

2018 State of Texas Consolidated Plan One-Year Action Plan



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Prepared by:

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Executive Summary

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

1. Introduction

This One Year Action Plan (“OYAP”) identifies the intended use of funds received by the State of Texas from the U.S. Department of Housing and Urban Development (“HUD”) for Program Year (“PY”) 2018. This PY 2018 OYAP applies to those actions of the Texas Department of Housing and Community Affairs (“TDHCA”), the Texas Department of Agriculture (“TDA”), and the Texas Department of State Health Services (“DSHS”), relating to the activities of those three state agencies involving the administration of ongoing HUD Community Planning and Development (“CPD”) programs. Those agencies are collectively referred to herein as the “State.” This OYAP is for the HOME Investment Partnerships (“HOME”) Program, the Emergency Solutions Grant (“ESG”) Program, the Community Development Block Grant (“CDBG”) Program, the Housing Opportunities for Persons with AIDS (“HOPWA”) Program, and the National Housing Trust Fund (“NHTF”). The 2018 PY for HUD program activity began on February 1, 2018, and ends on January 31, 2019. The performance report on PY 2016 funds was submitted to HUD in April 2017 and approved by HUD in November 2017.

2. Summarize the objectives and outcomes identified in the Plan

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

The 2018 OYAP:

1. Reports on the intended use of funds received by the State from HUD for PY 2018;
2. Explains the State’s method for distributing CDBG, ESG, HOME, HOPWA, and NHTF program funds; and,
3. Provides opportunity for public input on the development of the annual plan.

The State’s progress in achieving the goals put forth in the OYAP will be measured according to HUD guidelines (24 CFR §91.520) and outlined in the Consolidated Annual Performance and Evaluation Report (“CAPER”), submitted to HUD by May 1 each year.

In accordance with the guidelines from HUD, the State utilizes the CPD Outcome Performance Measurement System through the use of HUD’s Integrated Disbursement and Information System (“IDIS”) to develop the OYAP and CAPER each year. Program activities are categorized into the objectives and outcomes listed throughout the OYAP. The estimated performance figures are based on planned performance during the PY (February 1st through January 31st) of contracts committed and projected households to be served based on estimated availability of funds. In contrast, the performance measures reported to the Texas Legislative Budget Board for the State Fiscal Year (“SFY”) which is September 1st through August 31st, are based on anticipated units and households at time of award.

The objectives, outcomes, and activity budgets in this OYAP have been adjusted from the estimated levels included herein since the PY 2018 allocation notice has been received from HUD. Because the 2018 HOME allocation was not reduced by more than 20% from the 2017 allocation levels, TDHCA will not eliminate the 2018 HOME Program goal for single family homebuyer assistance activities, which had been suggested in the draft plan if such an adjustment to the allocation occurred. However, it should be noted that TDHCA may take future action to add program income to this program year, or reprogram deobligated funding or other available HOME funding for this activity or increase funding for other activities in this plan. A small decrease in 2018 ESG funding resulted in an across-the-board decrease or increase for 2018 ESG awardees and corresponding adjustments to performance targets. The projections for 2018 ESG targets have been adjusted for both the slight decrease in funds and also accounting for performance in the past fiscal year.

3. Evaluation of past performance

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

The information below is for HOME, ESG, CDBG, and HOPWA for PY 2016 (February 1, 2016 to January 31, 2017). Because NHTF was a new program for PY2016, past performance data is not available.

HOME Evaluation of Past Performance

TDHCA's HOME program expended \$35,713,369 in program funds through seven different types of HOME Program activities in PY 2016, representing completed assistance to 656 households and reached 90% of expected program year goals.

ESG Evaluation of Past Performance

During PY 2016, TDHCA's ESG Program expended \$18,124,704, including ESG funding from 2014, 2015, and 2016, as well as matching funds. With the expended funding, ESG served 22,850 households with rapid re-housing, and 84,795 persons with overnight shelter or homelessness prevention.

CDBG Evaluation of Past Performance

During PY 2016, the Texas CDBG Program committed a total of \$76,021,577 through 254 awarded contracts. For contracts that were awarded in PY 2016, 656,363 persons were anticipated to receive service. The Colonia Self Help centers, overseen by TDHCA's Office of Colonia Initiatives, awarded two contracts in 2016, totaling \$1,700,000 and benefitting 3,724 persons.

HOPWA Evaluation of Past Performance

In PY 2016, the DSHS HOPWA program served 436 households with TBRA (93% of the OYAP goal), 431 households with STRMU assistance (102% of the OYAP goal), and 17 households with Permanent Housing Placement ("PHP") assistance (106% of the OYAP goal) for a total of 835 unduplicated households. All 835 of the households served received Supportive Services and 17 households received Supportive Services as a standalone service for a total of 852 households (102% of the 823 OYAP goal). All HOPWA clients receive housing supportive services at some level, but some costs were leveraged with other funding sources. Client

outcome goals for housing stability, reducing homelessness risk, and improving access to care were also achieved.

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

The State is committed to reaching out to and engaging with the public in order to develop programmatic activities that are responsive to the various affordable housing needs of Texans. The State also solicits and receives input from governmental bodies, nonprofits, and community and faith-based groups. More information on the citizen participation, consultation, and public comment are included in the Consultation and Participation sections of the Plan.

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

The State recognizes that public participation and consultation are ongoing processes. During the development of the 2015-2019 Consolidated Plan, comprehensive outreach was conducted to gather input. This outreach continues through the development of each Annual Action Plan within the 5-year consolidated planning process. Following the release of HUD's Final Rule to Affirmatively Further Fair Housing (“AFFH”), the State updated the Citizen Participation Plan and is updating the Language Access Plan, as the State works towards the development of an updated Analysis of Impediments to Fair Housing (“AI”).

5. Summary of public comments

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

Following the release of the Draft 2018 OYAP, the Public Comment period was open from Friday, February 23, 2018, through Monday, March 26, 2018, and a public hearing was held on Thursday, March 8, 2018, in Austin, TX. Public comment was solicited in person at the public hearing, in writing by email, fax, or mail. Three individuals attended the public hearing and no public comment was provided in person. The State received two total comments by email from one organization.

The first comment was a question about when final allocations would be released. As the final allocations were unknown at the time the Draft 2018 OYAP was released for public comment, estimated allocations were used based on prior year funding levels, in accordance with HUD Notice: CPD-18-01 and the State’s Citizen Participation Plan. In early May 2018, HUD made final allocations available online at https://www.hud.gov/program_offices/comm_planning/about/budget/budget18. HUD announced the 2018 allocation amounts in early May 2018.

The second comment was a question about the allocation of deobligated CDBG funding and the methodology in determining allocations to the Community Development Fund. In response to this comment,

deobligated funds will be allocated as described in the Attachment: Allocation of CDBG program income and deobligated funds.

- a. First, funds set-aside in the Method of Distribution to specific funding categories will be allocated. These include the Disaster Relief Fund, Community Enhancement Fund, STEP Program, and Colonia Self Help Center Legislative Set Aside.
- b. Of the remaining deobligated funds, 20% is allocated to the Disaster Relief Fund.
- c. All remaining deobligated funds will be allocated proportional to the Method of Distribution between the Community Development Fund, Texas Capital Fund, Planning and Capacity Building Fund, and Disaster Relief Fund.

The Method of Distribution provided in the Draft 2018 OYAP did not explicitly state that the Colonia Self Help Center Legislative Set Aside retains the use of any deobligated funds and program income resulting from prior year set-asides for the Program; however, this has been the practice for some number of years and is stated in the Memorandum of Understanding between TDA and TDHCA. For clarity, TDA will add the following to the Colonia Self Help Center Legislative Set-Aside text to section AP-30 Method of Distribution: “Funds deobligated from prior year Colonia SHC Program grants and any program income recovered from the funds provided through the Colonia SHC Program shall be used by TDHCA for the Colonia SHC Program.”

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

Both of the public comments received during the public comment period were accepted.

7. Summary

The consolidated planning process occurs once every five years, so creating a comprehensive 2015-2019 Consolidated Plan was vital for CDBG, HOME, ESG, HOPWA, and NHTF. Because of the Consolidated Plan’s authority to govern these programs, research from multiple sources, including other government plans, peer-reviewed journals, news sources, and fact sheets were used; valuable public input was gathered through roundtable meetings, council/workgroup meetings, public hearings, online surveys, and an online forum; and an expansive public input process was included in the development of the Consolidated Plan. The 2015-2019 Consolidated Plan is now carried out through Annual Action Plans, which provide a concise summary of the actions, activities, and the specific federal and non-federal resources that the State plans to use each year to address the priority needs and specific goals identified by the Consolidated Plan.

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

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

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

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

Table 1 – Responsible Agencies

Narrative

TDHCA administers the ESG Program, NHTF, and the HOME Program; the TDA administers the CDBG Program; and DSHS administers the HOPWA Program. All of these programs, known collectively as CPD Programs, are covered in the 2018 OYAP. TDHCA coordinates among itself, TDA, and DSHS the development of the OYAP.

Key Organizational Events

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

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

DSHS, which administers HOPWA, is an agency of Texas Health and Human Services ("HHS"). In 2015, HHS began a reorganization to produce a more efficient, effective, and responsive system. In September of 2016, the first phase of that effort became operational, and a second phase occurred September 1, 2017. The goals of the transformation were to create a system that is easier to navigate for people who need information, benefits, or services; aligns with the HHS mission, business, and statutory responsibilities; breaks down operational silos to create greater program integration; creates clear lines of accountability within the organization; and develops clearly defined and objective performance metrics for all areas of the organization. Foremost as it relates to HOPWA, DSHS contract oversight and support functions have transferred to HHS.

