, the children lived in neighborhoods where roughly 23 percent of the households had incomes below poverty—a percentage nearly three-fourths of a standard deviation higher than children in the full 2002 sample.

In the Consumer Expenditure Survey analysis sample, most spending on children—which averaged roughly $3,000 per year in 2009 dollars—was for child necessities. Only one-quarter of the spending was for child enrichment. Combining spending on both of these categories, spending on children averaged about $4,000 per household between 2004 and 2009. Child care spending averaged roughly $200 per year.

On average, mothers in the Consumer Expenditure Survey analysis sample were approximately thirty-three years old, and households contained four people. About one-third of the households received SNAP benefits.

Like the sample from the Child Development Supplement of the Panel Study of Income Dynamics in the affordability analysis, the Consumer Expenditure Survey sample was disadvantaged, but somewhat less so. This is probably because having a low income—generally defined as an income at or below the poverty level—is temporary for many households.[31,32] The temporary status of being poor should provide a conservative test of the effects of housing affordability on child expenditures, because households in the Consumer Expenditure Survey that were experiencing only a temporary decline in income might not cut back substantially on spending for their children. And if they did, the expenditures of households in the Consumer Expenditure Survey sample might not fall as low as those of households with persistently low incomes, which were more prevalent in the sample from the Child Development Supplement of the Panel Study of Income Dynamics.

AFFORDABILITY ANALYSIS MODELS The family's housing cost burden, our measure of housing affordability, had a significant effect, as measured by a Wald test to assess the significance of the full set of affordability measures (that is, linear, squared, and cubed measures in the nonlinear models) on the two cognitive achievement measures in both the propensity-adjusted and instrumental variable models. But it is the shape of the relationship that is most noteworthy.

Scores on both Woodcock-Johnson achievement tests[25] had an inverted U shape across the housing-cost-burden distribution (Exhibits 1 and 2). This is consistent with the hypotheses that there would be worse outcomes with both the highest and lowest burdens. Thus, children's cognitive achievement improved as housing cost burden increased to 30–35 percent, consistent with the second hypothesis. Beyond that range, achievement declined with increasing cost burden, consistent with the first hypothesis. The lowest scores occurred when the burden exceeded 60 percent. Of particular policy salience is the fact that the predicted maximum value occurred at a housing cost burden of roughly 30 percent, the long-standing rule-of-thumb indication of housing affordability. (Full regression results are shown in online Appendix Table A1.)[33]

To assess the size of these effects relative to other covariates, we followed the work of Carolyn Hill and coauthors[34] by comparing the affordability coefficients to the two strongest predictors of cognitive outcomes in this analysis: the mother's score on the Woodcock-Johnson passage comprehension test[25] and whether the child was breast-fed as an infant. We also compared the effects of moving from a high cost burden (60 percent) to the 30 percent affordability standard and of moving from a low cost burden (10 percent) to the 30 percent standard.

The effects of housing affordability on child cognitive outcomes were roughly half to two-thirds as large as the effects of the two strongest predictors (data not shown). The effects of housing affordability were greater on math than on reading scores, and greater in cases with high cost burdens than in those with low burdens, compared to the 30 percent standard. Stress tests, which were designed to estimate the sensitivity of the results to including an unmeasured factor that was, for example, strongly correlated with both the outcome and housing cost burden, indicated that the findings were robust across a range of likely bias adjustments (results available on request).

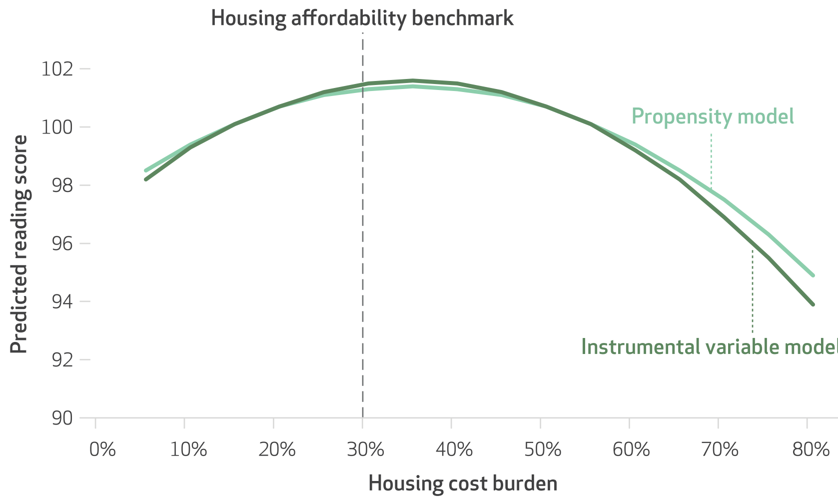
The third hypothesis was that amenities more likely to be located in high-price housing markets than in low-price markets could mitigate the effects of high or low housing cost burdens on children's cognitive achievement. We found no support for this hypothesis. The addition of locational controls to the prediction of cognitive achievement did not change the size or significance of affordability effects.

Expenditures on child enrichment increased until housing cost burden reached 30–35 percent, after which spending initially declined and then flattened (Exhibit 3). Thus, this curve also approximated an inverted U shape—similar to, but shallower than, the curves in Exhibits 1 and 2.

As in the affordability analysis, in the expenditure analysis we compared the size of the effects of affordability to that of the effects of the strongest predictors—in this case, mother's education, race, and receipt of SNAP benefits. The effect of moving from a low cost burden (10 percent) to the 30 percent affordability standard was roughly 11 percent of the effect of the increased spending of college-educated mothers, compared to mothers with no more than a high school diploma; nearly half the effect of the increased spending associated with being white; and essentially equal to the decreased spending associated with receiving SNAP benefits (data not shown). The comparable effect of moving from a high cost burden (60 percent) to the 30 percent standard was about 7 percent of the effect of a change in mother's education, one-quarter of the effect of being white, and 55 percent of the decreased spending associated with receiving SNAP benefits. Sensitivity tests confirmed the association of housing affordability with enrichment spending (results available on request).

EXHIBIT 1

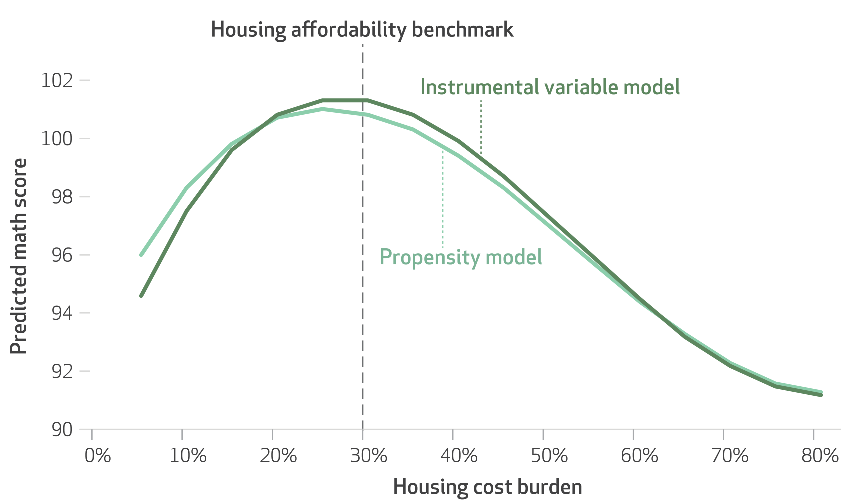
Effect of housing cost burden on US children's reading scores



SOURCE Authors' analysis of data from the Panel Study of Income Dynamics, 1997 and 2002 Child Development Supplements. **NOTES** The sample was limited to the 688 children ages 0–12 in 1997 for whom complete data on cognitive measures were available and whose family incomes were no more than 200 percent of the federal poverty level for at least 50 percent of the child's life. The results show the predicted scores (range: 1–200) on the Woodcock-Johnson reading test (see Note 25 in text) by housing cost burden based on propensity score matching ($p = 0.027$) and instrumental variable ($p = 0.006$) regression models (explained in the text). Housing cost burden is the percentage of household income spent on housing costs.

EXHIBIT 2

Effect of housing cost burden on US children's math scores



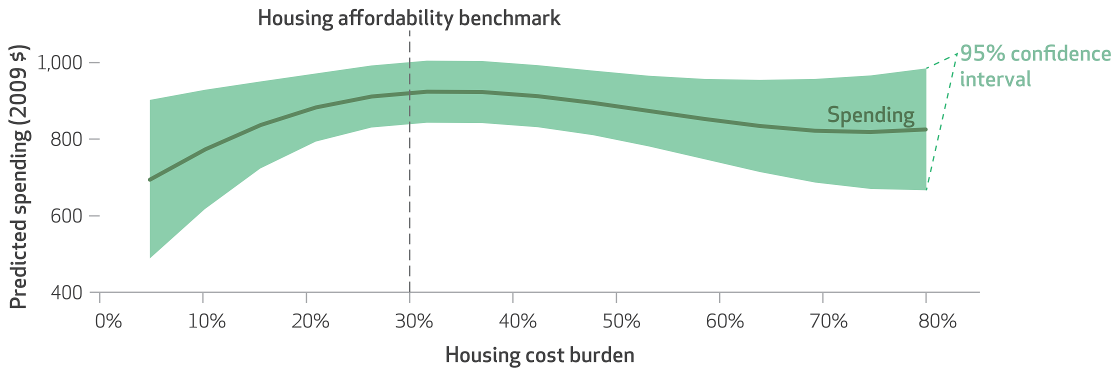
SOURCE Authors' analysis of data from the Panel Study of Income Dynamics, 1997 and 2002 Child Development Supplements. **NOTES** The sample and the housing cost burden are explained in Notes to Exhibit 1. The results show the predicted scores (range: 1–200) on the Woodcock-Johnson math test (see Note 25 in text) by housing cost burden based on propensity score matching ($p = 0.037$) and instrumental variable ($p = 0.007$) regression models (explained in the text). Housing cost burden is explained in the Notes to Exhibit 1.

Discussion

Despite widespread agreement that housing cost burden is the main housing problem facing modest-income families and, therefore, an important target for policy, empirical evidence about the effects of affordable housing on residents is lacking. This article has summarized research that addresses this gap with a focus on children's cognitive achievement—a component of healthy

EXHIBIT 3

Effect of housing cost burden on US parents' spending on children's enrichment



SOURCE Authors' analysis of data for 2004–09 from the Consumer Expenditure Surveys. **NOTES** The sample was limited to the 3,075 households with children age twelve or younger whose family incomes were no more than 200 percent of poverty. The results show the predicted household spending on child enrichment, including child care, by housing cost burden based on generalized linear model regression ($p = 0.062$). Housing cost burden is explained in the Notes to Exhibit 1.

development that is closely associated with life chances and adult well-being.

We first examined whether housing affordability affected children's cognitive performance, and then we explored expenditures on children as one possible mechanism contributing to these effects. Based on tests of three hypotheses drawn primarily from child development and economics, and using methodological approaches to address selection, we found an inverted-U-shape relationship between housing affordability and children's cognitive achievement. Achievement suffers in families with very high housing cost burdens, consistent with the conventional wisdom. But it also suffers in families with very low housing cost burdens, demonstrating that low burdens are not always better. A rarely acknowledged fact is that for low-income families, a low housing cost burden warrants concern because of its likely association with living in a poor-quality housing unit and neighborhood.[11,35]

Our child expenditure analysis offered one plausible explanation for the affordability effect on children's cognitive achievement. This analysis also produced a concave pattern, which indicated that enrichment expenditures were lowest when the fraction of income spent on housing was either very high or very low. Thus, one possible explanation for the better cognitive outcomes of low-income children in the middle of the housing-cost-burden distribution and for the worse outcomes for children at either end of the distribution is that parents with moderate cost burdens spend more on enrichment than do those with high or low cost burdens. Consistent with the objective of enrichment spending, these expenditures appear to contribute to the child's cognitive performance as measured by scores on the Woodcock-Johnson tests.[25]

This analysis provides systematic empirical evidence that supports the 30 percent rule-of-thumb definition of housing affordability in both government and private-sector housing policies. Our affordability and child expenditure analyses indicated that both children's cognitive achievement and child enrichment expenditures were maximized when the housing cost burden was roughly 30 percent of household income. In addition, the sizes of the effects produced in these analyses were large enough to be relevant to policy makers.

This study also suggests that housing cost burden is not simply a reflection of income. If it were, we should see a monotonic decline in cognitive achievement and enrichment expenditures with increases in housing cost burdens, because of the linear relationship between income and cost burden. Instead, the relationship between housing cost burden and both cognitive outcomes and child enrichment expenditures was nonlinear. This raises the significant policy question of whether cash assistance or in-kind assistance (such as housing) is better for maximizing children's cognitive achievement. ■

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POLICY RESEARCH BRIEF

Poor Quality Housing Is Tied to Children's Emotional and Behavioral Problems

Parents' stress from living in poor quality and unstable homes takes a toll on children's well-being

by REBEKAH LEVINE COLEY, TAMA LEVENTHAL, ALICIA DOYLE LYNCH, AND MELISSA KULL

SEPTEMBER 2013

A family's home is their haven, but for families living with leaking roofs and roaches, for those who have to choose between paying for rent or for food, or for families who repeatedly move in search of higher quality or more affordable housing, one's place of refuge may not be very homey.

This brief examines how housing characteristics matter to children and families' well-being.[1] Among the various possibilities tested, poor housing quality was the most consistent and strongest predictor of emotional and behavioral problems in low-income children and youth. It also had a sizable association with school performance among older youth. Housing affected children because the stress of living in unhealthy and unsafe conditions affected parenting.

KEY FINDINGS

- Poor housing quality is the most consistent and strongest predictor of emotional and behavioral problems in low-income children and youth among the five housing characteristics studied (quality, stability, affordability, ownership, and receiving a housing subsidy).
- Residential instability also is important for children's well-being.
- Even though much of the sample struggled with housing costs, unaffordability has little discernible link to children's well-being.
- Much of the association between poor quality and unstable housing and children's well-being operates through parental stress and parenting behaviors.

Advantages of the Current Study

Past research has identified several aspects of housing that are thought to be associated with children's development.[2] Researchers, for example, have found that substandard housing—exposed wiring, peeling lead paint, rodent infestation, and the like—may contribute to physiological stress in children, inhibiting their emotional stability and learning. Similarly, residential instability may interrupt peer and school networks, impeding academic and behavioral success. If housing costs are unaffordable, families may be forced to limit other valuable investments, such as extracurricular activities, and even other basic necessities such as food and medical care, all of which are important to healthy development. On the other hand, owning one's home or receiving government subsidies may increase family stability and social connections, helping to improve children's school success.

Although past research has identified many associations between housing and children's well-being, studies have tended to assess only a single dimension of housing at a time even though housing characteristics do not occur in isolation. In addition, the very characteristics that allow a parent to afford higher quality and more stable housing—a good job, steady income, family stability, perseverance, and organization—might be the same characteristics that influence children's outcomes.

The current study untangled many of these issues. The analysis takes a comprehensive view of housing, assessing quality, stability, affordability, ownership, and subsidy receipt status. It carefully adjusts for characteristics of parents and families that are likely associated with housing contexts. It addresses multiple aspects of children's well-being, including their cognitive, emotional, and behavioral functioning. Finally, the analysis includes young children, school-age children, and adolescents.

The analysis relied on a randomly drawn, representative sample of 2,400 low-income children, teens, and young adults aged 2-21 living in neighborhoods of concentrated poverty in Boston, Chicago, and San Antonio. It followed children and families for six years, and focused on three core areas of children's development:

- Central academic skills in reading and math;
- Emotional problems, such as symptoms associated with depression and anxiety;
- Behavioral problems, such as stealing, lying, and being aggressive.

Housing Quality Is Important for Children's Outcomes

Poor housing quality was the most consistent and strongest predictor of emotional and behavioral problems in low-income children and youth among the five housing characteristics studied (quality, stability, affordability, ownership, and receiving a housing subsidy). Children exposed to homes with leaking roofs, broken windows, rodents, nonfunctioning heaters or stoves, peeling paint, exposed wiring, or unsafe or unclean environments experienced greater emotional and behavioral problems. Housing quality also was related to school performance for older children, with adolescents in poorer quality homes showing lower reading and math skills in standardized achievement tests.

Residential instability also was important for children's well-being. Although low-income children showed some short-term improvements in functioning after a move, over time, cumulative residential instability was linked with children's and youth's lower emotional and behavioral functioning.

Even though much of the sample struggled with housing costs, with most families paying more than 30 percent of their household's income, unaffordability had little discernible link to children's well-being. The authors hypothesized that higher housing costs may provide competing forces on families, imposing financial stress but also allowing families to access higher quality homes and more stable neighborhoods with better schools and community resources. Similarly, living in owned homes or government-assisted housing rather than privately rented housing was not associated with children's functioning once accounting for factors such as housing stability and quality.

Much of the association between poor quality and unstable housing and children's well-being operated through parents. The stress and strain of living in poor quality homes or having to move multiple times in a few short years took its toll, leading to symptoms of depression and anxiety, and to less stable family routines. This in turn helped to explain children's diminished functioning. Thus, rather than being a source of stability and security, a home lacking some of the most basic elements of comfort may exacerbate other pressures that poor parents face.

Policy Implications

Creating and sustaining healthy homes for children and families is a key public health issue. Roughly 2 million poor children lived in physically inadequate dwellings in 2005,[3] and the recent housing crisis and economic recession has likely exacerbated such conditions as home-owners, landlords, and renters experienced economic setbacks. Residential instability has increased as well. Indeed, a recent report found that by 2011, more than 8 million children had experienced or were on the verge of experiencing loss of their families' homes through foreclosure, including families in both owner-occupied homes and rental units.[4] Policies and programs need to do more to help economically vulnerable families live in safer and higher quality homes and to sustain their housing through economic setbacks and downturns.

This research emphasizes the importance of current programs that provide housing assistance for families and leads to further suggestions for how policy makers could help to support the housing quality and stability of low-income families as mechanisms to promote healthy and successful child and youth development.

CURRENT POLICIES

Government subsidies and short-term financial assistance are two options that are currently available. Subsidies for heating or electricity among low-income householders may help ensure that these services are not cut off for lack of payment. Such housing-related subsidies, as well as those for food (Supplemental Nutrition Assistance Program) and medical care (Medicaid and State Children's Health Insurance Program) also allow families with limited economic resources to allocate their budgets to fulfill other needs and sustain higher quality home environments. Other programs, such as emergency funds to stave off eviction, can help stabilize families' housing, allowing them to remain in their homes during crises, thus reducing residential moves and improving children's well-being. Similarly, continuation and expansion of programs that protect tenants during landlord foreclosure proceedings or that allow underwater borrowers to refinance are important in helping families avoid foreclosures and loss of rental homes. With greater residential and financial stability, owners and renters can also keep up on maintenance, and thus the quality of their residences.

FUTURE POLICY DIRECTIONS

New innovations provide additional models for supporting low-income families' safe and stable housing. Given that local government is the source of many housing policies via housing codes and local ordinances, findings from this research emphasize the importance of working with local public health departments as well as state and federal agencies to strengthen and enforce housing codes and implement programs to improve indoor environmental quality and other housing conditions.[5] Local government could also centralize the inspection and enforcement of housing codes and other safety measures, which are typically handled by multiple agencies. Home inspections could be conducted in conjunction with other home visits by city personnel such as fire fighters, meter readers, and others.

Some organizations and cities have begun to identify promising solutions to these shortcomings through the use of "big data"—the analysis of reams of data that cities regularly collect for different purposes—on housing issues. One novel approach is HousingCheckup, a proposed program in Chicago to aggregate data from public agencies on code violations, past health and safety inspections, and other problems into an easy-to-use tracker.[6] The tool would allow tenants and others to access the "health history" of their home to determine if they are being exposed to significant health hazards. ■

Endnotes

1 The brief is based on a recent study, Rebekah Levine Coley et al., "Relations Between Housing Characteristics and the Well-Being of Low-Income Children and Adolescents". Coley, R. L., Leventhal, T., Lynch, A. D., & Kull, M. (2013). Relations Between Housing Characteristics and the Well-Being of Low-Income Children and Adolescents. Developmental Psychology. Vol 49(9). Pages 1775-1789. doi: 10.1037/a0031033

2 For a review of this research, see T. Leventhal and S. Newman, "Housing and Child Development," *Children and Youth Service Review, 32* (9) (2010): 1165-1174.

3 C. S. Holupka and S.J. Newman, "The Housing and Neighborhood Conditions of America's Children: Patterns and Trends over Four Decades," *Housing Policy Debate*, 21 (2011): 215–245.

4 Julie Isaacs, "The Ongoing Impact of Foreclosures on Children." (Washington, DC: Brookings Institution, March 2012), available at www.brookings.edu/research/papers/2012/04/18-foreclosures-children-isaacs

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6 http://opengov.newschallenge.org/open/open-government/submission/housingcheckup-access-your-home-2019-s-full-health-and-safety-history/

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ABOUT THE HOW HOUSING MATTERS TO FAMILIES AND COMMUNITIES RESEARCH INITIATIVE

This brief summarizes research funded by the John D. and Catherine T. MacArthur Foundation as part of its How Housing Matters to Families and Communities Research Initiative. The initiative seeks to explore whether, and if so how, having a decent, stable, affordable home leads to strong families and vibrant communities. By illuminating the ways in which housing matters and highlighting innovative practices in the field, the Foundation hopes to encourage collaboration among leaders and policymakers in housing, education, health, and economic development to help families lead healthy, successful lives. The views expressed herein are not necessarily those of the MacArthur Foundation.

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Texas Education Agency Pauses A-F Ratings For 2020-21 School Year

Date: Thu, 12/10/2020 - 13:30

STAAR testing will proceed so parents and educators continue to understand what students have learned this year, and to gauge the impact of the pandemic on education

AUSTIN, Texas – December 10, 2020 – The Texas Education Agency announced today that A-F ratings would be paused for 2020-21 school year due to the ongoing disruptions associated with COVID-19. The STAAR test will proceed for the 2020-21 school year in order to provide critically important information about individual student learning that teachers and parents can use to help students grow. For those schools that incorporate STAAR results into teacher evaluations, TEA is providing flexibility to allow them to remove that component this school year.

Ensuring that STAAR is made available has been recognized as vital by education leaders around the state. STAAR results will allow schools, teachers, and parents to see how individual students are performing while also giving education leaders and policymakers across Texas a comprehensive picture of what are likely to be sweeping impacts of the pandemic on student learning, helping policymakers craft solutions for the years ahead. However, the STAAR will not be used for accountability purposes this school year.

"The last nine months have been some of the most disruptive of our lives. The challenges have been especially pronounced for our parents, teachers, and students. We continue to prioritize the health and safety of students, teachers, and staff in our schools this year, while working to ensure students grow academically," said Texas Education Commissioner Mike Morath.

"The issuance of A-F ratings for schools has proven to be a valuable tool to support continuous improvement for our students, allowing educators, parents, and the general public to better identify and expand efforts that are working for kids. But the pandemic has disrupted school operations in fundamental ways that have often been outside the control of our school leaders, making it far more difficult to use these ratings as a tool to support student academic growth. As a result, we will not issue A-F ratings this school year," added Morath.

School systems are required to make STAAR available to every eligible student. The test will be administered on school campuses across the state or at other secure alternative testing sites. The test is an assessment of the grade level expectations of Texas students, with questions designed by subject matter experts and committees of Texas teachers to measure how well students have mastered knowledge and skills in various grades and subjects. STAAR will continue to be administered only in secure environments to ensure the results remain valid and reliable.

###

The Affordable Housing Crisis: Residential Mobility of Poor Families and School Mobility of Poor Children

Sheila Crowley

Residential mobility that results in changing schools has serious implications for a student's academic success. The lack of housing that the lowest income households can afford contributes to housing instability resulting in frequent moves and, for some families, periods of homelessness. Federal housing policy does not provide resources needed to address the shortage of affordable housing and in some cases directly destabilizes housing for low-income families. While school-based strategies can intervene in reducing school changes for some students, housing-based strategies including major new federal investment in low-income rental housing assistance and rental housing production are required.

The relationship between residential mobility and school performance has been identified as a source of concern for educators, policymakers, and parents (Fowler-Finn, 2001; Holloway, 2000; Rothstein, 2000). Children who move from one domicile to another may also move from one school to another. No matter when this takes place or why, some degree of learning disruption is likely to occur. Children of low-income families are at particular risk of school performance problems related to residential mobility. Low-income families have higher rates of residential mobility than do middle- and upper-income families, and moves by low-income families are less likely to be for positive reasons than are moves by more prosperous families (Scanlon & Devine, 2001; Schachter, 2001a, 2001b).

Americans are a mobile lot, with around 16% of the population changing residences at least once a year (Schachter, 2001b). There are many positive reasons why families move: a parent has a better job opportunity, the family builds or buys a better house, extended families want to live closer to one another, and a new neighborhood is served by a better school. There are also many reasons that are traumatic: divorce, death, domestic violence, eviction (Hartman & Robinson, in press) or foreclosure, forced relocation, or diminished financial resources from loss of employment or public benefits. The role of housing problems and housing policy in frequent family moves that are associated with low-income children's poor school performance is the subject of this article.

The Role of Housing in Child and Family Well-Being

Although tacitly understood by all, most people in the United States take for granted the centrality of good housing to their overall well-being. This is because most Americans are well-housed, meaning they have stable, safe, and decent housing that they can afford and which is located in good neighborhoods of their choosing. If they do move from one home to another, it is by choice.

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The absence of good housing makes it possible to understand its importance to the success of other facets of life, such as employment, schooling, childrearing, nutrition, and health. Housing that is overcrowded, in poor repair, or presents health hazards puts enormous stress on the residents. Housing that costs more than the household can afford threatens stability, exposing the household to the possibility of foreclosure or eviction in the worst case and inability to pay for other necessities in the best case.

The importance of safe, decent, and affordable housing to good health is increasingly prominent in public health policy and research (Anderson, Shinn, & St. Charles, 2002). Children in families waiting for housing assistance are exposed to much higher levels of housing-related health hazards than are children whose families are receiving housing assistance (Sharfstein, Sandel, Kahn, & Bauchner, 2001). Stable, affordable housing was found to be the most important factor in explaining differences in rates of infant mortality among children born to extremely poor mothers (Culhane & Elo, 2001).

Housing has important implications for child development. The nature and quality of parenting is influenced by the housing in which the family resides. Housing that provides parents with a sense of control, choice, and well-being supports good parenting. Parents whose housing limits their sense of choice and control are more susceptible to relying on reactive and punitive parenting (Bartlett, 1997a). Bartlett (1998, p. 420) further posits that "children who live in housing that is inadequate for their needs may have a distinct handicap in the struggle to escape from social disadvantage and the cycle of poverty."

The most severe form of housing deprivation, homelessness, has long been linked with a host of problems for children. Homeless children are at much greater risk of illness, injury, malnourishment, abuse, neglect, violence, separation from family, delays in cognitive and language development, and impaired academic functioning than housed children (Molnar, Rath, & Klein, 1990; National Coalition for Homeless, 2001; Rubin et al., 1996; Whitman, Accardo, Boyert, & Kendagor, 1990).

Residential Mobility and School Performance

Given the importance of housing to child and family well-being, families who can improve their housing circumstances by moving may be better off in other spheres of family and community life. However, frequent moves, moves determined by external forces rather than parental choice, and moves that do not result in significant housing improvements will be detrimental to children. The negative effects of residential mobility are most burdensome for children who are poor and who are members of racial minorities. Given these consequences, "residential mobility may be an overlooked factor in the replication of inequality in the United States" (Scanlon & Devine, 2001, p. 129).

Although people in the United States as a whole are quite mobile, race and income differentiate movers from non-movers. Members of racial minorities change residences more than White people do, and the lower a household's income, the more likely it is to move (Schachter, 2001a). This may be explained because racial minorities, especially Black and Hispanic people, and low-income people are more often renters than homeowners (Dolbeare, 2001). Renters are three times more likely than homeowners to move, with 32.5% of renters and 9.1% of homeowners moving in 1999 (Schachter, 2001a).

Although all residential changes are difficult in some fashion for children, most children and families have the resiliency to manage change without ill effects. It is the qualities and dimensions of residential mobility that determine how children will be affected. Moves that result in multiple life changes, including neighborhood and school, and that sever ties to social networks are harder for children to withstand than are simpler changes.

Frequent moves or "hypermobility," defined as six or more moves during childhood (Tucker, Marx, & Long, 1998), are far more damaging than one or two well-spaced moves. Moves that are sudden or unplanned and that are the result of family disruption, such as divorce, death, or eviction, carry the most serious risk of emotional or psychological harm. Moves that the parent(s) or caregiver(s) experience as troubling, and then convey that anxiety to their children, will be more traumatic for children (Humke & Schaefer, 1995; Scanlon & Devine, 2001; Swanson & Schneider, 1999; Tucker et al., 1998).

However, residential mobility is not entirely negative for poor families. Being unable to move from dangerous or inadequate housing or neighborhoods may have serious physical and psychological consequences for all family members (Scanlon & Devine, 2001). For families with high levels of stress associated with their housing, relocation may actually bring relief, albeit temporary. In case studies of highly mobile poor families, Bartlett (1997b) found that despite all evidence to the contrary, the mothers held out hope that the next place would be the right place. When their current living situations became untenable, leaving was preferable to staying.

The adverse effect frequent residential moves that also result in changing schools has on a child's academic achievement generates considerable agreement among educators and other professionals who study child well-being (Scanlon & Devine, 2001). Controlling for other factors, movers do less well in school than nonmovers, unless the move results in a dramatic improvement in a child's access to educational resources (Pribesh & Downey, 1999). In other words, if a child is able to move to a more affluent school district or to a more well-endowed school than the school he or she is leaving, the benefits will outweigh the drawbacks. But this is an uncommon occurrence for low-income and minority students.

Poor children are more likely to "churn" (Holloway, 2000, p. A29) from one under-resourced school to another. In some poor schools, the mobility rate can be as high as 70%, meaning only 30% of the students enrolled began and ended the school year at the same school (Fowler-Finn, 2001). Mobile children must change teachers, curricula, and schoolmates. They are often behind in academic progress. Mobile students may receive poor assessments and placements, and are likely to have incomplete school records (Fisher, Matthew, Stafford, Nakagawa, & Durante, 2002). Teachers are less likely to commit themselves to students they perceive are just passing through (Astone & McLanahan, 1994), and are less likely to regard transient students as competent (Mantzicopoulos & Knutson, 2000). Transient children are more likely to have to repeat grades, to not receive needed special education, and to do less well on standardized tests than are stable students. Indeed, it is the advent of standardized tests that has heightened awareness of the consequences of high rates of school and residential mobility, as educators grapple with the impact each child's performance has on the overall rating of teachers and schools (Holloway, 2000; Rothstein, 2000).

The words of a homeless mother with an 8-year-old daughter who had attended 6 schools in 10 months illustrate the intersection between school performance and residential stability. As cited in Molnar, Rath, and Klein (1990, p. 117), the mother reacts to an assessment that her daughter is learning-disabled: "I think what she really needs is to stop going to a different school every month. She didn't have this 'learning disability' before we lost our home. What she really needs is a permanent home and extra help with her reading and math."

Kerbow (1996) affirms that the most serious educational problems are experienced by the children who change schools several times. Although the effects of a single move on school performance may be not be immediately apparent, the cumulative effect of many moves and of missing lessons that teach core concepts upon which future lessons are built is devastating. Prerequisite learning does not take place, causing the student to fall further and further behind.

It is not just the students who move who are caught up in the churning. The stable classmates of mobile students also are penalized. Teachers who have to constantly double back to integrate new students into the classroom lose precious time on lessons for the whole class and have less time for all students individually (Fowler-Finn, 2001). A highly mobile student body also is frustrating for teachers and leads to teacher burnout and resignation, creating even more turbulence in poor schools (Cohen, 1994b; Holloway, 2000).

Residential Mobility and Housing Problems

Residential mobility is by definition a housing issue, but to what extent is residential mobility driven by housing factors? The U.S. Census Bureau added a question about "reason for moving" to the Current Population Survey in 1998. In the 2000 assessment, housing-related reasons account for over half (51.6%) of the reasons why 41.6 million people in the United States moved in 1999. Family-related reasons, including change in marital status, make up slightly over a quarter (26.3%), and employment-related reasons, such as new job or retirement, account for another 16.2%. Other reasons, including college attendance and health concerns, are cited for 6% of the moves (Schachter, 2001b).

Housing-related factors are further analyzed in the Census report. Of the 41.6 million movers in 1999, 30% moved for apparently positive housing reasons, including changing from renter to homeowner status (11.5%) or moving to a new or better home (18.5%). Nearly 10% moved for apparently negative housing reasons, such as searching for a better, safer neighborhood (4.4%), or cheaper housing (5.5%). Other housing reasons accounted for 11.7% of moves (Schachter, 2001b). Thus, one can surmise that housing affordability problems accounted for changes in residence for at least 2.3 million people in the United States in 1999.

Most of the moves to find cheaper housing are made within the same jurisdiction. The lowest income people are much less likely to move because they are changing from renter to homeowner status than are higher income people, and are more likely to move in order to find cheaper housing than are higher income people. However, the desire for better housing or better neighborhoods is a motive for all income groups. Further, differences between the poor and nonpoor in reasons for moving are more distinct on dimensions that are not housing related. Family-related reasons are more likely to drive residential mobility by poor people; middle-class people more often for work-related reasons (Schachter, 2001b).

Some literature on residential mobility, child well-being, and school achievement cites housing problems as the reason poor children are so transient (Barlett, 1997b; Cohen, 1994a, 1994b). Parents interviewed by the Kids Mobility Project (1998) in Minnesota blame their perpetual quest to find affordable, safe housing for their children's frequent school changes. Teachers and administrators in a New York City school with high student turnover identify poverty-induced residential mobility—evictions, stays in shelters, doubling-up—as the cause of student transience (Hollaway, 2000). Fifty-eight percent of the sixth graders in Chicago public schools who changed schools did so for housing-related reasons; school-related reasons, such as problems at the old school or opportunities at the new school, were cited along with housing-related reasons by 18% of the students (Kerbow, 1996). Public policy intervention to address the housing affordability problems of the poor in order to reduce their residential mobility is also called for so that problematic school turnover can in turn be reduced (Rothstein, 2000; Scanlon & Devine, 2001).

Intervention in housing problems by schools or as school-related strategies also indicates a perceived relationship between housing problems and residential mobility. In Houston, school officials negotiated with landlords to use one-year leases that end on June 30 in order to curtail moves during the school year (Fowler-Finn, 2001). New York City mandated shelter stays for up to one year in order to help families reduce residential mobility (Holloway, 2000). In Rochester, New York, an association of landlords teamed up with local school and welfare department officials and a local foundation to develop a range of housing and community-based strategies to reduce school transience, with impressive results (Cohen, 1994a).

Having established that residential mobility of poor children can impair their school performance, and that the residential mobility of poor children is often associated with housing problems, the discussion now turns to the state of affordable housing in the United States and the role of federal housing policy in the affordable housing crisis.

Housing Affordability

The United States is experiencing a housing affordability crisis that is felt most acutely by the lowest income households (Dolbeare, 2001; Joint Center for Housing Studies, 2002; Millennial Housing Commission, 2002; Nelson, 2001). Fifteen percent (14.9 million) of households in the United States are considered extremely low income, with median household income of $7,000 a year. They spent on average 54% of their income for their housing, far higher than the generally accepted standard of 30%. They are both renters (8.5 million) and homeowners (6.4 million). On a national basis, a full-time worker must earn at least $14.66 an hour, $9.51 more than the federal minimum wage, to afford the rent for a modest two-bedroom home (Pitcoff, Schaffer, Dolbeare, & Crowley, 2002).

There are simply too few housing units available at prices low-wage earners and people on fixed incomes can afford (Joint Center on Housing Studies, 2002; Millennial Housing Commission, 2002). The supply of affordable housing for extremely low-income households has shrunk considerably in the last two decades, due to gentrification, conversion, demolition, and abandonment. New housing is priced beyond their reach. The lowest income households are forced to compete with one another for increasingly scarce housing they can afford (Dolbeare, 2001; Nelson, 2001). The supply problem of affordable rental housing is like a game of musical chairs in which players scramble for too few seats and someone is always left out.

What are the implications of such a shortage of affordable housing? Most extremely low-income families must spend considerably more than 30% of their income for housing. For families with too little income already, high housing cost burdens mean that insufficient funds remain for other necessities, such as food, utilities, medical care, or childcare. One way to manage is for the adults in the family to work multiple jobs, leaving little time for parenting duties and attention to children's academic needs. In a tight rental market with few affordable vacancies, the lowest income households fall prey to unscrupulous landlords who can rent substandard property containing health and safety risks. Some families are forced to move in with friends or family members, resulting in overcrowding and the accompanying stress. The ultimate consequence of the affordable housing shortage is the inability to pay the rent or mortgage, leading to eviction or foreclosure, damaged credit, forced relocation, and perhaps homelessness.

Once a poor family loses its home, its ability to regain stable housing is severely compromised. The poorest households are consigned to a nomadic existence, with intermittent stays in shelters, doubling-up with family or friends, and short-term rentals. This is the worst form of residential mobility, with the most damaging consequences for children's well-being and educational achievement.

Federal Housing Policy

Although the American housing sector is largely driven by market forces, the role of the federal government in shaping, directing, and controlling the housing sector is substantial. Ownership of a single-family home is the idealized form of housing for most Americans, and federal policy has been and continues to be centered on bolstering homeownership. In the 1990s, policy and practice drove rates of homeownership to record levels by making it increasingly more accessible to low-income and minority buyers. Today, homeownership is seen as the primary way a low-income family can accumulate assets and move into the middle class (Retsinas & Belsky, 2002). Federal subsidies for homeowners in the form of tax expenditures exceeded $120 billion in 2002 (Dolbeare & Crowley, 2002).

At the same time, the supply of rental housing for extremely low-income households is diminishing. Between 1991 and 1999, the number of rental units affordable to this income group fell by 14% (Nelson, 2001). Further, the federal investment in direct housing assistance for low-income people, primarily through the rental housing market, has fallen from a high of $80 billion in 1978 to $27.5 billion in 2002 (Dolbeare & Crowley, 2002).

The primary way the federal government supports low-income rental housing today is with subsidies to public housing authorities and private owners to pay the difference between 30% of a household's income and the federally allowed rent for the unit. Some subsidies to private owners support housing developments originally built or renovated with capital funds from the federal programs. Other subsidies are in the form of vouchers that allow voucher holders to rent from willing landlords. Additional federal programs build and subsidize housing specifically for people who are elderly or disabled (National Low Income Housing Coalition [NLIHC], 2002a). There are roughly five million federally subsidized housing units of one form or another, where 11 million people reside, with average household of income of $9,500 a year (U.S. Department of Housing and Urban Development [HUD], 1999).

This highly bifurcated approach to housing policy—a universal entitlement subsidy through the tax structure for homeowners and means-tested, nonentitlement subsidy dependent on annual appropriations for low-income renters—favors well-off homeowners and disfavors low-income renters. Moreover, the disinvestment in federal low-income housing programs in the last 25 years contributed directly to the current affordable housing shortage and the growth of homelessness in the 1980s and 1990s.

The other fundamental federal role in housing policy is fair housing. The federal fair housing laws passed in 1968 and amended in 1988 prohibit discrimination in the housing sector based on race and other protected classes. The Departments of Housing and Urban Development and Justice are responsible for enforcement of the housing provisions of federal civil rights laws with statutory and political limitations on how successful they can be.

It is through its housing priorities, programs, and practices that the federal government directly affects residential mobility of low-income families, sometimes positively, but most often adversely. Current policy with regard to homeownership, rental housing assistance, rental housing production, and residential mobility as a fair housing issue are explored in more detail below.

Homeownership

The expansion of homeownership among low-income people and members of racial minorities in recent years will reduce residential mobility for those families able to participate in the myriad of programs and initiatives intended to facilitate their transition from renter to homeowner. Included are down payment assistance, low-rate mortgages, more flexible borrowing standards, grant-subsidized construction, and even application of rental housing vouchers to mortgage payments. While these programs are of significant value, they tend to be beyond the reach of the poorest families with the highest risk of residential mobility (Belsky & Duda, 2002).

The importance of homeownership to residential stability and asset accumulation notwithstanding, housing research is beginning to note the downside of the homeownership boom for low-income households. Paradoxically, one of the identified problems is reduced residential mobility. Homeownership may hinder low-income families from taking advantage of job or educational opportunities in other communities (Hornburg, 2002).

Another major concern about expansion of homeownership for low-income families is that some of them may now be at higher financial risk. Part of the increase in homeownership by low-income people and members of racial minorities is driven by expansion of the "subprime" lending industry—lenders who make loans at interest rates higher than that charged by conventional lenders to borrowers who do not qualify for conventional mortgages for reasons related to credit history or insufficient income. There is ample evidence that minority and low-income households are purposely targeted by subprime lenders. Black and Hispanic people are overrepresented in the subprime market. Although subprime lending is legal business practice, predatory lending is not. Unscrupulous lenders who make high profits by lending to families who are paying too much for their loans, with all manner of hidden charges, or taking out loans they cannot afford, are creating a class of homeowners with heightened risk of foreclosure (Bradford, 2002; National Association of Local Housing Finance Agencies, 2002).

Under any circumstances, homeownership does not mean freedom from high housing cost burdens, and the lowest income homeowners spend dangerously high percentages of their income on housing. Homeownership also brings unanticipated costs for home repair that people with no financial cushion can ill afford. Low-income people also have less predictable income and are more subject to loss of income due to illness or periods of economic downturn. Recent increases in rates of mortgage foreclosure in the wake of the recession of 2001 and 2002 indicate the precariousness of the financial well-being of low-income mortgagors (Fleishman, 2002). The consequences of defaulting on a mortgage are very damaging to one's financial and emotional health, and more serious than having a poor record as a renter, which is serious enough (Hornburg, 2002).

A particularly insidious by-product of the growing hegemony of homeownership in the United States is a corresponding devaluing of rental housing, contributing to loss of rental housing units, a lack of resources to build new rental housing, and resistance to the siting of rental housing, especially that which is classified as affordable, by neighborhoods and local elected officials. Thus, the shortage of affordable rental housing must be analyzed in the context of preference for homeownership. Even as greater residential stability is cited as an argument in favor of homeownership, the degree to which the expansion and favoring of homeownership contributes to the dwindling supply of affordable rental housing further exacerbates the residential mobility problems of renters.

Affordable Rental Housing

The single most important contribution the federal government makes to reducing residential mobility of poor families is through rental housing assistance. Rental housing assistance, tied to the tenant or the housing unit, bridges the gap between the cost of housing and what the family can afford. In a study of formerly homeless families five years after leaving a shelter, Shinn and her colleagues (1998) concluded that the only factor that could account for some families' ability to maintain stable housing for the five-year period was receipt of rental housing assistance.

Indeed, the average length of tenancy for households receiving federal housing assistance is six years (HUD, 1999). In New York City, with one of the country's most expensive housing markets and where 12% of all public housing units in the country are located, the median length of public housing tenancy is 16 years for young tenants, 23 years for middle-aged tenants, and 15 years for elderly residents (Bahchevia & Hosier, 2001). These data indicate a relatively high degree of residential stability among recipients of rental housing assistance.

In one of Bartlett's (1997b) case studies of highly mobile poor families, the only period of housing stability for the family was the two years they participated in a federally funded transitional housing program. After years of short-term rentals, doubling-up, stints in shelters, and even one month in a tent in the woods, mother, father, and two daughters moved into a nice apartment with a rental subsidy. The father worked steadily, the mother worked part-time and earned her high school diploma. The older child attended the same school for two years and did very well. When the transitional assistance ended and there was not enough money to maintain the home, the family fell apart again and moved so often that the same child attended three schools the next year. Bartlett concludes that the "one factor that has had the power to break their cycle of mobility has been the subsidized provision of decent and affordable housing" (p. 124).

Fewer than a third of the over 13 million lowest income households who are eligible for rental housing assistance actually receive it, due to insufficient federal funding levels (Millennial Housing Commission, 2002). Given the importance of rental housing subsidies to the housing stability of poor families, expansion of rental housing subsidies is a top priority for low-income housing advocates (NLIHC, 2002a) and is a recommended intervention in reducing school mobility (Rothstein, 2000).

However, new investment in rental housing assistance is extremely sparse. The primary way rental housing assistance has been expanded in recent years is by addition of new Housing Choice Vouchers as part of the federal budget. After years of no new vouchers, Congress gradually added some vouchers each year in the late 1990s, reaching a peak of 80,000 new vouchers for fiscal year 2001, only to reduce funding levels to 26,000 new vouchers for fiscal year 2002, with further reductions expected for fiscal year 2003 (NLIHC, 2002b). Further, the ability of people who are awarded housing vouchers to actually find housing they can rent has grown increasingly problematic in many housing markets where the supply of private market units available to rent with vouchers has dwindled. The lack of commitment to the long-term viability of the Housing Choice Voucher program by the current HUD administration is evidenced by the proposal in the FY04 HUD budget proposal to block grant the program to states without protections for current residents (HUD, 2003).

Other changes in federal housing policy in recent years have also reduced the potential for rental housing assistance to strengthen housing stability for the poorest families. Congress passed the Quality Housing and Work Responsibility Act (QHWRA) in 1998, which altered eligibility for rental housing assistance. In order to reduce the concentration of poor people in public housing developments, public housing agencies are now able to set admission criteria that favor the higher-income strata of the eligible population and thereby reduce access to the lowest income families (NLIHC, 2002a).

In order to reduce crime and drug activity in public and assisted housing, QHWRA also permits public housing agencies and private owners of federally subsidized developments to exclude from occupancy anyone involved in drug-related or violent activity.

Further, families currently receiving assistance can be evicted and have their assistance revoked if any member of the family, even minors, or any guest, is involved (even without their knowledge) in drug-related or violent activity on or off the premises. The U.S. Supreme Court recently upheld this so-called "one-strike" provision (National Housing Law Project, 2002). Zero tolerance policies on drug use among residents of public and assisted housing bar some of the poorest families from receiving housing assistance, denying them access to one of the few forms of social assistance that can actually promote housing stability.

Besides scant funding for new housing vouchers and reduced access to all rental housing assistance from public housing, vouchers, and privately-owned subsidized housing developments, federal housing policy is directly contributing to the shrinking stock of affordable rental housing in two major ways. More ominously, in addition to reducing the supply of housing, both policies displace existing residents, directly destabilizing housing for some of the country's lowest income households.

HOPE VI is the name of the public housing redevelopment program enacted in 1993 in response to a report that 86,000 (6%) of the nation's public housing units were "severely distressed" and should be demolished (National Commission on Severely Distressed Public Housing, 1992). The sites were to be redeveloped in a manner that reduced density and deconcentrated poverty. Congress has also repealed the provision that required one-for-one replacement of all demolished public housing units. Consequently, HOPE VI is resulting in a substantial net loss of public housing units at a time when the nation is experiencing an acute shortage of affordable rental housing (National Housing Law Project et al., 2002). Since 1993, as a result of HOPE VI, public housing agencies have demolished 51,000 public housing units, and HUD has approved another 21,000 for demolition. Through HOPE VI, public housing agencies have built only about 14,000 public housing units, along with about 4,500 nonpublic housing units (HUD, 2002). Further, repeal of one-for-one replacement and additional demolition provisions in QHWRA have allowed public agencies to expand demolition beyond HOPE VI. As of June 2002, HUD had approved demolition of 140,000 units of public housing, only half of which are in HOPE VI sites (HUD, 2002). Given that there are no other available funds to rebuild public housing, there are no replacement plans for these lost units. Further, HUD is proposing to end HOPE VI and cut HOPE VI funds from the federal housing budget (HUD, 2003). Under this proposal, there will be no new funds to replace demolished public housing.

The other major source of loss of federally-assisted housing is decisions by owners of privately-subsidized housing to opt out of their contracts. These are contracts with HUD to provide rental housing for low-income households in exchange for low-interest mortgages and rental subsidy payments. Originally 20-year contracts, HUD has been renewing them on a year-to-year basis. In some cases, the amount of HUD subsidy required to pay the mortgage has exceeded the rents the property could command on the open market, because the property or the neighborhood in which it is located has deteriorated. HUD is now restructuring these mortgages to bring the rents more in line with the market. In other cases, the contract rents are much lower than what the surrounding market generates. Such properties are likely to leave the program unless HUD renegotiates rents that are more profitable for the owners. Owners of over 150,000 previously HUD-assisted or -insured apartments have opted out of their contracts and converted the property to market-rate housing, removing these units from the assisted housing stock. Another 640,000 units are at risk of similar conversion (Bodaken, 2002).

The consequences are serious for residents of such developments. They are entitled to housing vouchers and to use them to remain in their units. If the new rent is more than the standard voucher will support, the resident is entitled to an "enhanced "voucher that will cover the new rent. However, if the resident moves, the value of the voucher is reduced, limiting its usefulness in a new housing search (NLIHC, 2002a). Moreover, the vacated unit is lost to the assisted housing stock forever.

The consequences for residents of public housing that is being demolished are more dire. Although they too are guaranteed continued housing assistance, they are still at high risk of housing instability. The first systematic assessment of what has happened to public housing residents in HOPE VI sites reveals that the whereabouts and outcomes for many residents are simply unknown. Of those whose circumstances are known, very few (19%) have returned to new housing redeveloped through HOPE VI, more (29%) have relocated to other public housing, 33% have taken housing vouchers to search for housing in the market, and 18% are no longer receiving housing assistance. Most households (83%) remain very poor and report some degree of material hardship. Half of the households displaced by HOPE VI have moved two or more times, and 8% have moved four or more times (Buron, Popkin, Levy, Harris, & Khadduri, 2002).

Federal spending to build new affordable rental housing is quite limited when compared to former expenditure levels, and wholly inadequate when compared to the need. To close the gap in needed rental housing units for extremely low-income households would require construction of five million units over the next 20 years (Millennial Housing Commission, 2002).

Federal subsidies today that support production of new affordable rental housing and preservation of existing affordable rental housing take two forms. HOME is a formula-based block grant to states and localities to build or rehabilitate affordable housing. Forty-four percent of HOME funds are used for homeownership activities, and the percentage going to homeownership is increasing. Since its inception in 1990, HOME has funded the production and rehabilitation of 400,000 housing units. The HOME appropriation for fiscal year 2002 is $1.8 billion (NLIHC, 2002a) and is the only housing program for which HUD is seeking a notable (5%) increase in its FY04 budget (HUD, 2003).

The second program is the Low Income Housing Tax Credit, which provides tax breaks to investors who furnish equity for rental housing production. The Low Income Housing Tax Credit program was recently increased and generates about $4 billion a year in equity investments. One million rental housing units have been produced through this program since it was enacted in 1986 (NLIHC, 2002a).

A frequent criticism of both programs is that they are not targeted deeply enough to serve the lowest income families with the most serious housing needs. The number of proposals for both HOME funds and Low Income Housing Tax Credits substantially exceeds the resources available, an indication of the pent-up demand for affordable rental housing production and the need for increased federal investment. There is widespread agreement about the need for new rental housing production that is targeted to the lowest income households, and a recognition that a new federal capital grant program is what is required (Burt, Aron, Lee, & Valente, 2001; Millennial Housing Commission, 2002; NLIHC, 2002a).

Besides lack of funding to build new affordable rental housing, the other major barrier to production of new housing for the lowest income households is NIMBYism, the acronym for "not in my back yard." NIMBYism is a contemporary form of housing discrimination, in which residents of particular neighborhoods object to the siting of affordable housing in or near their neighborhoods, and local officials collude by denying permits or other required actions to the affordable housing developer. NIMBYism is usually couched in terms that are not illegally discriminatory, such as objections based on the low-income status of the future residents, but is often a proxy for racial or other illegal forms of discrimination. Although these land use and related decisions are the purview of local officials, they are often subject to federal fair housing laws. However, the effective use of fair housing laws to combat NIMBYism depends on well-funded advocates and federal officials willing to challenge local decisions, both of which are in short supply (NLIHC, 2002c).

Residential Mobility as Racial Integration Strategy

Persistent residential segregation by race remains one of the defining qualities of American communities, despite the passage of three decades since discrimination on the basis of race in all segments of the housing sector was outlawed. While considerable progress has been made and members of racial minorities who have the resources to shop for housing in the neighborhoods of their choice fare much better than they did 30 or more years ago, deepening economic inequality consigns low-income members of racial minority groups to hypersegregated housing and neighborhoods (Massey & Denton, 1993).

Between the 1930s and the 1970s, when public housing construction began and ended, the siting and admission policies of public housing in many communities had the effect of creating high concentrations of Black families living in racially segregated housing. In 1966, Dorothy Gautreaux, a Black resident of Chicago public housing, joined with other residents in a class action suit against the Chicago Housing Authority and HUD for engaging in intentional segregation, in violation of the U.S. Constitution. In what is now considered to be a landmark civil rights decision, the Supreme Court required HUD to overcome the effects of its racially segregating practices and create a program that would help Black Chicago public housing residents to move to predominantly White suburbs. The program became known as the Gautreaux Assisted Housing Program. Building on the Gautreaux model, the federal government created a similar program, Moving to Opportunity, to promote greater economic integration. The results of the out-migration of poor Black families from the inner city to middle-class White suburbs, made possible with the provision of rental housing vouchers, have been the subject of important, though inconclusive, research (Rubinowitz & Rosenbaum, 2000; Scanlon & Devine, 2001).

On a range of indicators including school performance, improved economic well-being, and a greater sense of personal safety, the Gautreaux families who moved to the suburbs have fared better than their counterparts who stayed in the city. These findings fueled considerable interest in mobility strategies as the key to solving urban poverty. However, the findings must be understood in the context of their limitations. First, lease-up rates, that is the number of families who successfully find new housing compared to the number of families who receive vouchers, for mobility programs are notoriously low. The majority of families who receive vouchers are unable to find housing to which they can afford to move and thus remain in their old neighborhoods (Goetz, 2002). Further, when follow-up assessments of the Gautreaux families who were able to relocate were made in the late 1980s, a majority of the research participants could not be located, indicating they experienced additional mobility beyond the first move to the suburbs (Rubinowitz & Rosenbaum, 2000). The outcomes for these families are unknown. Given that residential mobility of a single move to an enriched educational environment is the one scenario in which benefits for students outweigh risks (Pribesh & Downey, 1999), it is difficult to conclude that the children in the unstudied families experienced educational benefits similar to their less mobile counterparts.

The Gautreaux and related experiences heighten the complexity of the interplay between residential mobility and school performance of children from low-income families. However, they do not support extensive reliance on residential mobility strategies to improve the educational opportunities of poor children.

Residential Mobility and School Vouchers

The intersection of housing voucher and school voucher policy is underexplored in both the housing and the education research literature, and is beyond the scope of this article. However, as a closing observation, it should be noted that the theories supporting these strategies are remarkably similar. Housing vouchers offer low-income, inner-city families the choice and the means to move to neighborhoods where presumably they will find greater economic and educational opportunities, including access to better schools. The benefits of both residential and school mobility are seen as outweighing the risks.

School vouchers offer low-income, inner-city families greater choice in schools and the means to send their children to better schools without having to move. One commentator who supports school vouchers because schools that are forced to compete for students will improve their performance also suggests that school vouchers are beneficial for poor neighborhoods and will reduce housing costs for some low-income families (Rauch, 2002). With school vouchers, families do not have to move to higher-cost neighborhoods in order to send their children to good schools. They can stay in lower-cost neighborhoods with more affordable housing, economically beneficial to themselves and socially beneficial to inner-city neighborhoods that will be able to hold on to aspiring, upwardly mobile families and prevent further economic segregation.

RECOMMENDATIONS

Most people would agree that the nation as a whole benefits if the academic achievements of all children, regardless of race and income, are maximized. Therefore, it is in our collective best interest to intervene in order to reduce residential mobility of poor families and thereby school mobility of poor children. These interventions can be school-based or housing-based, and are required at the community level and at the federal policy level.

School-Based Strategies

Principals, teachers, and parents at individual schools that have high rates of student mobility can take a range of measures to prevent student churning. First, schools should be proactive in helping students construct a sense of stability, to see school as a unique and special place for them (Mantzicopoulos & Knutson, 2000). Equally important is outreach to parents in order to actively engage them in the life of the school. This may be particularly challenging with poor parents who are already juggling multiple demands, but just as each child should be welcomed, so should each parent. A parent who feels that he or she is an important part of the teaching team will be more likely to hold on to ties with the school when other parts of his or her life begin to unravel. Parents need to know how much schools are counting on them, and that they, as well as their children, will be missed if the family moves.

Schools with high numbers of poor children can provide direct aid: before- and after-school care, winter coats, on-site health clinics, holiday gifts, even cash assistance to pay bills. Besides being of material assistance, such interventions helps parents see the school as the center of community life and a resource for managing their limited and tenuous income. In addition to material aid, schools can offer or refer parents for counseling, training and education, and support groups (Fisher et al., 2002). Parents who feel a bond with the school in their own right will include the value of their children's education at the school as part of the equation when making the cost-benefit analysis about the next move (Crowley, 1998).

Expanding on the role of the school as the nexus of the community, schools can work proactively to improve the housing market in which students' families live. Such actions include preventing evictions and mediating disputes with landlords, helping families who must move find housing in the same school catchment area, and educating landlords about the value of school stability and the role they play. School officials should also join with local housing advocates to call attention to the need for more affordable housing in their communities and educate elected officials and other community leaders about the relationship between affordable housing and school achievement.

It is instinctive for educators to want to ameliorate the consequences of student mobility by altering curricula or teaching methods to accommodate students moving in and out. These strategies should be approached with caution, as today's accommodations become tomorrow's traditions. Schools should avoid colluding in the transience of their students by making it easier, and instead put their time and energy into keeping families in their homes.

There is a role for the federal Department of Education as well. First, schools with attractive, state-of-the-art equipment and teaching supplies and smaller teacher-to-student ratios will engage more parents in what is going on at the school. More resources are needed. Second, the Department can develop and distribute training materials to school districts, in order to educate school personnel about the importance of school stability for school performance, the relationship between residential stability and school stability, and ways in which school boards and school staff can become local housing advocates.

Housing-Based Strategies

Mobility that interferes with children's academic performance is at its core a housing problem. To that end, housing policy is education policy. Education is largely a public institution in the United States, while housing is predominantly the domain of the private sector, albeit substantially shaped by public policy. The market's failure to meet the housing needs of the lowest income households makes the public role crucial in low-income housing policy.

At a conceptual level, HUD should lead the public discourse to alter the perception of homeownership and rental housing as two dichotomous states (e.g., Hartman, 2002). Housing should be understood as a continuum, with success at renting a potential springboard for homeownership. Under this construction, rental housing would hold equal priority with homeownership and thus receive at least equal consideration in federal housing policy.

Further, HUD should undertake a thorough assessment of the manner in which its policy and practice contribute to residential instability of low-income families with children. In particular, actions that have the effect of reducing the assisted housing stock need to be evaluated for their impact on children's school stability. For example, local housing authorities applying for HOPE VI grants should be required to show how they insure continuity of school attendance for children who will be displaced from their housing. At the very least, no demolitions should be approved that require relocation of families with school-age children during the school year. Likewise, opt-outs of assisted housing contracts that will destabilize school attendance should be prohibited.

Federal housing policy currently requires states, localities, and public housing agencies, as a condition of receipt of federal funds, to assess a range of housing and community needs in their jurisdictions; to consult with community partners; and to develop plans to solve identified housing problems. HUD should include assessment of residential mobility and school performance of children from low-income families as an element to be discussed and addressed in these plans. HUD should further scrutinize state and local plans to assure that the rental housing needs of the lowest income families are properly prioritized. HUD also should maximize its authority to combat NIMBYism and facilitate new affordable rental housing production with use of its fair housing enforcement responsibilities.

While there are a number of actions that HUD can and should take, the real impediment to helping poor families achieve housing stability is the lack of resources. Congress needs to act immediately to increase funding to preserve and rehabilitate public and assisted housing, to expand the housing voucher program, and to build new rental housing affordable for the lowest income households.

Conclusion

Schools are one of the most important influences in children's lives. School is important for a child's intellectual development and where important relationships are established. Schools that are safe, well-run, and welcoming are places where most children can thrive. But for any school to do its job, children must take root there for a while at least, and move on only when it is time. Children who are not allowed to root and who are buffeted from school to school cannot bond with educators or schoolmates. Their emotional resources are used up just managing change, leaving them depleted of ability to absorb and integrate new learning. School stability—that is, minimal transience of students, especially during the school year—should be a goal of education policy.

The factors that contribute to student mobility and resulting educational underachievement are multiple and complex. However, it is clear that high levels of residential mobility among very poor people are a significant explanation for why so many students from poor families move from school to school. While school-based strategies designed to encourage student longevity are valuable and have positive benefits beyond decreased student mobility, school systems cannot and should not be relied on as the primary force to reduce student mobility.

Helping poor families, in particular those with school-age children, increase their residential stability will have direct bearing on their school stability and potentially on their school performance. Since the New Deal, the federal government has intervened in the housing market to create more affordable opportunities for low-income people, but in the last two decades has disinvested in its housing programs. Not only has there been a reduction in the supply of unsubsidized housing affordable for the lowest income families, even existing federally subsidized units are disappearing as well. In the meantime, the housing problems of the poor, in particular affordability problems, have mounted, resulting in homelessness, near homelessness, and frequent relocation of poor families. The most effective strategy for improving school performance of low-income children may well be to increase public spending on rental housing assistance and construction of new affordable housing.

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SHEILA CROWLEY is the President of the National Low Income Housing Coalition and a social worker; sheila@nlihc.org. Her interests include federal housing policy and community-based approaches to solving the affordable housing crisis.

EXHIBIT B

The City Of
San Angelo, Texas
72 West College Avenue, San Angelo, Texas 76903

February 1, 2021

Texas Department of Housing & Community Affairs
P.O. BOX 13941
Austin, TX 78711-3941

Dear TDHCA Staff,

The City of San Angelo optimistically supports the development of the proposed Villas at Shriner's Point through the Low Income Housing Tax Credit program which will empathetically boost the revitalization of the neighborhood where the project is to be located.

Fifteen years ago, the City of San Angelo undertook an effort to develop a strategy and plan to revitalize North San Angelo. For many years, this part of San Angelo was neglected and began to deteriorate while other parts of San Angelo quickly grew. The Neighborhood Revitalization Program was implemented with the goal to bring North San Angelo up to speed with the surrounding areas. Today, we are starting to see vast improvements such as increased property value, new construction and reduced crime rates in the area. One element that hasn't shown the necessary improvement is school performance. I believe that this is largely due to the lack of quality affordable housing in the area.

Without a stable living situation, it is hard to expect any child to have consistent attendance and performance at school. High-quality affordable housing can go beyond just a place to live for many students and can be a positive pathway to achieving better school outcomes. Developments such as the Villas at Shriner's Point can help provide a stable environment where students will have access to a place where they can study, learn and succeed academically. Meeting children's basic housing needs is a critical part of the success of the schools in this underserved area and I believe this Development will go a long way in not only improving school performance in the area but also the academic performance of the students living in these apartments.

For questions or additional information, contact the undersigned at robert.salas@cosatx.us or 325-655-0824.

Regards,

Robert Salas

Robert Salas, Director
Neighborhood & Family Services Department

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BOARD ACTION REQUEST

MULTIFAMILY FINANCE DIVISION

JUNE 17, 2021

Presentation, discussion, and possible action regarding the issuance of a Determination Notice for 4% Housing Tax Credits for Westmoreland Station (#21417) in Dallas

RECOMMENDED ACTION

WHEREAS, an application for Westmoreland Station (#21417), as further detailed below was submitted to the Department for consideration of a Determination Notice of 4% Housing Tax Credits;

WHEREAS, the Executive Award and Review Advisory Committee (EARAC) considered the program requirements, underwriting requirements and compliance history associated with the application described herein; and

WHEREAS, EARAC recommends the application for an award of 4% Housing Tax Credits, in the specific amount noted herein, and subject to any underwriting conditions as noted in the Real Estate Analysis Report and any compliance conditions as reflected in Exhibit B, as applicable;

NOW, therefore, it is hereby

RESOLVED, that the issuance of a Determination Notice in the amount of $2,320,054 for Westmoreland Station, subject to underwriting conditions as found in the Real Estate Analysis report posted to the Department's website, and subject to any EARAC conditions as reflected in Exhibit A, is hereby approved in the form presented at this meeting.

BACKGROUND

The 4% Housing Tax Credit (HTC) program is considered a non-competitive program in that there is not a specific ceiling amount of HTCs that can be issued each year. Rather, the ceiling amount of HTCs that can possibly be issued is limited by the amount of Private Activity Bond volume cap available. The Texas Bond Review Board (BRB) administers the Private Activity Bond (PAB) program for the State of Texas, and for the 2021 calendar year, the state received approximately $3.2 billion in Private Activity Bond authority, of which approximately $847 million is reserved for multifamily housing until August 15th of each year. After such date, there may be more Private Activity Bond volume cap that goes towards multifamily housing. The PAB program is currently over-subscribed with over $2.2 Billion in requests, waiting in-line for a bond reservation, and the majority of which are for multifamily projects.

Individual projects receive a Certification of Reservation (Reservation) from the BRB that allows for a statutory 180-day closing timeline. For those projects seeking 4% HTCs (as the majority of them do), they must complete the Department's review process, the bond issuer's process, and the Attorney General's process in order to close within the prescribed timeframe. The Department accepts applications on a monthly basis throughout the year.

21417 Westmoreland Station

Westmoreland Station involves the new construction of 248 units proposed to be located at 2700 S. Westmoreland Avenue in Dallas, Dallas County that will serve the general population. The Reservation from the BRB was issued under the Priority 3 designation which does not have a prescribed restriction on the percentage of Area Median Family Income that must be served (beyond the federal requirement). The application for Westmoreland Station reflects that 63 of the units will be rent and income restricted at 50% of AMFI, 160 of the units will be rent and income restricted at 60% of AMFI, and the remaining 25 units will be market rate.

The applicant has disclosed the presence of an undesirable site feature relating to the proximity of an overhead voltage line. The site is part of a re-development plan for the Westmoreland Dart Station in Dallas. Updates to the forwardDallas! Plan that speaks to the re-development of the Westmoreland Dart Station was adopted by the Dallas City Council and the applicant represented that public hearings were a part of this process. Although the site is currently zoned industrial, it is going through the re-zoning process to allow for multifamily that fits with the re-design of the larger area. The City of Dallas zoning requirements do not allow for the buildings to be set back greater than 15 feet from the property boundary adjacent to Westmoreland Avenue which is where the power lines are located. Moreover, the property will need to be built in compliance with the local ordinance regarding maximum set-back, in addition to the 24-feet easement of Oncor Energy, resulting in a max of 30 feet from the power structure.

Based on the totality of the information provided by the applicant, staff believes this undesirable feature to be mitigated and that the site should be determined eligible. The development is fulfilling the requirements of the forwardDallas! Concerted Revitalization Plan that includes multifamily housing in certain areas, there are zoning constraints on the site and the fact that the City of Dallas is providing local funding to the development reflects its support of the location, despite its proximity to the power lines. Moreover, the City of Dallas Housing Finance Corporation is serving as the bond issuer.

The Department has received public comment in opposition to the proposed development, which is included here as Exhibit C.

Recommended HTC Amount: $2,320,054

EXHIBIT A
Previous Participation Results

Application Number	Development Name	Category	PPR Conditions
21417	Westmoreland Station	1	N/A

EXHIBIT B

21417 Westmoreland Station - Application Summary

REAL ESTATE ANALYSIS DIVISION
June 10, 2021

PROPERTY IDENTIFICATION

Application #	**21417**
Development	**Westmoreland Station**
City / County	**Dallas / Dallas**
Region/Area	**3 / Urban**
Population	**General**
Set-Aside	**General**
Activity	**New Construction**

RECOMMENDATION

TDHCA Program	Request	Recommended		
LIHTC (4% Credit)	$2,320,054	**$2,320,054**	**$9,355/Unit**	**$0.89**

KEY PRINCIPALS / SPONSOR

Generation Housing Partners - 50% Owner/ Co-Developer
Chris Applequist/Adrian Iglesias
Hill Tide Development - 50% Owner/Co-Developer
Robert Long/Dan Winters
Dallas Housing Finance Corporation - Co-Developer (25% Fee)
Kyle Hines
Purple Martin Real Estate - Audrey Martin (Consultant)

Related Parties	Contractor - No	Seller - No

TYPICAL BUILDING ELEVATION/PHOTO

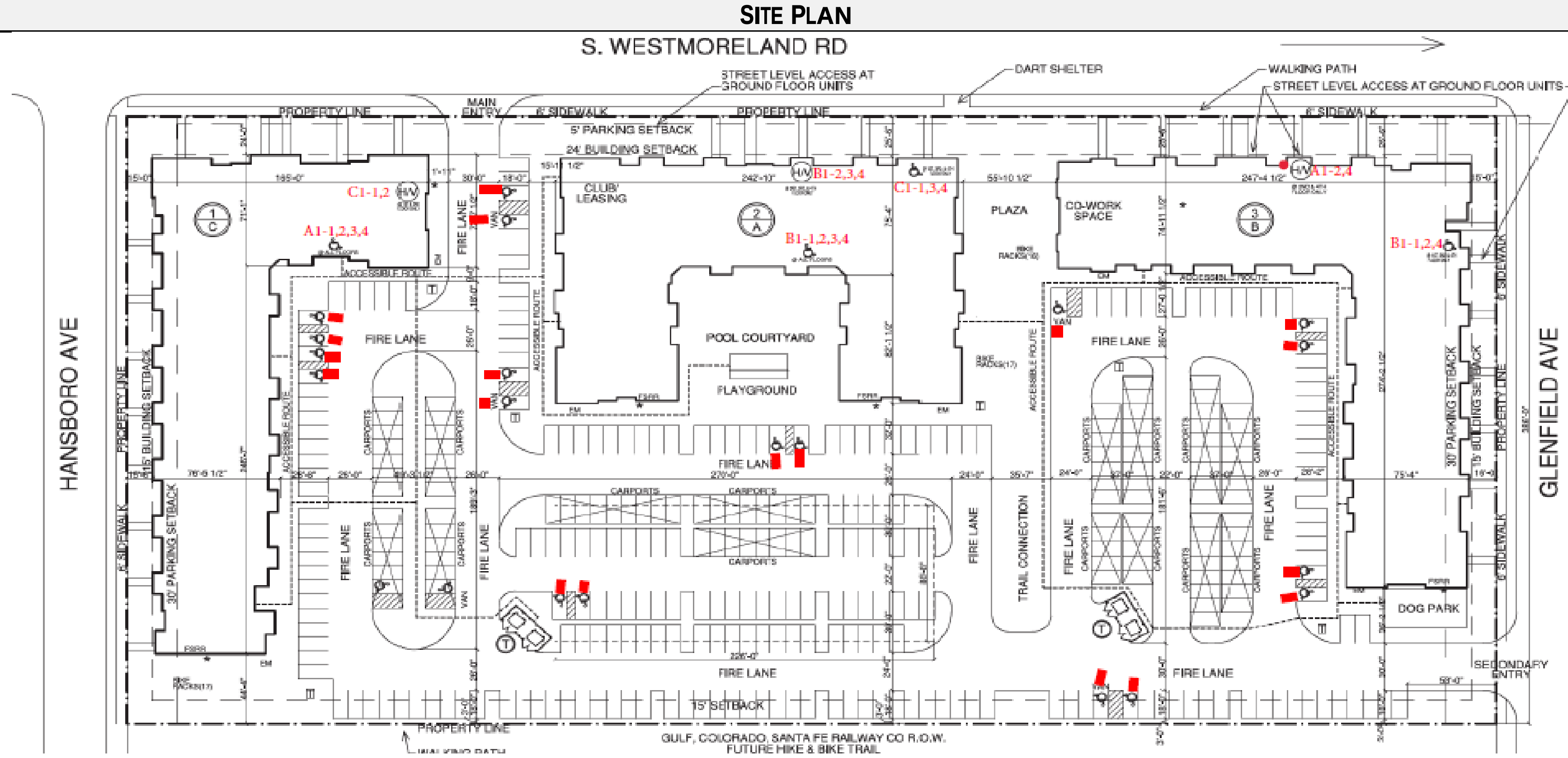
UNIT DISTRIBUTION / INCOME DISTRIBUTION

# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0%	**20%**	-	0%
1	63	25%	**30%**	-	0%
2	134	54%	**40%**	-	0%
3	51	21%	**50%**	63	25%
4	-	0%	**60%**	160	65%
			70%	-	0%
			80%	-	0%
			MR	25	10%
TOTAL	248	100%	**TOTAL**	248	100%

PRO FORMA FEASIBILITY INDICATORS

Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.25	**Expense Ratio**	36.9%
Breakeven Occ.	80.8%	**Breakeven Rent**	$928
Average Rent	$1,063	**B/E Rent Margin**	$135
Property Taxes	Exempt	**Exemption/PILOT**	100%
Total Expense	$3,376/unit	**Controllable**	$3,184/unit

SITE PLAN



MARKET FEASIBILITY INDICATORS

Gross Capture Rate (10% Maximum)			4.7%
Highest Unit Capture Rate	11%	2 BR/60%	88
Dominant Unit Cap. Rate	11%	2 BR/60%	88
Premiums (↑60% Rents)	N/A		$45/Avg.
Rent Assisted Units	32	13% Total Units	

DEVELOPMENT COST SUMMARY

Costs Underwritten		Applicant's Costs	
Avg. Unit Size	1,018 SF	**Density**	34.3/acre
Acquisition		$12K/unit	$3,000K
Building Cost	$105.21/SF	$107K/unit	$26,567K
Hard Cost		$132K/unit	$32,808K
Total Cost		$234K/unit	$58,108K
Developer Fee	$6,585K	(4% Deferred)	Paid Year: 1
Contractor Fee	$4,599K	**30% Boost**	Yes

DEBT (Must Pay)				
Source	Term	Rate	Amount	DCR
Bellwether Enterprise	17/40	4.00%	$29,175,000	1.25
TOTAL DEBT (Must Pay)			$29,175,000	

CASH FLOW DEBT / GRANT FUNDS				
Source	Term	Rate	Amount	DCR
City of Dallas	35/35	1.00%	$8,000,000	1.25
CASH FLOW DEBT / GRANTS			$8,000,000	

EQUITY / DEFERRED FEES	
Source	Amount
Monarch	$20,646,416
GHT Development II, LLC and	$286,790
Dallas HFC	$0
TOTAL EQUITY SOURCES	$20,933,206
TOTAL DEBT SOURCES	$37,175,000
TOTAL CAPITALIZATION	$58,108,206

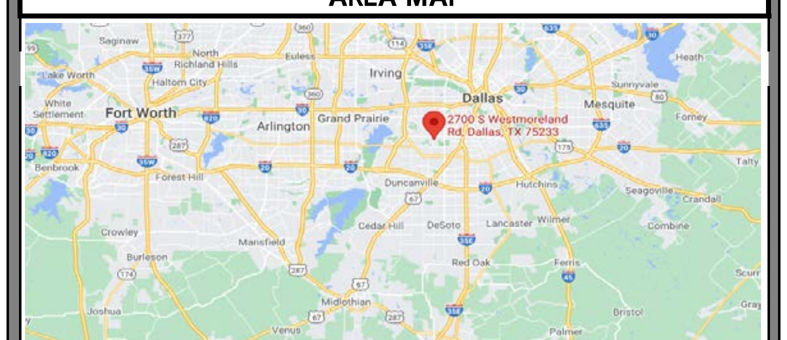
CONDITIONS

- Receipt and acceptance by Cost Certification:
  - a: Architect certification that a noise assessment was completed, and that all recommendations were implemented and the Development is compliant with HUD noise guidelines.
  - b: Certification that a Tier II Vapor Encroachment Screen was performed as specified in the ESA, and if necessary, that any recommended mitigation measures were fully implemented.
  - c: Certification that the demolition of the previous building was reported to the TCEQ to verify that the conditions at the subject property are acceptable to conduct residential development.

Should any terms of the proposed capital structure change or if there are material changes to the overall development plan or costs, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted.

BOND RESERVATION / ISSUER	
Issuer	City of Dallas HFC
Expiration Date	7/21/2021
Bond Amount	$30,000,000
BRB Priority	Priority 3
Bond Structure	Private Placement
% Financed with Tax-Exempt Bonds	89.3%

AREA MAP



AERIAL PHOTOGRAPH(s)

Real Estate Analysis Division
Underwriting Report
June 10, 2021

DEVELOPMENT IDENTIFICATION

TDHCA Application #: **21417** Program(s): **4% HTC**

Westmoreland Station

Address/Location: 2700 S. Westmoreland

City: Dallas County: Dallas Zip: 75233

Population: General Program Set-Aside: General Area: Urban

Activity: New Construction Building Type: Elevator Served Region: 3

Analysis Purpose: New Application - Initial Underwriting

ALLOCATION

	REQUEST				RECOMMENDATION				
TDHCA Program	**Amount**	**Interest Rate**	**Amort**	**Term**	**Amount**	**Interest Rate**	**Amort**	**Term**	**Lien**
LIHTC (4% Credit)	$2,320,054				**$2,320,054**				

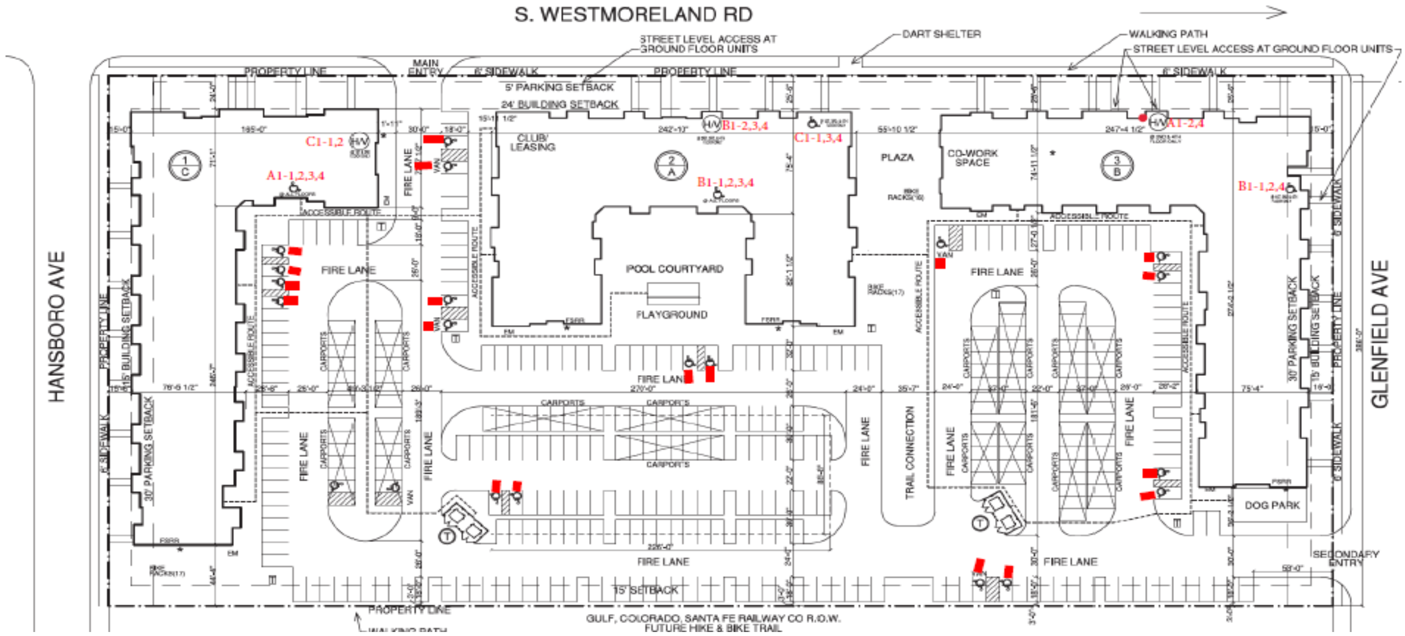
CONDITIONS

- Receipt and acceptance by Cost Certification:
  - a: Architect certification that a noise assessment was completed, and that all recommendations were implemented and the Development is compliant with HUD noise guidelines.
  - b: Certification that a Tier II Vapor Encroachment Screen was performed as specified in the ESA, and if necessary, that any recommended mitigation measures were fully implemented.
  - c: Certification that the demolition of the previous building was reported to the TCEQ to verify that the conditions at the subject property are acceptable to conduct residential development.

SET-ASIDES

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
50% of AMI	50% of AMI	63
60% of AMI	60% of AMI	160

SITE PLAN



Parking	No Fee		Tenant-Paid		Total	
Open Surface	235	*0.9/unit*	0	--	235	*0.9/unit*
Carport	108	*0.4/unit*	0	--	108	*0.4/unit*
Garage	0	--	0	--	0	--
Total Parking	**343**	*1.4/unit*	**0**	--	**343**	*1.4/unit*

Comments:

Site will receive a 15% reduction in total required parking due to it's proximity to the DART Rail. 336 parking spaces will be required, 343 total spaces (108 carports) will be provided at no cost to tenants.

BUILDING CONFIGURATION

Building Type	A	B	C										**Total Buildings**
Floors/Stories	4	4	4										
Number of Bldgs	1	1	1										**3**
Units per Bldg	76	88	84										
Total Units	76	88	84										**248**

Avg. Unit Size (SF)	**1,018 sf**	**Total NRA (SF)**	**252,512**	**Common Area (SF)***	**54,702**

*Common Area Square Footage as specified on Architect Certification

SITE CONTROL INFO

Site Acreage: Development Site: 7.24 acres Density: 34.3 units/acre

Site Control: 7.24 **Site Plan:** 7.24 **Appraisal:** N/A **ESA:** 7.24

Feasibility Report Survey: 7.24 **Feasibility Report Engineer's Plan:** 7.24

Control Type: Unimproved Commercial Property

Development Site: 7.24 acres Cost: $3,000,000 $12,097 per unit

Seller: A-S 131 Westmoreland Ave.-Glenfield St., L.P.

Buyer: Generation Housing Partners, LLC

Related-Party Seller/Identity of Interest: No

Comments:

Site control will be secured via a long-term (99 year) ground lease with Dallas HFC (acquired through assumption of land), with an up-front lease payment of $3,000,000 and annual lease payments of $100.

SITE INFORMATION

Flood Zone:	X	Scattered Site?	No
Zoning:	IM (Industrial Manufacturing)	Within 100-yr floodplain?	No
Re-Zoning Required?	Yes	Utilities at Site?	Yes
Year Constructed:	N/A	Title Issues?	No

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Phase Engineering, Inc. Date: 8/31/2020

Recognized Environmental Conditions (RECs) and Other Concerns:

- Based on resources reviewed, it is the opinion of Phase Engineering, Inc. a vapor encroachment condition (VEC) may exist due to the potential for chemicals of concern vapors to be present in the subsurface of the target property caused by a release of vapors from contaminated soil or groundwater or both either on or near the subject property as identified by the Tier 1 VES procedures. Additional Vapor Encroachment Screening procedures are warranted at this time.

- One of the calculated noise values falls within the range of 65-75 dB, and is considered “Normally Unacceptable” based on the HUD guidelines. The results of the assessment found the greatest contributor of noise to the subject property is South Westmoreland Road, located just to the west. Noise mitigation may be required to establish a noise environment below 65 dB in proposed noise sensitive locations of the new development.

Comments:

ESA provider further recommends that the demolition of the previous building be reported to the TCEQ to verify that the conditions at the subject property are acceptable to conduct residential development.

MARKET ANALYSIS

Provider:	Apartment MarketData, LLC	Date:	12/30/2020
Contact:	Darrell Jack	Phone:	(210) 530-0040

Primary Market Area (PMA): 17 sq. miles 2 mile equivalent radius

ELIGIBLE HOUSEHOLDS BY INCOME								
Dallas County Income Limits								
HH Size		1	2	3	4	5	6	7+
50% AMGI	Min	$24,240	$24,240	$29,100	$29,100	$33,600	$33,600	---
	Max	$30,200	$34,500	$38,800	$43,100	$46,550	$50,000	---
60% AMGI	Min	$29,100	$29,100	$34,920	$34,920	$40,320	$40,320	---
	Max	$36,240	$41,400	$46,560	$51,720	$55,860	$60,000	---

AFFORDABLE HOUSING INVENTORY

Competitive Supply (Proposed, Under Construction, and Unstabilized)

File #	Development	In PMA?	Type	Target Population	Comp Units	Total Units
21411	Gateway Oak Cliff	No	New	General	158	230

Stabilized Affordable Developments in PMA

Total Units	2,243
Total Developments	12
Average Occupancy	98%

Proposed, Under Construction, and Unstabilized Competitive Supply:

Gateway Oak Cliff (#21411, 158 comp units) is an approved 2021 bond deal, west of I-35. Market Analyst did not include these units in their calculation. While this competitive property is located outside the PMA, their PMA's share census tracts and therefore share some qualified demand to absorb the new units.

OVERALL DEMAND ANALYSIS				
	Market Analyst			
	HTC	Assisted		
Total Households in the Primary Market Area	29,941			
Potential Demand from the Primary Market Area	5,853			
10% External Demand	585			
Potential Demand from Other Sources				
GROSS DEMAND	6,438			
Subject Affordable Units	223			
Unstabilized Competitive Units	80			
RELEVANT SUPPLY	303			
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	**4.7%**			

Population:	**General**	**Market Area:**	**Urban**	**Maximum Gross Capture Rate:**	**10%**

UNDERWRITING ANALYSIS of PMA DEMAND by AMGI BAND											
	Market Analyst										
AMGI Band	Demand	10% Ext	Subject Units	Comp Units	AMGI Band Capture Rate						
50% AMGI	1,975	198	63	28	4%						
60% AMGI	3,879	388	160	52	5%						

Demand Analysis:

If we included the 158 competitive units that are located outside the Subject PMA, but share some census tracts, the GCR would be 5.9%. This is a worst case scenario as it includes the outside supply, but none of the additional demand from #21411's PMA. Market Analyst included 80 comp units from Highpoint Wynnewood which was not awarded, therefore Market Analyst's capture rates are overstated.

Because the competitive units are located outside the Market Analyst's determined PMA, and Underwriter's worst case scenario test produced an acceptable Gross Capture Rate, Market Analyst's capture rates are used for analysis.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE											
	Market Analyst										
Unit Type	Demand	10% Ext	Subject Units	Comp Units	Unit Capture Rate						
1 BR/50%	279	28	17	10	9%						
1 BR/60%	515	52	41	13	10%						
2 BR/50%	426	43	31	18	10%						
2 BR/60%	939	94	88	27	11%						
3 BR/50%	376	38	15	0	4%						
3 BR/60%	1,001	100	31	12	4%						

OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma)					
NOI:	$1,864,700	Avg. Rent:	$1,063	Expense Ratio:	36.9%
Debt Service:	$1,492,378	B/E Rent:	$928	Controllable Expenses:	$3,184
Net Cash Flow:	$372,322	UW Occupancy:	92.5%	Property Taxes/Unit:	$0
Aggregate DCR:	1.25	B/E Occupancy:	80.8%	Program Rent Year:	2020

Underwriter reallocated $30K in ongoing issuer fee from the operating expenses to debt service as 10 bps on the outstanding debt balance.

Since there are only 10% market units, Applicant assumes market rents at gross 60% AMI rents.

DEVELOPMENT COST EVALUATION

SUMMARY - AS UNDERWRITTEN (Applicant's Costs)					
Acquisition	$414,382/ac	$12,097/unit	**$3,000,000**	Contractor Fee	**$4,598,710**
Off-site + Site Work		$16,714/unit	**$4,145,000**	Soft Cost + Financing	**$9,321,717**
Building Cost	$105.21/sf	$107,125/unit	**$26,566,887**	Developer Fee	**$6,584,811**
Contingency	6.75%	$8,452/unit	**$2,096,058**	Reserves	**$1,445,023**
Total Development Cost	$234,307/unit	**$58,108,206**		**Rehabilitation Cost**	**N/A**

Qualified for 30% Basis Boost?	Located in QCT with < 20% HTC units/HH

Off-site:

Certified $425K in off-site costs for the reconstruction of water main and paving improvements including sidewalks, crosswalks, removal/replacement of drive approaches , and construction of a median and turn lane.

Site Work:

Certified $2,976,000 in site work costs for earthwork, storm drainage, utilities and paving.

Building Cost:

Applicant includes $350K for 2,804 s.f. of commercial co-work space. These costs are separate from the building costs and not included in basis. No income is assumed from this commercial space.

Additionally, Applicant asserts there will be no lease for the co-working space and the management company for the Subject will oversee operations. The space will be primarily available for the residents' use at no cost. There will be no outside business leasing/operating the space. Applicant may offer some paid local community memberships to use the co-working space in the future.

Contingency:

$310K soft cost contingency reallocated to contingency. Total contingency is still within the 7% limit.

Credit Allocation Supported by Costs:

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
$58,108,206	**$50,057,906**	**$2,320,054**

APPLICANT'S CAPITALIZATION

BOND RESERVATION			
Issuer	**Amount**	**Reservation Date**	**Priority**
City of Dallas HFC	$30,000,000	1/22/2021	Priority 3
Closing Deadline	**Bond Structure**		
7/21/2021	Private Placement		

Percent of Cost Financed by Tax-Exempt Bonds	**89.3%**

CONCLUSIONS

Gap Analysis:	
Total Development Cost	$58,108,206
Permanent Sources (debt + non-HTC equity)	$37,175,000
Gap in Permanent Financing	$20,933,206

Possible Tax Credit Allocations:	**Equity Proceeds**	**Annual Credits**
Determined by Eligible Basis	$20,646,417	$2,320,054
Needed to Balance Sources & Uses	$20,933,206	$2,352,281
Requested by Applicant	$20,646,416	$2,320,054

	RECOMMENDATION	
	Equity Proceeds	**Annual Credits**
Tax Credit Allocation	**$20,646,416**	**$2,320,054**

Deferred Developer Fee	**$286,790**	**(4% deferred)**
Repayable in	**1 years**	

Comments:

Underwriter recommends $2,320,054 in annual credits as requested by Applicant.