For more information about the HHSC transformation, visit <https://hhs.texas.gov/about-hhs/hhs-transformation>.

On March 12, 2016, TDHCA was designated by Governor Abbott as the state agency responsible for the administration of funds provided through the NHTF.

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

Consolidated Plan Public Contact Information

ESG, HOME, and NHTF Contact Information:

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

CDBG Contact Information:

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

HOPWA Contact Information:

DSHS HIV/STD Prevention and Care Branch, HIV Care Services Group, HOPWA Program,
PO Box 149347, Mail Code 1873, Austin, TX 78714-9347. (512) 533-3000.
<https://www.dshs.texas.gov/hivstd/hopwa>

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

1. Introduction

In an effort to gather information from diverse audiences, TDHCA uses different forms of technology to communicate efficiently, including online surveys, forums, social media, and email distribution. Online surveys foster an increased response rate of participants as well as facilitating data analysis. Also, online forums are used in the development of program rules and distribution methods. Online forums are advertised at workgroups and committees as well as on social media. The availability of all these methods is communicated primarily via the TDHCA website, opt-in email distribution lists, social media, and through announcements at meetings and conferences.

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

In the consolidated planning process, the State encourages the participation of public and private organizations, including broadband internet service providers, organizations engaged in narrowing the digital divide, agencies whose primary responsibilities include the management of flood prone areas, public land or water resources, and emergency management agencies in the process of developing the consolidated plan.

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

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

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

DSHS contracts with seven AAs across the State to provide administrative support in implementing the State's HOPWA formula program. AAs work with HIV Planning Councils in major metropolitan areas and with other organizations and stakeholders outside the major metropolitan areas to develop comprehensive HIV Services plans and needs assessments, which are developed through consultation with clients and other stakeholders through interviews, surveys, focus groups, and/or public hearings. AAs must communicate with stakeholders through disseminating written copies of services plans, posting the plans on the internet, town hall meetings, and advisory groups. Project Sponsors work closely with the local public housing authority offices to identify and establish relationships with other organizations that may have available resources. This ongoing collaboration provides access to organizations and programs, such as the housing choice vouchers; Continuum of Care ("CoC"); community health clinics; churches and private foundations; and Ryan White and HIV Planning Councils.

TDHCA continues to use its fair housing email list to share fair housing-related news, event information, and announcements with interested persons and organizations.

TDA consults with local governments both in person and through web-based meetings. As a part of the traditional CDBG planning process, public hearings were held in each of the 24 Council of Government planning regions during PY 2015. Each Regional Review Committee, composed of local elected officials, discussed local funding priorities for the Community Development Fund and adopted scoring criteria, which were applied to the Community Development Fund in PY 2016 to implement those priorities. Additionally, the Texas Rural Health and Economic Development Advisory Council (TRHED) met on May 25, 2016, and November 16, 2016, to discuss rural policy issues, as well as receive updates and proposed program changes for the state CDBG program.

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

The Colonia SHC Program funds specific Texas-border county governments with four-year contracts. Awards and funding associated with this program are reviewed and recommended by a Colonia Resident Advisory Group ("C-RAC"). On a very frequent basis—weekly or more often—TDHCA provides guidance and oversight to the county governments with which TDHCA has executed Colonia SHC contracts. Somewhat less often, TDHCA provides guidance and technical assistance to the housing subgrantees with which respective counties have contracted to achieve specific deliverables per their individualized SHC subcontracts. Periodically, TDHCA convenes a meeting with the C-RAC, which is a group of colonia residents who live in the specific colonias served by the centers. This grass-roots-style committee recommends approval of contracts, evaluates county recommendations and provides TDHCA and the counties with guidance on programming and activities in the colonias. Lastly, approximately every two years, TDHCA updates its Colonia SHC Program rules, and initiates this process by first soliciting comment from the public at large for critiques of the current rules and suggestions for changes.

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

TDHCA and TDA are committed to working with other state and federal regulatory and funding agencies. The Colonia Interagency Workgroup previously used to facilitate this coordination specifically for colonia areas has been discontinued for the current year. Agency coordination continues through the Texas Water Infrastructure Coordinating Committee (“TWICC”) includes many of the same agencies and addresses concerns throughout the state, including those in colonias.

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

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

TDHCA works to coordinate with Continuum of Care (“CoC”) lead agencies on many levels. Several CoC lead agencies attend the Texas Interagency Council for the Homeless (“TICH”) which has two representatives from TDHCA, as well as many other state agencies. In addition, the TICH supports a contract with the Texas Homeless Network (“THN”) to build on pilot projects for collaboration between CoCs and Local Workforce Development Boards that is currently underway and due for completion by August 31, 2018.

In order to better coordinate with CoCs to address the needs of homeless persons and persons at-risk of homelessness, TDHCA also works closely with the CoCs during the awarding ESG funds. ESG funds are released by Notice of Funding Availability (“NOFA”) for an amount of available funding within each CoC region. For the competition for 2017/2018 ESG funds, applicants within each CoC region either submitted an application for ESG funding directly to TDHCA or to one of the four CoC Lead Agencies selected by TDHCA to run a local competition for ESG funds. If applications were submitted to the CoC lead, the CoC lead recommended ESG awards to TDHCA for their region. Both applicants to TDHCA and to the local CoCs receive points for their coordination with the CoC, including participation in CoC meetings, involvement in the point-in-time counts, consultation with CoCs on the ESG application, alignment with the CoC’s priorities and participation in coordinated entry (before coordinated entry was required to be in place).

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

To prepare for future funding competitions, TDHCA plans to open the ESG scoring criteria and application process to public comment through the rulemaking process during the summer and fall of 2018. TDHCA plans to hold roundtables and an online forum to gather input on proposed changes to the NOFA, including point levels awarded for outcomes, minimum performance standards, and other issues that would affect awards.

For 2017/2018 ESG funds, TDHCA approved four CoC lead agencies that applied to manage a local competition for 2016 ESG funding: Metro Dallas Homeless Alliance for the Dallas City and County CoC; Tarrant County Homeless Coalition for the Fort Worth/Arlington/Tarrant County CoC; El Paso Coalition for the Homeless for the El Paso City and County CoC; and Coalition for the Homeless of Houston/Harris County for City of Houston/Harris County CoC. The CoC lead agencies have authority to recommend allocations for ESG program funds and evaluate outcomes for ESG.

Regarding HMIS, TDHCA's ESG Subrecipients are required to use the established HMIS or HMIS-comparable databases in their CoC regions. This requirement enables ESG Subrecipients to supply exports for HUD's Sage HMIS Repository Reporting system needed for the CAPER. In addition, the use of HMIS or an HMIS-comparable database holds ESG Subrecipients to standards of reporting set by the HMIS leads in their CoC regions.

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

Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	TICH
	Agency/Group/Organization Type	Housing Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Victims of Domestic Violence Services-homeless Services-Health Services-Education Services-Employment Service-Fair Housing Services - Victims Health Agency Child Welfare Agency Other government - Federal Other government - State Other government - County Other government - Local
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Input on the 2018 OYAP was sought at the October 2017 quarterly meeting of the Texas Interagency Council for the Homeless (TICH). The function of the TICH is to coordinate the state's resources and services to address homelessness. TICH serves as an advisory committee to TDHCA. Representatives from eleven state agencies sit on the council along with members appointed by the governor, lieutenant governor, and speaker of the house of representatives.

2	Agency/Group/Organization	Rural Health and Economic Development Advisory Council
Agency/Group/Organization Type	Housing Services - Housing Services-Health Other government - State Other government - County Other government - Local Regional organization Planning organization Business and Civic Leaders	
What section of the Plan was addressed by Consultation?	Economic Development Anti-poverty Strategy CDBG Method of Distribution	
Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Details on the Rural Health and Economic Development Advisory Council fall meeting will be included in the final 2018 OYAP. Consisting of nine members, this council is tasked with identifying rural policy priorities and reviewing the effectiveness of existing rural programs. The council's Rural Policy plan focused on strategic initiatives for economic and community development, improvements to existing rural health care systems and recommendations for the use and allocation of Community Development Block Grant funding, which is used to make improvements in rural communities across Texas.	

3	Agency/Group/Organization	HIV Administrative Agencies
	Agency/Group/Organization Type	Services-Persons with HIV/AIDS
	What section of the Plan was addressed by Consultation?	HOPWA Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	DSHS engages in ongoing consultation with HOPWA stakeholders by collecting qualitative data from HIV Administrative Agencies (AAs) and using it for planning and evaluation. AAs work with HIV Planning Councils in major metropolitan areas and with other organizations and stakeholders outside the major metropolitan areas to develop comprehensive HIV Services plans and needs assessments, which are developed through consultation with clients and other stakeholders through interviews, surveys, focus groups, and/or public hearings. AAs must communicate with stakeholders through disseminating written copies of services plans, posting the plans on the internet, town hall meetings, and advisory groups. AA contact information and planning area maps are located at https://www.dshs.texas.gov/hivstd/services/aa.shtm .
4	Agency/Group/Organization	HOPWA Project Sponsors
	Agency/Group/Organization Type	Services-Persons with HIV/AIDS
	What section of the Plan was addressed by Consultation?	HOPWA Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	DSHS engages in ongoing consultation with HOPWA stakeholders by collecting qualitative data from HOPWA Project Sponsors and using it for planning and evaluation. Project Sponsors provide narrative performance output and outcome data; offer program strategies for improved performance and strategies that contributed to successes; describe efforts to coordinate resources and efforts; assess housing barriers and make recommendations; request technical assistance, and supply other discussion items (i.e., feedback, ideas, other recommendations).