Underwriter:	*Diamond Unique Thompson*
Manager of Real Estate Analysis:	*Jeanna Adams*
Director of Real Estate Analysis:	*Thomas Cavanagh*

UNIT MIX/RENT SCHEDULE

Westmoreland Station, Dallas, 4% HTC #21417

LOCATION DATA	
CITY:	Dallas
COUNTY:	Dallas
Area Median Income	$86,200
PROGRAM REGION:	3
PROGRAM RENT YEAR:	2020

UNIT DISTRIBUTION				
# Beds	# Units	% Total	Assisted	MDL
Eff	-	0.0%	0	0
1	63	25.4%	8	0
2	134	54.0%	18	0
3	51	20.6%	6	0
4	-	0.0%	0	0
5	-	0.0%	0	0
TOTAL	**248**	**100.0%**	**32**	**-**

Pro Forma ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	89.13%
APP % Acquisition	4.00%
APP % Construction	4.00%
Average Unit Size	1,018 sf

57%	**Income**	20%	30%	40%	50%	60%	70%	80%	MR	**TOTAL**
Average Income	**# Units**	-	-	-	63	160	-	-	25	**248**
	% Total	0.0%	0.0%	0.0%	25.4%	64.5%	0.0%	0.0%	10.1%	**100.0%**

UNIT MIX / MONTHLY RENT SCHEDULE

HTC		City of Dallas HOME		UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				MARKET RENTS	
Type	Gross Rent	Type	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Utility Allow	Max Net Program Rent	Delta to Max	Rent psf	Net Rent per Unit	Total Monthly Rent		Mrkt Analyst
TC 50%	$808	0		15	1	1	729	$808	$34	$774	$0	$1.06	$774	**$11,610**		$1,008
TC 60%	$970	0		35	1	1	729	$970	$34	$936	$0	$1.28	$936	**$32,760**		$1,008
MR		0		5	1	1	729	$0	$34		NA	$1.33	$970	**$4,850**		$1,008
TC 50%	$808	LH/50%	$808	2	1	1	729	$808	$34	$774	$0	$1.06	$774	**$1,548**		$1,008
TC 60%	$970	HH/60%	$1,031	6	1	1	729	$970	$34	$936	$0	$1.28	$936	**$5,616**		$1,008
TC 50%	$970	0		27	2	2	1,021	$970	$45	$925	$0	$0.91	$925	**$24,975**		$1,366
TC 60%	$1,164	0		74	2	2	1,021	$1,164	$45	$1,119	$0	$1.10	$1,119	**$82,806**		$1,366
TC 50%	$970	LH/50%		3	2	2	1,021	$970	$45	$925	$0	$0.91	$925	**$2,775**		$1,366
TC 60%	$1,164	HH/60%		13	2	2	1,021	$1,164	$45	$1,119	$0	$1.10	$1,119	**$14,547**		$1,366
MR		0		2	2	2	1,021	$0	$45		NA	$1.14	$1,164	**$2,328**		$1,366
TC 50%	$970	LH/50%	$970	1	2	2	1,164	$970	$45	$925	$0	$0.79	$925	**$925**		$1,479
TC 60%	$1,164	HH/60%	$1,239	1	2	2	1,164	$1,164	$45	$1,119	$0	$0.96	$1,119	**$1,119**		$1,479
MR		0		13	2	2	1,164	$0	$45		NA	$1.00	$1,164	**$15,132**		$1,479
TC 50%	$1,120	0		14	3	2	1,326	$1,120	$55	$1,065	$0	$0.80	$1,065	**$14,910**		$1,485
TC 60%	$1,344	0		26	3	2	1,326	$1,344	$55	$1,289	$0	$0.97	$1,289	**$33,514**		$1,485
TC 50%	$1,120	LH/50%	$1,120	1	3	2	1,326	$1,120	$55	$1,065	$0	$0.80	$1,065	**$1,065**		$1,485
TC 60%	$1,344	HH/60%	$1,424	5	3	2	1,326	$1,344	$55	$1,289	$0	$0.97	$1,289	**$6,445**		$1,485
MR		0		5	3	2	1,326	$0	$55		NA	$1.01	$1,344	**$6,720**		$1,485
TOTALS/AVERAGES:				**248**			**252,512**				**$0**	**$1.04**	**$1,063**	**$263,645**		**$1,306**

ANNUAL POTENTIAL GROSS RENT:	**$3,163,740**	

STABILIZED PRO FORMA

Westmoreland Station, Dallas, 4% HTC #21417

STABILIZED FIRST YEAR PRO FORMA

	COMPARABLES			APPLICANT			
	Database			**% EGI**	**Per SF**	**Per Unit**	**Amount**
POTENTIAL GROSS RENT					$1.04	$1,063	$3,163,740
Vending, Laundry, Cable Revenue Sharing						$10.00	$29,760
Total Secondary Income						$10.00	
POTENTIAL GROSS INCOME							$3,193,500
Vacancy & Collection Loss						7.5% PGI	(239,513)
Rental Concessions							-
EFFECTIVE GROSS INCOME							$2,953,988
General & Administrative	$151,775	$612/Unit		3.61%	$0.42	$430	$106,675
Management	$129,250	3.5% EGI		5.00%	$0.58	$596	$147,699
Payroll & Payroll Tax	$334,589	$1,349/Unit		10.21%	$1.19	$1,216	$301,494
Repairs & Maintenance	$173,721	$700/Unit		4.86%	$0.57	$579	$143,500
Electric/Gas	$68,669	$277/Unit		2.88%	$0.34	$343	$85,000
Water, Sewer, & Trash	$180,297	$727/Unit		5.18%	$0.61	$617	$153,000
Property Insurance	$90,249	$0.36 /sf		2.52%	$0.29	$300	$74,400
Property Tax (@ 0%) 2.7129	$317,810	$1,281/Unit		0.00%	$0.00	$0	$0
Reserve for Replacements				2.10%	$0.25	$250	$62,000
Supportive Services				0.00%	$0.00	$0	$0
TDHCA Compliance fees ($40/HTC unit)				0.30%	$0.04	$36	$8,920
Bond Trustee Fees				0.22%	$0.03	$26	$6,500
Issuer Ongoing Compliance Fees				0.00%	$0.00	$0	$0
Long Term Ground Lease				0.00%	$0.00	$0	$100
TOTAL EXPENSES				**36.88%**	**$4.31**	**$4,392**	**$ 1,089,288**
NET OPERATING INCOME ("NOI")				**63.12%**	**$7.38**	**$7,519**	**$1,864,700**

CONTROLLABLE EXPENSES	$3,184/Unit	

TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Westmoreland Station, Dallas, 4% HTC #21417

DEVELOPMENT COST / ITEMIZED BASIS

APPLICANT COST / BASIS ITEMS

	Eligible Basis: Acquisition	Eligible Basis: New Const. Rehab	Total Costs			
Land Acquisition					$12,097 / Unit	$3,000,000
Off-Sites		$425,000			$1,714 / Unit	$425,000
Site Work		$2,976,000			$12,000 / Unit	$2,976,000
Site Amenities		$744,000			$3,000 / Unit	$744,000
Commercial Co-Working Space		$0			$1,411 / Unit	$350,000
Building Cost		$26,566,887	$105.21 /sf		$107,125/Unit	$26,566,887
Contingency		$2,075,933	6.76%		6.75%	$2,096,058
Contractor Fees		$4,546,894	13.87%		13.87%	$4,598,710
Soft Costs	0	$1,637,500			$6,845 / Unit	$1,697,500
Financing	0	$4,556,400			$30,743 / Unit	$7,624,217
Developer Fee	$0	$6,529,292	15.00%		15.00%	$6,584,811
Reserves					7 Months	$1,445,023
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)	**$0**	**$50,057,906**			$234,307 / Unit	**$58,108,206**
Acquisition Cost	$0					$0
Contingency		$0				$0
Contractor's Fee		$0				$0
Financing Cost		$0				
Developer Fee	$0	$0				($0)
Reserves						$0
ADJUSTED BASIS / COST	**$0**	**$50,057,906**			$234,307/unit	**$58,108,206**
TOTAL HOUSING DEVELOPMENT COSTS Applicant's Uses						**$58,108,206**

TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Westmoreland Station, Dallas, 4% HTC #21417

CREDIT CALCULATION ON QUALIFIED BASIS

	Applicant: Acquisition	Applicant: Construction Rehabilitation
ADJUSTED BASIS	$0	$50,057,906
Deduction of Federal Grants	$0	$0
TOTAL ELIGIBLE BASIS	$0	$50,057,906
High Cost Area Adjustment		130%
TOTAL ADJUSTED BASIS	$0	$65,075,278
Applicable Fraction	89.13%	89.13%
TOTAL QUALIFIED BASIS	$0	$58,001,351
Applicable Percentage	4.00%	4.00%
ANNUAL CREDIT ON BASIS	0	$2,320,054
CREDITS ON QUALIFIED BASIS	$2,320,054	

	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		**FINAL ANNUAL LIHTC ALLOCATION**		
			Credit Price $0.8899	**Variance to Request**	
Method	Annual Credits	Proceeds	**Credit Allocation**	**Credits**	**Proceeds**
Eligible Basis	$2,320,054	$20,646,417	----	----	----
Needed to Fill Gap	$2,352,281	$20,933,206	----	----	----
Applicant Request	$2,320,054	$20,646,416	**$2,320,054**	**$0**	**$0**

50% Test for Bond Financing for 4% Tax Credits

Tax-Exempt Bond Amount	**$42,000,000**
	Applicant
Land Cost	$3,000,000
Depreciable Bldg Cost	$44,010,555
Aggregate Basis for 50% Test	**$47,010,555**

Percent Financed by Tax-Exempt Bonds	**Applicant** **89.3%**
amount aggregate basis can increase before 50% test fails	$36,989,445 78.7%

SOURCES OF FINANCING

Westmoreland Station, Dallas, 4% HTC #21417

Bond Issuer		Interim Bonds		Permanent Bonds	
City of Dallas HFC	**Private Placement**	**$30,000,000**		**$29,175,000**	

		Interim		Permanent Period				Debt Service		
DEBT	**Type**	**Principal**	**Rate**	**Principal**	**Term**	**Amort**	**Rate**	**DCR**	**Payment**	**Fee**
Bellwether Enterprise	Conventional Loan	$0	0.00%	$29,175,000	17	40	4.00%	**1.25**	$1,492,378	0.10%
Adjustment to Debt Per §11.302(c)(2)				$0	17	40	4.00%	**1.25**		
Bank OZK	Conventional Loan	$42,000,000	4.00%	$0	0	0	0.00%	**1.25**		
Bank OZK	Conventional Loan	$0	0.00%	$0	0	0	0.00%	**1.25**		
TOTAL		**$42,000,000**		**$29,175,000**				**1.25**	**Cumulative DCR**	

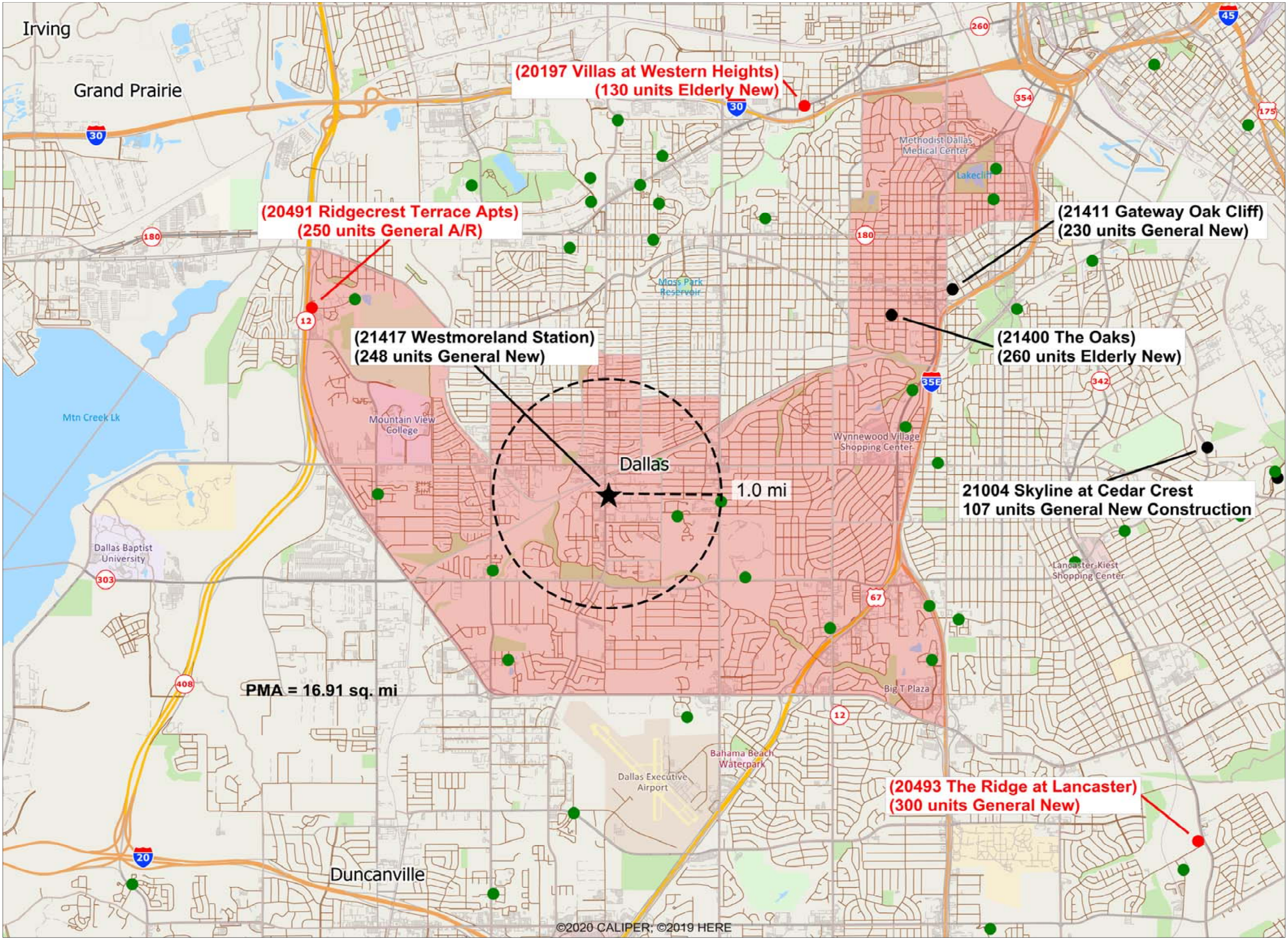
					credit price	annual credits
EQUITY					**credit price**	**annual credits**
Monarch	HTC Equity	$3,096,962		$20,646,416	$0.89	$2,320,054
TOTAL		**$3,096,962**		**$20,646,416**		
PARTNERSHIP DEBT						
GHT Development II, LLC and	Deferred Fee	$4,408,615		$286,790		
TOTAL		**$4,408,615**		**$286,790**		
CASH FLOW DEBT/GRANTS						
City of Dallas	Local Government Loan	$4,000,000		$8,000,000		
TOTAL		**$4,000,000**		**$8,000,000**		
OTHER						
0	Direct Loan Match	$0		$0		
0	0	$0		$0		
0	0	$0		$0		
0	0	$0		$0		
TOTAL		**$0**		**$0**		
TOTAL		**$53,505,577**		**$58,108,206**		

Long-Term Pro Forma

Westmoreland Station, Dallas, 4% HTC #21417

	Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30	Year 35	Year 40
EFFECTIVE GROSS INCOME	2.00%	$2,953,988	$3,013,067	$3,073,329	$3,134,795	$3,197,491	$3,530,289	$3,897,724	$4,303,402	$4,751,304	$5,245,823	$5,791,812	$6,394,629
TOTAL EXPENSES	3.00%	$1,089,288	$1,120,490	$1,152,598	$1,185,639	$1,219,641	$1,405,074	$1,619,124	$1,866,252	$2,151,621	$2,481,207	$2,861,922	$3,301,768
NET OPERATING INCOME ("NOI")		**$1,864,700**	**$1,892,578**	**$1,920,731**	**$1,949,156**	**$1,977,850**	**$2,125,214**	**$2,278,600**	**$2,437,150**	**$2,599,682**	**$2,764,616**	**$2,929,891**	**$3,092,861**
EXPENSE/INCOME RATIO		36.9%	37.2%	37.5%	37.8%	38.1%	39.8%	41.5%	43.4%	45.3%	47.3%	49.4%	51.6%
MUST -PAY DEBT SERVICE													
TOTAL DEBT SERVICE		$1,492,378	$1,492,076	$1,491,762	$1,491,435	$1,491,095	$1,489,175	$1,486,831	$1,483,969	$1,480,474	$1,476,207	$1,470,996	$1,464,635
DEBT COVERAGE RATIO		1.25	1.27	1.29	1.31	1.33	1.43	1.53	1.64	1.76	1.87	1.99	2.11
ANNUAL CASH FLOW		**$372,322**	**$400,502**	**$428,969**	**$457,721**	**$486,755**	**$636,039**	**$791,769**	**$953,182**	**$1,119,209**	**$1,288,410**	**$1,458,894**	**$1,628,226**
Deferred Developer Fee Balance		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
CUMULATIVE NET CASH FLOW		$85,532	$486,034	$915,003	$1,372,724	$1,859,479	$4,738,409	$8,383,350	$12,824,351	$18,086,753	$24,189,471	$31,142,904	$38,946,398

21417 Westmoreland Station PMA Map



Disclaimer: This map is not a survey. Boundaries, distance and scale are approximate only.

Exhibit C

From:	Darryl Baker
To:	Yvonne Davis
Cc:	Claude Spivey; Teresa Morales; Casey Thomas; Chad West; Susan Vlach; Timothy Van Slyke; Joe Acuna; Darrell Chris Herbert; Nobles; Colin Larson; Cylena Smith; Craig Wheeler/Tim; Joe & Carol Branch; Stan Aten; Bill Betzen; Joe Tave
Subject:	LIHTC in Dist 111: VERY SAD update ...
Date:	Friday, April 30, 2021 4:05:39 PM

Hello, Rep. Davis.

This is to update you and your staff about the lack of transparency that yet another 4% LIHTC proposal was pushed through City Hall without public notice or input. We are overrun with these projects and this particular one will be tax-exempt and further bring our Economic Desirability Profile into the negative zone. That means that grocery stores will not consider coming into this part of District 111 and poverty will be further concentrated here, contrary to the goals of the Fair Housing Act.

The Underwriting Standards for the project do not support building a 17th LIHTC project in Council District 3 where **SIXTEEN exist already -- most of which are tax-exempt**. The Southern Sector of Dallas occupies 60% of the land area but contributes only 15% of property taxes to the City's budget, due in LARGE PART to the overconcentration of tax credit housing projects that proliferate here but are sorely needed North of I-30.

Many significant facts were misrepresented to the Dallas City Council at their briefing for the Westmoreland Station application and the Council approved a Letter of No Opposition for a project that is NO WAY NEAR READY to be built. The developer still must obtain proper zoning and obtain clearances from the Texas Commission on Environmental Quality that the proposed site is free of contaminants from the previous plastics manufacturing plant that operated there for decades and stood abandoned for decades more.

Despite all of these **irregularities** that fly in the face of common sense and good governance, over $30 **million in tax credits and other public support are being proposed for this project**. We are reaching out to you because our appeals for fairness and transparency to City Hall officials **for the past year** on the LIHTC program have been ignored.

Hopefully, in your role as our State Representative, we can work together to help bring meaningful reforms to the LIHTC program and make it a PLUS for ALL of our communities and help it achieve **affordability in areas of High Opportunity and STOP the concentration of poverty that it has caused for Dallas' Southern Sector for the past 40 years**.

Thank you for your service and the Open Door that you and your staff have provided us!

Kind regards.

Darryl Baker
Fair Share for ALL Dallas
State District 111 Resident
214-333-0645

On Friday, April 30, 2021, 01:29:50 PM CDT, Jesseca Lightbourne <jessecalightbourne@gmail.com> wrote:

These are all valid points. I would add that approval from HFC was not unanimous. I'm not sure how the conversation went with Rep. Yvonne Davis, but I would certainly press this ongoing issue to her office.

Best regards,
Dr. Lightbourne

On Apr 30, 2021, at 12:50 AM, Darryl Baker <darryldallas@yahoo.com> wrote:

Hello, Dr. Lightbourne.

Our strategy at this point is to convince the City Plan Commission that:

1. this proposal was pushed through the Dallas Housing Finance Corporation (**DHFC**) in an incomplete form and,

2. this proposal was sent to the Council with **NO COMMUNITY INPUT or notification**.

3. We will also contend that the process was not transparent or neighborhood friendly.

4. The Fair Housing Review happened AFTER the Housing Finance Corporation's improper approval and

5. The Office of Fair Housing did not do its due diligence in considering that **SIXTEEN LIHTC projects already exist in Council District 3**.

6. The project submitted and approved by the **DHFC** was for a 100% low-income development in violation of both the CHP and the MVA, and,

7. Based on this process and these facts, we contend that the totality of this project was in violation of the Fair Housing Act.

8. Most importantly, this project is bad planning and does not provide the right income mix for a community already burdened with low-income challenges.

The analysis done by the underwriter did not take into consideration **ANY** of these factors and should be considered null and void. We have an added advantage that Mr. Stinson is convinced that this project is lacking in many ways and is not good for the district.

In your position as a Director on the DHFC Board, we think it is important that each of you have assurances that decisions you are asked to make are based on what can be considered to be **Best Practices** of ETHICAL as well as legal and technical standards.

We would truly appreciate any other ideas **you may have to add here**. I will be bold enough to propose that this case is a CLASSIC EXAMPLE of **what NOT TO DO** and that your students would benefit greatly from following this **cautionary tale to its sad and tragic conclusion**.

Thank you for your continued service to our district and our city.

Kind regards,

Darryl Baker
214-333-0645

On Thursday, April 29, 2021, 10:57:03 PM

CDT, Jesseca Lightbourne
<jessecalightbourne@gmail.com> wrote:

I didn't know the Artist Lofts made it to the Council either. We (HFC) or at least I do not receive any updates when the proposals are presented to full Council.

Stay motivated.

Dr. Jesseca E. Lightbourne, Ph.D.

CEO & Impact Researcher

Think Public Management

214.247.6142

www.thinkpublicmanagement.com

On Apr 29, 2021, at 9:28 PM, Darryl Baker
<darryldallas@yahoo.com> wrote:

Hello.

This one completely slipped past us. I am very disappointed that both Dr. Johnson and Casey did this end-run past the neighborhoods here in D3 for a project that further plunges us into poverty.

We are organizing to STOP this project at the CPC rezoning level because it does not further the goals of the Fair Housing Act and could be a good test case for action by the Biden-Harris administration.

Dr. Johnson and Casey have proven to be **untrustworthy** in any efforts to REFORM the LIHTC processes and the program overall. This project is NOWHERE and NO WAY complete enough to make an informed decision on, it has overwhelming community opposition, and is not a good fit for our district. Any illusions that this could be a transit-oriented development are untrue and will turn out to be a monumental failure for our community.

Darryl Baker

----- Forwarded Message -----
From: Raymond Crawford
<raymondmcrawford@gmail.com>
To: Darryl Baker
<darryldallas@yahoo.com>; Kim
<denewad@yahoo.com>
Sent: Thursday, April 29, 2021, 04:52:54 PM
CDT
Subject: update

I just spoke with the City Secretary.

The item got a new ID number and you will see on the next to the last page of the February 24 council meeting that Thomas moved to adopt, Narvaez seconded and it was adopted.

<artist lofts resolution adopted feb 24.png>

<february 24 2020 city council meeting.pdf>
<artist lofts resolution adopted feb 24.png>

From:	Darryl Baker
To:	Alena Morgan; Teresa Morales
Subject:	Re: COMPLAIT -- Use of HUD and Home Funds -- TDHCA file number is 21417
Date:	Thursday, May 20, 2021 7:22:05 AM

Thank you for this clarification. Ms. Morales was included in the original email, as well.

Kind regards,

Darryl Baker
214-333-0645

On Wednesday, May 19, 2021, 10:09:48 AM CDT, Alena Morgan <alena.morgan@tdhca.state.tx.us> wrote:

Actually yes it will make a difference. The written comments I referenced are only for the Competitive 9% HTC Program. Please direct any 4% comments to Mrs. Morales at teresa.morales@tdhca.state.tx.us.

Thank you for the clarification. Have a great day!

Alena R. Morgan, JD

Competitive (9%) Housing Tax Credit Program Administrator

Texas Department of Housing and Community Affairs

221 E. 11th St., Austin, TX 78701

Office: 512.936.7834

TDHCA COVID-19 ASSISTANCE: https://www.tdhca.state.tx.us/covid19-response.htm.

RENT OR UTILITY BILL ASSISTANCE: TexasRentRelief.com \ 1-833-989-7368.

About TDHCA

The Texas Department of Housing and Community Affairs is committed to expanding fair housing choice and opportunities for Texans through the administration and funding of affordable housing and homeownership opportunities, weatherization, and community-based services with the help of for-profits, nonprofits, and local governments. For more information about fair housing, funding opportunities, or services in your area, please visit www.tdhca.state.tx.us or the Learn about Fair Housing in Texas page.

Any person receiving guidance from TDHCA staff should be mindful that, as set forth in 10 TAC §11.1(b), there are important limitations and caveats.

From: Darryl Baker <darryldallas@yahoo.com>
Sent: Wednesday, May 19, 2021 10:07 AM
To: Alena Morgan <alena.morgan@tdhca.state.tx.us>
Subject: Re: COMPLAINT -- Use of HUD and Home Funds -- TDHCA file number is 21417

Thank you, Ms. Morgan.

Please note that this is a 4% non-competitive application for the Westmoreland Station project. Will that make a difference?

Please advise.

Kind regards,

Darryl Baker

214-333-0645

On Wednesday, May 19, 2021, 09:45:18 AM CDT, Alena Morgan <alena.morgan@tdhca.state.tx.us> wrote:

Dear Mr. Baker,

The written comment will be forwarded to HTCPC@tdhca.state.tx.us for our Governing Board.

Thank you,

Alena R. Morgan, JD

Competitive (9%) Housing Tax Credit Program Administrator

Texas Department of Housing and Community Affairs

221 E. 11th St., Austin, TX 78701

Office: 512.936.7834

TDHCA COVID-19 ASSISTANCE: https://www.tdhca.state.tx.us/covid19-response.htm.

RENT OR UTILITY BILL ASSISTANCE: TexasRentRelief.com \ 1-833-989-7368.

From: Darryl Baker <darryldallas@yahoo.com>
Sent: Tuesday, May 18, 2021 7:55 PM
To: Alena Morgan <alena.morgan@tdhca.state.tx.us>
Subject: Fw: COMPLAINT -- Use of HUD and Home Funds -- TDHCA file number is 21417

Hello, Ms. Morgan.

Here is a copy of the email we sent to your director. We would like this complaint to become part of the meeting tonight.

For over a year, we have been bombarded with these **LIHTC** projects in Dallas' Southern Sector which is already saturated with them. This saturation has caused our neighborhoods to decrease in value, stifle our ability to attract or maintain high-value uses, and has created and expanded Food Deserts.

Please feel free to contact me for more information.

Kind regards,

Darryl Baker

Fair Share for ALL Dallas

214-333-0645

Hello, Ms. Lewis.

I am part of a group called, **Fair Share for ALL Dallas**, an ad hoc group formed last year to fight against the concentration of LIHTC projects in our part of Dallas, the Southern Sector.

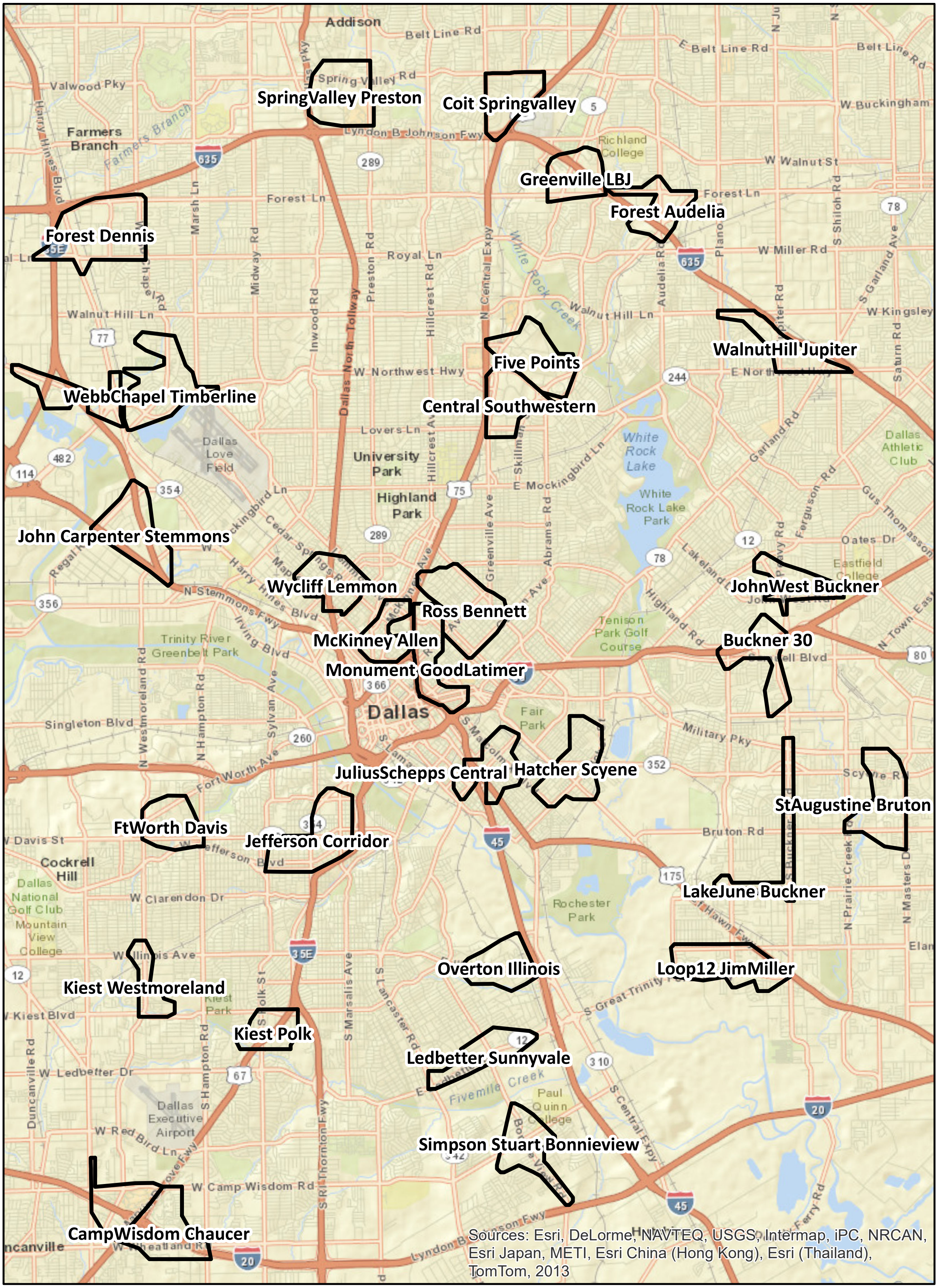
The City of Dallas has not provided reasonable transparency or access to the LIHTC review process at the local level in order for citizen participation to happen in a responsible way. Our main concern is that there is no evidence that the City of Dallas has done its due diligence and performed a “site and neighborhood standards” review as required under the HOME program rules. It is for that reason that **we object to this LIHTC application and ask that the TDHCA reject it for funding consideration.**

We have reason to believe that the City of Dallas may be in violation of the HUD Rules as well as the Fair Housing Act with the Westmoreland Station LIHTC 4% application. They and the developer, Generation Housing Partners, LLC, purposely kept the public out of the process and were totally out of sequence with HOW they brought this proposal to the City Council.

The rezoning case for the Westmoreland Station LIHTC project was approved by a 14-1 vote on May 12th **over the denial for rezoning by the City Plan Commission**. The TDHCA file number is **21417**.

Council District	BY Number		BY Council District	BY Number
7	23		1	8
8	19		2	9
3	16		3	16

Dallas Crime Hot Spots 2018



DALLAS POLICE DEPARTMENT

Violent Crime Reduction Plan

EDDIE GARCIA
CHIEF OF POLICE

Executive Summary

This document sets forth the Dallas Police Department's (DPD) strategic plan for reducing violent crime in the City's most violence-prone areas and thereby reducing aggregate levels of reported violence City-wide. Overall violent crime[1] in Dallas is on the rise. In the past three years, violent crime has increased steadily with a 14% increase from 2018 to 2019 and an additional 5% increase in 2020 compared to 2019.

However, in Dallas, as in most cities, violent crime is geographically concentrated in a relatively small number of areas within the City. The geographic concentration of violent crime in our City is consistent with a large body of literature describing urban crime, particularly violent crime, as a phenomenon primarily occurring in a few small geographic areas. For example, just 14 of Dallas' 1,156 reporting areas[2] account for 10% of the City's reported violent crime.

Hot Spots Policing

Drawing from a substantial body of research on the positive impact that hot spots policing can have on reducing violence, this plan begins with a short-term focus on substantially increasing police visibility at micro locations (330'x330' grids) where violent crime is concentrated and prioritizing street-level deterrence and arrest of repeat offenders in these areas. The strategy is evidence-based and relies on increased police visibility and intelligence-led offender targeting rather than generalized "stop and frisk" or other dragnet tactics. Based on crime analysis and mapping, the DPD will assign officers to be highly visible on these grids identified by crime analysis as the most violence-prone and at times when violence is most often reported. At other high crime grids, designated teams of officers will focus on the surveillance, deterrence, and arrest of repeat violent offenders. Pre-post implementation data on crime and calls for service data will be tracked on and around the targeted grids, and violence hot spots reviewed and adjusted every 90 days.

Place Network Investigations

In the mid-term, the DPD will lead and coordinate with the Office of Integrated Public Safety Solutions a place-based investigations strategy designed to identify and disrupt networks of criminogenic places that disproportionately contribute to violent crime in Dallas. Place Network Investigations (PNI) are a recently developed tool based in empirical scholarship and criminological theory that focus on the spatial distribution of crime in communities and the role of unguarded places used by individuals and criminal networks to facilitate crime. During the first

[1] As used here, violent crime includes all crimes defined as Crimes Against Persons by the *National Incident-Based Reporting System, 2019.2.1 National Incident-Based Reporting System User Manual* (2019). Simple Assaults were removed from the analysis, and Robbery offenses that are listed as property crimes by NIBRS were added.
[2] The DPD subdivides the City into small reporting areas (RAs) to facilitate the analysis and mapping of crime and calls for service. Those RAs are nested within 225 patrol beats across 7 patrol divisions.

six months of implementation, initial violent place networks will be identified using traditional Risk Terrain Modeling, traditional crime analysis, and local police knowledge and intelligence.

A PNI Board made up of stakeholder government agencies (e.g., code enforcement, health departments, parks & recreation) and non-profit and/or community-based groups will be used to design unique place-based strategies to address crime and its causes within the crime-place network. Traditional police enforcement efforts (arrests, controlled drug buys) will be coordinated with the City's new Office of Integrated Public Safety Solutions (OIPSS) and coupled with code enforcement, abatement, environmental design changes, disorder-focused efforts (graffiti abatement, trash clean up, abandoned vehicle removal, weed/brush removal) and other efforts to alter the criminogenic nature of the entire crime-place network. Again, pre- and post-implementation data will be tracked in and around the targeted locations and adjustments made, if needed, to the strategy based on data trends. As crime declines in the targeted areas, new place networks will be identified and brought into the strategy.

Focused Deterrence and Urban Blight Abatement

Longer-term strategies to reduce violence include implementation of a focused deterrence model in Dallas and coordinating with other city agencies on implementing a vacant lot "greening" program and vacant/dilapidated building abatement strategy. First designed and implemented in Boston in the 1990s, focused deterrence strategies have proven successful in reducing violent crime in a number of cities where they have been applied and evaluated. The goal of focused deterrence is to change the behavior of high-risk offenders through a combination of deterrence, incapacitation (arrest), community involvement, and the provision of alternatives to violence. A key feature of most successful focused deterrence strategies is the clear communication to gang members and other violent offenders of the risks associated with continued criminal activity and the alternatives available to them under a robust suite of social services, education, and job-related services made available to them under the strategy

Focused deterrence is a holistic, resource-intensive process involving multiple law enforcement and community partners, including federal law enforcement agencies and the U.S. Attorney's Office. Initially, the DPD will work with research partners, city leadership, and other stakeholders to prioritize problems for focused deterrence interventions. The nature of those interventions may vary according to the problem identified (gang violence vs. neighborhood-based open-air drug markets). The support and partnership of social service organizations, including city agencies, non-profits, or community-based leaders and groups, is necessary and will be sought. Following other successful models, the Dallas focused deterrence strategy will make use of "violence interrupters" to help resolve street-level conflicts among violence-prone offenders, spread the retail deterrence message, and serve as street-level conduits to social services. A careful evaluation of the implementation and impact of this strategy will be designed and carried out by academic partners to facilitate modification and/or replication of the strategy to address additional problems or violent areas as progress is made.

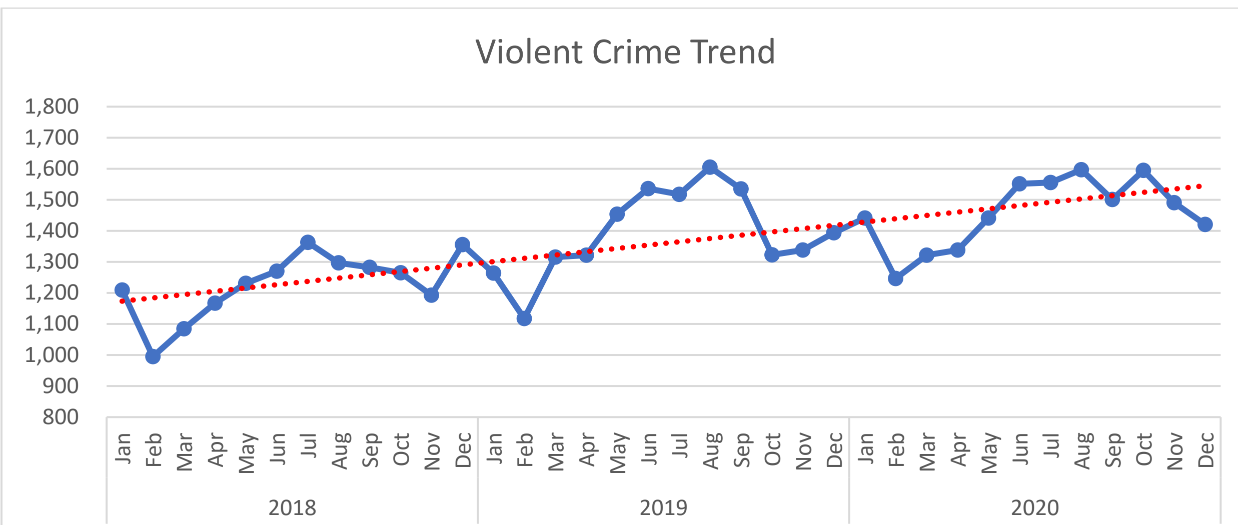
Finally, a growing body of literature has documented the association between urban blight and crime, including violent crime. Replicating the success of Philadelphia in reducing violent crime in neighborhoods through low-cost efforts to “green” vacant lots and repair the facades of abandoned or neglected buildings, the DPD will coordinate implementation of an urban blight abatement strategy in accordance with the Dallas Mayor’s Task Force on Safe Communities recommendations.

Nature of the Problem

Dallas is a large metropolitan city inhabited by more than 1.3 million people and policed by approximately 3,100 police officers. The Dallas Police Department (DPD) is tasked with lowering violent crime while responding to calls for service, investigating property crimes, and providing for the overall safety of its citizens. DPD remains dedicated to reducing the increasing violent crime trend.

Overall violent crime[3] in Dallas is on the rise. In the past three years, violent crime has increased steadily with a 14% increase from 2018 to 2019 and an additional 5% increase in 2020 compared to 2019 (Figure 1 below). Focusing solely on typical indicators of street violence reveals a similar pattern. Murders, non-negligent manslaughters, robberies, and aggravated assaults were up 17% in 2019 over 2018, and they increased another 4% in 2020 for a total increase of almost 22% across the most recent three-year period (see Figure 2 below).

FIGURE 1: OVERALL VIOLENT CRIME TREND, 2018-2020

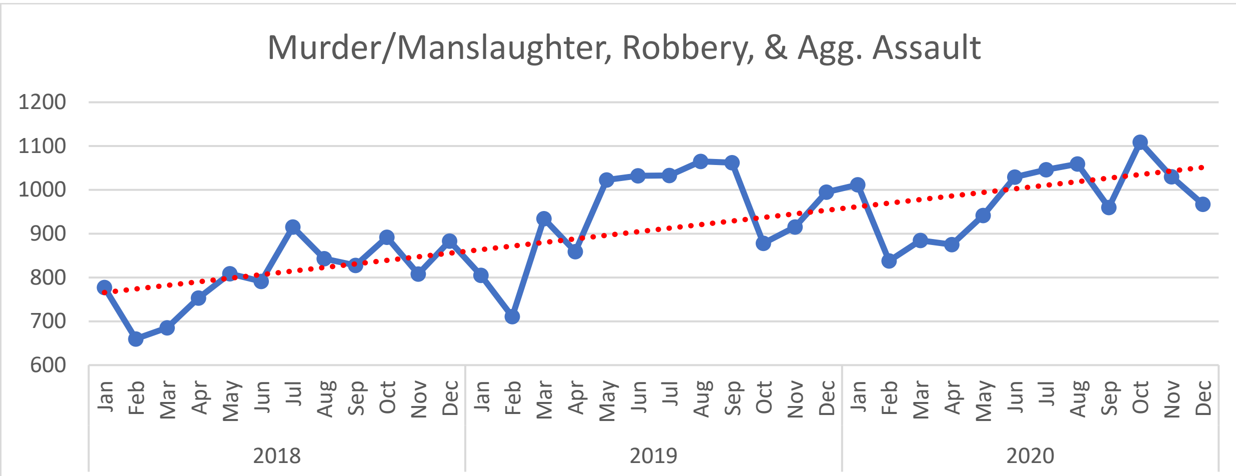


However, in Dallas, as in most cities, violent crime is geographically concentrated in a relatively small number of areas within the City. DPD's seven patrol divisions are divided into 225 beats. For reporting and analysis purposes, beats are further disaggregated into 1,156 small reporting areas (RAs) and even smaller 330' x 330' grid squares. An examination of violent crime at the RA level reveals that that roughly 10% percent of Dallas' violent crime occurs within only 14 (or 1%)

[3] Violent crime includes all crimes defined as Crimes Against Persons by the *National Incident-Based Reporting System, 2019.2.1 National Incident-Based Reporting System User Manual* (2019). Simple Assaults were removed from the analysis, and Robbery offenses that are listed as property crimes by NIBRS were added.

RAs. At the beat level, the same four beats have been among the top five violent crime areas in the City across a ten-year period. Historically, beats 318 (Southeast Division), 454 (Southwest Division), 744, and 731 (South Central Division) have consistently ranked as the most violence-prone in Dallas.

FIGURE 2: STREET-VIOLENCE TREND, 2018-2020



The geographic concentration of violent crime in our City is consistent with a large body of literature describing urban crime, particularly violent crime, as a phenomenon primarily occurring in a few small geographic areas. In an effort to reduce the violence that occurs in these areas, DPD developed TAAG areas (Targeted Area Action Grids) that set boundaries around the areas where crime was most problematic. TAAG area boundaries were set as part of a strategy to reduce all crime, property and violent, as well as public nuisance issues (e.g., illegal gambling). As violent crime began to rise, DPD adjusted these boundaries to encompass high violent crime areas and created violent crime reduction plan (VCRP) areas. VCRP areas differ from TAAGs by allowing DPD commanders to focus on persistent violent crime within smaller areas. Most notably, TAAG areas cover one square mile, while VCRP locations incorporate just .5 square miles, thus enabling DPD to commit resources to smaller hotspot locations.

Goals and Objectives

As violent crime continues to trend upward, DPD is committed to renewing its efforts to reduce violent crime in the City by developing a multi-faceted, violence reduction strategy based on the best available science. Drawing from a substantial body of research on the positive impact that hot spots policing can have on reducing violence, this plan begins with a short-term focus on substantially increasing police visibility at micro locations (330’ x 330’ grids) where violent crime is concentrated and prioritizing street-level deterrence and arrest of repeat offenders in these areas. Building outward, the plan incorporates a mid-term strategy focused on networks of violent places within historically violent areas of the City using a Place Network Investigations approach. And finally, over the longer-term, DPD will lead a focused deterrence strategy and coordinate an urban blight abatement program to reduce conditions associated with violent crime and help break the cycle of violence in areas that have long been the source of most of the violence in Dallas.

By implementing these strategies, the Dallas Police Department seeks to accomplish the following goals:

- In partnership with other city agencies and the community, reverse the increasing trend in reported violent crime
- Reduce the annual number of victims of violent crime
- Increase community trust and engagement with the DPD to facilitate solving crimes of violence and successfully prosecuting violent offenders
- Improve place-based conditions that contribute to violence in coordination with the Office of Integrated Public Safety Solutions and other stakeholders

Near-Term Strategy

Hot Spots Policing

Considerable evidence suggests that police can be effective at reducing violent crime in small areas with high rates of violence. Often referred to as "hot spots policing," some of the strongest evidence of the impact that police can have on crime comes from more than 25 years of research showing that a relatively small number of areas generate the majority of violent crime in most American cities and that crime can be reduced in those areas through targeted police enforcement (Braga et al., 2019; National Research Council, 2004; Weisburd & Telep, 2014). Hot spots policing can be implemented fairly quickly and can reduce reported violent crime in targeted areas by 10-50 percent (Corsaro et al., 2019; Groff et al., 2015; Rosenfeld, Deckard & Blackburn, 2014). Moreover, there is little evidence that violent crime is spatially displaced to surrounding areas when hot spots policing is implemented and considerable evidence that areas adjacent to hot spots also can expect lower crime rate benefits (albeit to a lesser degree) from the police treatment effects (Weisburd et al., 2006). Little is known, however, about the potential displacement of crime associated with hot spots policing to other areas of the city or to different crime types (Weisburd & Telep, 2014).