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

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

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

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Texas Homeless Network	Texas Homeless Network (THN) is a non-profit membership-based organization helping Texas communities prevent and end homelessness. THN provides training and technical assistance around the state of Texas helping service providers and communities better serve the homeless population with the end goal of preventing and ending homelessness.
Pathways Home	TICH	Pathways Home presents findings which indicate that greater coordination of employment and health service resources with local housing programs would expand the State's capacity to prevent and end episodes of homelessness. In response to the study findings, Pathways Home proposes a framework to help more of the State's most vulnerable citizens to enter and remain in safe housing. A report is generated annually by the TICH that serves as a supplement to Pathways Home.

Table 3 – Other local / regional / federal planning efforts

Narrative

Since the consolidated planning process is an ongoing effort, the State continues to consult with agencies, groups, and organizations through the program year cycles for CDBG, ESG, HOME, NHTF, and HOPWA, and the development of HUD required fair housing documents, including the AI.

In the development of the AI, the State plans to consult with housing agencies administering public housing, Public Housing Authorities (“PHAs”), state-based and regionally-based organizations that represent protected class members and organizations that enforce fair housing laws, including agencies that participate in HUD’s Fair Housing Initiatives Program (“FHIP”) and HUD’s Fair Housing Assistance Program (“FHAP”). Further, the State will make available on TDHCA’s website HUD-provided data and supplemental information which the State intends to incorporate into the AI. At least three public hearings will be held before an AI is published for comment.

The State of Texas is following the Citizen Participation Plan requirements under §91.110, §91.115, and §5.158 related to outreach and consultation for an Assessment of Fair Housing (“AFH”). States are not currently required to submit an AFH, but must continue to comply with requirements that existed prior to the AFFH rule, which required conducting an AI.

Language needs

The State conducted an analysis of eligible program participants with Limited English Proficiency (“LEP”). The analysis was performed for households at 200% poverty, roughly equivalent to 80% area median income statewide in Texas. The overwhelming need, at 74% of LEP persons, was for Spanish language translation.

The state will translate vital documents into Spanish. The state will analyze market areas for program beneficiaries to determine if documents should be translated into additional languages. The state will apply four-factor analysis to consider the resources available and costs considering the frequency with which LEP persons come into contact with the program and the nature and importance of the program, activity, or service. The State will make reasonable efforts to provide language assistance to ensure meaningful access to participation by non-English speaking persons.

AP-12 Participation - 91.115, 91.300(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation; Summarize citizen participation process and how it impacted goal-setting

Encouragement of Public Participation

To reach minorities and non-English speaking residents, the Plan outreach follows the State's Language Access Plan. Also, the notices are available in Spanish and English, per Tex. Gov't Code Chapter 2105. Translators will be made available at public meetings, if requested.

The State encourages the involvement of individuals of low incomes and persons with disabilities in the allocation of funds and planning process through regular meetings, including community-based institutions, consumer workgroups, and councils (many of these meetings are listed in the Strategic Plan Section 35 of the 2015-2019 Consolidated Plan). All public hearing locations are accessible to all who choose to attend. Comments can be submitted either at a public hearing or in writing via mail, fax, or email. Reasonable notice by publication on TDHCA's website at <http://www.tdhca.state.tx.us> will be given, and comments will be received for no less than 30 days after notice is given.

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

Public hearings

Public hearing schedules are published in the *Texas Register* and on TDHCA's website at <http://www.tdhca.state.tx.us>, and are advertised by opt-in email distribution and during various workgroups and committee meetings. During the public comment period, printed copies of draft plans are available from TDHCA, and electronic copies may be available for download from TDHCA's website. Constituents are encouraged to provide input regarding all programs in writing or at the public hearings. See the Citizen Participation Outreach table below for details of annual outreach.

Criteria for Amendment to the Consolidated Plan

Substantial amendments will be considered if a new activity is developed for any of the funding sources or there is a change in method of distribution. If a substantial amendment is needed, reasonable notice by publication on TDHCA's website at <http://www.tdhca.state.tx.us> will be given, and comments will be received for no less than 30 days after notice is given. A public hearing will be optional.

Performance Report

The 2018 CAPER will analyze the results of the 2017 OYAP. Due to the short 90-day turnaround time of the end of the State's Program Year (1/31) and the due date of the CAPER, the public will be given reasonable notice by publication on TDHCA's website at <http://www.tdhca.state.tx.us>. Comment will be accepted for a minimum of 15 days. A public hearing will be optional.

One Year Action Plan

The draft One Year Action Plan (“OYAP”) is released for public comment prior to HUD’s release of actual annual allocation amounts, and the draft OYAP reflects estimated allocation amounts. Once HUD releases actual annual allocation amounts and prior to submission to HUD, proposed activities’ budgets will be increased or decreased from the estimated funding levels to match actual allocation amounts, and proposed program goals will be adjusted proportionally or as otherwise described in the 2017 Action Plan.

Complaints related to the Consolidated planning process follow the TDHCA complaint process, as defined by 10 TAC §1.2.

For details on the development of or amendments to the AI, see the AP10 Narrative section above.

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

The Colonia Self Help Center Program funds El Paso, Cameron/Willacy, Hidalgo, Starr, Webb, Maverick, and Val Verde counties with four-year contracts. Awards and funding associated with this program are reviewed and recommended by a Colonia Resident Advisory Group (“C-RAC”), which is a group of colonia residents who live in the specific service area served by the centers.

TDHCA provides guidance, technical assistance and oversight to the units of local government with which TDHCA has executed Colonia SHC contracts. Technical assistance includes program administration, guidelines, requirements needed to fulfill contractual requirements in serving colonia residents with CDBG funding. Periodically, TDHCA convenes a meeting with C-RAC. This grass-roots-style committee considers contract proposals, recommends approval of contracts, evaluates county recommendations, and provides TDHCA and the counties guidance on programming and activities in the colonias. Lastly, approximately every two years, TDHCA updates its Colonia SHC Program rules, and initiates this process by first soliciting comment from the public at large for critiques of the current rules and suggestions for changes.

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

TDHCA and TDA are committed to working with other state and federal regulatory and funding agencies. The Colonia Interagency Workgroup previously used to facilitate this coordination specifically for colonia areas has been discontinued for the current year. Agency coordination continues through the Texas Water Infrastructure Coordinating Committee (“TWICC”). TWICC includes many of the same agencies and addresses concerns throughout the state, including those in colonias.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/ attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Public Meeting – TDHCA Board Meeting	Non-targeted/ broad community	The Draft 2018 OYAP was presented at the TDHCA Board meeting of February 22, 2018, and the Board approved its release for public comment.	Public comments are accepted at each meeting of the TDHCA Board in accordance with §2306.032(f) and §2306.066(d) of the Tex. Gov’t Code. No comments were made on the draft 2018 OYAP during these meetings.	n/a	TDHCA’s board agenda and information is filed with the Texas Office of the Secretary of State (“SOS”) in advance of each meeting, in accordance with the Texas Open Meetings Act. Board materials are posted at http://www.tdhca.state.tx.us/board/meetings.htm .
2	Public Comment Period	Non-targeted/ broad community	The Draft 2018 OYAP was released for a 30-day public comment period from February 23, 2018 to March 26, 2018.	Two comments were received from one commenter. The first comment was a question about final allocations. The second comment was a question about the allocation of deobligated CDBG funding.	All public comments were accepted. Reasoned responses are provided in AP-05.	http://www.tdhca.state.tx.us/public-comment.htm
3	Public Hearing	Non-targeted/ broad community	A public hearing was held on Thursday, March 8, 2018, in Austin, TX.	Three individuals attended the public hearing and no public comment was provided.	n/a	http://www.tdhca.state.tx.us/public-comment.htm

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/ attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
4	Internet Outreach	Non-targeted/ broad community	TDHCA has a centralized webpage for public comment on all plans, reports, and program rules.	n/a	n/a	http://www.tdhca.state.tx.us/public-comment.htm
5	Public Meeting – TDHCA Board Meeting	Non-targeted/ broad community	The final 2018 OYAP was presented at the TDHCA Board meeting of June 28, 2018.	Public comments are accepted at each meeting of the TDHCA Board in accordance with §2306.032(f) and §2306.066(d) of the Tex. Gov't Code.	n/a	TDHCA's board agenda and information is filed with the Texas SOS in advance of each meeting, in accordance with the Texas Open Meetings Act. Board materials are posted at http://www.tdhca.state.tx.us/board/meetings.htm .

Table 4 – Citizen Participation Outreach

Expected Resources

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

Introduction

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

These include:

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

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

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

TDHCA is the lead agency for the following workgroups:

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

Disability Advisory Workgroup ("DAW"): The DAW augments TDHCA's formal public comment process, affording staff the opportunity to interact more informally and in greater detail with various stakeholders and

to get feedback on designing more successful programs, with a specific focus on gaining insight on issues impacting persons with disabilities.

Housing and Health Services Coordination Council ("HHSCC"): HHSCC is established by Tex. Gov't Code §2306.1091. Its duties include promoting coordination of efforts to offer Service-Enriched Housing and focusing on other cross-agency efforts.

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

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

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	55,259,329	2,551,887	3,182,296	60,993,512	55,259,329	TDA's CDBG Program funds community and economic development, including program income collected by the state, and program income retained by local subgrantees, excluding the colonia set-aside. Communities may also coordinate CDBG funding with U.S. Department of Agriculture's ("USDA") Rural Development funds or Texas Water Development Board's ("TWDB") State Revolving Fund. Program Income of \$2,551,887 will be allocated to TDA's State Revolving Loan Fund, which supports economic development.
CDBG Colonias Set-aside	public - federal	Acquisition Admin and Planning Homebuyer assistance Homeowner rehab Public Improvements Public Services	8,189,250	0	0	8,189,250	8,189,250	The Colonia Set-Aside is used both by TDA and TDHCA for goals described in the Strategic Plan Section 45. The Colonia Economically Distressed Areas Program ("CEDAP") Legislative Set - Aside leverages funding from the TWDB's Economically Distressed Areas Program. TDHCA's Office of Colonia Initiatives ("OCI") administers a portion of the CDBG Colonia Set-Aside through its Colonia SHCs.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	34,986,241	10,510,744	0	45,496,985	44,496,985	TDHCAs HOME program goals are described in the Strategic Plan Section 45 for multifamily and single family activities. Single family HOME homebuyer activity may be coordinated with TDHCAs My First Texas Home Program, which can supplement down payment assistance, and the MCC Program, which provides a yearly tax credit of up to 2,000 annually that reduces the homebuyers federal income tax liability. HOME multifamily development funds can be layered with 4 and 9 HTCs. In addition, the Section 811 PRA, a project based supportive housing program for persons with disabilities, and TDHCAs Section 8 HCV may be used within HOME developments. Starting in 2015, TDHCAs TCAP RF and NSP PI may be used to supplement or support multifamily and single family HOME, and for TCAP RF to generate match. TDHCA develops rules that govern all HOME activities, including the Uniform Multifamily Rules, Single Family Umbrella Rule, Single Family HOME Program Rule, and other rules that are administrative in nature found under 10 Texas Administrative Code.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOPWA	public - federal	Permanent housing in facilities Permanent housing placement Short term or transitional housing facilities STRMU Supportive services TBRA Resource Identification	3,914,680	0	1,057,831	4,972,511	4,361,392	DSHS' HOPWA state formula funds the following activities: TBRA; STRMU; Facility-Based Housing Subsidy Assistance; PHP; Supportive Services, and Resource Identification. Project Sponsors leverage available funds from Ryan White and State Services grants to assist clients with housing needs, medical and non-medical case management, emergency utility assistance, mental health, transportation, and nutritional services to address the needs of eligible clients. Note: Per the 2017 administrative amendments to the 2014 and 2015 annual action plans and extensions to the periods of performance for the 2014 and 2015 grants, the prior year resources include the 2014 fund balance of \$521,520 and the 2015 fund balance of \$264,697. Additionally, the prior year resources column includes the 2016 fund balance of \$324,666.30, for a total of \$1,110,883.72 in prior year resources.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	8,801,531	0	0	8,801,531	8,801,531	TDHCA's ESG funds are awarded via contract to Subrecipient agencies that provide emergency shelter, homelessness prevention, rapid rehousing, and Homeless Management Information Systems ("HMIS") activities. HHSP is Texas state general revenue funding for the largest cities to provide flexibility to undertake activities that complement ESG activities. Note that not all ESG direct recipients in Texas are HHSP grantees. Use of funds also includes Administration. The Ending Homelessness Fund was statutorily established as of September 1, 2017, which allows for private donations when registering a vehicle. TDHCA will provide funds to counties and municipalities to combat homelessness. As of this writing, the expected funding for the resource is unknown.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Housing Trust Fund	public - federal	Multifamily rental new construction	12,279,085	0	0	12,279,085	12,279,085	TDHCA's NHTF Program goals are described in the Strategic Plan Section 45 for multifamily and single family activities. NHTF Multifamily Development Funds can be layered with 4% HTCs and 9% HTCs, and TDHCA Multifamily Direct Loan funds, including HOME, HOME-CHDO, and TCAP RF. In addition, Section 811 PRA, a project-based supportive housing program for persons with disabilities, and TDHCA's Section 8 HCV may be used within NHTF developments. In addition, TDHCA also develops rules that govern all multifamily programs, known as the Uniform Multifamily Rules, and the Multifamily Direct Loan Rule, which governs NHTF.

Table 5 - Expected Resources – Priority Table

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

HOME

HOME multifamily development is often used to leverage with the HTC Program, which authorizes 9% low-income housing tax credits of \$2.35 per capita for each state, and 4% HTC in amounts linked to the usage of the state's cap for issuance of tax exempt PABs to finance affordable housing development. In Texas, this equates to approximately \$66,870,000 in 9% tax credits available to be awarded annually. These credits may be claimed each year for ten years and represents potential tax credit value on the magnitude of \$668,700,000. The credits are syndicated to limited partner investors to yield cash for use in eligible development activities. Currently typical syndication rates range between 92% and 95%. TDHCA's Qualified Allocation Plan ("QAP") identifies the criteria used for selection of eligible developments to provide housing for low-income tenants. HOME provides increased leverage, allowing property owners to utilize fewer tax credits and less private debt and local funding, thus providing more efficient use of resources. Other leveraging sources may include United States Department of Agriculture ("USDA") operating subsidies and loans, and conventional and FHA-insured loans. Match requirements for the HOME Multifamily Direct Loan Program will in part be met through Rules that establish awardees' minimum amount of match as 5% of the award amount. TDHCA increased match requirements for single family activities to more effectively use limited funding, and began matching HOME funds with TCAP RF in PY 2016. TDHCA has also requested for HUD to approve a waiver that its state-funded Bootstrap program be eligible as match that is still under review.

ESG

To meet the ESG match requirement, TDHCA includes the provision of evidence of proposed match as part of the ESG application process. Subrecipients are required to provide 100% match according to budget categories for which the Subrecipient was funded. In addition, in order to allow for greater flexibility in allowing for a match waiver, TDHCA awarded additional points to applicants that committed to provide match at least to 110% of awarded funds. An applicant that was unable to match the award was eligible to apply to TDHCA for a match waiver up to \$100,000. However, TDHCA did not receive a match waiver request during the 2017/2018 ESG Application process.

Also, the Texas Legislature created the HHSP by statute, funded it with General Revenue funds, and recently established the Ending Homelessness Fund which will be funded through voluntary donations when registering vehicles with the State of Texas. Through HHSP, the State allocates funds to cities in Texas with a population of 285,500 or greater to support services to homeless individuals and families, currently the eight largest cities in Texas. The amount of funds collected for the Ending Homelessness Fund is currently unknown. Both of these funds, when available, may be used as match for either State or local ESG funding.

HOPWA

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

Due to IDIS character limits, CDBG and NHTF Leveraging is described in the question below.

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

CDBG Leverages

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

NHTF Program Leverages

NHTF multifamily development may be used to leverage with the HTC Program, which was created by the Tax Reform Act of 1986 and authorizes 9% low-income housing tax credits in the amount of \$2.70 per capita for each state, and 4% low-income housing tax credits in amounts linked to the usage of the state's cap for issuance of tax exempt bond to finance affordable housing development. In Texas, this equates to approximately \$67,000,000 in 9% tax credits available to be awarded by TDHCA annually.

These credits may be claimed each year for ten years and this represents potential tax credit value on the magnitude of \$687,700,000. The tax credits are syndicated to limited partner investors to yield cash for use in eligible development activities. Currently typical syndication rates range between 92% and 95%. TDHCA must develop a Qualified Allocation Plan ("QAP") for the selection of eligible developments to provide housing for the low-income tenants. NHTF provides increased leverage, allowing the property owners to utilize fewer tax credits and less private debt and local funding, therefore providing more efficient use of resources.

State Owned Land

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

Discussion

HOPWA: Continuing with the discussion of collaboration begun in the Introduction of this section, DSHS is the lead for several HIV-related councils and workgroups which provide opportunities for collaboration and resource sharing across agencies, providers, and other pertinent stakeholders to assist PLWH in Texas. Some

of the initiatives are the Inter-Agency Council on HIV & Hepatitis, the Texas Black Women's Initiative, the Test Texas Coalition, and the Texas HIV Syndicate. The Texas HIV Syndicate is an integrated HIV prevention and care planning body made up of roughly 100 organizational leaders representing the full continuum of HIV engagement. The Texas HIV Syndicate uses the Texas HIV Plan as a framework to develop strategies that enhance and expand on prevention and care activities across the State. Texas HIV Syndicate members develop policy recommendations, best practice models, coordination strategies, and promote innovation in HIV prevention and treatment. DSHS also holds a biennial HIV/Sexually Transmitted Disease ("STD") conference, attended by all DSHS contractors and subrecipients in addition to community leaders, health and HIV professionals, and many other essential stakeholders. Many of the DSHS contractors are also HOPWA providers. The next conference will be held in 2018. The goal of the Texas HIV/STD Conference is to enhance the responsiveness of people and systems supporting the spectrum of HIV/STD prevention and treatment services in Texas, including: Awareness; Targeted Prevention; Diagnosis; Linkage to Care; Maintenance in Care; and Suppression of Disease.