While there is no universally accepted definition of a "hot spot," hot spots often consist of street segments or similar small areas that are no more than a city block long and which extend no more than a half a block on either side of the segment, although many research studies have evaluated police interventions in larger hot spots (see Rosenfeld et al., 2014 – average hot spot contained 8 street segments and Groff et al., 2015 – average hot spot was the size of 22 football fields). The appropriate size of a hot spot should be driven by empirical considerations, such as the spatial distribution and density of crime, as well as considerations of geography and local police operational knowledge of street activity.

What police actually do in hot spots policing and whether some tactics are more effective than others have also been the subject of research and evaluation. In their most recent meta-analysis of hot spots research studies, Braga et al. (2019) found that problem-oriented policing strategies generated moderately higher impacts on crime than merely increasing police presence with extra officers or patrols. Problem-oriented policing refers to police strategies targeted at specific problems with solutions tailored to those problems (Goldstein, 1990). Hot spots dominated by illegal drug sales may call for different policing tactics than areas with high levels of illegal prostitution, for example. While some research has evaluated hot spot strategies targeted at specific types of violent crime (e.g. robberies or gun crimes), most hot spot strategies focused on violent crime seek to reduce all types of serious violent crimes.

A few studies have examined specific tactics and their effects on crime at hot spots. Recently, Corsaro et al. (2019) investigated whether foot patrols or stationary marked police vehicles with emergency lights illuminated had a greater impact on crime and calls for service within hot spots. They found that lighted patrol cars reduced violent crime in hot spots while foot patrols had the greatest impact on property crime. Groff et al. (2015) compared foot patrol, problem-oriented policing, and offender-focused tactics within experimental and control hot spots and found that only offender-focused tactics had an impact on violent crime. The experimental hot spots showed a 42% decrease in all violent crimes and a 50% decrease in violent felonies compared to their controls. Importantly, modern hot spot strategies rely on increased police visibility and intelligence-led offender targeting rather than generalized "stop and frisk," oversaturation, or dragnet tactics that can lead to mistrust of the police and community resentment.

Offender-focused police strategies are based in an intelligence-led policing framework and derive from the empirical premise that a small percentage of offenders are responsible for most crime (Clarke & Eck, 2005; Ratcliffe, 2008). By proactively targeting repeat offenders, police can theoretically have a greater impact on crime than by targeting places alone (National Research Council, 2004). This strategy has the added benefit of leaving a smaller police "footprint" within communities by focusing attention on known repeat offenders rather than all persons who happen to be out on the street. Offender-focused policing requires good intelligence on where repeat offenders live and/or where they are likely to engage in future crime. In the Groff et al. (2015) study, the Philadelphia Police Department employed dedicated teams of officers who were exempt from answering calls for service and who proactively contacted, questioned, stopped, and arrested known offenders in the experimental hot spots.

Hot spots policing has become a well-accepted strategy to address crime in urban areas, which is disproportionately found in micro-areas with high rates of crime. In a recent nationally representative survey of U.S. law enforcement agencies, the National Police Research Platform found that 75% of agencies surveyed employed hot spots policing as a crime control strategy.

Braga et al.'s (2019) most recent updated meta-analysis of hot spots policing studies reviewed 78 tests of hot spots policing across 65 eligible studies and found noteworthy crime control gains in 62 of the 78 tests reviewed. Problem-oriented strategies focused on changing the characteristics of crime-prone places were moderately more effective than increasing police presence or traditional enforcement activities (Braga et al., 2019), and recent evidence suggests that a hot spots approach focused on repeat offenders is potentially even more effective than other place-based problem-oriented approaches (Groff et al., 2015).

That said, evidence is lacking that hot spots policing as it has been implemented and evaluated in most cities to date can effectively reduce crime in an *entire* city or within larger sections of cities (Sherman et al., 2014; Weisburd et al., 2017; Weisburd & Telep, 2014). For example, in an evaluation conducted in Dallas ten years ago, Weisburd et al. (2015) found measurable reductions in crime within treatment hot spots that experienced increases in patrol time, but these reductions were not measurable within the larger geographic patrol beats where the treatment hot spots were located. Because the experiment resulted in only a 2% increase in unallocated patrol time to hot spots, Weisburd et al. (2015) theorized that the patrol dosage level was insufficient to produce large enough crime reductions gains that might have been observed at the beat level. Based on the observed levels of crime reduction in hot spots associated with the 2% increase in unallocated patrol time, Weisburd et al. (2015) estimated that if unallocated patrol time could have been increased to 25%, then crime could theoretically have been reduced by as much as 25% within the treatment *beats*. In a subsequent experimental simulation, Weisburd et al. (2017) demonstrated a hypothetical 13% reduction in street robberies within a large police *borough* when one third of patrol officers were assigned to spend 50 percent of their time at the top five hot spots within their beats and a 21% reduction in robberies when half of patrol officers spent *all* of their time at the top five hot spots.

Taken together, the hot spots policing literature suggests several key factors that might produce optimal crime control within hot spots and possibly within larger areas surrounding those hot spots or even across an entire city (Weisburd et al., 2017):

- Hot spots must receive enough "dosage" to produce measurable crime control gains beyond the boundaries of the hot spots themselves
    - Dosage reflects both the number of hot spots that receive intervention, *and* the amount of time police devote to each hot spot
    - Concentrating available patrol resources on hot spots may result in fewer officers assigned to lower crime areas and longer response times, especially for non-emergency calls
- Police activities at hot spots matter
    - High-visibility presence (marked cars with lights on) and offender-focused tactics may be more effective than foot or drive-by patrols at reducing violent crime
- Police behavior matters

- When police focus on procedural justice and are viewed as legitimate by the public, crime control gains are likely to be enhanced (Tyler et al., 2015)

Hot Spots Policing in Dallas

Currently, the DPD focuses on hot spots by deploying resources into selected VCRP locations. On duty patrol officers will work proactively in VCRPs, particularly during summer and commonly high crime holidays (e.g., Fourth of July). Additionally, patrol commanders are provided with daily reports of crime in VCRPs and expected to develop crime reduction strategies to lower crime at those locations. Further, DPD created specialized units made up of uniformed and covert officers who are deployed to the VCRP areas when violent crime spikes or begins trending upward.

With the assistance of criminologists from the University of Texas at San Antonio, and based on our review of the current evidence for the effectiveness of various hot spots policing strategies, the DPD intends to modify its approach to hot spots policing as part of its overall strategic plan to reduce violent crime. It will modify its current hot spots policing strategy in three ways.

First, working with UTSA researchers, DPD will revisit the locations and boundaries of violent crime hot spots throughout the City by focusing on small, 330’ x 330’ grids where robberies, aggravated assaults, and homicides occurred in the most recent 90-day to 6-month period to ensure that hot spots are appropriately identified. Initially, this empirically driven analysis will seek to identify the small percentage of grids where violent crime is most heavily concentrated in Dallas (Weisburd et al., 2015). Once these high crime grids are identified, they will be rank ordered within beats and divisions from highest to lowest. It is expected that some beats will have no high crime grids while others will have multiple high crime hot spots. If resources allow, additional grids will be added to the treatment strategy described below to increase police coverage beyond the initially targeted grids where violent crime is most prevalent. Resource allocation decisions will be made every 90 days when hot spot locations are adjusted (if needed) based on changing crime trends.

Second, once identified and rank-ordered within beats and divisions, these high violent crime grids will be evaluated by DPD division commanders and their staff and hot spot boundaries adjusted, if appropriate, based on unique geographic features (e.g., a park or school) and local operational knowledge of crime patterns and trends. The list of current hot spots that emerges from this process will be mapped and revisited and updated every 90 days.

Finally, the hot spots will be randomly assigned to receive either (1) the systematic assignment of patrol officers to remain in the hot spot with their emergency lights activated for 15 minutes (the optimal dosage period) every hour during peak hours of crime as identified in each hot spot through crime analysis[4], or (2) an offender-focused strategy where specialized officers will circulate through the hot spots making contact with or surveilling repeat offenders who have been identified through a separate analysis of arrestees and who live or are known to frequent the treatment hot spots. Their presence also will be concentrated in hot spots during peak crime hours, but their activities will be focused on *repeat offenders* rather than persons at large, generalized stop and frisk, or dragnet-type tactics. No "control" hot spots will be used as part of the strategy. Sufficient evidence exists that hot spots policing reduces crime in targeted micro-areas, and all available resources will be brought to bear in an effort to drive down violent crime in beats, divisions, and city-wide by concentrating sufficient dosage in the targeted violent crime hot spots identified through the process described above.

Implementation of the strategy is expected to begin in May 2021, and impacts will be assessed every 90 days as described below. Adjustments to the hot spot boundaries or deployment patterns of officers will be made every 90 days if needed based on changes in observed crime patterns.

Measurement and Evaluation

To assess the impact and effectiveness of the near-term hot spots policing strategy, reported violent crime counts and calls for service data will be obtained for the treatment hot spots, all patrol beats (those containing hot spots or not), and DPD area divisions for the six months leading up to the implementation of the strategy and weekly thereafter. Violent crime counts will be reviewed descriptively at each of three levels (hot spots, beats, divisions) on a weekly basis and patterns or changes assessed. At 90-day intervals, more sophisticated difference-in-difference and/or repeated measures multilevel modeling will be conducted by the UTSA research team to evaluate impacts of the strategy on violent crime and calls for service within hot spots, beats, and divisions. These analyses also will include an assessment of potential crime displacement and changes to the distribution of reported offenses within beats. If emerging hot spots are identified, they will be added to the treatment protocols; likewise, hot spots that are no longer "hot" will be removed.

Every six months, the Chief of Police will lead an intensive strategic review to assess the effectiveness of the strategy and to recommend any changes or adjustments. If one of the experimental treatments (high visibility presence vs. offender-focused tactics) appears to be more effective than the other, then a decision will be made to expand or discontinue one or the other. The possible addition of place-focused, problem-oriented strategies also will be evaluated during the strategic review sessions. To facilitate transparency and stakeholder input, biannual

[4] As in Las Vegas (see Corsaro et al., 2019), patrol officers will be assigned to these high visibility hot spot times each hour via dispatch. This will help ensure fidelity to the strategy. If resources or unforeseen events do not allow for the assignment of officers to hot spots during certain hours, these gaps will be documented and accounted for in the ongoing evaluation of the efficacy of the strategy.

reports will be produced for public release outlining the hot spots strategy, detailing observed changes in violent crime, and noting any changes recommended to the strategy.

Mid-Term Strategy

Place Network Investigations

In addition to a revised hot spots policing strategy, the DPD will lead and coordinate a place-based investigations strategy designed to identify and disrupt networks of criminogenic places that disproportionately contribute to violent crime in Dallas. Place Network Investigations (PNI) are a recently developed tool based in empirical scholarship and criminological theory that focus on the spatial distribution of crime in communities and the role of unguarded places used by individuals and criminal networks to facilitate crime. A PNI strategy is based on four empirical realities (Herold et al., 2020):

1. Crime is concentrated among a relatively small number of offenders, victims, and places
2. A small number of places account for most crime in any city
3. Law enforcement strategies that target criminal networks can reduce crime
4. Criminogenic places are networked

PNI was first attempted as a coherent crime control strategy in Cincinnati several years ago (Hammer, 2020) and has since been used in Las Vegas (Herold et al., 2020) and other cities (Madensen et al., 2017) with promising early effects. In Cincinnati, violent crime was reduced in the first two pilot PNI sites by 89 and 71 percent respectively, while an evaluation of five Cincinnati PNI sites documented a 72% decline in shooting victims over the 24-month post-implementation period (Hammer, 2020). In Las Vegas, a pre-post 12-month comparison demonstrated a 39% reduction in gun-related crimes occurring in the PNI-targeted locations (Herold et al., 2020).

A PNI strategy begins with a problem-focused investigation of violence-prone locations to uncover the network of convergent settings (public places were offenders often meet), comfort spaces (private meeting locations used by individuals or groups to plan or facilitate crime), and corrupting spots (associated locations that encourage criminal activity) that make up the place network. Police use a variety of intelligence-driven efforts to uncover crime-place networks (traditional crime analysis, surveillance, informants, offender interviews, historical data) and then lead the development of a PNI Board made up of stakeholder government agencies (e.g., code enforcement, health departments, parks & recreation) and non-profit and/or community-based groups to design unique place-based strategies to address crime and its causes within the crime-place network. Traditional police enforcement efforts (arrests, controlled drug buys) are coupled with code enforcement, abatement, environmental design changes, disorder-focused efforts (graffiti abatement, trash clean up, abandoned vehicle removal, weed/brush removal) and other efforts to alter the criminogenic nature of the entire crime-place network (Herold, 2019).

A PNI strategy is intelligence-driven, requires the involvement and commitment of multiple stakeholders, and may involve the expenditure of money and other resources by city agencies and community-based organizations (CBOs). By focusing on the most violence-prone locations, though, PNI has the promise of significantly impacting violent crime, reducing victimization, and improving the quality of life in and around the affected locations

Below is an illustration of the PNI phases taken from the Las Vegas PNI evaluation report (Herold et al., 2020).

TABLE 1: The PNI Process

Implementation Steps
Select violent micro-locations
Select and train PNI unit
Establish and follow investigative protocols
Establish, train, and gain compliance from PNI Investigative Board members
Gather pre-intelligence
Assess and establish intelligence systems
Conduct internal intelligence sessions
Collect community intelligence
Present intelligence products to PNI Investigative Board
Identify offender and crime place networks
Disrupt offender and crime place networks

To maximize its chances for success, the PNI process requires buy-in from multiple stakeholders and a careful, data-driven process that starts with identifying violence-prone hot spots and investigating them exhaustively to establish networked locations. Police and other PNI stakeholders may require training on the PNI process and/or investigative techniques, and the police must have (or put in place) a functional process for collecting and analyzing intelligence related to potential PNI sites. Once likely sites have been identified, researchers recommend the development of a PNI Board that will review the intelligence and make initial decisions about which location(s) to focus on. At that point, stakeholder engagement across multiple city agencies and/or CBOs is vital to develop data-driven interventions designed to disrupt offender and crime-place networks. Careful tracking of pre- and post-intervention metrics (agreed upon by the Board) is vital and may require the assistance of outside research partners. The effects of the intervention must be carefully tracked and documented, and adjustments made to the plan if necessary, to optimize success. Critically, the plan must include a strong maintenance component purposely designed to ensure that crime reduction gains are maintained and not squandered as attention is shifted to other sites (Herold et al., 2020).

Implementing PNI in Dallas

As a promising mid-term strategy to address violence, the DPD, in coordination with the OIPSS, intends to implement a PNI process in Dallas to complement the hot spots strategies it will implement in the shorter term. Realistically, a PNI strategy will take 6-12 months to put into place and will require training and buy-in from multiple stakeholders and coordination with the OIPSS. In conjunction with the director of OIPSS, the DPD will develop and dedicate a DPD PNI Task Force to oversee and coordinate police efforts. The Task Force will include crime analysts, intelligence officers, investigators, and command-level supervisors, and it will work closely with the OIPSS to identify violent place networks that are appropriate candidates for a coordinated intervention with the OIPSS.

During the first six months of implementation, initial violent place networks will be identified by the DPD Task Force and OIPSS using Risk Terrain Modeling (RTM), traditional crime analysis, and local police knowledge and intelligence. The process of putting together the PNI stakeholder board will begin concurrently, and the initial training of police PNI personnel will take place during the initial six-month period. The Chief of Police and OIPSS director will lead the PNI Board and will be principally responsible for constituting the Board with support from the City Manager. Once the Board is in place, it, too, will be trained on the PNI process and goals within six months. Likely membership of the Board will include the following:

TABLE 2: Initial PNI Board Membership

City Department	Roles and Responsibilities
Police	• Lead PNI board • Gather intelligence • Conduct criminal investigations • Make arrests • Deter criminal activity • Analyze crime and public-safety related data
Building Inspection	• Address safety issues identified in buildings
City Attorney/Community Prosecution	• Legal review of abatement/intervention strategies • Prosecution of code and related violations
Code Enforcement	• Address code violations

	• Issue citations
Fire Inspection	• Identify/address fire hazards and fire code violations
Housing and Neighborhood Revitalization	• Repair/abate housing-related deficiencies
Risk Management	• Review and provide input on risk mitigation strategies associated with interventions
Parks & Recreation	• Address design or re-development of parks as needed • Repair or remove dilapidated equipment or structures
Planning & Urban Design	• Assess infrastructure changes to reduce opportunity for crime • Crime prevention through environmental design
Public Works	• Assess transportation-related matters, including street repairs, re-design, or construction
Transportation	• Evaluate traffic management, signs, signals, or safety issues related to sites
Zoning	• Review applicable zoning regulations and recommend/implement changes as needed
Sanitation	• Clear and remove trash and debris
Dallas City Marshall	• Illegal dumping
Dallas Animal Services	• Address animal-related violations
Office of Homeless Solutions	• Address homelessness and related public safety and quality of life issues in target areas
Sustainable Development	• Suggest, plan, and implement sustainable development solutions
311	• Public information campaigns in targeted areas to encourage community response

Once the PNI Board is in place and trained, the DPD PNI unit and OIPSS will present likely places for intervention to the Board for its input and approval to begin the investigative process. By month 7, the DPD PNI unit will begin the intensive intelligence-gathering process on the site(s) and associated offenders agreed-upon by the Board, which will include input, data, and analysis from OIPSS, Board agencies, and community groups if appropriate. When the initial place-based investigations are complete, the PNI Unit and OIPSS will present its investigative findings to the Board regarding the places, offenders, and crime patterns associated with the crime-place network and suggested interventions. With input from OIPSS and the DPD PNI Unit, the Board will have primary responsibility for overseeing the implementation of intervention strategies designed to disrupt the offenders and criminal activities associated with the place network. These strategies likely will involve traditional police enforcement and crime prevention activities but also should include a multipronged and multi-disciplinary strategy to address the underlying problems that facilitate violence at the crime-place network. Changes to the physical environment, code enforcement, and even traffic flows may need to be addressed as part of a comprehensive place-based violence reduction strategy. OIPSS will coordinate these place-based efforts. An outside research team will assist the DPD in training OIPSS personnel and Board members on the PNI process and developing and carrying out an evaluation strategy to track the implementation and impacts of the PNI effort.

Below is a timeline for the implementation of the Dallas PNI strategy:

DALLAS POLICE DEPARTMENT 2021 VIOLENT CRIME REDUCTION PLAN

PNI Strategy Tasks & Timeline

MONTH	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
TASKS																														
															PNI Implementation															
Select & Train PNI Unit	X	X																												
Identify violent hot spot possibilities for PNI			X	X																										
Establish PNI unit investigative protocols and practices			X	X																										
Establish PNI Board			X	X																										
Train PNI Board					X																									
Present initial PNI analyses to Board for selection of site(s)						X																								
Intensive investigation of PNI sites/offenders							X	X	X																					
Presentation of analytic /intelligence findings to Board										X																				
Design intervention strategies										X	X																			
Implement intervention												X	X	X	X	X	X	X	X	X	X	X	X							
Quarterly review of progress by Board															X				X				X							
Design maintenance strategy																							X	X						
Implement maintenance strategy																									X	X	X	X	X	X
Select additional site(s) and repeat process																							X	X	X	X	X	X	X	X
															PNI Evaluation															
Process Evaluation																														
Train PNI Unit	X	X																												
Identify process metrics	X	X																												
Assist in analysis of initial hot spot data		X	X																											
Develop stakeholder survey			X																											
Administer survey				X	X																									
Analyze survey data						X	X																							
Collect initial process metrics		X	X	X	X	X	X	X	X	X	X																			
Analyze survey data and initial process metrics										X	X																			
Draft and deliver Year 1 process eval report											X	X																		
Collect Year 2 process metrics													X	X	X	X	X	X	X	X	X	X	X	X						
Year 2 stakeholder survey																							X	X						
Analyze Year 2 survey and process metrics																								X	X					
Draft and deliver Year 2 process eval report																									X	X				
Outcome Evaluation																														
Identify outcome metrics											X	X																		
Collect pre implementation outcome metrics													X	X	X															
Collect post implementation outcome metrics												X	X	X	X	X	X	X	X	X	X	X	X							
Analyze pre-post outcome metric data																								X	X					
Draft and deliver Year 1 outcome eval report																										X	X			
Brief stakeholders on findings																											X			
REPEAT EVALUATION																											X	X	X	X

Measurement and Evaluation

To assess the implementation and effectiveness of the PNI strategy on violent crime in Dallas, the DPD, with assistance from the UTSA research team, will conduct a process and impact evaluation of the strategy. Process evaluations are designed to document the implementation of programs and policies, assess whether they were implemented as intended, and identify any obstacles to implementation. An outcome evaluation focuses on whether the program or strategy as implemented had its intended effect. In this case, the overarching goal of the strategy is to reduce violent crime (robberies, aggravated assaults, homicides) and its associated metrics such as shootings or violence-related calls for service in around crime-place networks. The process evaluation will use initial and subsequent surveys of stakeholders to assess their knowledge of and attitudes toward the PNI strategy. Assessing stakeholder knowledge and buy-in is important for programmatic success. Process evaluations also utilize quantitative implementation metrics such as the number of crime analyses or intelligence-related interviews conducted, intelligence products produced, offenders tracked, code violations written, environmental changes made, etc. to document implementation. The PNI Board will be asked for its input on implementation metrics that should be tracked, and these will be systematically gathered and analyzed by the UTSA research team and reported in Years 1 and 2 following PNI implementation.

On the outcome side, the PNI Board will again work with the UTSA researchers to identify appropriate outcome metrics such as violent crimes, shootings, or violence-related calls for service recorded pre- and post-intervention. A 12-month pre and 12-month post period will be utilized initially to gauge the impact of the strategy on the agreed-upon outcome metrics collected in and around the crime-place network locations and surrounding beat(s). Once maintenance plans are put in place to maintain crime reduction gains at targeted PNI sites, the DPD and UTSA researchers will continue to follow key outcome metrics over time (e.g., 24-36 months) to track long-term impacts.

Longer-Term Strategies

Longer-term crime reduction strategies require additional time and resources to implement compared to short-term or mid-term strategies. In most cases, they also require collaboration with outside stakeholders, which may include other city departments, CBOs, federal law enforcement agencies, or even business or non-profit organizations. The two longer-term violence reduction strategies proposed below are each evidence-based and have proven successful after rigorous evaluation.

Focused Deterrence

First designed and implemented in Boston in the 1990s, focused deterrence strategies (sometimes referred to as “pulling levers”) have proven successful in reducing violent crime in a number of cities where they have been applied and evaluated (Braga et al., 2018; Corsaro, 2018; Engel, 2018). A leading expert in the design and evaluation of these approaches to reducing street-level violence has stated unequivocally that "focused deterrence strategies save lives" (Engel, 2018). The goal of focused deterrence is to change the behavior of high-risk offenders through a combination of deterrence, incapacitation (arrest), community involvement, and the provision of alternatives to violence (Braga et al., 2018). A key feature of most focused deterrence strategies is the clear communication to gang members and other violent offenders of the risks associated with continued criminal activity and the alternatives available to them under a robust suite of social services, education, and job-related services made available to them under the strategy. Focused deterrence strategies have been successfully implemented in cities such as Indianapolis, Cincinnati, Chicago, New Orleans, and Seattle among others and have shown statistically significant, and in some cases, substantively large reductions (15-34%) in reported violent crime (McGarrell et al., 2006; Engel et al., 2010; Papachristos & Kirk, 2015; Corsaro & Engel, 2015; Saunders et al., 2016). One such program in Dallas, Texas—Targeted Offender Program (TOP)—was designed with Smart Policing's evidence-based, data driven concepts in mind. TOP utilized a focused deterrence (i.e., pulling levers) approach to reduce crime in the Hatcher/Scyene TAAG, one of Dallas' more crime ridden neighborhoods. Preliminary results demonstrated overall reduction in violent and property crime (Bishopp & Morris, 2016).

Components of Focused Deterrence

Focused deterrence is a city led initiative that will operate outside of the four areas that the Youth Advocates violence interrupters are working in. Focused deterrence will complement the strategic efforts of the violence interrupters. While focused deterrence strategies typically contain common elements, they should be viewed as problem-oriented policing strategies that work best when tailored to a specific crime problem (e.g., gang violence, youth homicide) in a city or area of a city. These strategies emphasize the development of an interagency law enforcement team often consisting of local, state, and federal partners (law enforcement, prosecutors, probation/parole, etc.), which relies on local intelligence to identify offenders or groups of offenders within the targeted risk group. The law enforcement team then develops a strategy to target the offenders utilizing all available legal remedies – arrest and prosecution (often with federal partners taking the lead on drug and gun-related crimes), gang injunctions, place-based strategies to close down buildings or houses used to facilitate crime, etc. Key to the strategy is (1) a deterrence message communicated directly and repeatedly to the target population, and (2) offering violent lifestyle alternatives to the targeted offenders, which may involve the provision of social services, education, job training, or direct employment with willing partners in the private or on-profit sectors (Braga, 2018).

The deterrence message is often communicated through "call-ins" or offender notification meetings whereby offenders are invited or required (as a condition of probation or parole) to appear and hear deterrence messaging from law enforcement officials and respected community voices (e.g., clergy or family members of victims). At these meetings, social service representatives are also available to offer prosocial alternatives to the threat posed by law enforcement of arrest and long-term incarceration in a federal penitentiary. Cities that have used focused deterrence strategies successfully have also made use of street workers (often former gang members) to communicate the deterrence message directly to gang members on the street and to serve as a resource to connect them with social services (CICF, 2021; Engel et al., 2010; McGarrell, et al., 2006).

Focused deterrence strategies come in several varieties. The original Boston Ceasefire model, later replicated and modified in Cincinnati and other cities, focused on gangs and violent criminal groups. Other cities have copied the High Point, NC drug market intervention (DMI) program that focused on identifying and arresting violent drug dealers while suspending criminal proceedings against non-violent drug offenders within targeted drug markets (Kennedy & Wong, 2009). These non-violent offenders are then provided moral support and encouragement from family members and/or community leaders and social service support from city or non-profit agencies. Based on the High Point experience, DMI has been rated as "effective" by the National Institute of Justice (NIJ, 2014). A final type of focused deterrence targets repeat offenders by leveraging available legal tools (arrest and prosecution), deterrence through the use of "moral" voices from the community, and the provision of social service alternatives (Braga, 2018; Papachristos et al., 2007).

Focused Deterrence in Dallas

As part of its strategy to help provide long-term solutions to violent crime in Dallas, the DPD will lead problem-based, focused deterrence strategies tailored to particular violent crime problems or neighborhoods. In partnership with academic experts, the DPD will utilize problem-oriented policing methods to clearly identify underlying violent crime patterns in Dallas and its neighborhoods,[5] and then it will design tailored strategies to address those problems drawn from the success of focused deterrence models in other cities.

Focused deterrence is a holistic, resource-intensive process involving multiple law enforcement and community partners. Initially, the DPD will work with its academic partners, city leadership, and other stakeholders to prioritize problems for focused deterrence interventions. The nature of those interventions may vary according to the problem identified (gang violence vs. neighborhood-based open-air drug markets), recognizing that some problems may overlap. As studies that have documented success have found, law enforcement partners at the local, state, and federal level will be engaged and brought onboard early in the process. These partners may include the FBI, U.S. Attorney's Office, DEA, ATF, Dallas County District Attorney, Dallas Adult and Juvenile Probation, Texas TDCJ Parole Division, and others.

Given the resource-intensive nature of focused deterrence, initially one problem and/or neighborhood will be selected for intervention. The initial plan will be drawn-up as outlined

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[5] Neighborhoods may be defined in the traditional sense using historically understood neighborhood boundaries (e.g., Pleasant Grove, Five-Points, Oak Cliff]) or it may focus on troublesome housing complexes or known drug market locations.

above, and it will be continually assessed as part of the evaluation process once enacted. If resources allow, a second (or even third) focused deterrence effort may be undertaken simultaneously based on the emerging evidence and lessons learned from the first.

Engaging in the SARA[6] problem-oriented process and laying the groundwork for the partnerships needed to ensure programmatic success will take 9 months to a year. It is anticipated that the actual implementation of a focused deterrence strategy likely will begin in spring 2022. By that time, the impact of the short and mid-term strategies that are part of DPD's overall violence reduction strategic plan will have been measured and felt. The impact of these shorter-term strategies may affect the crime problems identified and chosen for intervention using a focused deterrence approach. In this way, the long-term focused deterrence strategy will build upon the expected success of earlier the components of the overall violent crime reduction plan, and the components will work synergistically to reduce violent crime in Dallas and lay the groundwork for long-term change.

Measurement and Evaluation

A scientifically valid process and impact evaluation of the Dallas focused deterrence strategy is essential for measuring and documenting programmatic successes and failures. Credible, experienced research partners will be engaged to conduct an independent evaluation of the strategy. An evaluation of this magnitude will be a considerable investment, but as the Mayor's Task Force on Safe Communities report makes clear "it is critical to know whether evidence-based strategies are being implemented as outlined in research and if public investments are yielding results" (p. 13). The DPD will follow the recommendation of the Task Force and will work with city leadership to find philanthropic partners willing to help underwrite the initial and ongoing costs of an independent evaluation. The before-and-after measure of crime calls for service, quality of life, and community safety perceptions will be key outcome indicators that experienced evaluators will consider. Carefully documenting the fidelity with which the strategy is implemented is also important and necessary to produce a "lessons learned" document that can serve as an implementation guide for subsequent iterations of the strategy.

Violence Interrupters

Following a recommendation from the Mayor's Task Force on Safe Communities (2019), as well as the experience of other cities, Dallas will be utilizing violence interrupters and violence intervention programming. The violence interrupters is a community based strategy that helps to resolve conflicts, spread the retail deterrence message, and serve as street-level conduits to social services.[7] The violence interrupters and focused deterrence will work together and will be

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[6] Scanning, analysis, response, and assessment (Goldstein, 1990).

[7] Dallas has at least one active street worker organization – Urban Specialists – that utilizes former gang members to help steer youth away from gang involvement. See

problem-based and carefully drafted with clearly identified roles and commitments from partner organizations. The city made a significant investment in violence interruption programming to not only reduce crime but also provide opportunities for individuals to break the cycle of violence and avoid a life of incarceration. On April 28, 2021, the Dallas City Council approved a 1.6-million-dollar contract with Youth Advocate Programs to develop violence intervention and prevention programming for the City. To ensure these programs are working in concert a well-defined evaluation plan will be in place to measure process implementation and impact.

Urban Blight and Disorder Abatement

Rooted in "broken windows" theory (Wilson & Kelling, 1982), a growing body of literature has documented the association between urban blight and crime, including violent crime (Kondo et al., 2015; Branas et al., 2016; Branas et al., 2018). Efforts in Philadelphia to remediate vacant lots and abandoned or neglected buildings through implementation of new city ordinances that required the installation of working doors and windows and the cleaning/repairing of facades on buildings or the "greening" of vacant lots led to measurable reductions in firearms assaults in and around the treated areas compared to comparable untreated areas (Branas et al., 2016). In a follow-up study using a randomized controlled trial design (the "gold standard" in research design to show cause and effect), Branas and his colleagues (2018) obtained funding to randomly assign vacant lots in Philadelphia for treatment through the application of a vacant land ordinance that allowed city-contracted workers to remove trash and debris, grade the land, plant a small number of trees, hydroseed the lot with grass, and install a low wooden fence with gaps to encourage use of the lots as micro parks within neighborhoods. Approximately 375 lots were randomly assigned and treated (some more extensively than others) at an average cost of $5 per square meter and maintained afterwards at an average cost of $.50 per square meter. The researchers measured crime and neighborhood perceptions of crime in and around the treated sites and found significantly reduced perceptions of crime through surveys of residents and a statistically significant reduction in all reported crime (-4.2%), gun assaults (-2.7%), and burglaries (-6.3%) in the treated areas compared to the untreated areas; the effects were even more pronounced in neighborhoods below the poverty line.

The Philadelphia experience has been recognized by the Mayor's Task Force on Safe Communities as a model practice for Dallas. In its report, the Task Force has already documented the predicted impact on violent crime of a similar strategy in Dallas and calculated the program's costs and expected benefits. Thus, its first recommendation is to "Remediate blighted buildings and abandoned lots in high-violence locations." The City committed to this blight remediation strategy in FY 2021 and dedicated resources and funding to implement environmental improvements for crime reduction. The Dallas Police Department has assisted OIPSS and Code

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https://www.dallasnews.com/news/commentary/2020/02/11/with-violent-crime-on-the-rise-these-former-gang-members-hope-to-save-dallas/.

Enforcement with identifying high crime areas in need of blight remediation resulting in over 17,000 blighted properties being remediated. The urban blight abatement strategy remains a significant part of the strategic plan to reduce violent crime in the City.

Community Prosecution, Nuisance Abatement, and Lighting

Similarly, the DPD is aware that some multi-family housing complexes located in historically low-income neighborhoods in Dallas are hot spots for violent crime.[8] As part of its long-term violence reduction strategy, DPD plans to engage with OIPSS, City leadership, the Dallas District and City Attorneys' offices, Code Enforcement, banks, and other stakeholders to identify problem complexes, evaluate their compliance with existing laws and regulations, and investigate the potential need for new ordinances or regulations that would allow the City to take a more active role in remediating conditions of blight, poor lighting (see, e.g. Mayor's Task Force on Safe Communities Recommendation 2 on outdoor lighting), or other environmental conditions conducive to crime. The Dallas Police Department has worked with Transportation, Public Works, and OIPSS to improve outdoor lighting in high crime areas. Over 1,000 new or improved lights have been installed utilizing funding allocated to address poor lighting conditions in high crime areas. The Dallas Police Department will continue to work with these departments to improve and increase lighting in the identified grid locations where violent crime is concentrated.

An increased focus on convenience stores that drive criminal activity will be utilized in partnership with code enforcement. A new ordinance will be in place and allow for greater enforcement power by code enforcement inspectors and DPD. DPD, Code Enforcement, and OIPSS will need the active cooperation, participation, and investment by all stakeholders in addressing these underlying conditions.

Risk Terrain Modeling

The OIPSS will support the Dallas Police Department's efforts with non-law enforcement crime reduction strategies. The OIPSS will utilize crime analysis and Risk Terrain Modeling (RTM) to increase public safety and build a sense of order in the community.

Risk Terrain Modeling utilizes software and crime analysis to identify the places that are at highest risk for criminal activity. RTM is a method that uses GIS techniques to explore the relationship between crime and the spatial features that influence and encourage criminal activity and assist the police department in resource deployment decisions.

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[8] WFAA ABC 8 recently ran a story on bank-owned apartment complexes in Dallas and their lack of accountability in enforcing federal regulations requiring them to provide safe, livable environments for low-income residents. See https://www.wfaa.com/article/news/local/investigates/banking-below-30-banks-own-dallas-low-income-high-crime-housing-incentives/287-e49aa69d-9bd1-4072-aaa8-c50f47ac0af2.

OIPSS will be responsible for integrating internal and external resources to address and mitigate geographic characteristics that promote, encourage, and contribute to violent criminal activity. The police department will identify and arrest individuals committing criminal activity and the RTM will ensure the appropriate resources are ordered to quickly modify and/or change the geographic characteristics and dynamics in the identified risk areas for sustainable crime reduction and improved quality of life.

Measurement and Evaluation

As with all aspects of the DPD Violent Crime Reduction Strategic Plan, the evaluation of strategies to address urban blight, vacant land, and violence-prone apartment complexes will require a well-designed evaluation plan that, at minimum, employs a rigorous quasi-experimental design to gauge the impact of abatement efforts on violent crime, resident perceptions of crime and safety, and calls for service. Investing in an independent evaluation will best ensure that a scientifically appropriate and objective analysis of all relevant pre- and post-intervention data is conducted. In partnership with other stakeholders, and hopefully with funding from foundations or other philanthropic sources, the DPD is committed to facilitating and coordinating an objective evaluation of the City's urban blight abatement efforts and their effects on violent crime and related measures.

Summary and Conclusion

This document serves as the Violent Crime Reduction Strategic Plan of the Dallas Police Department. It contains evidence-based short, mid, and long-term strategies to address violence and its underlying conditions in the City of Dallas over the next three years. In any city, violent crime is caused by a combination of social, structural, and environmental conditions, many of which are outside of the direct control of the police. As criminal justice and bail reform efforts continue to gain traction throughout the nation and in Texas, legislators and judges must be cognizant of how bail decisions can impact violent crime by increasing the number of offenders on pre-trial release, a portion of whom will commit additional crimes while on release pending trial.[9] Thus, the successful execution of this plan will require active participation, cooperation, and investment by a wide-range of stakeholders in Dallas, including City leadership, multiple City agencies and departments, federal and state law enforcement partners, community and faith-based organizations, non-profits, research partners, and community members themselves. The DPD recognizes its leading role in protecting the safety of our City and its residents, and it is prepared to take the lead in executing this plan.

In the short-term, the DPD will execute a hot spots policing strategy to significantly increase police visibility in violent crime hot spots and deter violent offenders through lawful enforcement and surveillance activities. As a mid-term strategy, the DPD will coordinate and lead a place-based enforcement strategy to identify and target networks of crime-prone places to arrest offenders and address underlying environmental conditions conducive to crime. Long-term, the DPD will lead a problem-oriented, focused deterrence strategy to arrest and prosecute violent offenders, deter others from committing violent crimes, and facilitate the provision of social services to crime-prone individuals willing to take advantage of them. At the same time, the DPD will work with City leadership and other city and non-profit partners to address urban blight by "greening" vacant lots, improving the appearance of vacant and neglected houses, and abating crime-conducive environmental conditions at multi-family housing complexes. From short-term to long-term, the DPD is also committed to facilitating the independent evaluation of these strategies to document their successes or failures and to provide a roadmap for future leaders in Dallas and beyond to follow in their continuing efforts to reduce violence and the toll it takes on individuals and families in the community.

These strategies are evidence-based and purposely designed to work synergistically to lower violent crime and improve the environmental conditions that facilitate it, recognizing that lowering poverty, improving education, reducing unemployment, eliminating food insecurity, and supporting families are also critical to reducing violence in communities in the long term.

[9] See Cassell & Fowles (2020) for a recent discussion of bail reform in Chicago and its impact on public safety.

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NORTH TEXAS REGIONAL HOUSING ASSESSMENT

Executive Summary
Dallas, TX

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Executive Summary

In 2016, a consortium of more than 20 Dallas-Fort Worth (DFW) cities and housing authorities ("regional working group") formed to respond to the U.S. Department of Housing and Urban Development's (HUD) requirement to complete an Assessment of Fair Housing (AFH) pursuant to the new rule on "Affirmatively Furthering Fair Housing (the "AFFH Rule").

Under the lead of the City of Dallas, the regional working group retained the University of Texas at Arlington[1] (UTA) as a consultant to conduct the assessment. The North Texas Regional Housing Assessment (NTRHA) launched in January 2017 and entailed three integrated phases: community outreach, data analysis and the formulation of fair housing goals to address the issues identified.

For the purpose of the assessment, HUD provided data and analytical tools, which the UTA researchers supplemented with local knowledge and local data obtained through outreach activities and additional data collection and analysis.

This report documents the AFH process and findings for the City of Dallas and the North Texas region; it intends to provide meaningful, data-driven insight for the City to develop strategies that affirmatively further fair housing. The following sections discuss the results:

- **Community participation** – Throughout the assessment, the City of Dallas devoted considerable effort and resources to continuously engage the community through a variety of strategies. The UTA researchers collected information from the public, stakeholders and subject matter experts through public meetings, focus groups, consultations and surveys.
- **Assessment of past goals and strategies** – The City of Dallas has made progress toward affirmatively furthering fair housing by promoting decent, safe and affordable housing through rehabilitation, homeownership and housing development programs, rental assistance, and housing for homeless persons and families and other special needs populations.
- **Fair housing analysis** – The UTA researchers conducted a variety of quantitative analyses examining the intersection of poverty, transportation, segregation and housing to create an informed and balanced picture of the fair housing landscape in Dallas and North Texas. Stakeholder and expert knowledge informed the development of analytical procedures. The study focuses on racial and ethnic segregation, the concentration of poverty, and housing problems for families with children, seniors and persons with disabilities and limited English proficiency as well as other protected classes to identify fair housing issues and barriers to access opportunity.
- **Fair housing goals and priorities** – In collaboration with City staff, the UTA researchers identified priorities for action among the fair housing issues that the research process recognizes and consequently developed fair housing goals to address these issues.

Seven preeminent **fair housing issues** transpire from this assessment:

- **Imbalances region/jurisdiction:** The nonwhite population and the population in poverty disproportionally reside in Dallas than in the region. Similarly, the rate of housing problems remains greater in Dallas than in the region.
- **Racial/ethnic inequities**: Black and Hispanic households face housing problems and cost-burden challenges at a higher rate and with greater geographic dispersion than do

[1] Researchers from the Department of Civil Engineering and the College of Architecture, Planning and Public Affairs at the University of Texas at Arlington

white households. The data suggests that nonwhite households have a lower access to opportunity than white households.

- **Persistence and proliferation of racially/ethnically concentrated areas of poverty**: While some R/ECAPs dissipated over time, the number of R/ECAPs in Dallas doubled over the last 26 years, with persistent patterns in south and west Dallas. Two-thirds of the 1990 R/ECAPs retain their designation.
- **Growing segregation:** The data shows an increasing level of nonwhite/white segregation characterized by clear spatial patterns.
- **Source of income discrimination:** The data suggests that the prerogative of landlords to refuse voucher holders affects the residential pattern of housing choice voucher families and the concentration of poverty.
- **Growing affordability pressure**: Home prices, apartment rents and property taxes continue to rise rapidly and exceed the capacity of many residents to afford housing, especially households with income at or below 30% of the area median income, persons with disabilities, persons living on fixed incomes, and single-parent families with small children.
- **Transportation/employment:** Lower income residents have limited access to affordable housing in proximity to good jobs with better wages. The lack of affordable, reliable transit options worsens this problem.

Though public engagement activities, participants identified six additional issues and/or contributing factors to fair housing issues:

- **The location of proficient schools and school assignment policies** contribute to residential sorting across racial and economic lines.
- **The loss of and location of affordable housing** exacerbate neighborhood inequities and tend to contribute to poverty concentration.
- **The lack of integrated, supported, affordable housing for persons with disabilities**: Most persons with disabilities find housing completely unaffordable, especially when they have a limited or fixed income.
- **Discrimination and community opposition**: Discrimination manifests in many compounding ways – through community opposition, source of income discrimination, lending discrimination and private discrimination, which tend to exacerbate housing challenges.
- **Resources for fair housing enforcement**: Residents need more support to know and exercise their rights in relation to problems with landlords and tenancy. Fair housing agencies are being asked to do more with no increase in resources.
- **Investment in and revitalization of neighborhoods**: Older, lower income neighborhoods need more holistic investment to improve and increase public infrastructure, retail services and recreational opportunities.

This report sets forth six **fair housing goals** to affirmatively further fair housing:

- Increase access to affordable housing in high opportunity areas
- Prevent loss of existing affordable housing stock and increase supply of new affordable housing, especially in higher opportunity areas
- Increase supply of accessible, affordable housing for persons with disabilities
- Make investments in targeted and segregated neighborhoods to increase opportunity while protecting residents from displacement
- Increase services for residents of publicly supported housing and maintain and improve the quality and management of publicly supported housing
- Increase access to information and resources on fair and affordable housing

UNIVERSITY OF TEXAS ARLINGTON

NORTH TEXAS REGIONAL HOUSING ASSESSMENT

Data Summary
Dallas, TX

This document is intended to synthesize the key findings of the North Texas Regional Housing Assessment for the City of Dallas, TX. Additional information pertaining to assessment, data analyses, and fair housing goals can be found in Dallas' complete Assessment of Fair Housing report and data documentation booklet.

DALLAS/REGION IMBALANCES (ACS, 2016)

From a regional perspective, acute imbalances characterize the North Texas sociodemographic landscape.

Summary data findings:

- Nonwhite and households with an income below the poverty line disproportionally reside in the Dallas.
- A greater share of working poor households reside in Dallas than in the region.
- Correspondingly, data suggest that a greater supply of *more* affordable housing/cheaper housing units exists in Dallas than in the region

RACE/ETHNICITY	Dallas, TX		Dallas-Fort Worth-Arlington, TX Metro Area	
	Total	Below poverty line	Total	Below poverty line
White alone, not Hispanic or Latino	29%	**10%**	48%	**7%**
Black alone, not Hispanic or Latino	24%	**31%**	15%	**22%**
Hispanic of any race	42%	**28%**	28%	**22%**
Asian alone, not Hispanic or Latino	3%	**20%**	6%	**10%**
Other, not Hispanic or Latino	2%		3%	
EMPLOYMENT STATUS				
Employed	93%	**11%**	94%	**7%**
Unemployed	7%	**38%**	6%	**29%**

INCOME AND BENEFITS (IN 2016 INFLATION-ADJUSTED DOLLARS)	Dallas, TX		Dallas-Fort Worth-Arlington, TX Metro Area	
Total households	487,855	487,855	2,451,163	2,451,163
Less than $10,000	42,296	**8.7%**	135,118	**5.5%**
$10,000 to $14,999	28,720	**5.9%**	98,147	**4.0%**
$15,000 to $24,999	61,427	**12.6%**	217,666	**8.9%**
$25,000 to $34,999	59,023	**12.1%**	232,955	**9.5%**
$35,000 to $49,999	72,995	15.0%	319,172	13.0%
$50,000 to $74,999	81,389	16.7%	446,704	18.2%
$75,000 to $99,999	45,485	9.3%	304,489	12.4%
$100,000 to $149,999	44,858	9.2%	368,959	15.1%
$150,000 to $199,999	19,770	4.1%	158,327	6.5%
$200,000 or more	31,892	6.5%	169,626	6.9%
Median household income (dollars)	**$45,215**		**$61,330**	
Mean household income (dollars)	$75,411		$85,693	

PERCENTAGE OF FAMILIES AND PEOPLE WHOSE INCOME IN THE PAST 12 MONTHS IS BELOW THE POVERTY LEVEL	Dallas, TX	Dallas-Fort Worth-Arlington, TX Metro Area
All families	**19.4%**	**10.8%**
Married couple families	11.6%	5.9%
Families with female householder, no husband present	36.8%	27.9%

MONTHLY HOUSING COSTS	Dallas, TX	Dallas-Fort Worth-Arlington, TX Metro Area
Less than $300	**4.7%**	**3.3%**
$300 to $499	**7.1%**	**6.9%**
$500 to $799	**25.0%**	**18.4%**
$800 to $999	**17.9%**	**14.7%**
$1,000 to $1,499	24.0%	27.3%
$1,500 to $1,999	8.9%	14.4%
$2,000 to $2,499	4.2%	6.3%
$2,500 to $2,999	2.6%	3.3%
$3,000 or more	4.5%	4.2%
Median (dollars)	$938	$1,100

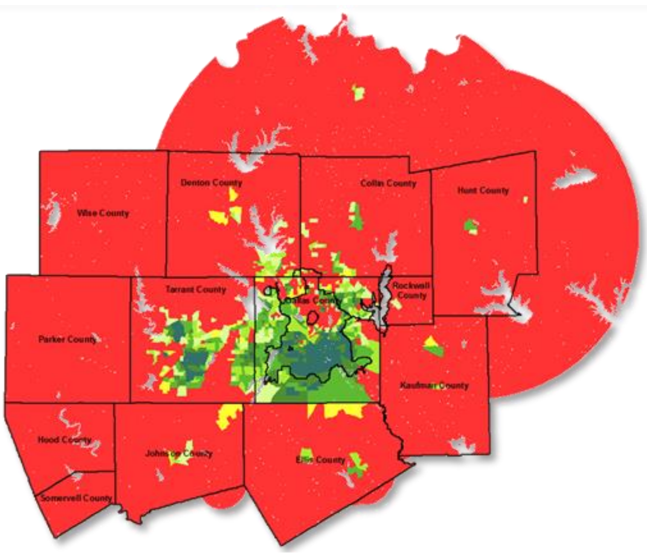
SEGREGATION

To gauge the levels of segregation in Dallas and the region, HUD provides a dissimilarity index, which is a conventional measure that assesses the degree of residential segregation between two groups. The higher the dissimilarity index value, the greater the level of segregation. The index value ranges from 0 to 100 where 0 to 39 indicate segregation, 40 to 54 moderate segregation and values from 55 to 100 a high level of segregation.

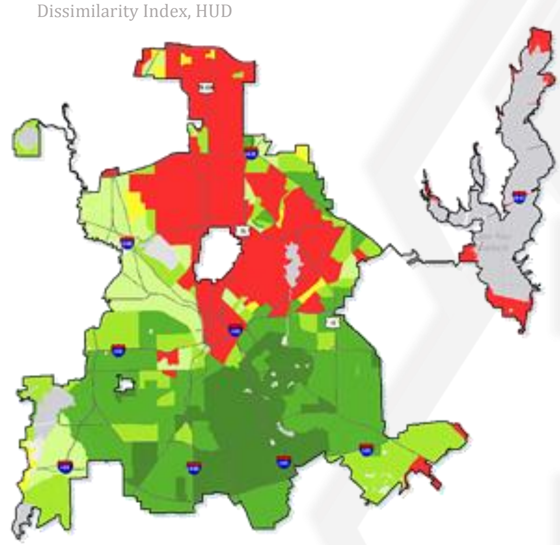
Summary data findings:

- Segregation levels in the region and within Dallas have increased for all racial/ethnic groups since 1990
- Regional level segregation generally remains lower than in Dallas with the exception of Asian or Pacific Islander/white segregation.
- Segregation black/white is the most severe in both the region and Dallas.
- In the Dallas-Fort Worth region, nonwhite residents disproportionately concentrate in the Dallas and Tarrant Counties.
- Dallas is characterized by sharp spatial patterns of segregation with a stark north/south divide and a disproportionate concentration nonwhite residents in the southern sector (up to 40% greater nonwhite population)

Dissimilarity Index, HUD



Segregation patterns, North Texas (2015)



Segregation patterns, Dallas (2015)

Segregation Grade

- Greater white population share
- Same as jurisdiction average
- 0 to <10% greater than jurisdiction avg
- 10 to <20% greater than jurisdiction avg
- 20 to <30% greater than jurisdiction avg
- 30 to <40% greater than jurisdiction avg
- More than 40% greater than jurisdiction avg

SOURCE OF INCOME DISCRIMINATION

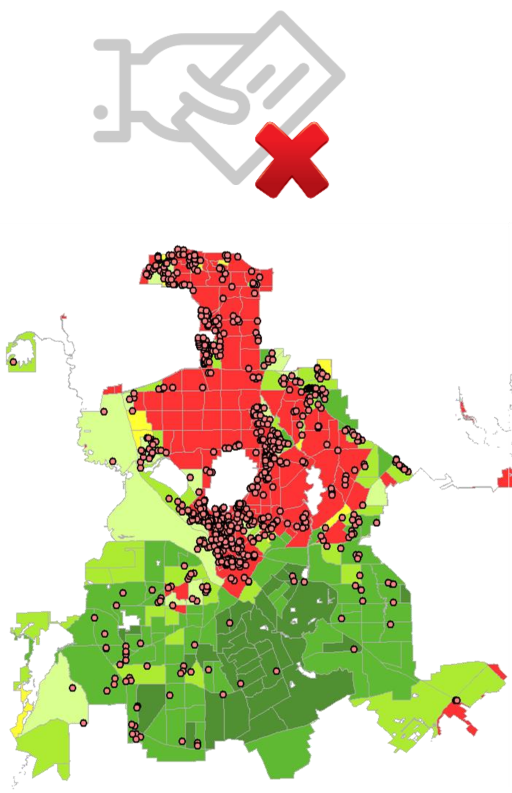
Market constraints, the ability to use and access information, and discrimination affect the capability of Housing Choice Voucher (HCV) families to secure housing in integrated, opportunity-rich neighborhoods.

HCV families tend to be disproportionately members of protected classes under the Fair Housing Act and other applicable laws prohibiting discrimination. Thus, source of income discrimination against HCV families, in addition to hindering residential integration, has the potential of being illegal because it disproportionately harms members of protected classes (Tighe, Hatch and Mead 2017).

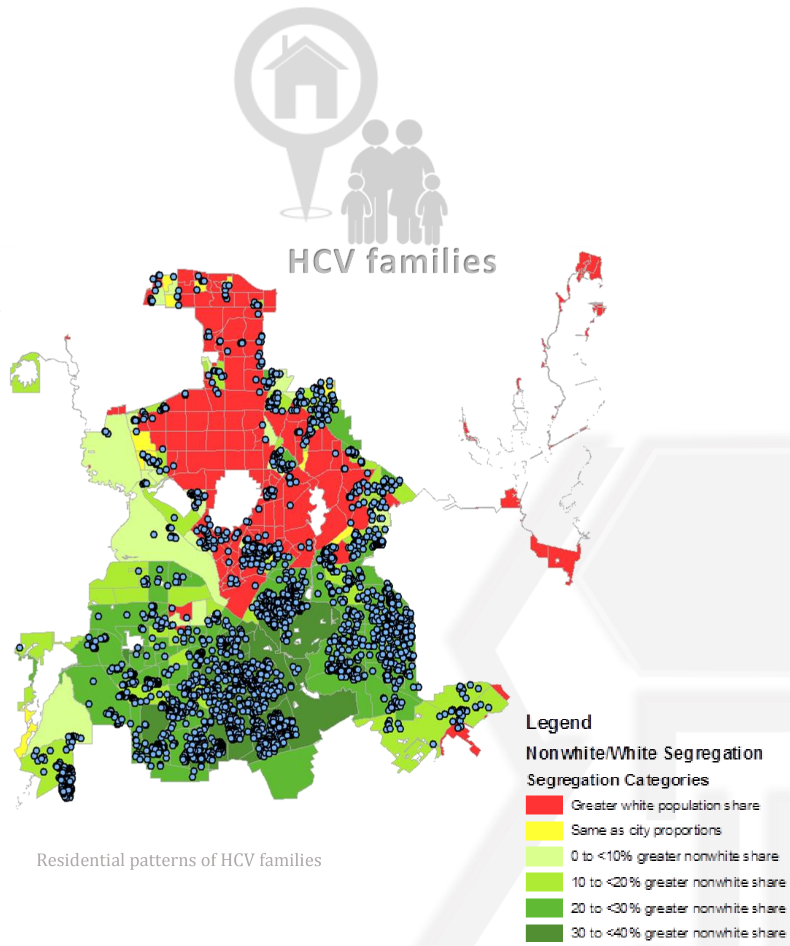
Daniel and Beshara, P.C., conducted a survey of private market-rate multifamily apartment complexes in Dallas to gauge the participation rate of landlords in the HCV program.

Summary data findings:

- Over 1,300 landlords within Dallas were surveyed
- 87% surveyed landlords refuse vouchers
- Surveyed landlords refusing vouchers disproportionally located in predominantly white neighborhoods
- Correspondingly, HCV families disproportionally locate in non-white, segregated neighborhoods



Surveyed landlords refusing vouchers



Residential patterns of HCV families

HOME MORTGAGE DISCLOSURE ACT (HMDA), 2016

The HMDA is implemented by the Consumer Financial Protection Bureau's Regulation C, mandating that financial institutions report on loans, applications and other information.

Summary data findings:

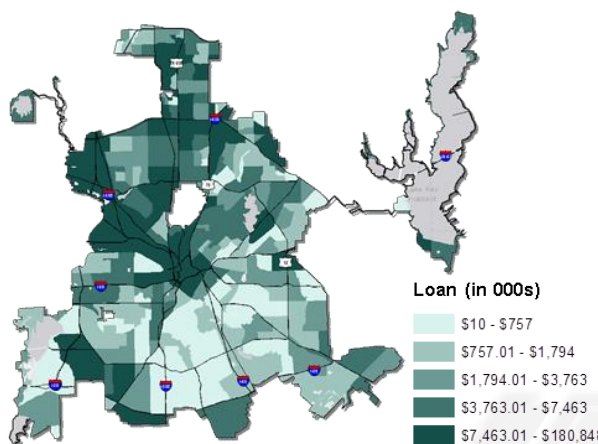
- White households represent a substantially higher share of all loan applicants in Dallas County and the region.
- Credit history is a preeminent reason for denial respectively for black and Native American households in Dallas County.
- Debt-to-income ratio is a dominant reason for loan denial for white and Asian/Pacific Islander households in Dallas County.
- For all racial groups except for black households, the majority of accepted loans are for home purchasing.
- For black households, the majority of accepted loan applications are for refinancing. A lower share of accepted applications is for home purchases.

COMMUNITY REINVESTMENT ACT (CRA)

The Community Reinvestment Act (CRA) was enacted by Congress in 1977 (12 U.S.C. 2901) to **prevent redlining and encourage banks to provide financial services that meet the needs of** the entire community, including **meeting the needs of residents in low- and moderate-income neighborhoods.**

Summary data findings:

- Thirty-nine percent of Dallas County CRA loans went to businesses located in census tracts where family incomes are greater than 120% of the area median income for the DFW MSA.
- Around 15% of CRA dollars went to communities with median incomes below 50% of area median income.
- Significantly fewer CRA dollars are going to lower income census tracts predominantly populated by nonwhite households.



Small business loans origination, 2016

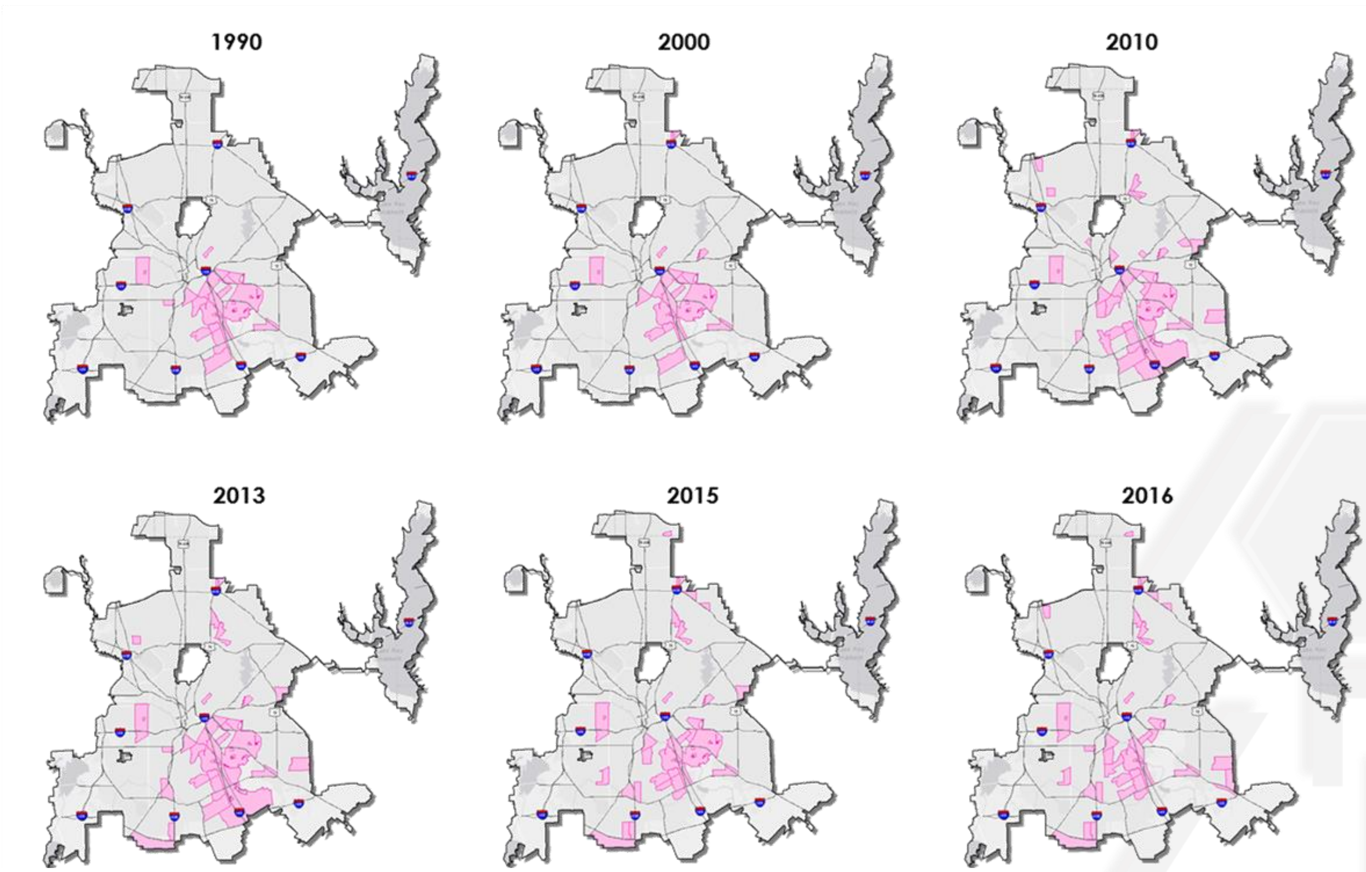
% of Area Median Family Income	Loan Amount at Origination < $100,000	Loan Amount at Origination > $100,000 But < $250,000	Loan Amount at Origination > $250,000	Loans to Businesses with Gross Annual Revenues < $1 Million	TOTAL Dollars Loaned	TOTAL % of Dollars Loaned
Dallas County, TX	(Number in 1,000s)					Percent
10-20%	275	0	947	6	**1,228**	0.0
20-30%	2,334	1,181	4,011	2,841	**10,367**	0.3
30-40%	31,759	14,647	76,273	28,689	**15,1368**	4.9
40-50%	75,431	38,671	132,173	68,650	**31,4925**	10.3
50-60%	89,941	47,152	203,554	81,626	**422,273**	13.7
60-70%	47,467	17,423	56,663	39,751	**161,304**	5.3
70-80%	34,430	12,190	49,999	29,106	**125,725**	4.1
80-90%	62,866	24,814	101,086	64,385	**253,151**	8.2
90-100%	55,838	19,704	97,294	50,538	**223,374**	7.3
100-110%	35,143	11,043	28,193	31,768	**106,147**	3.5
110-120%	26,566	8,849	23,441	17,099	**75,955**	2.5
>= 120%	295,098	125,761	456,918	311,458	**1,189,235**	38.7
TOTAL	**772,093**	**325,010**	**1,241,459**	**732,624**	**3,071,186**	**100%**

RACIALLY/ETHNICALLY CONCENTRATED AREAS OF POVERTY

To assist communities in identifying racially or ethnically concentrated areas of poverty (R/ECAPs), HUD has developed a census tract-based definition of R/ECAPs. R/ECAPs must have a **nonwhite population of 50 percent** or more and a **poverty rate of 40 percent** or more (extreme poverty).

Summary data findings:

- Long-lasting R/ECAPs in southern sector of Dallas and West Dallas
- Proliferation of R/ECAPs over time
  - 1990: **18**
  - 2000: 18
  - 2010: 32
  - 2013: 33
  - 2015: 32
  - 2016: **36**
- Spatial dispersion of R/ECAPs across the city
- R/ECAPs tend to be characterized by not only extreme poverty but by racial segregation (highest segregation grades, nonwhite concentration above 90%)
- R/ECAPs tend to emerge as a result of poverty increase, as opposed to a nonwhite population increase



R/ECAPs

**50% Non-white and
40% Household below
Federal poverty line**

R/ECAPs (1990 -2016), Dallas

SOURCE OF INCOME DISCRIMINATION AND R/ECAPs

As of 2016, Dallas had 36 R/ECAP census tracts. An estimated 3,000, or 28%, of the HCV families residing in Dallas located in R/ECAPs, which represented an overall disproportionate concentration of HCV families in R/ECAP census tracts.

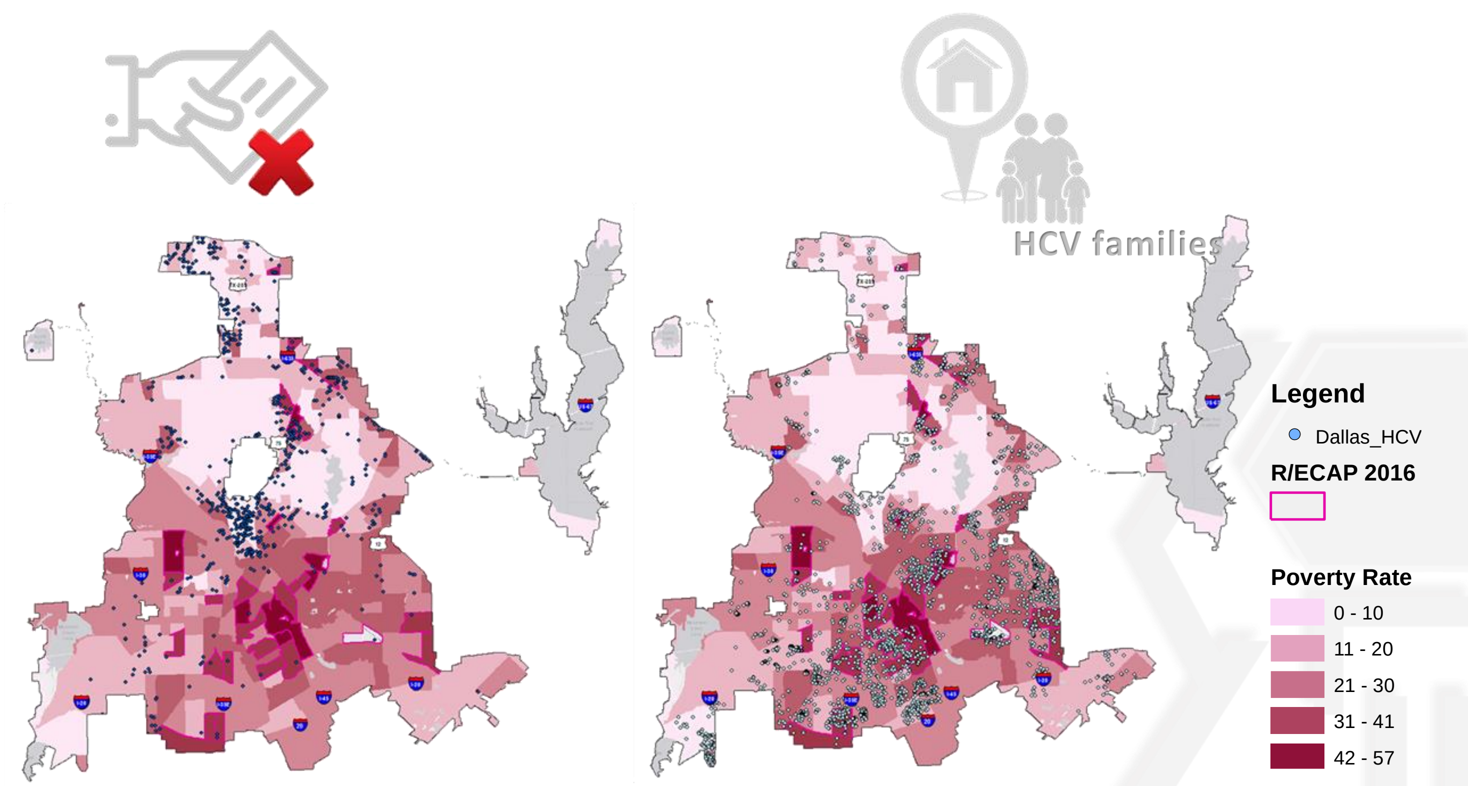
Summary data findings:

- Of the 380 census tracts in Dallas, 36 are R/ECAPs
- Thirty-six R/ECAP census tracts were home to 28% of all HCV families in Dallas, as of 2016
- The average number of HCV families is disproportionately greater in R/ECAPs (83 families) than in non-R/ECAPs (22 families) and in non-R/ECAPs with at least one HCV family (39 families).

Daniel and Beshara, P.C., conducted a survey of private market-rate multifamily apartment complexes in Dallas to gauge the participation rate of landlords in the HCV program.

Summary data findings:

- More than 91% of the 764 landlords refusing vouchers have properties outside R/ECAPs.
- The average poverty rate (17%) of the census tracts with landlord refusal remain far below R/ECAP classification.
- An average of 83 HCV families lives in each R/ECAP tract.
- Hypothetically, if each of these landlords would house three or four HCV families, no HCV family would reside within a R/ECAP



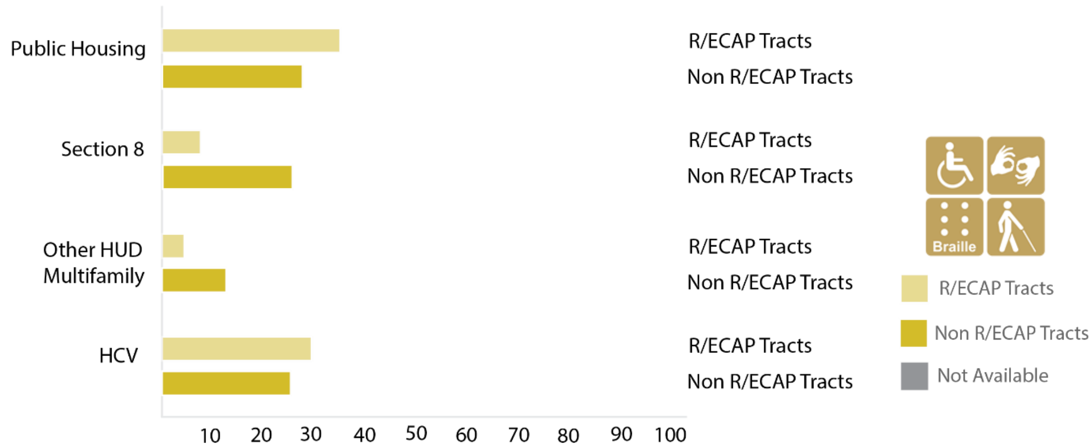
Surveyed landlords refusing vouchers overlaid with poverty rate (2016)

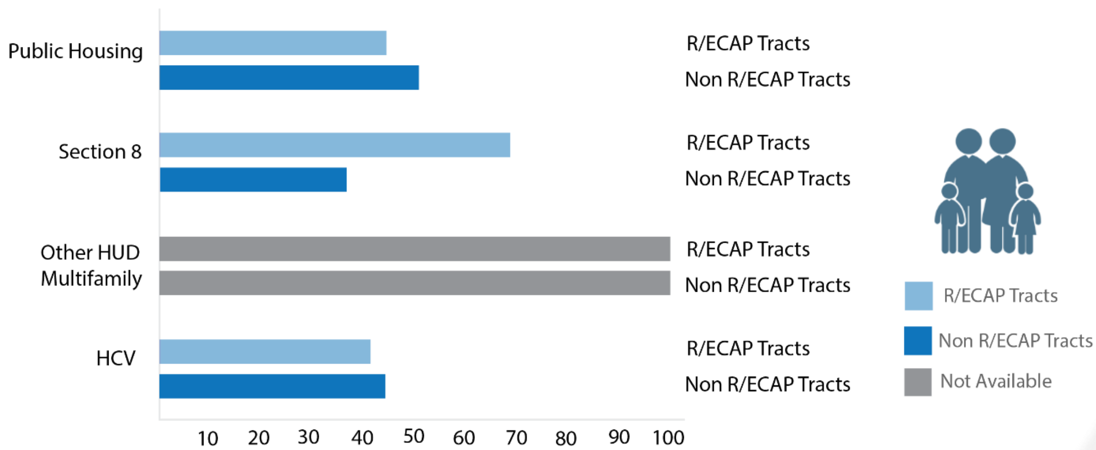
Residential patterns of HCV overlaid with poverty rate (2016)

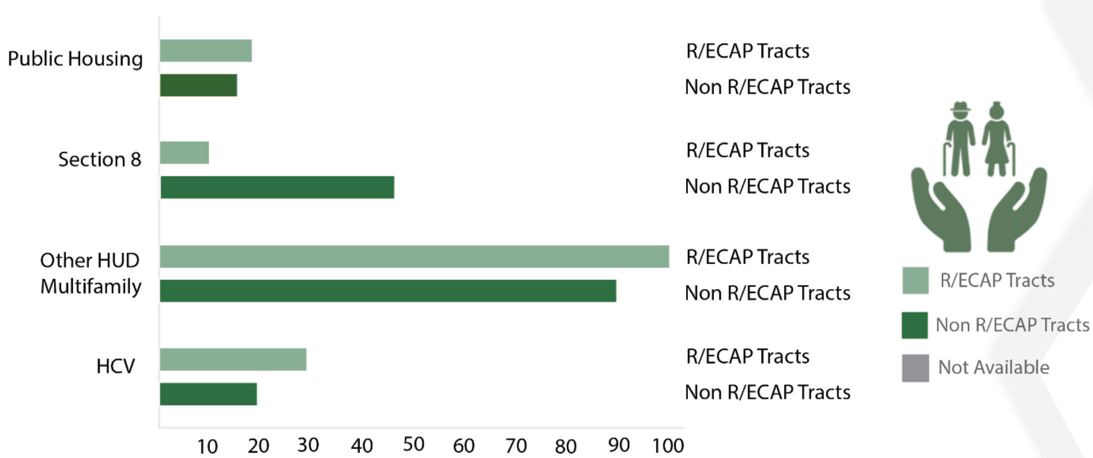
PUBLICLY SUPPORTED HOUSING AND R/ECAPs

The following infographics show the proportions of households with disability, families with children, and older adults across publicly supported housing developments within and outside R/ECAPs.

Summary data findings:







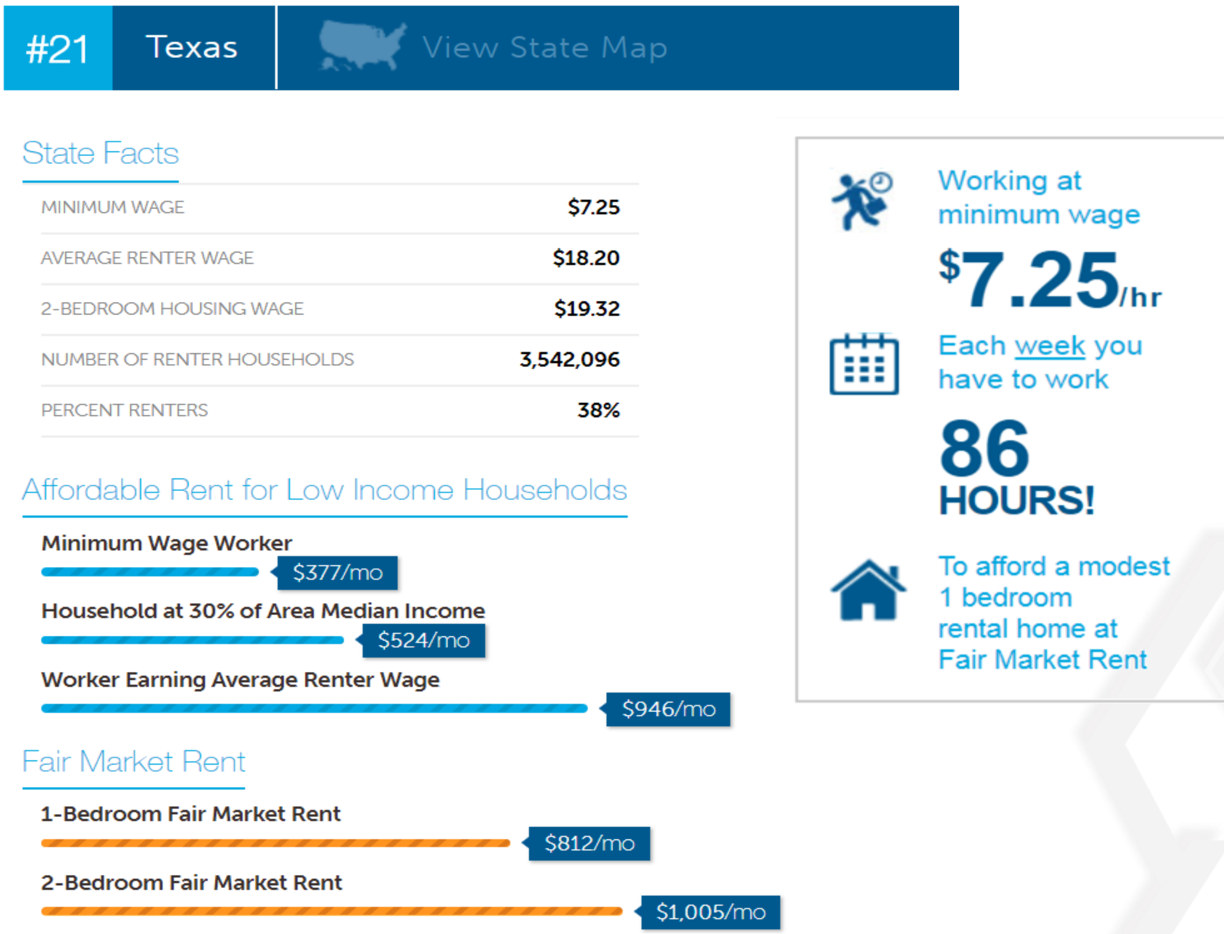
Percent of households with disability, families with children, and older adults across publicly supported housing developments within and outside R/ECAPs (source: HUD)

AFFORDABILITY PRESSURES

In 2018, the National Low Income Housing Coalition (NLIHC) released its "Out of Reach" report that documented the gap between renters' wages and the cost of rental housing. The report's **Housing Wage** was the hourly wage a full-time worker must earn to afford a modest rental home without spending more than 30% of his or her income on housing costs (source: NILHC website). The following key findings are based on NLIHC's Out of Reach report (2018).

Summary data findings

- In Texas, an individual working for minimum wage ($7.25/hour) needs to work 86 hours a week to afford a modest one-bedroom rental home
- A minimum wage earner in Texas and Dallas County can afford a **$377** rent
- A significant wage/cost-of-housing gap exists for low-income households in Texas and Dallas County
- **The housing wage remains greater in Dallas County ($20.71) than the state average ($19.32) and considerably larger than minimum wage ($7.25)** *[two-bedroom]*



Annual Income Needed to Afford	*Texas*	*Dallas County*
ZERO-BEDROOM	$28,129	$29,200
ONE-BEDROOM	$32,489	$35,120
TWO-BEDROOM	$40,185	$43,080
THREE-BEDROOM	$54,280	$57,880
FOUR-BEDROOM	$67,204	$74,240

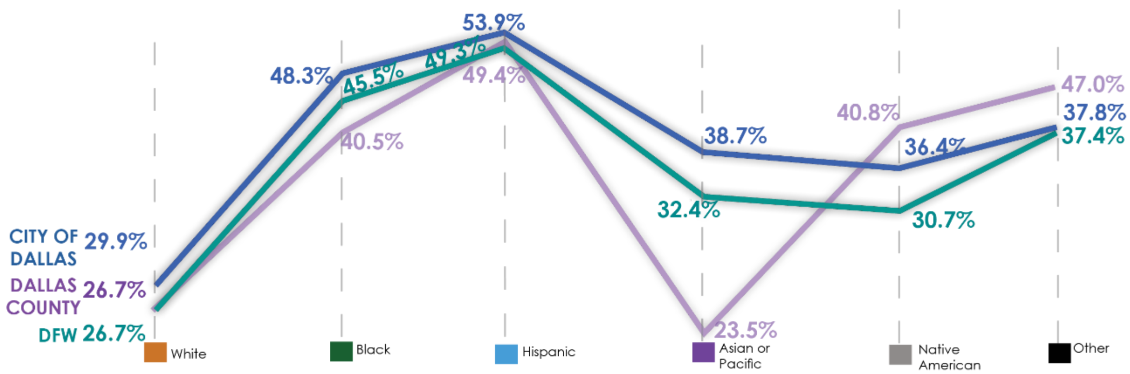
Source: National Low Income Housing Coalition (2018)

DISPROPOTIONATE HOUSING NEEDS

A household faces "**housing problems**" if it experiences one or more of the following: **housing cost burden** (defined as paying more than 30% of income for monthly housing costs, including utilities), **overcrowding** (more than one person per room), **lacking a complete kitchen**, or **lacking plumbing**.

Summary data findings:

- Overall, Dallas registers higher rates of housing problems than Dallas County and the DFW region
- Hispanic households tend to face housing problems at a higher rate than in other households
- Nonwhite households tend to face housing problems at a significantly higher rate than white households



Housing problems by race and ethnicity, Dallas/Dallas County/DFW

A household is considered **cost-burdened** if it spends more than 30% of its income towards housing and **severely cost-burdened** if housing consumes 50% or more of its income.

Summary data findings

- In Dallas, a substantially greater share of households at and below 30% and 50% HAMFI were cost burdened and severely cost burdened, compared to any other income group (2015).
- Renters suffer greater rates of cost burden and severe cost burden issues than owners
- Renters at and below 30 HAMFI experience the highest rates of cost burden and severe cost burden.
- About eight out of 10 renter families at 30% HAMFI face a housing cost burden in Dallas
- More than 95,000 renters and close to 30,000 owners with an income below 50% HAMFI were cost burdened in 2015.

Dallas, Texas (2015)					
Income by Cost Burden (Renters only)	**Cost burden > 30%**	**%**	**Cost burden > 50%**	**%**	**Total**
Household Income less-than or= 30% HAMFI	57,575	**79%**	46,910	**64%**	72,830
Household Income >30% to less-than or= 50% HAMFI	38,270	**75%**	10,020	**20%**	50,985
Household Income >50% to less-than or= 80% HAMFI	18,130	**32%**	2,490	**4%**	56,555
Household Income >80% to less-than or= 100% HAMFI	3,625	**14%**	380	**2%**	25,030
Household Income >100% HAMFI	3,170	**5%**	340	**0.5%**	70,000
Total	**120,770**		**60,140**		**275,395**
Income by Cost Burden (Owners only)	**Cost burden > 30%**	**%**	**Cost burden > 50%**	**%**	**Total**
Household Income less-than or= 30% HAMFI	15,860	**71%**	11,490	**51%**	22,425
Household Income >30% to less-than or= 50% HAMFI	14,095	**56%**	6,060	**24%**	25,105
Household Income >50% to less-than or= 80% HAMFI	11,655	**35%**	3,335	**10%**	33,530
Household Income >80% to less-than or= 100% HAMFI	4,080	**22%**	995	**5%**	18,925
Household Income >100% HAMFI	8,890	**9%**	1,520	**1%**	101,865
Total	**54,580**		**23,400**		**201,855**

HAMFI: HUD adjusted median family incomes

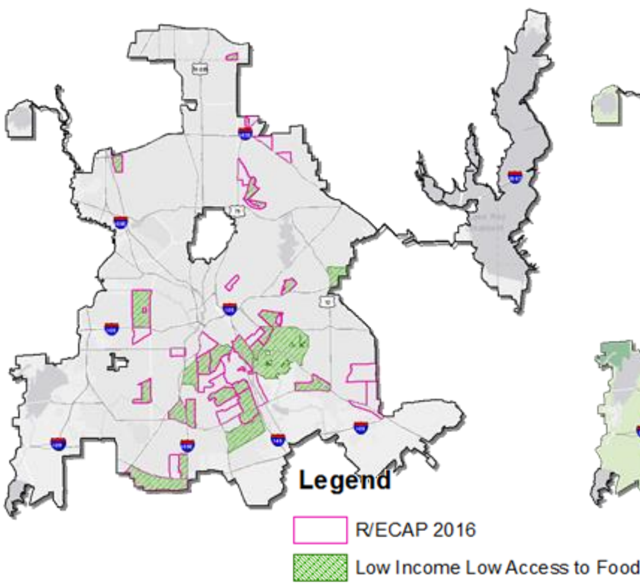
Housing cost burden information by income band, Dallas (2015)

R/ECAPs AND ACCESSIBILITY BARRIERS

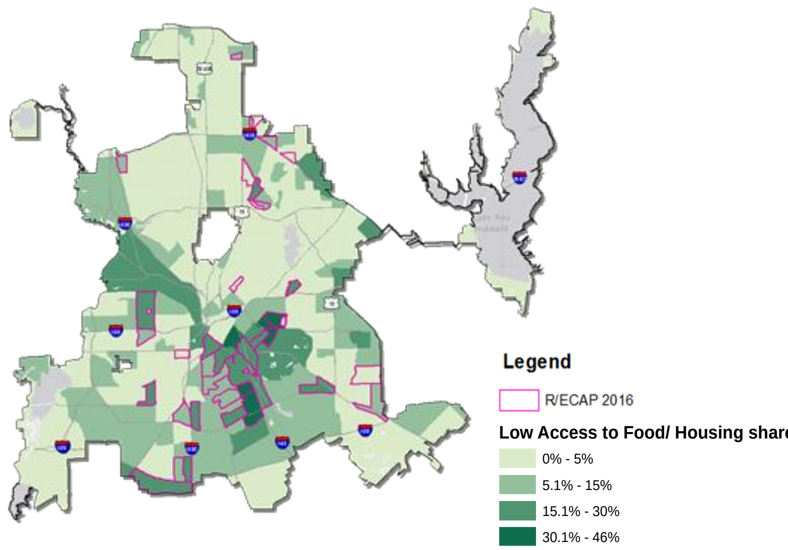
In 2015, the U.S. Department of Agriculture (USDA) developed its second Food Access Research Atlas. It offered several food access measures at the census tract level combined with a measure of vehicle availability for all tracts (USDA, 2017). The atlas considers a census tract low access if a significant number (at least 500) or share of (at least 33%) individuals live far from a supermarket.

Summary data findings:

- About 56% of all R/ECAPs in Dallas (20 out of 36) also have low access to food.
- Conversely, 77% (20 out of 26) of the areas characterized by low access to food and vehicle availability also receive a R/ECAP designation.
- Census tracts with the greatest shares of housing units without a vehicle and beyond ½ mile from a supermarket correlate with R/ECAP and/or tend to be located in the southern sector of Dallas.



Low Income and Low Access census tract, Dallas (2015)



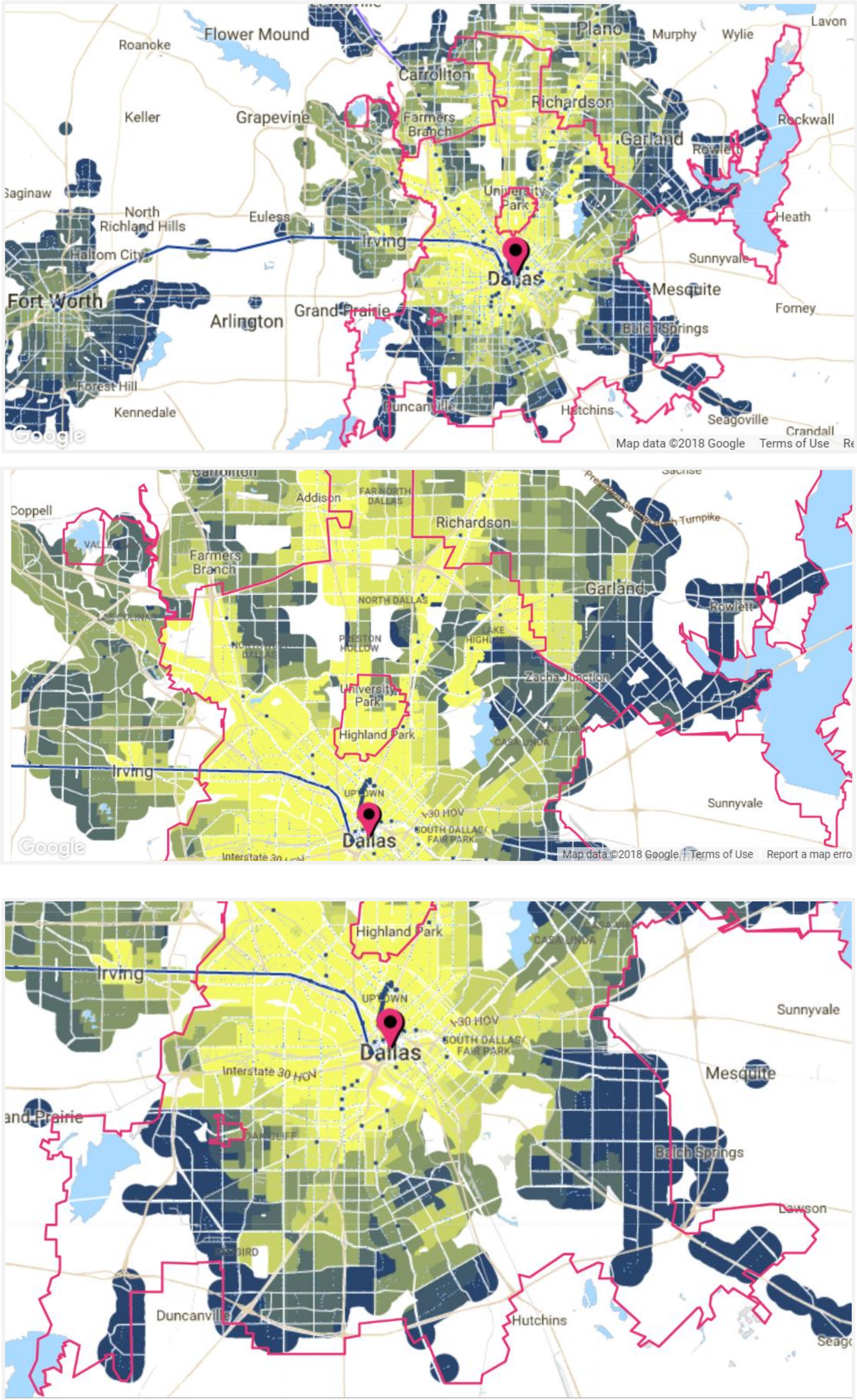
Share how housing with low access to supermarket, Dallas (2015)

PUBLIC TRANSPORTATION AND ACCESS TO JOBS

The Center for Neighborhood Technology (CNT) created an analytical platform using a wealth of transportation-related data to assess the performance, quality and impact of public transit (source: AllTransit). The following sets of maps show the number of jobs accessible within a 30-minute transit commute by workers with monthly earning greater than $3,333.