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

Finally, TDA participates in the following workgroups:

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

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

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

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

Annual Goals and Objectives

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

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Homeless Goals	2015	2019	Homeless	State of Texas	Emergency shelter and transitional housing Homelessness Prevention Rapid Re-housing	ESG: \$8,801,531	Tenant-based rental assistance / Rapid Rehousing: 1,189 Households Assisted Homeless Person Overnight Shelter: 14,398 Persons Assisted Homelessness Prevention: 3392 Persons Assisted
2	Construction of single family housing	2015	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Production of new units	HOME: \$0	Homeowner Housing Added: 0 Household Housing Unit
3	Rehabilitation of single family housing	2015	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Rehabilitation of housing	HOME: \$13,656,343	Homeowner Housing Rehabilitated: 124 Household Housing Unit
4	Homebuyer assistance with possible rehabilitation	2015	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Acquisition of existing units Rehabilitation of housing	HOME: \$2,036,503	Direct Financial Assistance to Homebuyers: 36 Households Assisted
5	Tenant-Based Rental Assistance with HOME funding	2015	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Rental Assistance	HOME: \$6,546,836	Tenant-based rental assistance / Rapid Rehousing: 298 Households Assisted
6	HOME Households in new/rehabbed multifamily units	2015	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Production of new units Rehabilitation of housing	HOME: \$18,768,149	Rental units constructed: 131 Household Housing Unit Rental units rehabilitated: 56 Household Housing Unit

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
7	HOPWA Tenant-Based Rental Assistance	2015	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Supportive Services for Persons with HIV/AIDS	HOPWA: \$2,878,455	Tenant-based rental assistance / Rapid Rehousing: 548 Households Assisted
8	HOPWA Short-Term Rent, Mortgage, & Utilities Asst	2015	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Supportive Services for Persons with HIV/AIDS	HOPWA: \$545,618	Homelessness Prevention: 446 Persons Assisted
9	HOPWA Permanent Housing Placement Assistance	2015	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Supportive Services for Persons with HIV/AIDS	HOPWA: \$53,671	Public service activities other than Low/Moderate Income Housing Benefit: 81 Households Assisted
10	HOPWA-Funded Supportive Services	2015	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Supportive Services for Persons with HIV/AIDS	HOPWA: \$757,145	Public service activities other than Low/Moderate Income Housing Benefit: 975 Households Assisted
11	CDBG Other Construction	2015	2019	Non-Housing Community Development	State of Texas	Public Improvements and Infrastructure Public facilities Public services	CDBG: \$42,472,725	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 227843 Persons Assisted
12	CDBG Economic Development	2015	2019	Non-Housing Community Development Economic Development	State of Texas	Economic development Public Improvements and Infrastructure Public facilities Public services	CDBG: \$10,875,324	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 14122 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
13	CDBG Planning / Capacity Building	2015	2019	Non-Housing Community Development	State of Texas	Public Improvements and Infrastructure Public facilities Public services	CDBG: \$499,525	Other: 37412 Other
14	CDBG Disaster Relief / Urgent Need	2015	2019	Non-Housing Community Development	State of Texas	Public Improvements and Infrastructure Public facilities	CDBG: \$1,411,755	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 132248 Persons Assisted
15	CDBG Colonia Set-Aside	2015	2019	Affordable Housing Non-Housing Community Development	State of Texas	Acquisition of existing units Production of new units Public Improvements and Infrastructure Public facilities Public services Rehabilitation of housing	CDBG Colonias Set-aside: \$6,551,400	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 3348 Persons Assisted
16	CDBG Colonia Self-Help Centers	2015	2019	Self-Help Centers	State of Texas	Public services	CDBG: \$1,637,850	Other: 14491 Other

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
17	CDBG Administration	2015	2015	Administration/Technical Assistance	State of Texas	Economic development Public Improvements and Infrastructure Public facilities Public services Rehabilitation of housing	CDBG: \$2,065,420	Other: 0 Other
18	HOME Administration	2015	2019	HOME Administration	State of Texas	Acquisition of existing units Production of new units Rehabilitation of housing Rental Assistance	HOME: \$4,489,155	Other: 0 Other
19	NHTF households in new multifamily units	2016	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Production of new units	Housing Trust Fund: \$11,051,176	Rental units constructed: 65 Household Housing Unit
20	NHTF Administration	2016	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Production of new units	Housing Trust Fund: \$1,227,909	Other: 0 Other
21	HOPWA Facility-Based Housing Subsidy Assistance	2018	2019	Affordable Housing Homeless Non-Homeless Special Needs	State of Texas	Emergency shelter and transitional housing Rental Assistance	HOPWA: \$328,181	HIV/AIDS Housing Operations / Homelessness Prevention: 47 households assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
22	HOPWA Resource Identification	2018	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Rental Assistance Supportive Services for Persons with HIV/AIDS Homelessness Prevention Emergency shelter and transitional housing	HOPWA: \$0	Other: 0

Table 6 – Goals Summary

Goal Descriptions

1	Goal Name	Homeless Goals
	Goal Description	<p>To determine the percentage for each activity, first the allocation amount is reduced by 4.0% for the Department's administrative funds. Based on previous rounds of expenditures, the remaining funding for Subrecipients is anticipated to be allocated roughly as follows: 3.4% administrative funds for ESG Subrecipients, 31.7% for rapid re-housing; 16.3% for homelessness prevention; 36.6% for emergency shelters, 7.3% for street outreach, and 4.8% for the Homeless Management Information System ("HMIS") activities. The number of people estimated to be served is based on the per person cost for each activity.</p> <p>Note that the emergency shelter projection will most likely vary from what will be reported in the 2018 Consolidated Annual Evaluation and Performance Reports. The projection takes into account all persons served at a day or night emergency shelter, the measurement in the OYAP is persons who spent the night at an overnight shelter, not a day shelter. A new measure to track persons who spent the night at an overnight shelter has been added for ESG Subrecipient reporting, but will take time to apply uniformly to all performance reported in the CAPER. TDHCA's anticipated expenditure amounts are still under the federal requirement to spend equal or less than 60% of its funding on emergency shelter and street outreach activities.</p>
2	Goal Name	Construction of single family housing
	Goal Description	<p>TDHCA does not plan to have a 2018 HOME Program goal for single family development activities performed by a Community Housing Development Organization ("CHDO") for the construction of new single family housing. However, TDHCA may amend program income, or use deobligated funding or other available HOME funding for such an activity. PY 2018 CHDO set aside funding is initially targeted for multifamily development activities as reflected under the Households in new/rehabilitated multifamily units strategic plan goal, but may be revised to program some funding for Single Family Development activities if TDHCA identifies future interest in the program. Single family development activities will remain an eligible activity that may be funded in the event future CHDO funding becomes available.</p>
3	Goal Name	Rehabilitation of single family housing
	Goal Description	<p>The 2018 goal for HOME Program rehabilitation and reconstruction activities is to provide assistance to a minimum of 124 households through a statewide network of units of general local governments, and non-profit organizations. These entities qualify applicants to receive assistance for the repairs and reconstruction necessary to make their homes decent, safe, sanitary, and accessible.</p>
4	Goal Name	Homebuyer assistance with possible rehabilitation
	Goal Description	<p>The 2018 goals for HOME Program acquisition activities is to provide assistance to a minimum of 36 households with downpayment and closing costs assistance, as well as downpayment with possible rehabilitation assistance for households with a member with a disability.</p>

5	Goal Name	Tenant-Based Rental Assistance with HOME funding
	Goal Description	The 2018 goal for HOME Program TBRA activity is to provide on-going rental assistance or stand-alone rental security deposit assistance to an estimated 298 households through a statewide network of units of general local governments, public housing agencies, Local Mental Health Authorities ("LMHAs"), and other non-profit organizations. These entities qualify applicants to receive assistance and may extend assistance if the household continues to meet eligibility requirements.
6	Goal Name	HOME Households in new/rehabbed multifamily units
	Goal Description	The 2018 goal for HOME Multifamily Program is creating/rehabilitating over 187 multifamily rental units. TDHCA's HOME Multifamily Development Programs awards HOME funds as low-interest loans to CHDOs, for-profit, and nonprofit developers. These loans leverage other public and private financing including housing tax credits, United States Department of Agriculture ("USDA") operating subsidies and loans, and conventional and Federal Housing Administration-insured loans. The end result is safe, decent, and affordable multifamily rental housing.
7	Goal Name	HOPWA Tenant-Based Rental Assistance
	Goal Description	HOPWA TBRA provides tenant-based rental assistance to eligible households until they are able to secure other affordable and stable housing. The annual goal includes 548 households assisted. The estimated funding and number of individuals served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25.
8	Goal Name	HOPWA Short-Term Rent, Mortgage, & Utilities Asst
	Goal Description	STRMU provides short-term rent, mortgage, and utility assistance to eligible households for a maximum of 21 weeks of assistance in a 52-week period. The annual goal is to assist 446 persons. The estimated funding and number of individuals served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25.
9	Goal Name	HOPWA Permanent Housing Placement Assistance
	Goal Description	PHP provides assistance for housing placement costs which may include application fees, related credit checks, and reasonable security deposits necessary to move persons into permanent housing. The annual goal is to assist 81 persons. The estimated funding and number of persons served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25.
10	Goal Name	HOPWA-Funded Supportive Services
	Goal Description	Supportive Services include case management, basic telephone service and assistance to purchase smoke detectors to eligible households. The annual goal is to assist 975 persons. The estimated funding and number of households served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25.