Summary data findings:

- Overall greater access in Dallas than in counterpart cities (i.e. Fort Worth, Garland, Plano…)
- Yet, jobs ($3,333/month) appear not equally accessible by transit within Dallas
- Relatively lower access to jobs occurs in southern Dallas and the previously identified R/ECAP census tracts
- An estimated 10% of households (46,627) who live near transit own no vehicles
- While more than 92% commuters live near transit (within half a mile), only 4.7% commute via public transportation
- Proximity to transit does not always translate into transit usage, or transportation affordability (Smart & Klein, 2018).
- A regional monthly transit pass costs $160



Number of jobs accessible within a 30 minute transit commute held by workers with earnings greater than $3333/month on average for households.

< 12,500 Jobs | 12,500-25,000 Jobs | 25,000-50,000 Jobs | 50,000-75,000 Jobs | 75,000-100,000 Jobs | 100,000-125,000 Jobs | 125,000-150,000 Jobs | 150,000 Jobs+

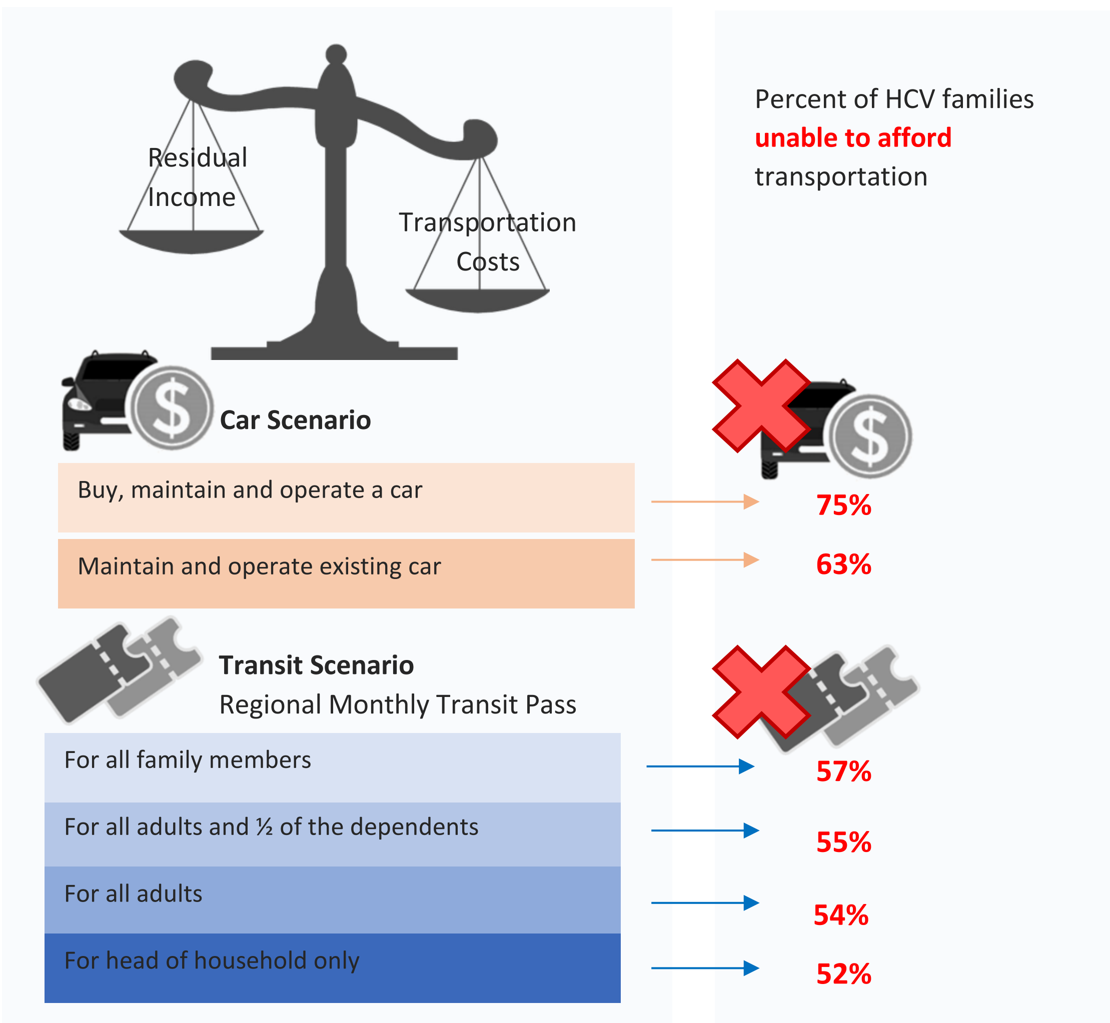
Source: Center for Neighborhood Technology, AllTransit

TRANSPORTATION AFFORDABILITY

A study conducted by Igoufe, Mattingly, and Audirac (2018) at the University of Texas at Arlington examined the extent to which HUD-assisted families (HCV) face cumulative barriers to affordable transportation options. The assessment looked at both private and public transportation options.

Summary data findings:

- A large share of HCV families face severe transportation affordability challenges that threaten their ability to meet basic needs and achieve upward mobility
- After meeting non-transportation needs (food, childcare, health care, housing…), results show that about 75% of HCV families cannot afford to buy, maintain and operate a car
- Close to six out of 10 families cannot afford a regional monthly transit for their family
- While some families reside near transit, a majority do not have sufficient resources to travel via transit, even when only the head of household needs to commute.
- Study offers insight on barriers to self-sufficiency faced by the extremely and low-income population in DFW.



Source: Igoufe, Mattingly, and Audirac (2018)

INEQUITIES IN ACCESS TO OPPORTUNITY

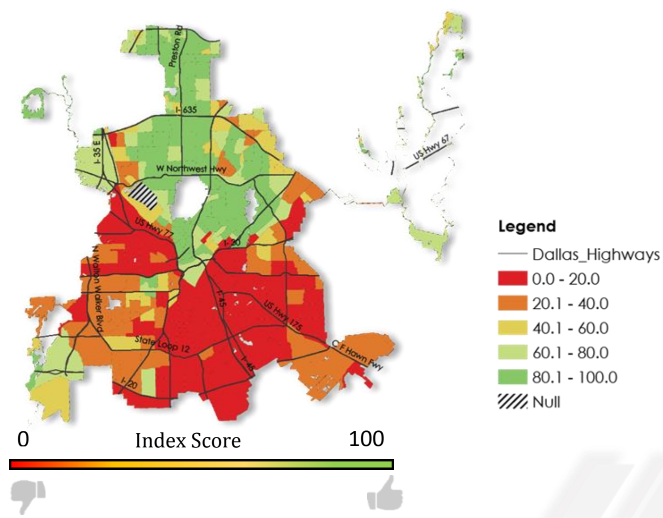
To assess disparities in access to opportunity, HUD provided seven opportunity indices (Low Poverty, School Proficiency, Labor Market, Transit, Low Transportation Cost, Jobs Proximity, and Environmental Health indices). Four overarching patterns emerged.

Summary data findings:

- From a regional perspective, suburbs tend to outperform Dallas (and Fort Worth area) across all but transportation-related indices. Correspondingly, the region tends to outperform Dallas.
- In Dallas, stark inequities exist across groups. Low-income, nonwhite, Limited English Proficiency, foreign-born populations as well as individuals with disability and families with children tend to have significantly lower access to opportunity compared to their counterparts.
- Spatially, the disparities across population groups follow the identified segregated residential patterns, along both economic and racial/ethnic lines.
- The stark geography of inequity and segregation compounds the fair housing challenges faced by vulnerable populations

Labor Market Engagement Index provides a description of the relative intensity of labor market engagement and human capital in a neighborhood.

The following map shows the geography of the index. The table shows the distribution of each population groups across low and high-performing census tracts.



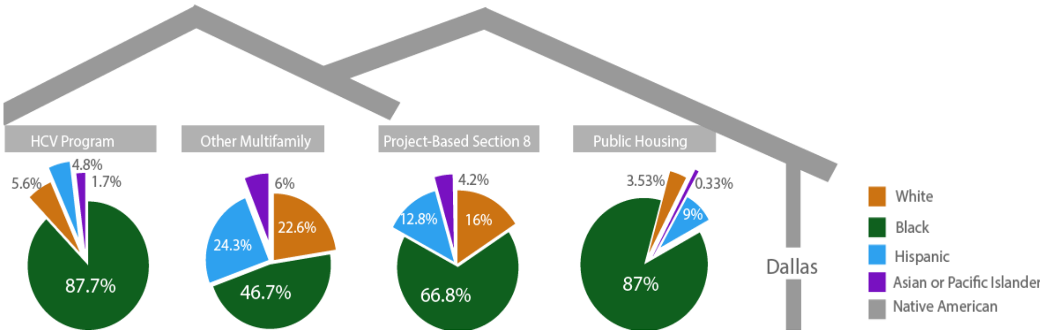
Spatial patterns: Labor Market Engagement Dallas

Labor Market Engagement Score across groups, Dallas

Dallas Index Score	Number census tracts	% White	% Black	% Hispanic	% Asian/PI	% AMI30	% AMI50	% AMI80	% LEP	% Foreign Born	% Families with Children	% Disability
0-9	36	1.4	20.5	8.1	0.7	15.4	10.5	7.2	7.8	6.3	7.0	12.6
10-19	40	3.7	21.2	17.2	2.9	17.6	15.0	12.4	15.5	13.3	12.0	17.0
20-29	33	3.1	9.2	17.9	5.3	12.0	12.6	11.9	19.7	16.3	11.8	10.0
30-39	35	5.5	10.7	16.4	6.8	11.8	13.7	12.7	16.6	14.9	11.8	11.4
40-49	22	3.7	5.5	10.3	7.0	7.7	9.6	8.8	11.1	10.6	7.6	5.7
50-59	25	6.6	7.9	7.8	6.7	5.9	7.3	8.7	7.0	7.1	7.6	7.3
60-69	32	9.7	7.6	6.4	12.6	6.6	7.9	8.3	7.4	7.4	8.1	7.7
70-79	33	14.3	7.9	5.5	12.5	5.3	7.1	8.4	4.5	6.4	10.1	8.9
80-99	36	15.1	4.0	5.0	12.1	6.7	5.8	7.0	4.9	7.0	8.7	6.8
90-100	87	37.0	5.5	5.5	33.2	10.9	10.5	14.6	5.4	10.6	15.3	12.6

LOCATIONAL PATTERNS OF PUBLICLY SUPPORTED HOUSING

In Dallas, black households represent the majority of participants in the HCV (88%) and public housing (78%) programs. While representing a lesser share, black households remain the dominant group in Section 8 (67%) and other multifamily programs (47%). Hispanic households make up the second largest group in other multifamily programs (24%) and the third largest group (13%) in the project-based section 8 programs, after white households (16%). Asian or Pacific Islander households participate at a greater rate in the other multifamily program, as opposed to the HCV or public housing programs.



Racial/ethnic composition of publicly supported housing programs, Dallas (source: HUD)

Averages by race and ethnicity, median income of census tract in which developments/families are located						
	HCV Program	LITHC	Section 202	Section 811	Project-Based Section 8	Public Housing
White	12%	17%	14%	11%	13%	24%
Black	45%	34%	56%	17%	38%	33%
Hispanic	39%	45%	28%	66%	49%	98%
Asian or PI	2.2%	2.3%	1.2%	4.3%	1.9%	4.3%
Native American	0.1%	0.1%	0.1%	0%	0.1%	0.05%
Median Income	$40,155	$30,932	$35,918	$31,823	$31,958	$33,689
Total	10,531	159	9	3	25	16

The average neighborhood racial and ethnic composition for each program does not perfectly reflect (in proportion) the composition of each program, although developments and families tend to be located in mostly nonwhite neighborhoods (proportion greater than city average).

Average opportunity index score						
Index	HCV Program	LITHC	Section 202	Section 811	Project-Based Section 8	Public Housing
Low Poverty	**16**	**13**	**16**	**13**	**14**	**21**
Environmental Health Hazard	**28**	**27**	**26**	**26**	**28**	**31**
Labor Market Engagement	**28**	**31**	**24**	**30**	**31**	**39**
Job Index	**44**	**54**	**51**	**67**	**44**	**59**
School Index	**29**	**29**	**36**	**34**	**23**	**39**
Transportation Cost	**73**	**77**	**68**	**83**	**71**	**77**
Transit	**56**	**58**	**53**	**60**	**54**	**56**

Overall, HCV families and developments tend to register comparable low scores across opportunity indices, with relatively higher scores for job (50s-60s) and transportation-related (70s-80s) indices.

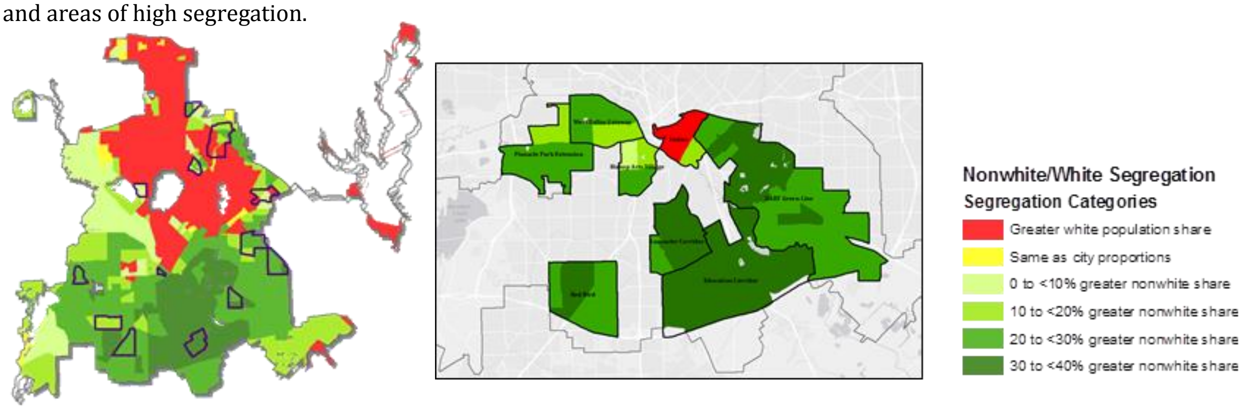
OVERVIEW OF GEOGRAPHIC STRATEGIES/PLACE-BASED INVESTMENTS

Location matters. For purposes of the rule, **affirmatively furthering fair housing** "means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, **replacing segregated living patterns** with truly integrated and balanced living patterns, **transforming racially and ethnically concentrated areas of poverty into areas of opportunity**, and fostering and maintaining compliance with civil rights and fair housing laws.

SEGREGATION:

Neighborhood Plus Plan: The designated Neighborhood Plus Plan focus areas greatly vary in racial/ethnic composition. Several designated areas respectively cover predominantly white areas, and census tracts with a nonwhite population share less than 10% greater than city average. A few other designated areas encompass census tracts with a nonwhite population share between 20% and 30% greater than city average.

GrowSouth Initiative: Given the clustering of highly segregated neighborhoods in the southern sector of Dallas and the intentional geographical focus of the GrowSouth (GS) initiative, great overlap exists between the GS designated focus areas and areas of high segregation.

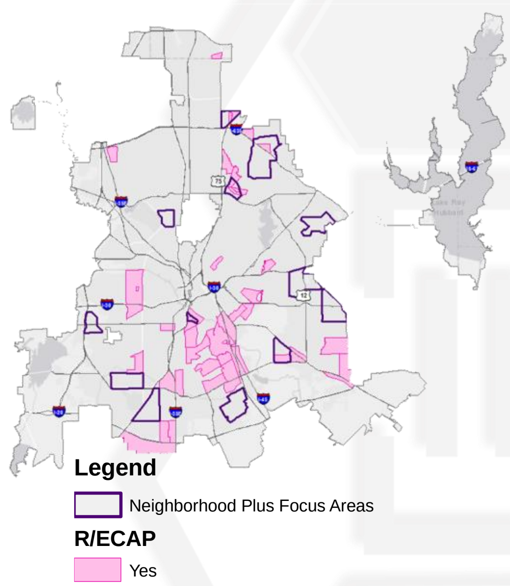


Overlay Neighborhood Plus (left) and GrowSouth (right) focus areas with segregation patterns (2015)

RACIALLY/ETHNICALLY CONCENTRATED AREAS OF POVERTY:

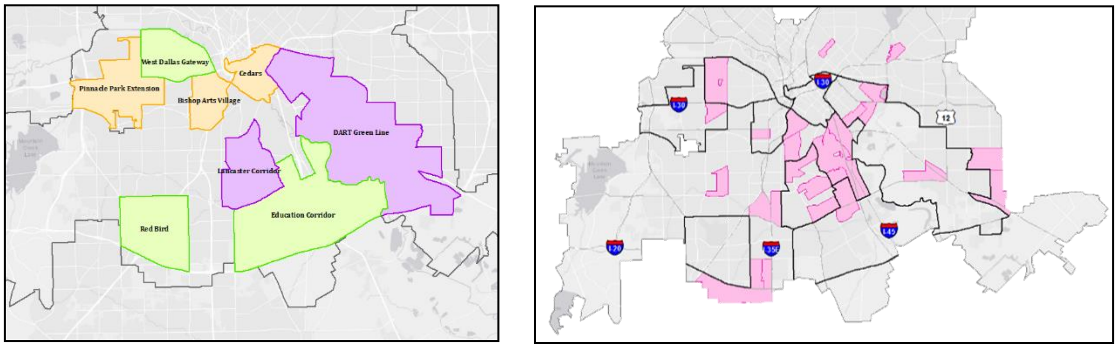
Neighborhood Plus Plan: Little overlap exists between the designated NP focus areas and areas of high poverty and minority concentration (R/ECAPs). The poverty rate of all NP focus areas (except Pemberton Hills) remains significantly lower than R/ECAPs (at least 40%).

Neighborhood Plus Focus Areas Overlapping with R/ECAPs	Number of R/ECAPs at least partially within NP areas in 2015	Number of R/ECAPs at least partially within NP areas in 2016	Average Poverty Rate (2016)	Average Nonwhite concentration (2016)
The Bottom	1		26%	85%
Vickery Meadow	2	2	33%	71%
Pemberton Hills	1	1	41%	97%
Family Corridor	1	1	24%	70%
Coit/Spring Valley	2	2	30%	82%
Elm Thicket-Northpark			9%	53%
Bonnie View			27%	98%
Kiest Cliff/Kimball Heights			28%	91%
Red Bird			28%	94%
Casa View			20%	74%
Skyline			28%	80%
Arcadia Park			27%	94%
Pleasant Grove			24%	89%
Total	7 (out of 32)	6 (out of 36)	26%	80%



Overlay, Neighborhood Plus focus areas and R/ECAPS (2016)

GrowSouth Initiative: Substantial overlap exists between the GS designated focus areas and R/ECAPs. An estimated nine R/ECAPs are contained (even partially) within GS focus areas. The average poverty rate of GS focus areas is lower than the one of R/ECAPs (at least 40%).

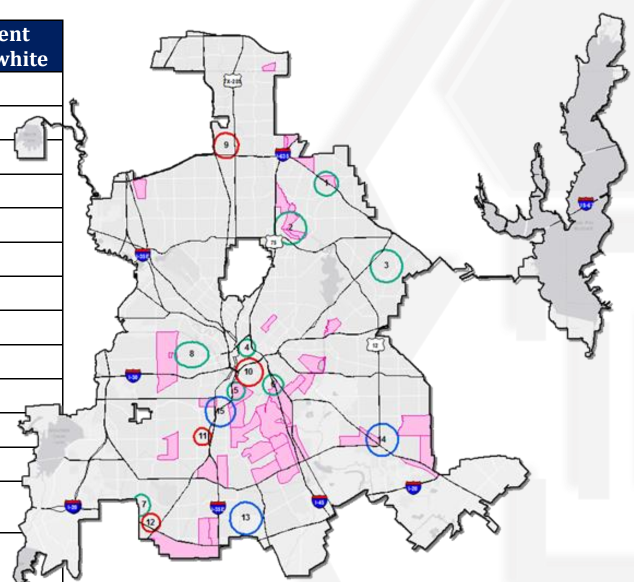


Overlay GrowSouth (right) focus areas and R/ECAPS (2016)

GrowSouth Focus Area	Number of R/ECAPs within GS focus area	Average nonwhite population	Average poverty rate
Pinnacle Park Expansion	0	23%	30%
North Oak Cliff (Bishop Arts Village)	0	22%	27%
Greater Downtown/Cedars	0	47%	33%
Education Corridor	1	88%	29%
Red Bird	0	82%	24%
West Dallas Gateway	1	50%	36%
Lancaster Corridor	3	70%	38%
Dart Green Line	4	45%	35%
Total	9	53%	32%

Housing Policy targeted areas: Little overlap exists between targeted areas and existing R/ECAPs. Similarly, the poverty rate of these targeted areas remains lower than R/ECAPs (at least 40%).

MAP ID	NAME	TYPE	R/ECAP Overlap?	Poverty Rate	Percent Nonwhite
1	LBJ – Skillman	Stabilization	Complete	30%	79%
2	Vickery Meadow	Stabilization	Complete	30%	65%
3	Casa View	Stabilization	No	**18%**	**66%**
4	East Downtown	Stabilization	No	26%	50%
5	The Bottom	Stabilization	Substantial	31%	75%
6	Forest Heights	Stabilization	Partial	34%	94%
7	Red Bird	Stabilization	No	23%	89%
8	West Dallas	Stabilization	Slight	36%	87%
9	Midtown	Redevelopment	No	**17%**	**62%**
10	High Speed Rail	Redevelopment	No	31%	68%
11	Wynnewood	Redevelopment	No	23%	90%
12	Red Bird	Redevelopment	No	34%	95%
13	University Hills	Emerging Market	No	23%	97%
14	Pleasant Grove	Emerging Market	Partial	37%	93%
15	Southern Gateway	Emerging Market	Partial	31%	89%



Overlay Housing Policy focus areas and R/ECAPS (2016)

OVERVIEW CONTRIBUTING FACTORS TO FAIR HOUSING ISSUES

Comments received from public meetings, focus groups, stakeholder or subject matter expert interviews and consultations were analyzed and coded according to the list of contributing factors initially set forth by HUD. Related contributing factors were grouped to identify trends. Top 5 contributing factors to fair housing issues in Dallas are as follow:

Contributing Factors of Disparities in Access To Opportunity	363	
Lack of public investments in specific neighborhoods, lack of private investment, crime	88	24%
Source of income discrimination, private discrimination, lending discrimination, access to financial services, impediments to mobility	48	13%
Availability, type, frequency and reliability of public transportation	47	13%
Location of proficient schools and school assignment policies	47	13%
Lack of access to opportunity due to high housing costs, loss of affordable housing, location and type of affordable housing	41	11%

Contributing Factors of Segregation	196	
Community Opposition, source of income discrimination, private discrimination, lending discrimination	59	30%
Loss of Affordable Housing, Displacement of Residents due to economic pressures, location and type of affordable housing	51	26%
Lack of Public Investments in Specific Neighborhoods	40	20%
Lack of regional cooperation	19	10%
Land Use and Zoning Laws	18	9%

Contributing Factors of Disproportionate Housing Needs	195	
Availability of Affordable Units in Range of Size, Loss of affordable housing, displacement due economic pressures, access to opportunity, high housing costs, rising rents	68	35%
Lack of Public Investments in Specific Neighborhoods, lack of private investments, lack of police protection or visibility in neighborhood	36	18%
Housing Problems, older homes need expensive repairs, landlords failing to maintain property	31	16%
Source of Income Discrimination, lending discrimination, eviction and criminal background	28	14%
Other, building code and regulation, lack of awareness	18	9%

Contributing Factors of R/ECAPs	169	
Lack of Public Investments in Specific Neighborhoods, lack of private investments, lack of community revitalization strategies, deteriorated and abandoned properties	65	38%
Location and Type of Affordable Housing, loss of affordable housing, displacement of residents due to economic pressure	45	27%
Source of Income Discrimination, community opposition, private discrimination	29	17%
Lack of Local or Regional Cooperation	10	6%
Land Use and Zoning Laws	9	5%

Contributing Factors of Publicly Supported Housing Location and Occupancy	128	
Siting Selection Policies, Practices and Decisions for Publicly Supported Housing, Including Discretionary Aspects of Qualified Allocation Plans and Other Programs, community opposition, impediments to mobility, income discrimination	35	27%
Lack of Access to Opportunity Due to High Housing Costs, loss of affordable housing, displacement due to economic pressures	28	22%
Quality of Affordable Housing Information Programs	14	11%
Lack of Public Investment in Specific Neighborhoods, lack of private investment	13	10%
Lack of Local or Regional Cooperation	11	9%

Disability and Access Issues Contributing Factors	92	
Lack of Affordable, Integrated Housing, accessible housing, in-home services and community service for Individuals Who Need Supportive Services in a range of sizes	24	26%
Access to Transportation for Persons with Disabilities	12	13%
Loss of Affordable Housing, lack of access to opportunity due to high housing costs	9	10%
State/Local Laws, Policies, Practices that Discourage Individuals W/Disabilities Living in Apartments, Family Homes, Supportive Housing, Shared Housing and Other Integrated Settings, access to publicly supported housing	9	10%
Regulatory Barriers to Providing Housing and Supportive Services for Persons With Disabilities	8	9%

Fair Housing Enforcement	10	
Resources (Staff, Budget, etc.) for Fair Housing Enforcement Agencies and Organizations	3	30%
Local Education and Fair Housing Enforcement by Private Housing Providers (Real Estate Agents, Builders, etc.)	2	20%
Local Fair Housing Enforcement by Agencies and Government	2	20%
Resolution of Violations of Fair Housing or Civil Rights Law	2	20%
State or Local Fair Housing Laws	0	0%

From: Darryl Baker
To: Christina Lewis; Teresa Morales
Subject: Re: SHNA - Banking Below 30 (Predatory Lending)
Date: Monday, May 24, 2021 9:17:58 AM

Hello, Ms. Lewis and Ms. Morales.

In case you have not seen this exposé, here it is along with the entire series.

Our major objection to these LIHTC projects is that they are not being approved and located in areas of Dallas where the residents will **thrive**, as required in the rules of the program. In the case of Sterlingshire, the residents are barely surviving in this location and under these circumstances.

We hope that your reviews of the Westmoreland Station application will find this proposal deficient and that you will deny funding to this project that continues to concentrate poverty in a known and documented Crime Hot Spot, as defined by the Dallas Police department.

I am looking forward to speaking with you soon on how we think regulators can help solve this problem for Southern Dallas.

Banking below 30: Banks own many of Dallas' high-crime apartments and they're rewarded for it

Banking below 30: Banks own many of Dallas' high-crime apartments and th...

Kind regards.

Darryl Baker
214-333-0645

Here's the latest report from Channel 8 about the shameful banking practices that our elected officials at all levels (local, state, and federal) are not doing anything to stop.

Video: 'Diabolical and wrong': Wells Fargo, other banks finance predatory lenders that can charge over 400% interest in minority communities
Sunday, May 23, 2021 - 8.48 Minutes
Banks say it's fully legal for them to finance this industry. But in America's moment of racial reckoning, critics ask, is it right?
https://www.wfaa.com/article/money/diabolical-and-wrong-wells-fargo-other-banks-finance-predatory-lenders-that-can-charge-over-400-interest-in-minority-communities/287-f84efb8d-0936-443e-97ad-493776cc153f

Scroll down to see previous reports.

SANDRA G. ALRIDGE
President
SHNA - Singing Hills Neighborhood Association
Dallas City Council District 3
214-564-5338
sgalridge@sbcglobal.net

Here's a link to Sunday night's story, and there are links to previous reports on this type of problem below:

Video - 'You're only crippling us': Banks own many of Dallas' low-income, high-crime apartments — and they're rewarded for it
Banks are required to lend to low-income borrowers. But, instead of loans, regulators incentivize banks to invest in housing built in areas of crime and blight.
Sunday, February 28, 2021 - 11.09 Minutes
https://www.wfaa.com/article/news/local/investigates/banking-below-30-banks-own-dallas-low-income-high-crime-housing-incentives/287-e49aa69d-9bd1-4072-aaa8-c50f47ac0af2

Video: WFAA Finds Banks Exclude Blacks, Hispanics in Southern Dallas From Access to Loans
November 24, 2020 - 9.16 Minutes
https://www.wfaa.com/video/news/local/investigates/wfaa-finds-banks-exclude-blacks-hispanics-southern-dallas-loan-access/287-abf6bf2d-8f9b-4257-8fcc-a34fa4006b5d

Facebook Video: Verify - Banking Below 30
November 26, 2020 - 9.22 Minutes
https://www.facebook.com/watch/?v=327438888694627

Video: Congressional hearings planned over failure by banks and regulators to provide access to loans in minority communities of Dallas. In response to a WFAA report showing 20% of banks do not serve below I-30, three members of Congress will question banks and regulators, looking for solutions.

December 6, 2020 - 4.04 Minutes
https://www.wfaa.com/article/news/local/southern-dallas/congressional-hearing-planned-in-response-to-wfaa-investigation-into-minority-lending/287-9ce1fdc4-6dd2-4890-afdd-054b379d6590

Video: Banking Below 30: Activist (Diane Ragsdale) calls on the U.S. Department of Justice to investigate Dallas banks. A WFAA investigation found bank examiners allow banks to exclude service to minority communities, leading to a call for federal investigators to step in.
December 13, 2020 - 4.59 Minutes
https://www.wfaa.com/video/news/local/banking-below-30-activist-calls-on-us-department-of-justice-to-investigate-dallas-banks/287-46fd7bce-a14c-43db-9d65-d966f62a37a6#:~:text=Texas%20%7C%20WFAA.com-,Banking%20Below%2030%3A%20Activist%20calls%20on%20U.S.%20Department,Justice%20to%20investigate%20Dallas%20banks&text=A%20WFAA%20investigation%20found%20bank,federal%20investigators%20to%20step%20in.

Video - 'You're only crippling us': Banks own many of Dallas' low-income, high-crime apartments — and they're rewarded for it
Banks are required to lend to low-income borrowers. But, instead of loans, regulators incentivize banks to invest in housing built in areas of crime and blight.
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'You're only crippling us': Banks own many of Dallas' low-income, high-c...

Banks are required to lend to low-income borrowers. But, instead of loans, regulators incentivize banks to inves...

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BOARD REPORT

MULTIFAMILY FINANCE DIVISION

JUNE 17, 2021

Report on requests to re-issue Determination Notices for 2021 Non-competitive 4% Housing Tax Credit applications due to the impact of increased construction costs

The impact of the COVID-19 pandemic has been dramatic and far-reaching across multiple sectors of the U.S. economy. One of the areas is a sharp increase in the cost of lumber over the past year. Fueled by increased costs due to safety requirements, lower production due to quarantine, and increased demand due to homeowner interest in remodeling, the increased prices have negatively impacted construction projects. As reported by the National Association of Homebuilders in February 2021: “Lumber prices have skyrocketed more than 180% since last spring, and this price spike has caused the price of an average new single-family home to increase by $24,386 since April 17, 2020, according to NAHB standard estimates of lumber used to build the average home. Similarly, the market value of the average new multifamily home has increased by $8,998 over the same period due to the surge in lumber prices.” This increase in prices means that project costs estimated in recent applications that have already had Determination Notices (Notices) issued are no longer accurate.

The 2020 Private Activity Bond program saw a record-producing year in terms of units produced under the 4% Housing Tax Credit program, ending the year with approximately 17,000 units in affordable housing, in contrast to just over 7,000 in 2019. For 2021, the PAB program is shaping up to follow-suit, with approximately 11,000 affordable units in the pipeline. The demand for PABs is reminiscent of the early 2000s, where the program is oversubscribed and there is currently more than $2.2 billion in bond reservations waiting in line, and the majority of which are for multifamily projects.

The 4% HTC applications, are reviewed by program, underwriting and compliance staff within an approximate 90-day period and Notices are issued on a monthly basis. These Notices have either been approved by the Board, for those applications that were approved prior to the new policy designed to streamline the review process, or had Determination Notices issued administratively, for those applications that were under review at the time the policy adoption in April 2021. Given the aforementioned cost increases, staff has received requests from Applicants to have their Determination Notices re-issued to reflect a credit amount that takes into account current estimated project costs.

By way of background, it is important to explain how cost increases have typically been handled on 4% HTC applications. In contrast to a 9% HTC award, the credit amount is not limited based on statutory provisions on how much an applicant may receive per round, nor is it limited by the ceiling amount the state is allocated. Therefore, the recommended credit amount produced by the Department through its underwriting and evaluation of an application, and solidified in the Determination Notice, is not reflective of the final credit amount that a particular development may be eligible for. At the time the cost certification package is submitted to the Department and reviewed by staff, it is possible that an amount of credit officially allocated could be higher than the preliminary amount reflected in the Determination Notice, provided that the costs can be substantiated.

In considering the request, worth noting is the policy to streamline Department processes recently adopted by the Board at the meeting of April 8, 2021. Specifically, the Board approved a series of waivers relating to staff's evaluation of the reasonableness of certain costs represented by an applicant in an application. The intent of the streamlined approach and requested waivers was to provide relief in the processing of the increased volume of not just 4% HTC applications, but recognizing the statutory timing constraints associated with the 9% HTC program. Moreover, the new approach recognizes the point in time in which evaluating the costs associated with a particular development matters and provides value, which is at cost certification when costs are actually known, instead of speculating what they might be at application and again as a development gets closer to closing.

Staff does not have a process in place or provision in the QAP by which supplemental application exhibits would be submitted post-issuance of the Determination Notice. In evaluating the changes, it would involve staff time to review not just the line-items the applicant noted as changed, but evaluating all other aspects of the costs to ensure they did not change in order to produce an addendum to the originally posted underwriting report.

Staff recognizes that the increase in lumber and other construction-related costs have impacted previously underwritten developments; however, staff does not believe there is value added in accepting and reviewing another round of costs solely to produce a new Determination Notice that reflects a higher credit amount, which an applicant has the ability to request and receive at cost certification. Requests such as this would leapfrog new applications under review in order to not jeopardize their ability to close under their bond reservation deadline, and take staff time away from working the 9% applications that are statutorily required to be approved at the July 2021 Board meeting. Moreover, a re-evaluation of the 4% applications where Determination Notices have already been issued defeats the purpose of the streamlined process.

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TO BE POSTED NOT LATER THAN THE THIRD DAY BEFORE THE DATE OF THE MEETING

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TO BE POSTED NOT LATER THAN THE THIRD DAY BEFORE THE DATE OF THE MEETING

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TO BE POSTED NOT LATER THAN THE THIRD DAY BEFORE THE DATE OF THE MEETING

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TO BE POSTED NOT LATER THAN THE THIRD DAY BEFORE THE DATE OF THE MEETING

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BOARD ACTION REQUEST

MULTIFAMILY FINANCE DIVISION

JUNE 17, 2021

Presentation, discussion, and possible action regarding the approval for publication in the *Texas Register* of the 2021-3 Multifamily Direct Loan Notice of Funding Availability

RECOMMENDED ACTION

WHEREAS, HUD has announced Texas' Program Year 2021 allocation of National Housing Trust Fund in the amount of $41,750,738;

WHEREAS, staff recommends using these funds in this 2021-3 NOFA in a manner that will allow the Department to meet commitment and expenditure deadlines;

WHEREAS, Developments that received Low Income Housing Tax Credits in 2020 may have been negatively impacted by increasing costs of building materials due to the COVID-19 pandemic, and the National Housing Trust Fund can be used for gap financing that supports the Developments continued feasibility;

WHEREAS, waiver of certain non-regulatory and non-statutory requirements, along with application of certain alternative requirements, will allow for a more efficient and less expensive Application process; and

WHEREAS, in order to make any additional funds available to Applicants of the 2021-3 NOFA as quickly as possible, staff recommends that the Executive Director be authorized to amend the 2021-3 NOFA, without further Board approval, however, with all proper public notifications and Action Plan amendments made (as applicable), and reporting those actions to the Board at the next regularly scheduled meeting, rule waivers would still require Board approval;

NOW, therefore, it is hereby

RESOLVED, waiver of 10 TAC §11.101(a)(2) related to Undesirable Risk Features, to the extent that the undesirable feature was disclosed at original Application; 10 TAC §11.101(a)(3)(B)(iii) related to blight and 10 TAC §11.01(a)(3)(B)(iv) related to schools, including disclosure requirements, to the extent that the risk factor was disclosed at original Application; 10 TAC §11.205 related to Required Third Party Reports, with the exception that the Department may request updates to any Report deemed necessary to evaluate an Application under this NOFA; 10 TAC §13.1(c)(1) related to Waivers for Layered Developments, instead Applicant requested Waivers will be treated under 10 TAC §13.1(c)(2); 10 TAC

§13.4(s)(1)(A)(ii)(III) related to 30% units restricted by Housing Tax Credits; 10 TAC §13.5(c) related to Market Analysis; 10 TAC §13.5(g)(2) and (3)(A)-(C) related to eligibility determinations; 10 TAC §13.5(i) related to Effective Rules, only to the extent that the applicable LIHTC requirements of the 2019 or 2020 Qualified Allocation Plan 10 TAC §11.101(4) Mandatory Development Amenities, 10 TAC §11.101(5) Common Amenities, 10 TAC §11.101(6) Unit Requirements, and 2020 10 TAC §11.101(7) Resident Supportive Services will apply; 10 TAC §13.6 relating to scoring, only to the extent that scoring in 10 TAC §11.9 will not apply; 10 TAC §13.11(c)(2) relating to environmental review, the 90-day requirement will be 30 days from the Application Acceptance Date is hereby approved for Applications submitted under the 2021-3 NOFA;

FURTHER RESOLVED, that $37,575,662 in NHTF funds will be made available for Applicants through this 2021-3 NOFA;

FURTHER RESOLVED, that the Executive Director is authorized to amend the 2021-3 NOFA, without further Board approval, however, with all proper public notifications made; and

FURTHER RESOLVED, the Executive Director and staff as designated by the Executive Director are authorized, empowered, and directed, for and on behalf of the Department to execute such documents, instruments and writings and perform such acts and deeds as may be necessary to effectuate the foregoing.

BACKGROUND

The 2021-3 NOFA announces the availability of Multifamily Direct Loan funds for Applications received between June 21, 2021, and October 5, 2021 (if sufficient funds remain). The funds in the NOFA are an amount equal to the Department's 2021 NHTF Allocation (minus the administrative portion).

Waivers included in the NOFA include Application requirements that were met with the previous award, along with fewer Application forms and exhibits. The requirement that NHTF be used to create new 30% units is waived for this NOFA, so that Applicants may be able to access the funds without changing the Unit Mix in the original Application, unless the amount of the NHTF request requires additional NHTF units. These waivers are applicable only to Applications under the 2021-3 NOFA.

Due to the unprecedented nature of the NOFA, and the many waivers required to create a quick and efficient process for Applicants, staff recommends that the Executive Director be authorized to amend the 2021-3 NOFA, without further Board approval, however, with all proper public notifications and Action Plan Amendments made, as applicable. The ability to quickly make adjustments or correct errors will be important to the successful implementation of the NOFA and timely commitment of funds. Waivers of rules will still go to the Board for approval.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
MULTIFAMILY DIRECT LOAN
2021-3 NOTICE OF FUNDING AVAILABILITY (NOFA)
EFFECTIVE JUNE 18, 2021

1) **Summary.** The Texas Department of Housing and Community Affairs (the Department) announces the availability of **$37,575,662** of National Housing Trust Fund (NHTF)[1] for the development of affordable multifamily rental housing for low-income Texans. Applicants under the 2021-3 NOFA will be accepted from June 21, 2021, through October 5, 2021 (if sufficient funds remain). If this NOFA is over-subscribed at any time, the Department may transfer NHTF funds from the 2021-1 NOFA to fund the over-subscription, provided funds are available. Applicants must have received a Low Income Housing Tax Credit allocation in 2020 to be eligible to apply under the 2021-3 NOFA. The maximum Application request is $5,000,000.

   Developments that receive funds under this NOFA will be considered 2021 Developments on the Department's Site Inventory, unless the Development also receives force majeure treatment under 10 TAC §11.6(5).

   The availability and use of these funds are subject to the following rules, as applicable:

   a. Texas Administrative Code (with the exception of waivers in Section 3 of this NOFA)
   10 TAC Chapter 1 (Administration)
   10 TAC Chapter 2 (Enforcement)
   10 TAC Chapter 10 (Uniform Multifamily Rules)
   10 TAC Chapter 11 (Qualified Allocation Plan)
   10 TAC Chapter 12 (Multifamily Housing Revenue Bonds)

[1] NHTF funds under this NOFA are subject to federal Commitment deadlines, and the Board may require a Contract Execution Deadline to enable the Department to meet these federal Commitments regardless of any other time period listed in the Texas Administrative Code. Currently, the next commitment deadline for funds awarded under this NOFA is anticipated to be July 29, 2022. Failure to meet that Contract Execution Deadline, could result in the Applicant having the award reduced in whole or in part.

10 TAC Chapter 13 (Multifamily Direct Loan Rule)
http://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=3&ti=10&pt=1

b. Texas Government Code
Tex. Gov't. Code Chapter 2306
http://www.statutes.legis.state.tx.us/Docs/GV/htm/GV.2306.htm

c. U.S. Department of Housing and Urban Development (HUD) Program Regulations

24 CFR Part 93 (Housing Trust Fund Interim Rule)

d. Fair Housing
Federal Fair Housing Act, 42 U.S.C. 3601-19.
https://www.tdhca.state.tx.us/fair-housing/index.htm

e. Other Federal laws and regulations that apply:

Environmental Compliance
All federal sources must have some type of environmental review in accordance with 24 CFR Part 93
https://www.tdhca.state.tx.us/program-services/environmental/index.htm

Minimizing Resident Displacement
All federal sources must follow the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and HUD Handbook 1378.
https://www.tdhca.state.tx.us/program-services/ura/index.htm

Employment Opportunities
NHTF requires compliance with 24 CFR Part 135 (Section 3).
https://www.tdhca.state.tx.us/program-services/hud-section-3/index.htm
NOTE – the Section 3 requirements have changed, Applicants should review the changes to assure they can meet the new hiring and reporting requirements.

If NHTF funds are awarded and Federal regulations or subsequent guidance imposes additional requirements, such Federal regulations or guidance shall govern.

f. HUD approval of an amendment to the 2020 Action Plan and HUD approval of the 2021 Action Plan may be required prior to the Department awarding funds. Such approval is anticipated to occur by September 1, 2021.

2) Priorities

a. Applications submitted by July 20, 2021, that request less than RAF amount in Attachment A for the region in which the Development Site is located will have an Application Acceptance Date of July 20, 2021.

b. Applications submitted by July 20, 2021, that request greater than RAF amount in Attachment A for the region in which the Development Site is located or if there were insufficient funds to award an application under Priority 2a, will have an Application Acceptance Date of July 21, 2021.
c. Applications received between July 21 and October 5, 2021 will have an Application Acceptance Date the later of July 22, 2021, or the business day the Application is received.
d. All Application Acceptance Dates will be determined in accordance with 10 TAC §13.5(b)

3) Limitations, Waivers, and Alternative Requirements

a. The amount of funding that may be requested is limited to: the documented increase in Building Costs from the previous Application, within the limitations of 10 TAC §13.3(e) related to Ineligible Costs; the documented costs of compliance with Housing Trust Fund regulations at 24 CFR Part 93 (that are not already required by the funding sources identified as part of the 2020 LIHTC award); and the documented costs of compliance with the Uniform Relocation Act (that are not already required by the funding sources identified as part of the 2020 LIHTC award) .

b. The Developer Fee may not increase, and the deferred Developer Fee may not decrease from the original Real Estate Analysis report.

c. Construction may not have started, with the exception of necessary health and safety repairs.

d. Texas Administrative Code waivers and Alternative Requirements provided for in this NOFA:

- **i.** 10 TAC §11.101(a)(2) related to Undesirable Risk Features, to the extent that the undesirable feature was disclosed at original Application;
- **ii.** 10 TAC §11.101(a)(3)(B)(iii) related to blight and 10 TAC §11.01(a)(3)(B)(iv) related to schools, including disclosure requirements, to the extent that the risk factor was disclosed at original Application;
- **iii.** 10 TAC §11.205 related to Required Third Party Reports, with the exception that the Department may request updates to any Report deemed necessary to evaluate an Application under this NOFA;
- **iv.** 10 TAC §13.1(c)(1) related to Waivers for Layered Developments, instead Applicant requested Waivers will be treated under 10 TAC §13.1(c)(2);
- **v.** 10 TAC §13.4(s)(1)(A)(ii)(III) related to 30% units restricted by Housing Tax Credits;
- **vi.** 10 TAC §13.5(c) related to Market Analysis;
- **vii.** 10 TAC §13.5(g)(2) and (3)(A)-(C) related to eligibility determinations;
- **viii.** 10 TAC §13.5(i) related to Effective Rules, only to the extent that the requirements of the applicable 2019 or 2020 QAP requirements for LIHTC awards will instead be utilized 10 TAC §11.101(4) Mandatory Development Amenities, 10 TAC §11.101(5) Common Amenities, 10 TAC §11.101(6) Unit Requirements, and 10 TAC §11.101(7) Resident Supportive Services will apply.

ix. 10 TAC §13.6 relating to scoring, only to the extent that scoring in 10 TAC §11.9 will not apply.

x. 10 TAC §13.11(c)(2) relating to environmental review, the 90-day requirement will be 30 days from the Application Acceptance Date.

4) Loan Terms

a. **Construction-to-Permanent Loans.** Loans will be structured as deferred-forgivable, deferred-payable, Surplus Cash (sometimes referred to as cash-flow), or with must pay monthly provisions, as required to optimize assistance to the Development, as recommended by Real Estate Analysis. For Federal Housing Authority layered transactions subject to the MAP Guide, only the Surplus Cash option is available. The term of the loan and the amortization period (not to exceed 40 years) will match any superior debt, with an interest rate as low as 0% interest.

b. **Construction-Only Loans.** Requests structured as construction-only loans will have an interest rate of 0% with the principal amount of the Direct Loan due upon the end of the construction loan term as established in 10 TAC §13.8(e)(1).

4) Maximum Per Unit Subsidy Limits and Maximum Rehabilitation Per-Unit Subsidy Limits.

The maximum per unit subsidy limits that an Applicant can use to determine the amount of Direct Loan funds they may request are listed in the 2021 Maximum Per Unit Subsidy Limits table provided in this Section 5:

2021 Maximum Per Unit Subsidy Limits[2]		
Bedrooms	**Non-elevator property**	**Elevator-served property**
0 bedroom	$145,685	$153,314
1 bedroom	$167,978	$175,752
2 bedroom	$202,586	$213,718
3 bedroom	$259,20	$276,482
4 bedroom or more	$288,893	$303,490

Smaller per unit subsidies are allowable and incentivized as point scoring items in 10 TAC §13.6. Once the Applicant commits a number of Direct-Loan Units in the Application, the number may be raised, at Department request, to account for a change in Development costs or to account for other federal funding, but the number may not be lowered.

5) Application Submission Requirements.

a. <u>Application Acceptance Period</u>**. Applications under this NOFA will be accepted starting at 8:00 a.m. Austin local time on June 21, 2021, through October 5, 2021 at 5:00 p.m. Austin local time (if sufficient funds remain).** An Applicant may have only one active Application per Development at a time under this or any other Department NOFA.

[2] These limits are inclusive of any federal fund sources in the Development.

b. Application Submission Materials**.** All Application materials including manuals, NOFAs, program guidelines, and rules will be available on the Department's website at https://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm. Applications will be required to adhere to the requirements in effect at the time of the Application submission including any requirements of federal rules that may apply and subsequent guidance provided by HUD. Waiver of specific rules is made through this NOFA and accompanying Board Action Item.

The following Application materials are required for the 2021-3 NOFA.

1. Fully executed 2021 Development Owner Certification, Applicant Eligibility Certification(s), and Multifamily Direct Loan Certification;
2. Tab 6b – Multifamily Direct Loan Self-score;
3. Tab 7, Section 8 - Site and Neighborhood Standards;
4. Tabs 11 and 12, Section 3 Site Information Form Part III and Support Documentation to the extent that it might have changed from the original Application, and if the Applicant does not own the property the contract for sale with the required language in 10 TAC §13.5(e).
5. Tab 17 - Development Narrative, including description of any value – engineering from the original Application, the loan type requested, and if requesting a deferred-forgivable loan, a description of how the loan is treated with respect to Eligible Basis;
6. Tab 19, Section 2 – Rent Levels of Residents;
7. Tab 21 – Occupied Developments, Uniform Relocation Act section, if applicable;
8. Tab 22 – Architectural Drawings, only to the extent that they may have changed from the original Application;
9. Tab 23 – Building/Unit Configuration, only to the extent that they may have changed from the original Application;
10. Tab 23 - Rent Schedule reflecting 2021 rent limits;
11. Tab 26 – Annual Operating Expenses;
12. Tab 27 – 15 Year Rental Housing Operating Pro Forma;
13. Tab 30 – Development Cost Schedule supported by a draft Construction Contract and Schedule of Values;
14. Tab 31 – Schedule of Sources reflecting current financing structure, including required Match Funds proposed to offset development cost, as applicable
15. Tab 32 – MF Direct Loan Financial Capacity;
16. Tab 33 – Match Funds;
17. Tab 35 – Supporting Documents evidencing the current financing as shown by executed loan documents or current term sheets, as applicable;
18. Amendment request, if applicable per https://www.tdhca.state.tx.us/asset-management/pca-manual.htm ; and

19. Additional information as requested by the Department in its sole discretion.

c. An Application must be on forms provided by the Department, and cannot be altered or modified, and must be in final form before submitting it to the Department. An Applicant must submit the Application materials as detailed in the Multifamily Programs Procedures Manual (Manual) in effect at the time the Application is submitted, as may be modified by requirements in this NOFA. All scanned copies must be scanned in accordance with the guidance provided in the Manual in effect at the time the Application is submitted.

d. **Minimum Requests.** The request for funds may not be less than $500,000. However, if the underwriting report indicates that the Development will be feasible with an award of less than $500,000, staff may recommend a lower award.

e. **Match Submission Requirements.**

i. All Applicants must provide Match in the amount of **at least 7.5%** of the Direct Loan funds requested. Except for Match in the form of the net present value of a below market interest rate loan or a property tax exemption under Sections 11.111, 11.18, 11.181, 11.182, 11.1825, or 11.1827 of Texas Property Tax Code, Match must be documented with a letter from the anticipated provider of Match indicating the provider's willingness and ability to make a financial commitment should the Development receive an award of Direct Loan funds.

ii. All Applicants will be required to provide HOME Match-Eligible Unit(s) in accordance with 10 TAC §13.2(a)(6) and §13.10(c) and federal guidance at https://www.hudexchange.info/resource/2676/notice-cpd-97-03-home-program-match-guidance/

f. All 4% HTC-layered applications must provide evidence of a Reservation with submission of the MFDL Application submission.

g. Application fee payable to the Texas Department of Housing and Community Affairs in the amount of $1,000.00 per Application. Payment must be in the form of a check, cashier's check or money order. Do not send cash. Tex. Gov't Code §2306.147(b) requires the Department to waive Application fees for private 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. The Application fee is not a reimbursable cost under the Multifamily Direct Loan Program.

h. An Application must be uploaded to the Department's secure web transfer server in accordance with 10 TAC §11.201(1)(C).

8) Post Award Requirements. Applicants are strongly encouraged to review the applicable Post

Award requirements in 10 TAC Chapter 10, Subchapter E, Post Award and Asset Management Requirements and 10 TAC Chapter 13, as well as the Compliance Monitoring requirements in 10 TAC Chapter 10, Subchapters F and G.

a. Awarded Applicants may, at the Department's discretion, be charged fees for underwriting, asset management, and ongoing monitoring.

b. An Applicant will be required to record a Land Use Restriction Agreement (LURA) limiting residents' income and rent for the greater amount of Units required by the Direct Loan Unit Calculation Tool along with any required HOME Match-eligible units, or as represented in the Application for the term of the LURA.

c. An Applicant must have a current Data Universal Numbering System (DUNS) number and be registered in the federal System for Award Management prior (SAM) prior to execution of a Direct Loan contract. Applicants may apply for a DUNS number at dnb.com). Once you have the DUNS number, you can register with the SAM. Because these awards are anticipated to proceed swiftly to contract, applicants are highly encouraged to apply for the DUNS number and register in SAM upon Application submission.

d. An Applicant may be required to meet additional requirements prior to contract, as determined by the Board, or federal or state requirements.

e. An awarded Applicant may be required to meet additional documentation requirements in order to draw funds, in accordance with its Previous Participation results.

9) Miscellaneous.

a. This NOFA does not include text of the various applicable regulatory provisions pertinent to the NHTF funds. For proper completion of the application, the Department strongly encourages potential Applicants to review the State and Federal regulations.

b. All Applicants must comply with public notification requirements in 10 TAC §11.203.

c. Waivers of any substantive or procedural provision of this NOFA, if available, will be treated in accordance with 10 TAC §13.1(c). 10 TAC §13.1(c) may not be waived.

d. For questions regarding this NOFA, please contact Charlotte Flickinger, Multifamily Direct Loan Manager, at charlotte.flickinger@tdhca.state.tx.us.

Attachment A

Regional Allocation Formula

Region	Allocation Amount
1	$ 1,116,237.06
2	$ 617,616.69
3	$ 9,317,707.69
4	$ 1,577,220.44
5	$ 1,133,238.27
6	$ 8,895,130.07
7	$ 2,574,861.08
8	$ 1,740,491.48
9	$ 3,433,324.37
10	$ 1,095,717.36
11	$ 4,004,828.97
12	$ 723,695.86
13	$ 1,345,594.85

9

BOARD ACTION REQUEST

COMMUNITY AFFAIRS DIVISION

JUNE 17, 2021

Presentation, discussion, and possible action on an appeal of Galveston County Community Action Council's terminated application to administer the Comprehensive Energy Assistance Program in Brazoria, Fort Bend, Galveston, and Wharton counties

RECOMMENDED ACTION

WHEREAS, on March 11, 2021, the Board instructed staff to terminate the 2020 CEAP and CEAP CARES Act contracts with Galveston County Community Action Council (GCCAC) and authorized staff to release a Request for Applications (RFA) to identify permanent provider(s) to administer 2020 CEAP (if funds remain), CEAP CARES Act, and 2021 CEAP contracts and to be designated as the permanent CEAP network provider(s) in Brazoria, Fort Bend, Galveston, and Wharton counties;

WHEREAS, on April 5, 2021, staff released an RFA seeking qualified organizations to submit an application to administer CEAP in Brazoria, Fort Bend, Galveston, and Wharton counties, specifically noting in the RFA that the Department has initiated proceedings to remove the CEAP funds from the current provider (GCCAC) and that the RFA does not negate or limit the rights and opportunities of the existing provider to retain the program (via an upcoming SOAH proceeding);

WHEREAS, to meet the requirements set forth in the RFA, interested applicants must have submitted a complete application through the established system (i.e., Wufoo) as clearly described in the RFA by Friday, April 30, 2021, 5:00 p.m.;

WHEREAS, Department staff received GCCAC's application at 5:18 p.m. via email (not the system required in the RFA);

WHEREAS, staff determined that the application is not eligible and will not be considered because GCCAC's application was submitted after the deadline and was not submitted through the Wufoo system as instructed in the RFA;

WHEREAS, on May 5, 2021, the Department sent a letter to GCCAC terminating their application and informing them of their appeal rights;

WHEREAS, on May 7, 2021, the Department received GCCAC's letter of appeal to the Executive Director;

WHEREAS, in a letter to GCCAC on May 20, 2021, the Executive Director denied the appeal based on the fact that there was ample time to submit the application and that seven other applicants successfully submitted their applications before the deadline and through the Wufoo system;

WHEREAS, on May 24, 2021, the Department received GCCAC's letter of appeal to the Board appealing the Executive Director's decision to terminate the application citing bias against GCCAC and that their application was submitted on time but rejected by the Wufoo system; and

WHEREAS, staff recommends the denial of GCCAC's appeal to the Board and recommends that the Board uphold the decision to terminate GCCAC's RFA application to administer CEAP in Brazoria, Fort Bend, Galveston, and Wharton counties;

NOW, therefore, it is hereby

RESOLVED, that the Board concurs with the Executive Director's decision to deny the appeal and upholds the termination of GCCAC's application on grounds that seven other applicants successfully submitted their applications on time through the Wufoo system as was required in the RFA and that GCCAC had ample time within which to submit its application by the deadline.

BACKGROUND

On March 11, 2021, the Board instructed Department staff to terminate for good cause GCCAC's 2020 CEAP and CEAP CARES Act contracts and authorized Department staff to release an RFA to identify permanent provider(s) to administer the 2020 CEAP (if funds remain), CEAP CARES Act, and 2021 CEAP contracts, and to be designated as the permanent CEAP network provider(s) in Brazoria, Fort Bend, Galveston, and Wharton counties. The Department released an RFA to administer the CEAP in those counties on April 5, 2021, instructing applicants that applications must be submitted by the deadline of April 30, 2021, at 5:00 pm Austin local time, and submitted through the Wufoo system (an online database that can collect and store applications). By the deadline, Department staff had received seven applications from seven applicants; however, staff had not received an application from GCCAC. In the minutes following the deadline, GCCAC contacted Department staff notifying staff they had tried to submit the application at 4:59 p.m., but that the Wufoo system had denied their submittal. GCCAC sent their application via email and staff received the full application at 5:18 p.m., Austin local time.

Staff made the determination that GCCAC's application was not submitted according to the instructions in the RFA due to it being submitted past the deadline and not submitted through Wufoo and therefore sent a letter to GCCAC on May 5, 2021, terminating their application and informed them of their appeal rights per 10 TAC §1.7 (e) and (f). GCCAC appealed staff's decision to the Executive Director on May 7, 2021, claiming that they did submit their application on time and through Wufoo, but that it was rejected by and the fault of Wufoo. In response, the Executive Director denied GCCAC's appeal citing that seven other applicants had been successful in submitting their applications according to the instructions provided in the RFA and that GCCAC had 25 calendar days within which to do so. On May 24, 2021, the Department received GCCAC's letter seeking to appeal the Executive Director's decision of denial to the Board, and citing bias against GCCAC and a screenshot that indicates rejection of a submission by the Wufoo system at 4:59 p.m.

Because the requirements of the RFA are clearly represented in several places throughout the RFA, it is staff's recommendation to deny GCCAC's appeal to the Board and to sustain staff's termination of

GCCAC's application to administer CEAP services in the four county area of Brazoria, Fort Bend, Galveston, and Wharton counties.

It should be noted that whether TDHCA has good cause to terminate GCCAC's CEAP and CEAP CARES contracts and to not renew them as the four county CEAP provider is the subject of a forthcoming hearing before the State Office of Administrative Hearings. Should GCCAC prevail in this hearing, they will resume their status as the CEAP provider and be renewed for the 2021 CEAP contract. If they do not prevail, however, the decision by the Board on this appeal determines whether GCCAC will have a submitted application in response to the RFA to become the CEAP provider, and be able to compete against the other seven applicants to serve the four county area.

10a

BOARD ACTION REQUEST

ASSET MANAGEMENT DIVISION

JUNE 17, 2021

Presentation, discussion, and possible action regarding a resolution of a dispute concerning the Carryover Agreement

RECOMMENDED ACTION

WHEREAS, Provision at West Bellfort (the Development) received an award of 9% Housing Tax Credits (HTCs) in 2016 for the construction of 116 multifamily units in Sugar Land, Fort Bend County;

WHEREAS, the Underwriting Report issued by the Department's Real Estate Analysis (REA) Division on June 27, 2016, and later amended on July 11, 2017, included several conditions regarding environmental issues identified in the Environment Site Assessment (ESA) report, including one condition due at Cost Certification that required an architect certification that asbestos survey recommendations were successfully implemented in the completion of the Development;

WHEREAS, now that construction of the Development is complete and the cost certification has been submitted to request issuance of IRS Forms 8609, Provision at West Bellfort, LP (the Development Owner or Owner) seeks a waiver, under 10 TAC §11.207, of the requirement in 10 TAC §10.402(j)(3)(E), which specifies that all conditions noted in the Department underwriting report and Commitment must be met before IRS Forms 8609 will be issued;

WHEREAS, the Carryover Agreement incorporates the conditions noted in the Department underwriting report and Commitment and also states that failure to comply with the Commitment or other Legal Authorities may result in the Department refusal to issue 8609s along with other remedies;

WHEREAS, through documentation from the Texas Department of State Health Services submitted by a representative of the Development Owner, the Department confirmed that the previously existing buildings were demolished with no notice of demolition having been filed and asbestos mitigation not done;

WHEREAS, in August 2018, both Gardner Capital, the Developer, and Cannon Construction Company, Inc., the construction contractor, agreed to Filings of

Agreed Orders and paid administrative penalties of $1,000 each to the Texas Department of State Health Services;

WHEREAS, staff does not believe the waiver requirements in 10 TAC §11.207 can be met because the compliance with the condition was preventable by the Development Owner;

WHEREAS, because the condition can no longer be met, the Development Owner has proposed a self-imposed resolution of the matter involving a financial transfer to the Department of $17,400 ($150 per unit); and

WHEREAS, staff requests Board approval to resolve this dispute regarding the Carryover Agreement by entering into an Agreed Final Order, in accordance with the terms and conditions described herein, which will be brought before the Board at a future meeting for adoption;

NOW, therefore, it is hereby

RESOLVED, the authority for staff to draft an Agreed Final Order (which will be brought to the Board at a future meeting for adoption) for the requested resolution of the dispute for Provision at West Bellfort is approved as presented at this meeting, and the Executive Director and his designees are each authorized, directed, and empowered to take all necessary action to effectuate the Board's determination.

BACKGROUND

Provision at West Bellfort received an award of 9% Housing Tax Credits in 2016 for the construction of 116 multifamily units in Sugar Land, Fort Bend County.

At its meeting on July 27, 2017, the Department's Board approved a material Application amendment due to a reduction in equity and the Development being rendered as infeasible. The amendment reduced the total number of units, from 144 to 116, by eliminating 28 of the 50 original market rate units. The number of buildings and the net rentable area were also reduced, resulting in a significant modification to the site plan and to the residential density. Site amenities were also modified. In addition, the site acreage was reduced slightly from 11.2711 to 11.22 acres.

Due to construction delays caused by Hurricane Harvey, the Placed-in-Service deadline was extended multiple times from the original deadline of December 31, 2018, to ultimately December 31, 2019. Construction of the Development has been completed, and all the buildings were placed in service by November, 25, 2019.

The cost certification documentation for the Development has been submitted by the Owner and is currently under review by the Department. Before IRS Forms 8609 are issued, per 10 TAC §10.402(j)(3)(E), all conditions noted in the Department underwriting report and Commitment must be met. The Underwriting Report issued by the Department's Real Estate Analysis (REA) Division on June 27, 2016, and later amended on July 11, 2017, included several conditions regarding environmental issues identified in the Environment Site Assessment report, including one condition, due at Cost Certification, that required an architect certification that asbestos survey recommendations were successfully implemented in the completion of the Development.

At application, the site was leased to a salvage yard and livestock sales/grocery store/butcher shop which would be torn down before construction began. The ESA provider recommended conducting a thorough asbestos survey prior to disturbance of suspect Asbestos-Containing Materials (ACM) during planned renovations or building demolition. As part of the Cost Certification package, the Owner submitted a copy of a Pre-Demolition Asbestos-Containing Building Materials Inspection Report completed in January 2017. The report identified asbestos products in the operating room of the salvage yard and grocery center in fiber backing associated with brown ceramic tile and in gray sheet flooring and mastic associated with multiple layers of linoleum. According to information submitted by the Owner, the combined materials equaled 180 square feet with 100 additional square feet of black mastic.

However, the Development Owner could not locate any records regarding the asbestos remediation, and therefore, could not obtain an architect certification to clear the condition for the issuance of IRS Forms 8609. Through documentation from the Texas Department of State Health Services obtained through an open records request, the Owner confirmed that the previously existing buildings were demolished with no notice of demolition having been filed, and asbestos mitigation not done. In August 2018, both Gardner Capital, the Developer, and Cannon Construction Company, Inc., the construction contractor, agreed to Filing of Agreed Orders and paid administrative penalties of $1,000 each.

In a letter dated May 26, 2021, Amy Dosen, a representative for the Development Owner, Provision at West Bellfort, LP, submitted a request for a waiver, under 10 TAC §11.207, of the requirement in 10 TAC §10.402(j)(3)(E).

Per 10 TAC §11.207, a waiver from the Board may be requested in writing, and may include any plans for mitigation or alternative solutions. In this case, since the demolition has already occurred and mitigation and alternative solutions are not available, the Owner has instead offered to pay $17,400 ($150 per unit). The Owner states that, by granting this waiver, the policies and purposes identified in Tex. Gov't Code §§2306.001, 2306.002, 2306.359, and 2306.6701 will be served because granting the request will better serve the policies and purposes of the Department by maximizing the number of suitable, affordable residential rental units added to the state's housing supply. However, staff believes a waiver is not appropriate because the underwriting condition was known and preventable by the Department Owner.

Typically, violations that are not corrected during a Corrective Action Period are referred by a program division to the Enforcement Committee for a conference and consideration of Administrative penalty or for debarment. Staff considered these options, but does not believe in this case either choice is ideal. The first option is typically used when a violation has not been corrected during the Corrective Action Period, and the second option is typically used for repeated violations or a Material failure to comply. While staff does think failure to comply with the underwriting condition is a Material failure, it is uncertain whether debarment is an appropriate solution in this case. Rather, it might best serve the State's interest to draft an Agreed Final Order where the Owner agrees as to responsibility for the failure to comply and containing a $17,400 payment to the Department. The Agreed Final Order would also be considered by the Compliance division during future Previous Participation Reviews and in any future action by the Enforcement Committee, in accordance with 10 TAC Chapter 1, Subchapter C and 10 TAC Chapter 2. The Owner has agreed with this proposed resolution, and IRS Forms 8609s will not be issued until the Agreed Final Order has been finalized and its terms are met.

Staff requests Board Authority to resolve this dispute regarding the Carryover Agreement by entering into an Agreed Final Order in accordance with the terms and conditions described herein. The Agreed Final Order would be brought to the Board for adoption at a future meeting.

May 26, 2021

By Email to lucy.trevino@tdhca.state.tx.us
Lucy Trevino, Senior Asset Manager
Asset Management Division
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

RE: #16258 - Provision at West Bellfort, Houston, Fort Bend County, Texas;
Waiver Request – Underwriting Report Condition

Dear Ms. Trevino:

We have been working together for some time now on clearing up questions raised in connection with the Cost Certification and 8609 issuance for Provision at West Bellfort (the "Project"). We are now formally requesting a waiver of Section 11.207; Waiver Request; Section 10.402j(3)(E) which references the cost certification and the issuance of 8609s; 3(E) of this section references the need to meet all conditions referenced in the underwriting report. Because the Project is complete and in operation, granting this waiver request will better serve the policies and purposes of the TDHCA than not granting it, because it will assist in maximizing the number of suitable, affordable residential rental units added to the state's housing supply under Section 2306.6701(2) of the Texas Government Code.

The condition of the underwriting report that is needing a waiver is as follows: Architect certification that asbestos survey recommendations were successfully implemented in the completion of the Development.

We believe it is quite clear that we have made every possible reasonable attempt to locate any and all possible records that could assist in this matter, and have been able to do so. We are requesting that a monetary penalty in the amount of $17,400 ($150 per unit) be assessed as a penalty and 8609s be issued for this project.

Please call me if you have any questions and please let us know your preference on the most expedient path forward to resolve this matter.

Sincerely,

Amy M. Dosen, Managing Partner

cc: Rosalio Banuelos, Director, Asset Management

4831-5384-8234.v1

Texas Health and Human Services | Texas Department of State Health Services

Mobile Inspection Report

Name:	Provision at West Bellfort PROVISION AT WEST BELLFORT	**Program/License Type:**	Environmental Notification / Non-Licensed EH	**Inspection Number:**	9864
				Inspection Class:	N Environmental
				Secondary Class:	AB - Asbestos Both
Address:	10534 Belknap Rd SUGAR LAND, TX. 77498 FORT BEND	**License Number:**		**Inspection Type:**	Discretionary/Special
		File Number:	29835	**Inspector:**	BEAVERS, TIM
		License Status:	Current	**Inspection Date:**	11/27/2017
		License Expiration:	04/02/2023	**Disposition:**	0050 - Completed Complaint Open

Notes:

Inspection Public Note

I spoke with Mr. Kyle Dozier, Superintendent for Cannon Construction Company, Inc. about the demolition. Mr. Dozier said he was new to the project and was not on site for the demolition of the small buildings. I asked Mr. Dozier about an asbestos survey but he did not know of one. Mr. Dozier was to contact his company to ask about the survey and have a copy of the asbestos survey sent to PHR 6 but the document was not received. I also asked about a notification for demolition but he was not aware of one. I had searched the online notification system for the addresses of the project and could not find one prior to the inspection.

A call was placed to Cannon Construction and I spoke with Mr. Cannon Neel, Owner, Cannon Construction Company, Inc. I asked Mr. Neel about the buildings demolished at the site and he said Cannon Construction demolished the buildings. I asked if they had an asbestos survey prior to demolition and Mr. Neel said they had a study done by Farmer Environmental Group LLC for ESC Texas LLP. Mr. Neel provided DSHS with a copy of the document.

According to the Farmer Environmental document, it was a "Pre-Demolition Asbestos Containing Building Materials Inspection Report for the Alliance Auto Salvage and African Grocery located at 10534 and 10538 Belknap Road in Sugar Land, Texas 77498, including bulk sample results, sample location drawing, and photographic documentation".

The report found asbestos containing materials that ranged from 2-50% asbestos according to a table on page four. The report also included information suggesting removal of the material prior to demolition. I understand from my conversation with Mr. Neel that no abatement was performed prior to demolition of the buildings. The report specifies a fiber backing that is associated with a brown ceramic tile and a gray sheet flooring that is associated with a red sheet flooring in multiple layers. The combined materials equals 180 square feet with 100 additional square feet of black mastic.

Texas Health and Human Services | Texas Department of State Health Services

Mobile Inspection Report

Document Type:	File Type:	Attachments:	Date:	Notes:
INSP-EVIDENCE	JPG	Alliance Auto Salvage W Bellfort.JPG	04/03/2018	Photograph 1 - Intersection of Belknap Road and West Bellfort Boulevard. The multiple buildings of the pre-demolition site can be matched with the drawing in the Farmer Environmental survey report. (source Google Maps)
INSP-EVIDENCE	jpg	IMG_0112b.jpg	04/03/2018	Photograph 2 - Old mailbox for the address. Signs for the former businesses are still standing.
INSP-EVIDENCE	jpg	IMG_0115b.jpg	04/03/2018	Photograph 3 - Front buildings including #1 and #4 from the survey report used to stand in this area.
INSP-EVIDENCE	jpg	IMG_0118b.jpg	04/03/2018	Photograph 4 - Standing south of Buildings #1, #2 and #3 on the survey site map. Looking north towards the intersection of Belknap and West Bellfort.
INSP-EVIDENCE	jpg	IMG_0120b.jpg	04/03/2018	Photograph 5 - The slab of one of the buildings which did not contain asbestos according to the survey. The survey site map show these metal buildings with red lines indicating them.
INSP-EVIDENCE	pdf	10534 Belknap Road ACBM Surv Rprt.pdf	04/03/2018	Farmer Environmental Survey for 10534 Belknap Road.
INSP-NOTIFICATION	pdf	Standard Letter.pdf	04/03/2018	
INSP-SIGNATURE	png	tbeavers_167_1791.png	04/03/2018	

Mobile Inspection Report

Asbestos Training Audit

Asbestos NESHAP Facility Abatement Inspection

Asbestos Public Building and NESHAP Facility Abatement Inspection

Asbestos NESHAP Facility Demolition Inspection

Owner Responsibilities

Did the owner/operator allow access to the project site?	Yes
Was a thorough asbestos survey conducted before demolition?	NA/UK
Was a timely notification submitted (or amended) and filled out completely and properly?	No
40 CFR 61.145(b). Did not provide notification of demolition as required by the National Emission Standards for Hazardous Air Pollutants (NESHAP) 61.145(b).	Fail

Comment: A notification for the site was not found in a search of the online notifications system.

Was RACM removed before demolition except for an emergency?	NA/UK
Did the waste generator receive a copy of the waste shipment records signed by the disposal site within 35 days of the date accepted by the site and, if not, has the transporter or the waste site been contacted?	NA/UK
Did the waste generator receive a copy of the waste shipment records signed by the disposal site within 45 days of the date accepted by the initial transporter and, if not, has the generator reported it in writing to DSHS?	NA/UK
Has the owner kept a copy of all waste shipment records, including a copy of the waste shipment records signed by the owner or operator of the designated waste disposal site, for at least 2 years?	NA/UK

Demolition

Is RACM that is not removed, because it was not discovered until demolition began, and together with any other RACM is greater than the NESHAP threshold, and asbestos-contaminated debris being kept wet during demoltion and being treated as asbestos-containing waste material?	NA/UK
Is RACM, that is covering, coating, or contained in a facility component, that has been removed from the facility adequately wet during stripping or contained in leak-tight wrapping?	NA/UK
Is there a NESHAP trained individual on-site when greater than the NESHAP threshold of RACM is being disturbed?	NA/UK
Does the NESHAP trained representative have evidence on site that the required training has been completed?	NA/UK
Are visible emissions being prevented when RACM is present?	NA/UK
Are warning labels visible and legible on asbestos-containing waste materials (ACWM) packaging?	NA/UK

Mobile Inspection Report

Are generator labels on containers or wrapping that contains ACWM?	NA/UK

Transportation

Is vehicle transporting ACWM marked during loading and unloading?	NA/UK
Is a waste shipment record maintained for all ACWM transported off the facility site?	NA/UK
Was a copy of the waste shipment record provided to the disposal site at the same time the ACWM was delivered to the site?	NA/UK

Asbestos Public Building and NESHAP Facility OM Inspection

Asbestos General Form

RCQ1. Priority Ranking	Low
RCQ2. Please select an Inspection Type	A note is needed
RCQ3. Please enter a Project Description	A note is needed
RCQ4. Owner Name - From County Appraisal District (Property Type - Real)	A note is needed
RCQ5. Owner Address	A note is needed
RCQ6. Owner City	A note is needed
RCQ7. Owner State	A note is needed
RCQ8. Owner Zip Code	A note is needed
RCQ9. Owner County	A note is needed
RCQ10. Owner Phone	A note is needed
RCQ11. Contractor Name	A note is needed
RCQ12. Contractor Address	A note is needed
RCQ13. Contractor City	A note is needed
RCQ14. Contractor State	A note is needed
RCQ15. Contractor Zip Code	A note is needed
RCQ16. Contractor County	A note is needed
RCQ17. Contractor Phone	A note is needed
RCQ18. Supervisor Name	A note is needed
RCQ19. Supervisor License Number	A note is needed
RCQ20. Supervisor Contact Information	A note is needed
RCQ21. Project Manager Name	A note is needed
RCQ22. Project Manager License Number	A note is needed
RCQ23. Project Manager Contact Information	A note is needed
RCQ24. Consultant Name	A note is needed
RCQ25. Consultant Address	A note is needed

Texas Health and Human Services | Texas Department of State Health Services

Mobile Inspection Report

RCQ26. Consultant City	A note is needed
RCQ27. Consultant State	A note is needed
RCQ28. Consultant Zip Code	A note is needed
RCQ29. Consultant County	A note is needed
RCQ30. Consultant Phone	A note is needed
RCQ31. Name	A note is needed
RCQ32. Title	A note is needed
RCQ33. Name	A note is needed
RCQ34. Title	A note is needed

Asbestos Public Building Abatement Inspection

Asbestos RFCI Inspection

Asbestos Ordered Demolition Inspection

Asbestos Public Building and NESHAP Facility Demolition Inspection

Asbestos Renovation or New Public Building Construction Inspection

Asbestos NESHAP Facility Abatement (2020)

Asbestos Public Building and NESHAP Facility Abatement (2020)

Asbestos Public Building and NESHAP Facility Demolition (2020)

Asbestos NESHAP Facility Demolition (2020)

Asbestos Ordered Demolition (2020)

Asbestos Public Building Abatement (2020)

Asbestos Renovation or New Public Building Construction (2020)

Asbestos Public Building and NESHAP Facility OM (2020)

Asbestos RFCI (2020)

Asbestos Training (2020)

Inspector Signature:

January 30, 2017

Mr. Ruben Esqueda
Gardner Capital
2501 N. Harwood, Suite 1501
Dallas, TX 75201

ECS Project No. 51-1026

Reference: Asbestos-containing Building Materials Survey – Belknap Road Property
10534 and 10538 Belknap Road, Sugar Land, Fort Bend County, TX

Dear Mr. Esqueda:

ECS Texas LLC (ECS) is pleased to provide Gardner Capital with the results of an Asbestos-Containing Building Material (ACBM) Survey for the above-referenced property. The assessment was conducted in general accordance with ECS Proposal No. 17-5014 dated September 28, 2016.

Respectfully submitted,

ECS Texas, LLP

Roger S. Willis II, M.S.
Environmental Project Manager

Craig W. Hiatt
Director of Environmental Services

ATTACHMENT

ASBESTOS-CONTAINING BUILDING MATERIALS SURVEY REPORT

January 27, 2017

Mr. Craig Hiatt
Director of Environmental Services
ECS Texas, LLP
2120 Denton Drive
Suite 105
Austin, Texas 78758

RE: Pre-Demolition Asbestos-Containing Building Materials Inspection
Alliance Auto Salvage and African Grocery
10534 and 10538 Belknap Road – Sugar Land, Texas 77498
Farmer Environmental Group, LLC Project No. 1430.268

Mr. Hiatt:

Enclosed is Farmer Environmental Group, LLC (Farmer)'s Pre-Demolition Asbestos-Containing Building Materials Inspection Report for the Alliance Auto Salvage and African Grocery located at 10534 and 10538 Belknap Road in Sugar Land, Texas 77498, including bulk sample results, sample location drawing, and photographic documentation.

Farmer appreciates this opportunity to provide asbestos consulting services to ECS Texas, LLP. We have enjoyed working with you on this project and look forward to meeting your needs in the future. Should any questions arise concerning this report, please contact us at (281) 558-2880.

Sincerely,

Ralph A. Sanchez, Houston Branch Manager
TDSHS Individual Asbestos Consultant #105744
Farmer Environmental Group, LLC

PRE-DEMOLITION ASBESTOS-CONTAINING BUILDING MATERIALS INSPECTION REPORT

ALLIANCE AUTO SALVAGE AND AFRICAN GROCERY
10534 AND 10538 BELKNAP ROAD
SUGAR LAND, TEXAS 77498

Prepared for:
ECS Texas, LLP
3033 Kellway Drive
Suite 110
Carrollton, Texas 75006

Prepared by:
Farmer Environmental Group, LLC
955 Dairy Ashford, Suite 114
Houston, Texas 77079
(281) 558-2880

January 27, 2017

Farmer Environmental Group Project # 1430.268

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PRE-RENOVATION ASBESTOS-CONTAINING BUILDING MATERIALS INSPECTION REPORT

ALLIANCE AUTO SALVAGE AND AFRICAN GROCERY
10534 AND 10538 BELKNAP ROAD
SUGAR LAND, TEXAS 77498

JANUARY 27, 2017

I. INTRODUCTION

Farmer Environmental Group, LLC (Farmer) inspected the client-specified area (operating room) of the Alliance Auto Salvage and African Grocery center located at 10534 and 10538 Belknap Road in Sugar Land, Texas for asbestos-containing building materials (ACBM) on January 25, 2017. Texas Department of State Health Services (DSHS)-licensed Asbestos Inspector Ms. Ali Berezin (license #603081) conducted this inspection under an agreement between Farmer and ECS Texas, LLP.

The purpose of the inspection was threefold: 1) determine locations and conditions of asbestos-containing products used at the Site; 2) determine the impact these materials will have on planned renovation activities; and 3) assist ECS Texas, LLP and/or their client in obtaining the necessary building permit with the City of Sugar Land in accordance with Senate Bill 509.

II. SUMMARY OF FINDINGS & RECOMMENDATIONS

Based on the laboratory analysis of the bulk samples collected, the following asbestos products were identified at the Site:

1. **Fiber backing associated with brown ceramic tile**
2. **Gray sheet flooring and mastic associated with multiple layers of linoleum**

Please note: buildings within the limits of the Subject Site that were not sampled consisted of metal and concrete. No suspect materials were observed to be present at the time of the assessment. See to Figure 1 for reference.

The Texas Asbestos Health Protection Rules (TAHPR) dictates that only a licensed Asbestos Abatement Contractor can remove, repair, enclose, or encapsulate asbestos-containing material. TAHPR further dictates that asbestos abatement activities be designed and monitored by a licensed Asbestos Consultant Agency.

It should be noted that the inspector made reasonable attempts to determine whether suspect flooring applications were present beneath existing flooring materials. However, suspect asbestos-containing flooring materials may be present under existing flooring materials that were inaccessible without significantly damaging floor covering. Farmer has extensive experience with commercial structures that have been abated prior to demolition or renovation projects. Because commercial renovations occur from time-to-time, existing asbestos-containing floor mastics are occasionally found in sporadic areas under new flooring materials. Although representative samples of existing flooring materials were collected and analyzed for asbestos content during the asbestos inspection, an asbestos inspector cannot confirm that no suspect flooring mastics exist in other areas without removing all of the existing flooring materials. Therefore, demolition of flooring materials should proceed with caution. If suspect flooring materials not identified in this report are uncovered during demolition activities, flooring material demolition should cease until samples of the suspect floor material are analyzed for asbestos content.

Additional bulk samples should be collected from previously concealed materials that may be revealed during demolition activity, or from materials outside the original inspection scope of work. "Suspect" material includes any material serving as a sprayed-on or troweled-on acoustic or fireproofing surface; floor and ceiling tiles; transite panels, siding or shingles; thermal insulation or any material associated with mechanical systems; or any binding agent such as tar sealant, mastic adhesive, roofing tar, caulking, etc. TDSHS regulations require bulk samples in public buildings be collected by a licensed asbestos inspector or individual asbestos consultant.

III. SCOPE OF WORK

The scope of this contract included the following tasks:

TASK 1 A visual inspection of all accessible interior building spaces at the Site. Bulk samples of suspect materials were collected and analyzed by polarized light microscopy (PLM).

TASK 2 Report writing. This Inspection Report includes the following information: analytical results of bulk samples collected to verify asbestos content of suspect materials, description of sample locations, a description of the condition of asbestos found during the inspection, and an asbestos management strategy for the Site.

IV. METHODS & SAMPLING STRATEGY

All accessible building spaces within the scheduled renovation areas at the Site were viewed and suspect materials touched by the inspector to determine the location, condition, and friability of observed asbestos material. All bulk samples were submitted for PLM analysis. When suspect material was initially sighted, one (1) representative bulk sample was usually collected. When similar materials were found in other areas of the Site, additional representative samples were collected to confirm that the material was consistent in asbestos content. In compliance with the Texas Asbestos Health Protection Rules (TAHPR), a minimum of three bulk samples were collected for each homogeneous area. By definition, a homogeneous area means an area of surfacing material, thermal system insulation material, or miscellaneous material that is uniform in color and texture, and is installed within the same period. Farmer collected 75 samples of accessible finish-out materials.

Every reasonable effort was made to view materials with restricted access. However, no demolition activities were performed. Therefore, this report may omit asbestos materials found behind false ceiling, wall, and/or flooring materials.

Farmer has had extensive experience with older buildings that have been abated prior to renovation projects. Occasionally, additional asbestos was discovered during demolition of concealing ceiling, wall, and/or flooring materials.

V. FACILITY DESCRIPTION

At the time of the inspection, the Site consisted of two adjoining properties. One building associated with the address of 10534 Belknap Road operated as Alliance Auto Salvage, and encompassed approximately 400 square feet, depicted as Building 4 in Figure 1. Interior finishes consisted of ceramic floor tile and linoleum flooring, wood walls, and compressed Styrofoam ceiling insulation. The remaining structures were associated with the address of 10538 Belknap Road and operated as an African grocery. Three structures associated with this address encompassed approximately 1,200 square feet (the grocery-Building 1), 800 square feet (Office 1, Building 2), and 600 square feet (Office 2, Building 3). Interior finishes within these structures consisted of VFT, linoleum sheet flooring, wood panel walls, FRP, textured wallboard, acoustic ceiling tiles, gypsum ceiling tiles, and compressed Styrofoam ceiling insulation.

VI. SAMPLE RESULTS

The PLM Report in Appendix I shows the results of PLM analysis for bulk samples collected at the Site, as required under Task 1 above. The PLM Report shows the room or area in which the sample was collected and provides a description of the sampled material. Site drawings are included in Appendix II. Photographs are included in Appendix III. TDSHS licenses are included in Appendix IV.

Any product containing more than 1% fibrous asbestos, when analyzed by PLM, is considered a potential hazard by the Environmental Protection Agency (EPA). PLM is the EPA-recognized method for determining fibrous bulk asbestos content. Additionally, the EPA indicates that further analysis by point counting be performed to confirm asbestos content for friable materials found to contain less than ten percent asbestos by visual area estimation. Point counting analysis may be omitted if the material is assumed to contain more than one percent asbestos and is then handled accordingly. All samples collected by Farmer were analyzed by J3 Resources, Inc., a DSHS-licensed and National Voluntary Laboratory Accreditation Program (NVLAP)-accredited laboratory in Houston, Texas.

Sample analysis reported as "None Detected" should be interpreted as meaning no asbestos was observed in the suspect material above the reliable limit of detection, (1% by visual estimation) for the PLM method.

Sample analysis reported as "Not Analyzed – Positive Stop" should be interpreted as meaning a sample of the same homogeneous material was analyzed with an asbestos content greater than 1%. Further analysis is therefore considered unnecessary.

VII. ASBESTOS AND NON-ASBESTOS PRODUCTS IN THE FACILITY

The following **non-friable** asbestos products were identified at the Site:

Material Description	Quantity	Asbestos Content	Location
Fiber backing associated with brown ceramic tile	80 SF	50% Chrysotile	Alliance Auto Salvage Office (Building 4)
Gray sheet flooring associated with red sheet flooring (multiple layers)	100 SF	30% Chrysotile	Alliance Auto Salvage Office (Building 4)
Mastic associated with gray sheet flooring (likely contamination from sheet flooring)	100 SF	2% Chrysotile	Alliance Auto Salvage Office (Building 4)

The following products were tested and found to contain less than 1% asbestos when analyzed by PLM:

1. Black ceramic tile, grout, and thin-set
2. Brown ceramic tile, grout, and thin-set
3. White ceramic tile, grout, and thin-set
4. Expansion joint caulking
5. 12”x12” Tan VFT and associated yellow mastic
6. Black cove base and associated mastic
7. White cove base and associated mastic
8. FRP mastic
9. Texture and wallboard
10. White HVAC mastic
11. 2’x4’ Acoustic ceiling tile
12. 2’x4’ Gypsum ceiling tile
13. White exterior caulking
14. Black VFT and associated mastic (multiple layers)
15. Gray VFT and associated mastic (multiple layers)
16. White VFT and associated mastic
17. Wood grain linoleum floor tile and associated mastic
18. Yellow linoleum floor tile and associated mastic
19. Green linoleum floor tile and associated mastic
20. Brown stone linoleum floor tile and associated mastic
21. Linoleum sheet flooring
22. White FRP caulking

VIII. ASBESTOS HEALTH HAZARD CONSIDERATIONS

Friability is the characteristic of a substance describing its ability to be crumbled, pulverized, or reduced to powder by hand pressure. When applied to asbestos-containing substances, friability describes the substance's fiber release potential. Because asbestos becomes a health hazard when inhaled or ingested, the more likely an asbestos-containing substance is to crumble when disturbed the greater its hazard potential. Generally, any area open to air movement should be maintained free of friable material. This means broken or loose fibrous materials should be cleaned up and repaired if doing so will not produce more of a fiber release hazard than already exists. According to TAHPR, an Abatement Contractor licensed by DSHS must perform repairs or other "intentional disturbance of any amount of asbestos-containing material". During Farmer's January 25, 2017 inspection, no immediate asbestos health hazard concerns were observed.

IX. RECOMMENDATIONS

Based on observations made at the Site, and results of the analysis of bulk samples collected during the inspection, Farmer recommends the following:

1. Any concealed mirror mastic that will be impacted during renovation activities should be presumed to be asbestos-containing until bulk samples of the material can be obtained and analyzed for asbestos content or removed as ACBM using controlled abatement methods in compliance with TAHPR.

2. TAHPR dictates that only a licensed Asbestos Abatement Contractor can remove, repair, enclose, or encapsulate asbestos-containing material. TAHPR further dictates that the asbestos abatement activity be designed and monitored by a licensed Asbestos Consultant Agency.

3. According to TAHPR, DSHS must be notified of any asbestos abatement and/or demolition activities in a public building regardless of size. Notifications must be postmarked at least 10 business days before asbestos abatement and/or renovation begins. Notifications must be made using DSHS forms. Forms can be obtained by contacting the DSHS Asbestos Notification and Information Section at 1-800-572-5548 or online through the DSHS website at www.dshs.state.tx.us.

4. Collect additional bulk samples from previously concealed materials that may be revealed during demolition activity, or from materials outside the original inspection scope of work. "Suspect" material includes any material serving as a sprayed-on or troweled-on acoustic or fireproofing surface; floor and ceiling tiles; transite panels, siding or shingles; thermal insulation or any material associated with mechanical systems; or any binding agent such as tar sealant, mastic adhesive, roofing tar, caulking, et cetera. DSHS regulations require bulk samples in public buildings be collected by a licensed asbestos inspector or individual asbestos consultant.

5. To comply with National Emission Standards for Hazardous Air Pollutants (NESHAP) asbestos regulation (EPA 40 CFR 61, Subpart M), Farmer recommends removing any friable and non-friable ACBM that have the potential to become friable prior to renovation or demolition activities. The ACBM must be removed under regulatory abatement conditions.

6. The building owner should be aware that removing ACBM does not discharge ownership. During transport or after burial in an EPA-approved landfill, any contamination throughout the lifetime of the material remains the responsibility of the building owner.

7. If any material cannot be positively identified as non-asbestos-containing by the analytical results of samples collected during this inspection, it should be treated as asbestos until a sample of the newly identified suspect material can be collected and analyzed by PLM.