11	Goal Name	CDBG Other Construction
	Goal Description	The Texas CDBG encourages the use of funds not only to improve existing locations but to provide facilities in other areas to accommodate residential opportunities that will benefit low and moderate income persons. Applicants are encouraged to provide for infrastructure and housing activities that will improve opportunities for low and moderate income persons. When considering projects and designing projects, applicants must continue to consider affirmatively furthering fair housing, which includes providing basic infrastructure, such as water, sewer, and roads that benefit residential housing and other housing activities. Funding allocated includes annual allocation in addition to previously deobligated funds. The annual goal includes 227,843 persons assisted. The estimated funding and number of persons served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25.
12	Goal Name	CDBG Economic Development
	Goal Description	This economic development funding is used for projects that will create or retain permanent employment opportunities, primarily for low to moderate income persons and for downtown revitalization activities for rural communities. Funding allocated includes annual allocation in addition to previously deobligated funds and program income. The annual goal is to assist 14,122 persons. The estimated funding and number of persons served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25.
13	Goal Name	CDBG Planning / Capacity Building
	Goal Description	This fund is available to assist eligible cities and counties in conducting planning activities that assess local needs, develop strategies to address local needs, build or improve local capacity, or that include other needed planning elements (including telecommunications and broadband needs). Funding allocated includes annual allocation in addition to previously deobligated funds. The annual goal is 37,412 persons benefiting from community planning projects (this may show as "other" in the chart above). The estimated funding and number of persons served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25.
14	Goal Name	CDBG Disaster Relief / Urgent Need
	Goal Description	Disaster Relief ("DR") assistance is available through this fund as needed for eligible activities in relief of disaster situations where either the governor has proclaimed a state disaster declaration, drought disaster declaration, or the president has issued a federal disaster declaration. CDBG may prioritize throughout the program year the use of DR assistance funds based on the type of assistance or activity under consideration and may allocate funding throughout the program year based on assistance categories. Funding allocated includes annual allocation in addition to previously deobligated funds. The annual goal is to assist 132,248 persons. The estimated funding and number of persons served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25.

15	Goal Name	CDBG Colonia Set-Aside
	Goal Description	This fund is available to eligible county applicants for projects in severely distressed unincorporated areas which meet the definition of a “colonia” under this fund. Funding allocated includes annual allocation. The annual goal is to assist 3,348 benefiting from public facility or infrastructure activities (other than low/moderate income housing benefit) and 14,491 "other", which equates to the number of colonia residents receiving direct assistance. The estimated funding and number of persons served may fluctuate depending on HUD’s final allocation amounts and based on the target percentages identified in Action Plan Section 25.
16	Goal Name	CDBG Colonia Self-Help Centers
	Goal Description	Colonia residents receiving direct assistance through Colonia Self-Help centers.
17	Goal Name	CDBG Administration
	Goal Description	CDBG Administrative costs including Technical Assistance
18	Goal Name	HOME Administration
	Goal Description	HOME Administrative expenses based on HOME allocation and program income received in PY 2017 that is being programmed in the 2018 Action Plan.
19	Goal Name	NHTF households in new multifamily units
	Goal Description	The 2018 goal for Housing Trust Fund is creating 65 multifamily rental units based on the performance period of February 1, 2018, through January 31, 2019.
20	Goal Name	NHTF Administration
	Goal Description	NHTF Administrative funds for PY 2018.
21	Goal Name	HOPWA Facility-Based Housing Subsidy Assistance
	Goal Description	HOPWA Facility-Based Housing Subsidy Assistance activities will include Short-term supportive housing (STSH) and Transitional supportive housing (TSH). STSH provides temporary housing assistance to eligible individuals to prevent homelessness and allow an opportunity to develop an individualized housing and service plan to guide the client’s linkage to permanent housing. TSH provides up to 24 cumulative months of facility-based rental assistance to households that are homeless or at risk of homelessness, including assistance for shared housing arrangements. The annual goal includes 47 households assisted. The estimated funding and number of individuals served may fluctuate depending on HUD’s final allocation amounts and based on the target percentages identified in Action Plan Section 25.

22	Goal Name	HOPWA Resource Identification
	Goal Description	Resource Identification is used for establishing, coordinating and developing housing assistance resources for eligible persons (including conducting preliminary research and making expenditures necessary to determine the feasibility of specific housing-related initiatives). This goal was added to the Consolidated Plan for use in future annual action plans. The funding for this annual action plan is \$0.00. Any future activities and funds will be programmed in accordance with the Citizen Participation Plan.

AP-25 Allocation Priorities – 91.320(d)

Introduction:

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

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

HOME Serves Special Needs

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

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

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

Funding Allocation Priorities

	Homeless Goals (%)	Construction of single family housing (%)	Rehabilitation of single family housing (%)	Homebuyer assistance with possible rehabilitation (%)	Tenant-Based Rental Assistance with HOME funding (%)	HOME Households in new/rehabbed multifamily units (%)	HOPWA Tenant-Based Rental Assistance (%)	HOPWA Short-Term Rent, Mortgage, & Utilities Asst (%)	HOPWA Permanent Housing Placement Assistance (%)	HOPWA-Funded Supportive Services (%)	HOPWA Facility-Based Housing Subsidy Assistance (%)	HOPWA Resource Identification (%)	CDBG Other Construction (%)	CDBG Economic Development (%)	CDBG Planning / Capacity Building (%)	CDBG Disaster Relief / Urgent Need (%)	CDBG Colonia Set-Aside (%)	CDBG Colonia Self-Help Centers (%)	CDBG Administration (%)	HOME Administration (%)	NHTF households in new multifamily units (%)	NHTF Administration (%)	Colonias Set-Aside (%)	Total (%)
CDBG	0	0	0	0	0	0	0	0	0	0	0	0	65	17	1	2	10	2	3	0	0	0	0	100
CDBG Colonias Set-aside	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	100	100
HOME	0	0	33	5	16	46	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	100
HOPWA	0	0	0	0	0	0	63	12	1	17	7	0	0	0	0	0	0	0	0	0	0	0	0	100
ESG	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	100
Housing Trust Fund	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	90	10	0	100

Table 7 – Funding Allocation Priorities

Reason for Allocation Priorities

HOME

TDHCA prioritizes HOME funding for multifamily, single-family, and Set-Aside activities. Multifamily activities were historically allocated a higher percent of funds to address the priority needs of Rental Assistance and Production of New Units, promote tax credit leveraging, and because they account for a large portion of HOME's program income. TDHCA now has access to TCAP RF, which are loan repayments from original TCAP funded developments, as a source of multifamily financing, as well as the ability to allocate program income to this activity based on the amount actually received in the prior program year, so these priorities will continue to have funds directed toward them while likely reducing the allocation of HOME annual allocation funds directed towards multifamily activities.

The 2017 HOME allocation to TDHCA was slightly reduced from 2016 funding levels, but funding for single family activities increased overall as TDHCA began to program all non-CHDO set-aside multifamily HOME activities to be funded with program income, thereby increasing the amount of the annual funding programmed for single family activities. Funding for single family activities from the 2018 annual allocation is anticipated to be awarded based on TDHCA's Regional Allocation Formula, with residual funding available through the Reservation System, allowing local administrators to prioritize single family activities on a household-by-household basis for:

- Homebuyer Assistance, which addresses Acquisition of Existing Units and Rehabilitation of Existing Units priority needs;
- Homeowner Rehabilitation Assistance, which addresses Rehabilitation of Existing Units priority need; and
- TBRA, which addresses Rental Assistance priority need.

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

ESG

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

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

HOPWA

HOPWA provides the following activities in line with priority needs:

- TBRA, which addresses Rental Assistance priority needs;
- STRMU, which addresses Homelessness Prevention priority needs;
- Facility-Based Housing Subsidy Assistance, which addresses emergency shelter and transitional housing rental assistance needs;
- Supportive Services Program, which addresses Supportive Services for PLWH priority needs; and
- PHP, which addresses Homelessness Prevention priority needs.

CDBG

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

- The majority of funds are awarded to address basic human needs including improvements to water and sewer systems and roads for low and moderate income ("LMI") communities.
- Economic development activities are funded to create and retain jobs primarily for LMI persons, and to revitalize downtown areas in rural communities.
- Public facilities such as community centers and public safety facilities are less common activities, but are valuable to LMI communities.
- Colonias SHC activities provide public services and housing funds for residents living in the designated colonias of El Paso, Hidalgo, Cameron/Willacy, Webb, Starr, Maverick and Val Verde counties.

NHTF

The NHTF Program activities for PY 2018 will be limited to construction of multifamily housing to address the priority needs of Rental Assistance and Production of New Units, promote leveraging of other fund sources. As this is a new fund source and a new program, the administrative burden of implementation is mitigated by using the funds within the well established multifamily finance structure.

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

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

ESG Serves Special Needs

ESG does not have funding allocation priorities for special needs populations. However, the 2017/2018 ESG NOFA included points for applicants that proposed to serve persons with higher barriers to housing including persons with serious mental illness, persons recently released from institutions, persons with substance use disorders, veterans, survivors of domestic violence, youth aging out of foster care, and persons transitioning out of incarceration.

In 2017, TDHCA adopted two new sections of 10 Texas Administrative Code to address compliance with the HUD Final Rule Implementing Violence Against Women Reauthorization Act of 2013 ("VAWA"). The new sections require certain forms to be distributed to applicants and program participants for short- and medium-term rental assistance in accordance with 24 CFR §5.2005(e). Also pursuant to 24 CFR §5.2005(e), ESG Subrecipients are required to develop and follow an Emergency Transfer Plan.

HOPWA Serves Special Needs

Texas HOPWA serves PLWH and their household members, all of whom are at or below 80% of the AMI, and most of whom fall into the extremely-low-income category. As previously noted, allocations generally

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

CDBG Serves Special Needs

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

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

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

Introduction:

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

Distribution Methods

Table 8 - Distribution Methods by State Program

1	State Program Name:	Colonia Economically Distressed Areas Program (CEDAP)
	Funding Sources:	CDBG CDBG Colonias Set-aside
	Describe the state program addressed by the Method of Distribution.	Colonia Economically Distressed Areas Program ("CEDAP") Legislative Set-Aside fund provides funding to eligible cities and counties to assist colonia residents that cannot afford the cost of service lines, service connections, and plumbing improvements associated with being connected to a TWDB Economically Distressed Area Program or similar water or sewer system improvement project.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	The TDA will evaluate the following factors prior to awarding CEDAP funds: <ul style="list-style-type: none"> • The proposed use of the CDBG funds including the eligibility of the proposed activities and the effective use of the funds to provide water or sewer connections/yard lines to water/sewer systems funded through Economically Distressed Area Program or similar program; • The ability of the applicant to utilize the grant funds in a timely manner; • The availability of funds to the applicant for project financing from other sources; • The applicant's past performance on previously awarded CDBG contracts; • Cost per beneficiary; and • Proximity of project site to entitlement cities or metropolitan statistical areas ("MSAs").
	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov .

	Describe how resources will be allocated among funding categories.	The allocation is distributed on an as-needed basis.
	Describe threshold factors and grant size limits.	Maximum \$1,000,000/Minimum \$75,000
	What are the outcome measures expected as a result of the method of distribution?	Activities Benefiting LMI Persons
2	State Program Name:	Colonia Planning and Construction Funds
	Funding Sources:	CDBG CDBG Colonias Set-aside
	Describe the state program addressed by the Method of Distribution.	<p>The Colonia Planning Fund ("CPF") funds planning activities that either targets a specific colonia(s) (Colonia Area Planning) or that provides a countywide comprehensive plan (Colonia Comprehensive Planning). In order to qualify for the Colonia Area Planning activities, the county applicant must have completed a Colonia Comprehensive Plan that prioritizes problems and colonias for future action. The targeted colonia must be included in the Colonia Comprehensive Plan.</p> <p>The goal of the Colonia Fund Construction ("CFC") fund is to develop viable communities by providing decent housing, viable public infrastructure, and a suitable living environment, principally for persons residing within a community or area that meets the definition of a colonia. An eligible county applicant may submit an application for the following eligible construction activities:</p> <p>Assessments for Public Improvements - The payment of assessments (including any charge made as a condition of obtaining access) levied against properties owned and occupied by persons of low and moderate income to recover the capital cost for a public improvement.</p> <p>Other Improvements - Other activities eligible under 42 USC Section 5305 designed to meet the needs of colonia residents.</p>

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

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

<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Colonia SHCs are statutorily required to establish SHCs in Cameron/Willacy, El Paso, Hidalgo, Starr and Webb counties. Statute allows for additional Colonia SHCs to be established if any other county if TDHCA deems it necessary and appropriate and if the county is designated an economically distressed area under statute. In 2001, TDHCA established additional Colonia SHCs in Maverick and Val Verde counties. Each Colonia SHC must serve five targeted colonias within the county it serves. The Colonia SHCs and TDHCA's Border Field Offices both conduct outreach activities throughout the contract period to inform colonia residents of program benefits and eligibility criteria and to provide application assistance.</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>Of the State CDBG allocation, 2.5% (approximately) is allocated to this fund. Counties that are statutorily designated to participate in the Colonia SHC Program propose which target colonias should receive concentrated attention and through what scope of program activities and funding. Each Colonia SHC designs a proposal unique to the needs of a specific community and based on a needs assessment. After a C-RAC, composed of residents from previously participating colonias, reviews and approves the proposals from the counties, the proposals are then reviewed and approved by the TDHCA's Board of Directors for implementation. Resources are allocated based on analysis and input from each community. Funds deobligated from prior year Colonia SHC Program grants and any program income recovered from the funds provided through the Colonia SHC Program shall be used by TDHCA for the Colonia SHC Program.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>Maximum \$1,000,000/Minimum \$500,000 For the Colonia SHC, program rules limit the assistance to up to \$1,000,000 per Colonia SHC per contract period. If there are insufficient funds available to fully fund an application, the Administrator may accept the amount available and wait for remaining funds to be committed the next program year. Each program activity, such as new construction, rehabilitation, and tool library operation, for example, are limited to specific dollar amounts.</p>
<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>For the Colonia SHC Program, outcomes include: colonia residents assisted, housing units assisted or created, instances of technical assistance provided, and instances of information delivered. In general, these are Activities Benefiting LMI Persons.</p>
<p>4 State Program Name:</p>	<p>Colonias to Cities Initiative Program</p>
<p>Funding Sources:</p>	<p>CDBG CDBG Colonias Set-aside</p>
<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The Colonia to Cities Initiative ("CCIP") provides funding for basic infrastructure considered necessary for a colonia area to be annexed by an adjoining city. Priority is given to colonias that have received prior CDBG funding. Both the county and city must submit a multi-jurisdictional pre-application for the project that includes a resolution from each jurisdiction. The city's resolution must include a firm commitment to annex the colonia upon completion of the project. Failure to annex the colonia may result in a requirement to repay the CDBG funding to TDA.</p>

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>The TDA will evaluate the following factors prior to awarding CCIP funds:</p> <ul style="list-style-type: none"> • the proposed use of the TxCDBG funds including the eligibility of the proposed activities; • the ability of the community to utilize the grant funds in a timely manner; • the availability of funds to the community for project financing from other sources; • the community's past performance on previously awarded TxCDBG contracts, if applicable; • cost per beneficiary; and • commitment by the city to annex the colonia area within one year of project completion. <p>If applications exceed the available funding, the Department may use the scoring factors established for the Colonia Fund-Construction component.</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Eligible applicants will be notified if funds become available.</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>If there are an insufficient number of projects ready for CEDAP funding, the CEDAP funds may be transferred to the Colonias to Cities Initiative.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>Minimum \$100,000/Maximum \$1,000,000</p>
<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>Activities Benefiting Low and Moderate Income ("LMI") Persons</p>
<p>5 State Program Name:</p>	<p>Community Development Fund</p>
<p>Funding Sources:</p>	<p>CDBG</p>

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The Community Development ("CD") Fund is available on a biennial basis through a competition in each of the State's 24 planning regions. The goal of the CD Fund is to develop viable communities by providing decent housing, viable public infrastructure, and a suitable living environment, principally for persons of low to moderate income.</p> <p>Applicants are encouraged to provide for infrastructure and housing activities that will improve opportunities for LMI persons. When considering and designing projects, applicants must continue to consider project activities that will affirmatively further fair housing, which includes project activities that provide basic infrastructure (such as water, sewer, and roads) that will benefit residential housing and other housing activities.</p>
<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>CD applicants are scored using a shared system with 90% of the scoring criteria established by Regional Review Committees ("RRC") and 10% established by the state's scoring criteria. There is a Regional Review Committee in each of the 24 State planning regions. Each RRC will be comprised of 12 members appointed at the pleasure of the Texas Commissioner of Agriculture. A quorum of seven members is required for all public hearings. Each RRC is responsible for determining local project priorities and objective scoring criteria for its region for the CD Fund in accordance with the requirements in this Action Plan. Additionally, the RRC shall establish the numerical value of the points assigned to each scoring factor and determine the total combined points for all RRC scoring criteria. The Regional Review Committees are responsible for convening public hearings to discuss and select the objective scoring criteria that will be used to score and rank applications at the regional level. The public must be given an opportunity to comment on the priorities and the scoring criteria considered. The final selection of the scoring criteria is the responsibility of each RRC and must be consistent with the requirements in this Action Plan. The RRC may not adopt scoring factors that directly negate or offset the State's scoring factors. Each RRC shall develop a RRC Guidebook, in the format provided by TDA, to notify eligible applicants of the objective scoring criteria and other RRC procedures for the region. The Guidebook must be submitted to TDA and approved at least ninety days prior to the application deadline. The state scoring will be based on the following:</p> <ol style="list-style-type: none"> 1. Past Performance- 12 points. 2. All project activities within the application would provide basic infrastructure or housing activities - 8 points. (Basic infrastructure - the basic physical shared facilities serving a community's population consisting of water, sewage, roads and flood drainage. Housing activities - as defined in 24 Code of Federal Regulations ("CFR") Part 570.)

<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov.</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>64.83% (approximately) of the State CDBG allocation is allocated to this fund. In addition, deobligated funds may be allocated to the CD Fund according to the procedures described in the Additional Detail on Method of Distribution section following this table.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>Minimum \$75,000/Maximum \$800,000, regions may establish additional grant amount limits.</p>
<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>Activities Benefiting LMI Persons</p>
<p>6 State Program Name:</p>	<p>Community Enhancement Fund</p>
<p>Funding Sources:</p>	<p>CDBG</p>
<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The Community Enhancement ("CE") Fund provides a source of funds (when available) not available through other CDBG programs to stimulate a community's economic development efforts and improve self-sufficiency. The project must have the potential to benefit all citizens within a jurisdiction. The community project must provide a benefit that will enhance the overall quality of life in the rural community.</p>
<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>The selection criteria for the Community Enhancement Fund will focus on the following factors:</p> <ul style="list-style-type: none"> a. Project category, with a priority for public health facilities; b. Community need; c. Sustainability, including appropriate partnerships and service providers; and d. Match.