8. According to the Occupational Safety and Health Administration (OSHA) 29 Code of Federal Regulations (CFR) 1926.1101, building and/or facility owners shall notify the following persons of the presence, location, and quantity of asbestos-containing materials, at the work sites in their buildings. Notification either shall be in writing, or shall consist of a personal communication between the owner and the person to whom notification must be given or their authorized representative:

   a) Prospective employers applying or bidding for work whose employees reasonably can be expected to work in or adjacent to areas containing such material;
   b) Employees of the owner who will work in or adjacent to areas containing such material;
   c) On multi-employer work sites, all employers of employees who will be performing work within or adjacent to areas containing such materials;
   d) Tenants who will occupy areas containing such material.

X. LIMITATIONS

Farmer has endeavored to inspect the existing conditions within the affected areas using TAHPR inspection protocols. Regardless of the thoroughness of an inspection, it is possible that some areas containing asbestos were overlooked or inaccessible. This report presents general descriptions of various construction materials and the general locations where these materials were encountered. If questions arise during the planning for demolition, Farmer should be notified to permit us to review the situation and present recommendations. ACBM quantities in this report represent an approximation based upon conditions and accessibility at the time of the inspection. Asbestos Abatement Contractors bidding on ACBM removal activities shall be responsible for verifying ACBM quantities and site conditions prior to submitting bids.

This report has been prepared on behalf of and exclusively for the use of ECS Texas, LLP and persons or organizations to which ECS Texas, LLP wishes to make this report available. The conclusions expressed by Farmer regarding the conditions of the Site are based solely on the observations made on January 25, 2017, the data collected during this inspection, and the laboratory results of the samples collected and analyzed. The beneficiaries are hereby advised that conditions observed are subject to change. This report and the findings contained herein shall not, in whole or in part, be disseminated or conveyed to any other party or be used or relied upon by any other party, in whole or in part, without ECS Texas, LLP's prior written consent.

Ralph A. Sanchez,
TDSHS Individual Asbestos Consultant #105744
Farmer Environmental Group, LLC

Ali Berezin, Senior Project Manager
TDSHS Asbestos Inspector #603081

1430.268

APPENDIX I

BULK SAMPLE ANALYSIS

J3 Resources, Inc.
6110 W. 34th Street, Houston, Texas 77092
Phone: (713) 290-0221 - Fax: (713) 290-0248
J3Resources.com

Bulk Asbestos Fiber Analysis by Polarized Light Microscopy (PLM)

EPA 600/M4-82-020; 600/R-93/116

Andy Sanchez
Farmer Environmental Group, LLC
955 Dairy Ashford Suite 114
Houston TX 77079

J3 Order #: JH1782655
Project #: 1430.278
Date Received: 25-Jan-2017
Date Analyzed: 26-Jan-2017
Date Reported: 26-Jan-2017

Belknap Road Pre-Demo-10534 & 10538 Belknap Rd

Sample ID #	Sample Description	Asbestos Constituents	Non-Asbestos Constituents	
E02166	LAYER 1 Ceramic Tile, Black, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 2 Grout, Lt. Gray, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 3 Thin Set, Gray, Homogeneous	None Detected	Cellulose Fiber Other Non-Fibrous Material	2% 98%
E02167	LAYER 1 Ceramic Tile, Black, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 2 Grout, Lt. Gray, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 3 Thin Set, Gray, Homogeneous	None Detected	Cellulose Fiber Other Non-Fibrous Material	2% 98%
E02168	LAYER 1 Ceramic Tile, Black, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 2 Grout, Lt. Gray, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 3 Thin Set, Gray, Homogeneous	None Detected	Cellulose Fiber Other Non-Fibrous Material	2% 98%

William Colbert Analyst

Scott Ward, Ph.D. Lab Director

NVLAP Lab Code: 200525-0 AIHA Lab ID: 157714 TDSHS License: 30-0273

J3 Resources, Inc.
6110 W. 34th Street, Houston, Texas 77092
Phone: (713) 290-0221 - Fax: (713) 290-0248
J3Resources.com

Bulk Asbestos Fiber Analysis by Polarized Light Microscopy (PLM)

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Belknap Road Pre-Demo-10534 & 10538 Belknap Rd

Sample ID #	Sample Description	Asbestos Constituents		Non-Asbestos Constituents	
E02169	LAYER 1 Ceramic Tile, Brown, Homogeneous	None Detected		Other Non-Fibrous Material	100%
	LAYER 2 Grout, Lt. Gray, Homogeneous	None Detected		Other Non-Fibrous Material	100%
	LAYER 3 Thin Set, Gray, Homogeneous	None Detected		Cellulose Fiber Other Non-Fibrous Material	2% 98%
	LAYER 4 Fiber Backing, Gray, Homogeneous	Chrysotile	50%	Cellulose Fiber Other Non-Fibrous Material	20% 30%
E02170	LAYER 1 Ceramic Tile, Brown, Homogeneous	None Detected		Other Non-Fibrous Material	100%
	LAYER 2 Grout, Lt. Gray, Homogeneous	None Detected		Other Non-Fibrous Material	100%
	LAYER 3 Thin Set, Gray, Homogeneous	None Detected		Cellulose Fiber Other Non-Fibrous Material	2% 98%
E02171	LAYER 1 Ceramic Tile, Brown, Homogeneous	None Detected		Other Non-Fibrous Material	100%
	LAYER 2 Grout, Lt. Gray, Homogeneous	None Detected		Other Non-Fibrous Material	100%
	LAYER 3 Thin Set, Gray, Homogeneous	None Detected		Cellulose Fiber Other Non-Fibrous Material	2% 98%
	LAYER 4 Fiber Backing, Gray, Homogeneous	Chrysotile	50%	Cellulose Fiber Other Non-Fibrous Material	20% 30%

William Colbert   Analyst

Scott Ward, Ph.D.   Lab Director

NVLAP Lab Code: 200525-0   AIHA Lab ID: 157714   TDSHS License: 30-0273

J3 Resources, Inc.
6110 W. 34th Street, Houston, Texas 77092
Phone: (713) 290-0221 - Fax: (713) 290-0248
J3Resources.com

Bulk Asbestos Fiber Analysis by Polarized Light Microscopy (PLM)

EPA 600/M4-82-020; 600/R-93/116

Andy Sanchez
Farmer Environmental Group, LLC
955 Dairy Ashford Suite 114
Houston TX 77079

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Belknap Road Pre-Demo-10534 & 10538 Belknap Rd

Sample ID #	Sample Description	Asbestos Constituents	Non-Asbestos Constituents	
E02172	LAYER 1 Ceramic Tile, White, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 2 Grout, Lt. Gray, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 3 Thin Set, Gray, Homogeneous	None Detected	Cellulose Fiber Other Non-Fibrous Material	2% 98%
E02173	LAYER 1 Ceramic Tile, White, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 2 Grout, Lt. Gray, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 3 Thin Set, Gray, Homogeneous	None Detected	Cellulose Fiber Other Non-Fibrous Material	2% 98%
E02174	LAYER 1 Ceramic Tile, White, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 2 Grout, Lt. Gray, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 3 Thin Set, Gray, Homogeneous	None Detected	Cellulose Fiber Other Non-Fibrous Material	2% 98%

William Colbert Analyst

Scott Ward, Ph.D. Lab Director

NVLAP Lab Code: 200525-0 **AIHA Lab ID: 157714** **TDSHS License: 30-0273**

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Belknap Road Pre-Demo-10534 & 10538 Belknap Rd

Sample ID #	Sample Description	Asbestos Constituents		Non-Asbestos Constituents	
E02175	LAYER 1 Sheet Flooring, Multi-colored, Homogeneous	None Detected		Cellulose Fiber Synthetic Fiber Fibrous Glass Other Non-Fibrous Material	20% 3% 2% 75%
	LAYER 2 Mastic, Yellow, Homogeneous	None Detected		Other Non-Fibrous Material	100%
	LAYER 3 Sheet Flooring, Gray, Homogeneous	Chrysotile	30%	Other Non-Fibrous Material	70%
	LAYER 4 Mastic, Tan, Homogeneous Likely Contamination from Sheet Flooring	Chrysotile	2%	Other Non-Fibrous Material	98%
	Multi-Layered Flooring				
E02176	LAYER 1 Sheet Flooring, Multi-colored, Homogeneous	None Detected		Cellulose Fiber Synthetic Fiber Fibrous Glass Other Non-Fibrous Material	20% 3% 2% 75%
	LAYER 2 Mastic, Yellow, Homogeneous	None Detected		Other Non-Fibrous Material	100%
	LAYER 3 Flooring, *Not analyzed per client request				
E02177	LAYER 1 Sheet Flooring, Multi-colored, Homogeneous	None Detected		Cellulose Fiber Synthetic Fiber Fibrous Glass Other Non-Fibrous Material	20% 3% 2% 75%
	LAYER 2 Mastic, Yellow, Homogeneous	None Detected		Other Non-Fibrous Material	100%
	LAYER 3 Flooring, *Not analyzed per client request				

William Colbert   Analyst

Scott Ward, Ph.D.   Lab Director

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Bulk Asbestos Fiber Analysis by Polarized Light Microscopy (PLM)

EPA 600/M4-82-020; 600/R-93/116

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Houston TX 77079

J3 Order #: JH1782655
Project #: 1430.278
Date Received: 25-Jan-2017
Date Analyzed: 26-Jan-2017
Date Reported: 26-Jan-2017

Belknap Road Pre-Demo-10534 & 10538 Belknap Rd

Sample ID #	Sample Description	Asbestos Constituents	Non-Asbestos Constituents	
E02178	Expansion Joint Caulking, Gray, Homogeneous	None Detected	Other Non-Fibrous Material	100%
E02179	Expansion Joint Caulking, Gray, Homogeneous	None Detected	Other Non-Fibrous Material	100%
E02180	Expansion Joint Caulking, Gray, Homogeneous	None Detected	Other Non-Fibrous Material	100%
E02181	LAYER 1 Floor Tile, Off White, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 2 Mastic, Yellow, Homogeneous	None Detected	Other Non-Fibrous Material	100%
E02182	LAYER 1 Floor Tile, Off White, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 2 Mastic, Yellow, Homogeneous	None Detected	Other Non-Fibrous Material	100%
E02183	LAYER 1 Floor Tile, Off White, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 2 Mastic, Yellow, Homogeneous	None Detected	Other Non-Fibrous Material	100%
E02184	LAYER 1 Cove Base, Black, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 2 Mastic, Yellow, Homogeneous	None Detected	Other Non-Fibrous Material	100%
E02185	LAYER 1 Cove Base, Black, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 2 Mastic, Yellow, Homogeneous	None Detected	Other Non-Fibrous Material	100%

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Belknap Road Pre-Demo-10534 & 10538 Belknap Rd

Sample ID #	Sample Description	Asbestos Constituents	Non-Asbestos Constituents	
E02186	LAYER 1 Cove Base, Black, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 2 Mastic, Yellow, Homogeneous	None Detected	Other Non-Fibrous Material	100%
E02187	LAYER 1 Cove Base, White, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 2 Mastic, Yellow, Homogeneous	None Detected	Other Non-Fibrous Material	100%
E02188	LAYER 1 Cove Base, White, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 2 Mastic, Clear, Homogeneous	None Detected	Other Non-Fibrous Material	100%
E02189	LAYER 1 Cove Base, White, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 2 Mastic, Clear, Homogeneous	None Detected	Other Non-Fibrous Material	100%
E02190	FRP Mastic, Tan, Homogeneous	None Detected	Other Non-Fibrous Material	100%
E02191	FRP Mastic, Tan, Homogeneous	None Detected	Other Non-Fibrous Material	100%
E02192	FRP Mastic, Tan, Homogeneous	None Detected	Other Non-Fibrous Material	100%
E02193	LAYER 1 Paint Texture, White, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 2 Wallboard, Brown/ White, Homogeneous	None Detected	Cellulose Fiber Fibrous Glass Other Non-Fibrous Material	10% <1 90%

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Belknap Road Pre-Demo-10534 & 10538 Belknap Rd

Sample ID #	Sample Description	Asbestos Constituents	Non-Asbestos Constituents	
E02194	LAYER 1 Paint Texture, White, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 2 Wallboard, Brown/ White, Homogeneous	None Detected	Cellulose Fiber Fibrous Glass Other Non-Fibrous Material	10% <1 90%
E02195	LAYER 1 Paint Texture, White, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 2 Wallboard, Brown/ White, Homogeneous	None Detected	Cellulose Fiber Fibrous Glass Other Non-Fibrous Material	10% <1 90%
E02196	HVAC Mastic, White, Homogeneous	None Detected	Synthetic Fiber Other Non-Fibrous Material	2% 98%
E02197	HVAC Mastic, White, Homogeneous	None Detected	Synthetic Fiber Other Non-Fibrous Material	2% 98%
E02198	HVAC Mastic, White, Homogeneous	None Detected	Synthetic Fiber Other Non-Fibrous Material	2% 98%
E02199	Ceiling Tile, White/ Brown/ White, Homogeneous	None Detected	Cellulose Fiber Fibrous Glass Other Non-Fibrous Material	10% <1 90%
E02200	Ceiling Tile, White/ Brown/ White, Homogeneous	None Detected	Cellulose Fiber Fibrous Glass Other Non-Fibrous Material	10% <1 90%

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Belknap Road Pre-Demo-10534 & 10538 Belknap Rd

Sample ID #	Sample Description	Asbestos Constituents	Non-Asbestos Constituents	
E02201	Ceiling Tile, White/ Brown/ White, Homogeneous	None Detected	Cellulose Fiber Fibrous Glass Other Non-Fibrous Material	10% <1 90%
E02202	Ceiling Tile, White/ Gray, Homogeneous	None Detected	Cellulose Fiber Mineral Wool Other Non-Fibrous Material	40% 40% 20%
E02203	Ceiling Tile, White/ Gray, Homogeneous	None Detected	Cellulose Fiber Mineral Wool Other Non-Fibrous Material	40% 40% 20%
E02204	Ceiling Tile, White/ Gray, Homogeneous	None Detected	Cellulose Fiber Mineral Wool Other Non-Fibrous Material	40% 40% 20%
E02205	Caulking, White, Homogeneous	None Detected	Other Non-Fibrous Material	100%
E02206	Caulking, White, Homogeneous	None Detected	Other Non-Fibrous Material	100%
E02207	Caulking, White, Homogeneous	None Detected	Other Non-Fibrous Material	100%

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Belknap Road Pre-Demo-10534 & 10538 Belknap Rd

Sample ID #	Sample Description	Asbestos Constituents	Non-Asbestos Constituents	
E02208	LAYER 1 Floor Tile, Black, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 2 Mastic, Yellow, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 3 Floor Tile, Black, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 4 Mastic, Clear, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	Multi-Layered Flooring			
E02209	LAYER 1 Floor Tile, Black, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 2 Mastic, Yellow, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 3 Floor Tile, Tan, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 4 Mastic, Clear, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	Multi-Layered Flooring			
E02210	LAYER 1 Floor Tile, Black, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 2 Mastic, Yellow, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 3 Floor Tile, Black, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 4 Mastic, Clear, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 5 Sheet Flooring, Gray, Homogeneous	None Detected	Fibrous Glass Other Non-Fibrous Material	2% 98%
	Multi-Layered Flooring			

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Belknap Road Pre-Demo-10534 & 10538 Belknap Rd

Sample ID #	Sample Description	Asbestos Constituents	Non-Asbestos Constituents	
E02211	LAYER 1 Floor Tile, Gray, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 2 Mastic, Yellow, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 3 Sheet Flooring, Gray, Homogeneous	None Detected	Fibrous Glass Other Non-Fibrous Material	2% 98%
E02212	LAYER 1 Floor Tile, Gray, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 2 Mastic, Yellow, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 3 Floor Tile, Tan, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 4 Mastic, Yellow, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	Multi-Layered Flooring			
E02213	LAYER 1 Floor Tile, Gray, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 2 Mastic, Yellow, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 3 Floor Tile, Tan, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 4 Mastic, Yellow, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	Multi-Layered Flooring			
E02214	LAYER 1 Floor Tile, White, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 2 Mastic, Yellow, Homogeneous	None Detected	Other Non-Fibrous Material	100%

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Belknap Road Pre-Demo-10534 & 10538 Belknap Rd

Sample ID #	Sample Description	Asbestos Constituents	Non-Asbestos Constituents	
E02215	LAYER 1 Floor Tile, White, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 2 Mastic, Yellow, Homogeneous	None Detected	Other Non-Fibrous Material	100%
E02216	LAYER 1 Floor Tile, White, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 2 Mastic, Yellow, Homogeneous	None Detected	Other Non-Fibrous Material	100%
E02217	LAYER 1 Floor Tile, Wood Grain/ Brown, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 2 Mastic, Yellow, Homogeneous	None Detected	Other Non-Fibrous Material	100%
E02218	LAYER 1 Floor Tile, Wood Grain/ Brown, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 2 Mastic, Yellow, Homogeneous	None Detected	Other Non-Fibrous Material	100%
E02219	LAYER 1 Floor Tile, Wood Grain/ Brown, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 2 Mastic, Yellow, Homogeneous	None Detected	Other Non-Fibrous Material	100%

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Belknap Road Pre-Demo-10534 & 10538 Belknap Rd

Sample ID #	Sample Description	Asbestos Constituents	Non-Asbestos Constituents	
E02220	LAYER 1 Floor Tile, Tan, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 2 Mastic, Yellow, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 3 Sheet Flooring, Gray, Homogeneous	None Detected	Cellulose Fiber Fibrous Glass Other Non-Fibrous Material	5% 2% 93%
E02221	LAYER 1 Floor Tile, Tan, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 2 Mastic, Yellow, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 3 Sheet Flooring, Gray, Homogeneous	None Detected	Cellulose Fiber Fibrous Glass Other Non-Fibrous Material	5% 2% 93%
	LAYER 4 Mastic, Yellow, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	Multi-Layered Flooring			
E02222	LAYER 1 Floor Tile, Tan, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 2 Mastic, Yellow, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 3 Sheet Flooring, Gray, Homogeneous	None Detected	Cellulose Fiber Fibrous Glass Other Non-Fibrous Material	5% 2% 93%
	LAYER 4 Mastic, Yellow, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	Multi-Layered Flooring			

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Belknap Road Pre-Demo-10534 & 10538 Belknap Rd

Sample ID #	Sample Description	Asbestos Constituents	Non-Asbestos Constituents	
E02223	LAYER 1 Floor Tile, Green, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 2 Mastic, Yellow, Homogeneous	None Detected	Other Non-Fibrous Material	100%
E02224	LAYER 1 Floor Tile, Green, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 2 Mastic, Yellow, Homogeneous	None Detected	Other Non-Fibrous Material	100%
E02225	LAYER 1 Floor Tile, Green, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 2 Mastic, Yellow, Homogeneous	None Detected	Other Non-Fibrous Material	100%
E02226	LAYER 1 Floor Tile, Brown, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 2 Mastic, Yellow, Homogeneous	None Detected	Other Non-Fibrous Material	100%
E02227	LAYER 1 Floor Tile, Brown, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 2 Mastic, Yellow, Homogeneous	None Detected	Other Non-Fibrous Material	100%
E02228	LAYER 1 Floor Tile, Brown, Homogeneous	None Detected	Other Non-Fibrous Material	100%
	LAYER 2 Mastic, Yellow, Homogeneous	None Detected	Other Non-Fibrous Material	100%
E02229	FRP Mastic, Tan, Homogeneous	None Detected	Other Non-Fibrous Material	100%
E02230	FRP Mastic, Tan, Homogeneous	None Detected	Other Non-Fibrous Material	100%

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Belknap Road Pre-Demo-10534 & 10538 Belknap Rd

Sample ID #	Sample Description	Asbestos Constituents	Non-Asbestos Constituents	
E02231	FRP Mastic, Tan, Homogeneous	None Detected	Other Non-Fibrous Material	100%
E02232	Sheet Flooring, Wood Grain/ Brown, Homogeneous	None Detected	Fibrous Glass Other Non-Fibrous Material	3% 97%
E02233	Sheet Flooring, Wood Grain/ Brown, Homogeneous	None Detected	Fibrous Glass Other Non-Fibrous Material	3% 97%
E02234	Sheet Flooring, Wood Grain/ Brown, Homogeneous	None Detected	Fibrous Glass Other Non-Fibrous Material	3% 97%
E02235	FRP Mastic, Tan, Homogeneous	None Detected	Other Non-Fibrous Material	100%
E02236	FRP Mastic, Tan, Homogeneous	None Detected	Other Non-Fibrous Material	100%
E02237	FRP Mastic, Tan, Homogeneous	None Detected	Other Non-Fibrous Material	100%
E02238	Caulking, White, Homogeneous	None Detected	Other Non-Fibrous Material	100%
E02239	Caulking, White, Homogeneous	None Detected	Other Non-Fibrous Material	100%
E02240	Caulking, White, Homogeneous	None Detected	Other Non-Fibrous Material	100%

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FARMER ENVIRONMENTAL GROUP

HOUSTON BRANCH
955 DAIRY ASHFORD, SUITE 205
HOUSTON, TEXAS 77079

Project No. 1430.278

Asbestos Chain of Custody Form

Project Name and Location: Belknap Road Pre-Demo
10534 + 10538 Belknap Road, Sugar Land, TX

Survey Date: 1/25/17

Sample ID Number	Sample Location	Material Size	Sample Description	Condition	Quantity
E021 66	Auto Salvage Office	12"x12"	Black Ceramic tile,	Good-NF	250 ft²
67	Building 4		grout, + thinset		
68					
69			Brown Ceramic tile,	Good-NF	80 ft²
70			grout, + thinset		
71					
72			White Ceramic tile,	Good-NF	10 ft²
73			grout, + thinset		
74					
75			Red Linoleum + Mastic	Poor-NF	100 ft²
76					
77					

No. of Samples Collected: 75
Analysis: PLM
Asbestos Inspector DSHS # 603081

Survey Time: 10:00
Positive Stop: ✓ Yes __ NO

Email/Mail to: Houston
Analyze All Joint Compound and Texture Samples____
Collected by: [signature] Date: 1/25/17
Submitted by:____________ Date:

Turnaround Time : 5-Day 3-Day 24-Hour Immediate 48HR

Received by: SM
LAB USE ONLY
Date Received: 1/25/17
Analyst Notes:
Analyzed By:
Laboratory No.

pg 1 of 1

Project No. 1450.240

Chain of Custody Record for Bulk Samples

Sample ID Number	Sample Location	Material Size	Sample Description	Friable/Non-Friable	Quantity
E02178	Auto Salvage Office	NA	Expansion Joint	NF - Poor	15 LNFT
79	Building 4		Caulk		
80					
81	Grocery-Building 1	12"x12"	Tan VFT + mastic	NF - Good	
82					
83					
84		3"	Black covebase + mastic	NF - Good	
85					
86					
87		3"	White covebase + mastic	NF - Good	
88					
89					
90		NA	FRP mastic	NF - Good	
91					
92					
93		NA	Texture + Wallboard	F - Good	
94					
95					
96		NA	HVAC mastic	NF - Good	
97					
98					

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pg 2 of 4

Project No. 1430.278

Chain of Custody Record for Bulk Samples

Sample ID Number	Sample Location	Material Size	Sample Description	Friable/Non-Friable	Quantity
E02199	Grocery - Building 1	2x4	Gypsum Ceiling Tile	Good - F	
200					
01					
02			Acoustic Ceiling Tile	Good - F	
03					
04					
05		NA	Exterior Caulking	Good - NF	
06					
07					
08	Office - Building 2	12"x12"	Black VFT + mastic,	Poor - NF	
09			+ linoleum (2nd layer)		
10					
11			Gray VFT + mastic	Poor - NF	
12			+ linoleum (2nd layer)		
13					
14			White VFT + mastic	Poor - NF	
15					
16					
17			Wood-Look Linoleum	Poor - NF	
18			Tile		
19					

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Project No. 1450.248

Chain of Custody Record for Bulk Samples

Sample ID Number	Sample Location	Material Size	Sample Description	Friable/Non-Friable	Quantity
E02220	Office-Building 2	12"x12"	Yellow Linoleum Tile	Poor-NF	
21					
22					
23			Green Linoleum Tile	Poor-NF	
24					
25					
26			Brown stone linoleum tile	Poor-NF	
27					
28					
29		NA	FRP mastic ~~Linoleum Sheet flooring~~	Poor-NF	
30					
31					
32	Office-Building 3		Linoleum Sheet flooring ~~FRP mastic~~	Good-NF	
33					
34					
35	Office - Building 3		FRP mastic	Poor-NF	
36					
37					
38			Caulking	Good-NF	
39					
40					

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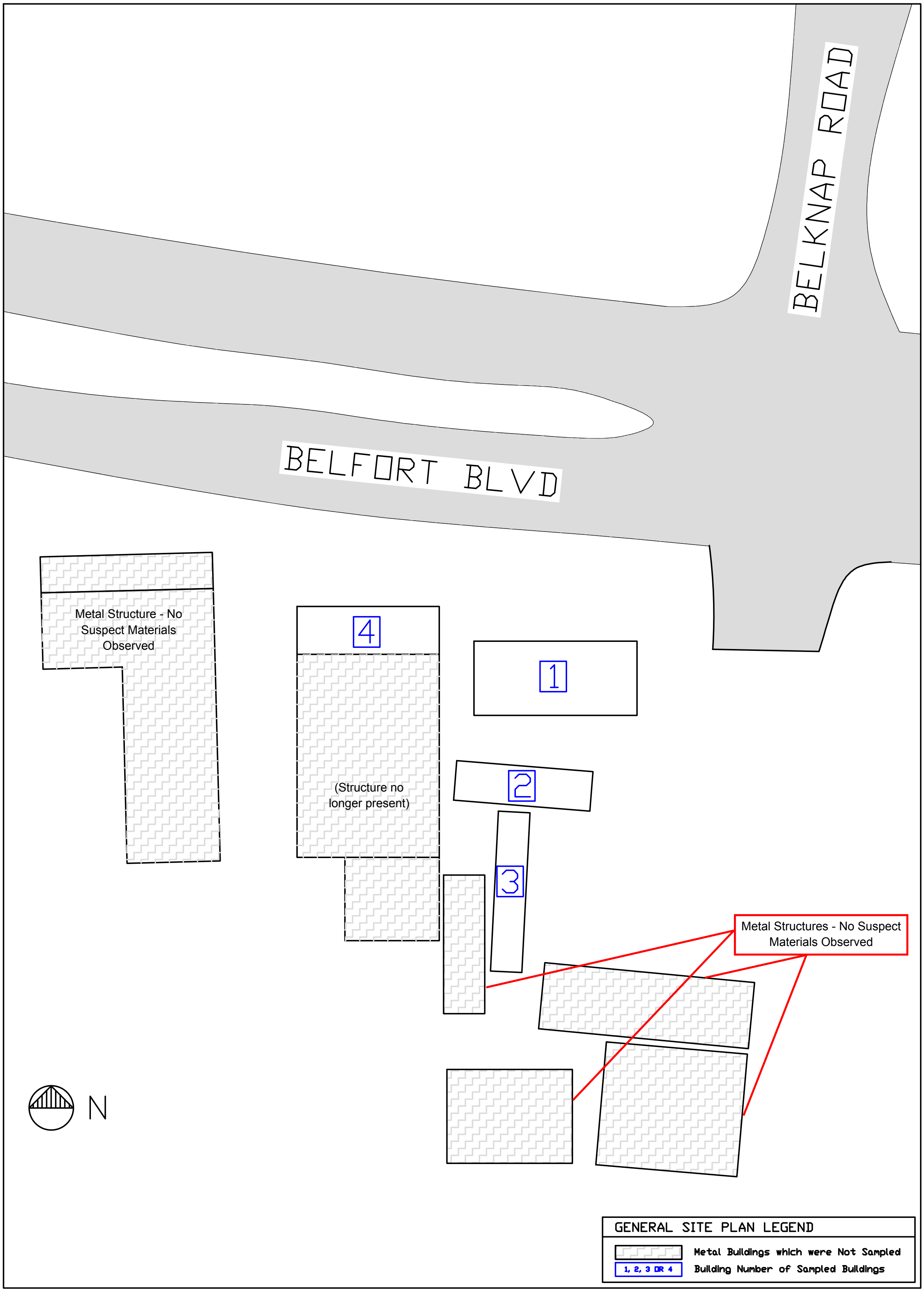
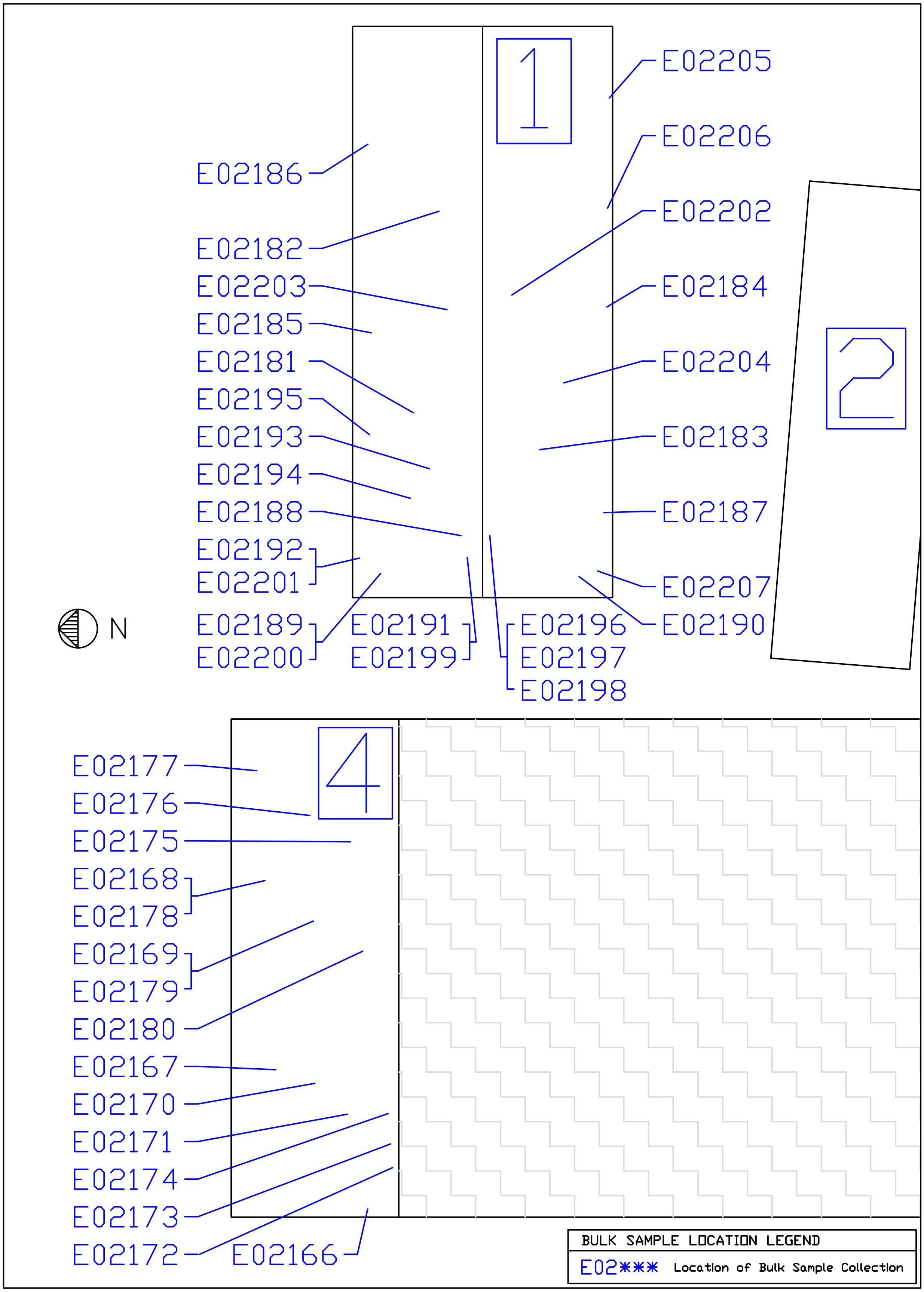
pg 4 of 4

APPENDIX II

BULK SAMPLE LOCATION DRAWING

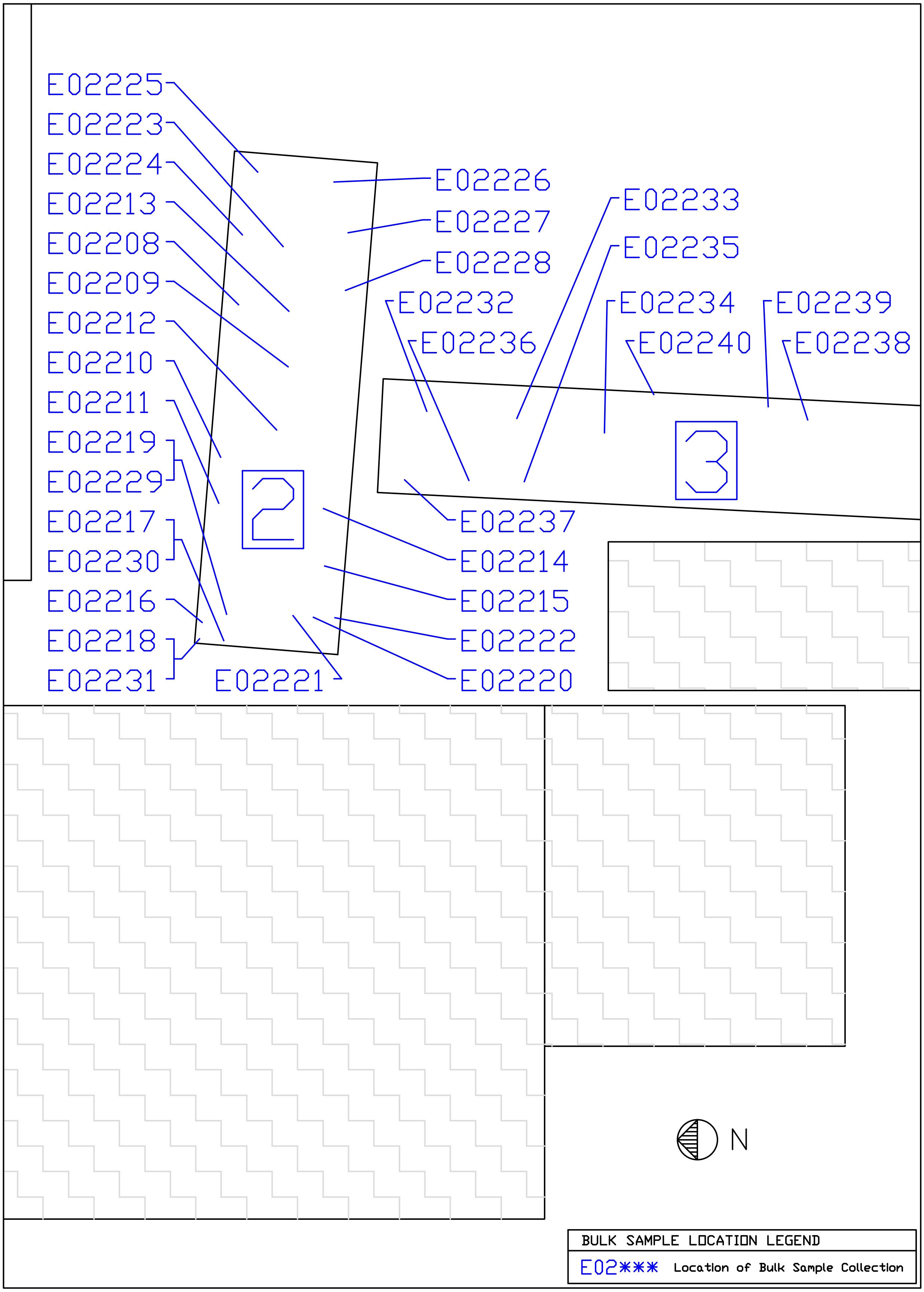


REVISIONS:					
SHEET NUMBER: GSP-1	Farmer Environmental Group, LLC 955 DAIRY ASHFORD SUITE 114 HOUSTON, TEXAS 77079	ECS – TEXAS, LLP 10534 & 10538 BELKNAP ROAD SUGAR LAND, TEXAS 77498	FARMER ENVIRONMENTAL GROUP	GENERAL SITE PLAN	DATE: 01/26/17 JOB NO: 1430.278 DRAWN: L.KAPLAN CHECKED: A.BEREZIN



REVISIONS:

SHEET NUMBER: BSL-1	Farmer Environmental Group, LLC 955 DAIRY ASHFORD SUITE 114 HOUSTON, TEXAS 77079	ECS – TEXAS, LLP 10534 & 10538 BELKNAP ROAD SUGAR LAND, TEXAS 77498	FARMER ENVIRONMENTAL GROUP	BULK SAMPLE LOCATION PLAN	DATE: 01/26/17 JOB NO: 1430.278 DRAWN: L.KAPLAN CHECKED: A.BEREZIN



REVISIONS:

SHEET NUMBER: BSL-2	Farmer Environmental Group, LLC 955 DAIRY ASHFORD SUITE 114 HOUSTON, TEXAS 77079	ECS – TEXAS, LLP 10534 & 10538 BELKNAP ROAD SUGAR LAND, TEXAS 77498	FARMER ENVIRONMENTAL GROUP	BULK SAMPLE LOCATION PLAN	DATE: 01/26/17 JOB NO: 1430.278 DRAWN: L.KAPLAN CHECKED: A.BEREZIN

APPENDIX III

PHOTOGRAPHIC DOCUMENTATION

Photo 1: View of the black ceramic tile, grout, and thin-set sample location.

Photo 2: View of the brown ceramic tile, grout, thin-set, and fiber backing sample location (50% Chrysotile).

Photo 3: View of the white ceramic tile, grout, and thin-set sample location.

Photo 4: View of red linoleum sheet flooring and mastic (multiple layers) sample location (30% Chrysotile).

Photo 5: View of expansion joint caulk sample location.

Photo 6: View of tan VFT and associated mastic sample location.

Photo 7: View of the black cove base and associated mastic sample location.

Photo 8: View of the white cove base and associated mastic sample location.

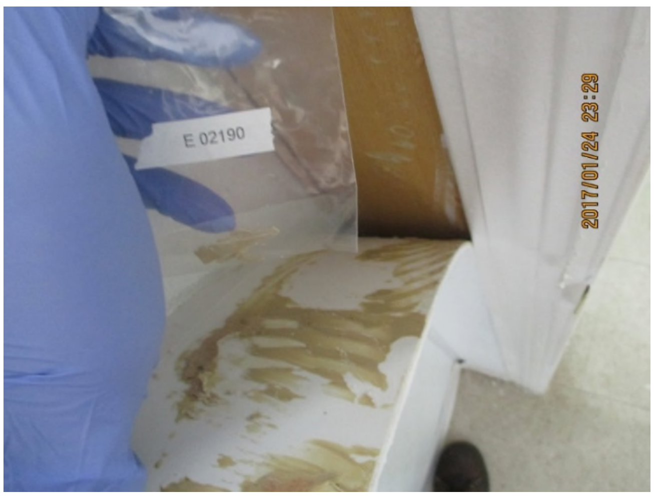


Photo 9: View of the FRP mastic sample location.

Photo 10: View of texture and wallboard sample location.

Photo 11: View of gypsum ceiling tile sample location.

Photo 12: View of 2'x4' acoustic ceiling tile sample location.

Photo 13: View of the exterior caulking sample location.

Photo 14: View of the black and gray VFT and associated mastic sample locations.

Photo 15: View of the white VFT and associated mastic sample location.

Photo 16: View of wood look linoleum flooring sample location.

Photo 17: View of yellow linoleum flooring sample location.

Photo 18: View of green linoleum and brown stone linoleum sample locations.

Photo 19: View of the FRP mastic sample location.

Photo 20: View of the linoleum sheet flooring sample location.

APPENDIX IV

TEXAS DEPARTMENT OF STATE HEALTH SERVICES LICENSES

TEXAS DEPARTMENT OF STATE HEALTH SERVICES

FARMER ENVIRONMENTAL GROUP LLC

is certified to perform as a

Asbestos Consultant Agency

in the State of Texas within the purview of Texas Occupations Code, chapter 1954, so long as this license is not suspended or revoked and is renewed according to the rules adopted by the Texas Board of Health.

JOHN HELLERSTEDT, M.D.
COMMISSIONER OF HEALTH

License Number: 100142

Control Number: 96912

Expiration Date: 8/2/2018

(Void After Expiration Date)

VOID IF ALTERED NON-TRANSFERABLE

AIHA Laboratory Accreditation Programs, LLC

acknowledges that

J3 Resources, Inc.

6110 West 34th Street, Houston, TX 77092

Laboratory ID: 157714

along with all premises from which key activities are performed, as listed above, has fulfilled the requirements of the AIHA Laboratory Accreditation Programs (AIHA-LAP), LLC accreditation to the ISO/IEC 17025:2005 international standard, *General Requirements for the Competence of Testing and Calibration Laboratories* in the following:

LABORATORY ACCREDITATION PROGRAMS

✓	**INDUSTRIAL HYGIENE**	Accreditation Expires: July 01, 2018
✓	**ENVIRONMENTAL LEAD**	Accreditation Expires: July 01, 2018
✓	**ENVIRONMENTAL MICROBIOLOGY**	Accreditation Expires: July 01, 2018
☐	**FOOD**	Accreditation Expires:
☐	**UNIQUE SCOPES**	Accreditation Expires:

Specific Field(s) of Testing (FoT)/Method(s) within each Accreditation Program for which the above named laboratory maintains accreditation is outlined on the attached **Scope of Accreditation**. Continued accreditation is contingent upon successful on-going compliance with ISO/IEC 17025:2005 and AIHA-LAP, LLC requirements. This certificate is not valid without the attached **Scope of Accreditation**. Please review the AIHA-LAP, LLC website (www.aihaaccreditedlabs.org) for the most current Scope.

William Walsh, CIH
Chairperson, Analytical Accreditation Board

Cheryl O. Morton
Managing Director, AIHA Laboratory Accreditation Programs, LLC

Revision 15: 03/30/2016

Date Issued: 06/30/2016

TEXAS DEPARTMENT OF STATE HEALTH SERVICES

J3 RESOURCES INC

is certified to perform as a

Asbestos Laboratory
PCM, PLM, TEM

in the State of Texas within the purview of Texas Occupations Code, chapter 1954, so long as this license is not suspended or revoked and is renewed according to the rules adopted by the Texas Board of Health.

JOHN HELLERSTEDT, M.D.
COMMISSIONER OF HEALTH

License Number: 300273

Expiration Date: 3/15/2018

Control Number: 96105

(Void After Expiration Date)

VOID IF ALTERED NON-TRANSFERABLE

United States Department of Commerce
National Institute of Standards and Technology

NVLAP®

Certificate of Accreditation to ISO/IEC 17025:2005

NVLAP LAB CODE: 200525-0

J3 Resources, Inc.

Houston, TX

is accredited by the National Voluntary Laboratory Accreditation Program for specific services, listed on the Scope of Accreditation, for:

Asbestos Fiber Analysis

This laboratory is accredited in accordance with the recognized International Standard ISO/IEC 17025:2005. This accreditation demonstrates technical competence for a defined scope and the operation of a laboratory quality management system (refer to joint ISO-ILAC-IAF Communique dated January 2009).

2016-04-01 through 2017-03-31

Effective Dates

DEPARTMENT OF COMMERCE
UNITED STATES OF AMERICA

David F. Alderman

For the National Voluntary Laboratory Accreditation Program

Texas Department of
State Health Services

Asbestos Individual Consultant

RALPH A SANCHEZ
License No. 105744
Control No. 96948
Expiration Date: 1/23/2018

Texas Department of State Health Services

Asbestos Inspector

ALISA R BEREZIN

License No. 603081

Control No. 97902

Expiration Date: 4/25/2017

Texas Department of
State Health Services

Asbestos Inspector

THOMAS BRYCE CHAMBERS

License No. 603421

Control No. 97971

Expiration Date: 5/5/2017


KJ Auto Collision Repair
Belknap Rd
W Bellfort Blvd
W Bellfort Blvd
W Bellfort Blvd
W Bellfort Blvd
W Bellfort Blvd
W Bellfort Blvd
Alliance Auto
Salvage & Steel
Google

POOL
SERVICE
10534

TEXAS DEPARTMENT OF STATE HEALTH SERVICES
Division for Regulatory Services
PO Box 149347, Austin, TX 78714
(512) 834-6660

Facility Name	Provision at West Bellfort	License Type	Environmental Notification
Facility Address	10534, Belknap Rd, SUGAR LAND, TX, 77498		
Inspection Type	Discretionary/Special		
Inspector	BEAVERS, TIM	Inspection Date	11/27/2017

This notice is to acknowledge that the Texas Department of State Health Services (DSHS) conducted an inspection of or visited your business on the date listed above. The information that has been gathered is subject to further department review, and you may receive additional correspondence as a result.

Your attention is directed to the deficiency/violation noted below within the scope of this inspection/visit.

Asbestos NESHAP Facility Demolition Inspection

Reg. Code	**Description**
40 CFR 61.145(b)	Did not provide notification of demolition as required by the National Emission Standards for Hazardous Air Pollutants (NESHAP) 61.145(b). Notes: A notification for the site was not found in a search of the online notifications system.

Inspector/Sanitarian:

BEAVERS, TIM

Date: 04/03/2018

Owner/Operator/Manager:

Not Available to Sign

Date: 04/03/2018

10b

TO BE POSTED NOT LATER THAN THE THIRD DAY BEFORE THE DATE OF THE MEETING