	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov .
	Describe how resources will be allocated among funding categories.	Up to \$5,000,000 in deobligated funds will be made available for the CE Fund on the first day of the program year.
	Describe threshold factors and grant size limits.	Minimum \$50,000/Maximum \$500,000
	What are the outcome measures expected as a result of the method of distribution?	Activities Benefiting LMI Persons
7	State Program Name:	Disaster Relief Funds
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	<p>Disaster Relief ("DR") Fund assistance is available as needed for eligible activities in relief of disaster situations where either a state or federal disaster declaration has been issued. Declaration other than Drought: Priority for the use of these funds is for repair and restoration activities that meet basic human needs (such as water and sewer facilities, housing, and roads), and may not include funding to construct public facilities that did not exist prior to the occurrence of the disaster.</p> <p>Declaration for Drought: Funding in response to a Governor's drought disaster declaration covering the area that would benefit from project activities must include new facilities to improve water supply, subject to the conditions set forth in Title 4, Part 1, Chapter 30, Subchapter A of the Texas Administrative Code.</p>

Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	<p>To qualify for the DR Fund:</p> <p>a. The situation addressed by the applicant must be both unanticipated and beyond the control of the local government.</p> <p>b. The problem being addressed must be of recent origin. For DR Fund assistance, this means that the application for assistance must be submitted no later than 12 months from the date of the state or federal disaster declaration.</p> <p>c. Funds will not be provided under Federal Emergency Management Agency's ("FEMA's") Hazard Mitigation Grant Program for buyout projects unless TDA receives satisfactory evidence that the property to be purchased was not constructed or purchased by the current owner after the property site location was officially mapped and included in a designated flood plain area.</p> <p>d. Each applicant must demonstrate that adequate local funds are not available, i.e., the entity has less than six months of unencumbered general operations funds available in its balance as evidenced by the last available audit required by state statute, or funds from other state or federal sources are not available to completely address the problem.</p> <p>e. TDA may consider whether funds under an existing CDBG contract are available to be reallocated to address the situation.</p> <p>f. The distribution of these funds will be coordinated with other state agencies.</p>
If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	<p>Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov.</p>
Describe how resources will be allocated among funding categories.	<p>2% (approximately) of the State CDBG allocation is allocated to the DR Fund. Deobligated funds up to \$2,000,000 are made available for the DR Fund on the first day of a program year, and additional deobligated funds may be allocated to the DR Fund according to the procedures described in the Additional Detail on Method of Distribution section following this table. The amount for this fund category may be adjusted during the program year as needed.</p>
Describe threshold factors and grant size limits.	<p>Maximum \$350,000/Minimum \$50,000</p>
What are the outcome measures expected as a result of the method of distribution?	<p>Meet other community development needs of particular urgency which represent an immediate threat to the health and safety of residents of the community.</p>

8	State Program Name:	General HOME Funds for Single-Family Activities
	Funding Sources:	HOME
	Describe the state program addressed by the Method of Distribution.	TDHCA awards single-family activity funds as grants and loans through a network of local administrators for Homeowner Rehabilitation (“HRA”), Homebuyer Assistance (“HBA”), and TBRA. Assistance length and term depends on the type of activity. Non set-side funds are initially being made available competitively on a regional basis, then later remaining funds are made available statewide on a first-come, first-served Reservation System, a contract-based system or some combination of these two methods. The method will be described in NOFAs and is informed by needs analysis, oversubscription for the activities, and public input.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	<p>Applicants must comply with requirements stated in NOFAs, the Single-Family Programs Umbrella Rule, and State HOME Program Rules in effect at the time they receive their award.</p> <p>Review of Applications All programs will be operated through direct administration by TDHCA, reallocation of deobligated funding and program income, or through the release NOFA with an emphasis on geographic dispersion of funds, particularly in rural areas of the state, using a Regional Allocation Formula (“RAF”) which uses objective measures to determine rural housing needs such as poverty and substandard housing. For NOFAs, applicants must submit a complete application to be considered for funding, along with an application fee determined by TDHCA. Applications received by TDHCA will be reviewed for applicable threshold, eligibility and/or scoring criteria in accordance with the Department’s rules and application review procedures published in the NOFA and/or application materials. Information related to NOFAs, application requirements and fees, and application review procedures and materials is available at http://www.tdhca.state.tx.us/home-division/index.htm.</p> <p>Selection Process Qualifying applications are recommended for funding to TDHCA’s Board based on the Department’s rules and any additional requirements established in the NOFA. Applications submitted for development activities will also receive a review for financial feasibility, underwriting and compliance under the HOME Final Rule as well as the Department’s existing previous participation review process.</p> <p>The state may select subrecipients or state recipients as described in program rules and NOFAs, or may conduct a portion of HOME activities directly in accordance with §92.201.</p> <p>When administrators have not successfully expended the HOME funds within their contract period, TDHCA de-obligates the funds and pools the dollars for redistribution according to TDHCA’s Deobligated Funds Policy at 10 TAC §1.5, and consistent with the reservation system and any open NOFAs. TDHCA may also reallocate these funds through a competitive NOFA process resulting in an award of funds.</p>

	<p>Describe how resources will be allocated among funding categories.</p> <p>TDHCA announces the annual allocation of HOME Single-Family funds through a NOFA and specifies that the funds will initially be made available using a Regional Allocation Formula ("RAF") which divides funds among 26 sub-regions as required by state statute. The allocation method is developed based on a formula which considers need and funding availability. After a period of several months, regional allocations collapse. Following the release of the annual allocation through the RAF, TDHCA periodically adds HOME program income and deobligated funds to the funds available via the Reservation System and either allocates a specific amount of funds per activity based on funding priorities or may allow HOME administrator's requests for funding through the system to determine how the funds are finally allocated among fund categories. TDHCA may specify the maximum amount of funds that will be released for each activity type and may allocate funds via a first come, first served Reservation System or alternate method based on public comment.</p>
	<p>Describe threshold factors and grant size limits.</p> <p>Applicants must comply with requirements stated in the HOME NOFA and State HOME Program Rules in effect the year they receive their award. These sources provide threshold limits and grant size limits per activity type.</p>
	<p>What are the outcome measures expected as a result of the method of distribution?</p> <p>Assistance to LMI households.</p>
9	<p>State Program Name: HOME Multifamily Development</p>
	<p>Funding Sources: HOME</p>
	<p>Describe the state program addressed by the Method of Distribution.</p> <p>The HOME Multifamily Direct Loan Program awards loans to for-profit and nonprofit multifamily developers to construct and rehabilitate affordable rental housing. These loans typically carry a 0% to 5% interest rate and have terms ranging from 15 years to 40 years. The vast majority of the loans are made in conjunction with awards of 4% or 9% HTCs.</p>
	<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p> <p>TDHCA's Texas Administrative Code Chapters 10 and 13 set forth a minimum set of requirements that document a project owner's readiness to proceed with the development as evidenced by site control, notification of local officials, the availability of permanent financing, appropriate zoning for the site, and a market and environmental study. Additionally, the development must be near certain community assets. After a period of Regional Allocation, HOME Multifamily Direct Loan Program funds are typically awarded on a first-come, first-served basis, as long as the criteria above are met. For HOME Multifamily Development applications layered with 9% HTCs, the highest scoring applications in the 9% cycle that also request HOME funds take priority over lower scoring HOME Multifamily Development applications that may have been received earlier.</p>
	<p>Describe how resources will be allocated among funding categories.</p> <p>Typically, of the HOME Multifamily Funds, 85% is available for general activities and 15% for Community Housing Development Organizations ("CHDOs"). However, the HOME Multifamily Direct Loan Program may make funds available annually or through a special purpose NOFA under the General, Supportive Housing/Soft Repayment, and CHDO Set-Asides, or may choose to have a preference or limitation for Persons with Disabilities.</p>

	Describe threshold factors and grant size limits.	TDHCA's Uniform Multifamily Rules set forth a minimum set of requirements that document a project owner's readiness to proceed with the development as evidenced by site control, notification of local officials, the availability of permanent financing, experience of the developer, appropriate zoning for the site, and a market and environmental study. Additionally, the development must be near certain community assets such as a bank, pharmacy, or medical office and have certain unit amenities and common amenities. Awards of HOME Multifamily Direct Loan Program funds range from approximately \$300,000 to \$3 million per application in the form of a loan.
	What are the outcome measures expected as a result of the method of distribution?	Assistance to LMI households.
10	State Program Name:	Local Revolving Loan Funds
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	TxCDBG allows communities that received Texas Capital Fund awards to support job creation or retention, and that created a local revolving loan fund, prior to implementation of the interim rule published November 12, 2015, to retain the program income generated by the economic development activities and to reinvest the funds to support job creation/retention activities.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Criteria are established by local subrecipients, with guidance from the TxCDBG Revolving Loan Fund Information Guide provided by TDA.
	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	The TxCDBG Revolving Loan Fund Information Guide is provided directly to subrecipients that have established revolving loan funds.
	Describe how resources will be allocated among funding categories.	Program Income generated by a local RLF is retained by that community or returned to TDA for distribution according to the Action Plan. See "Grantee Unique Appendices" for table of local revolving loan funds.

	Describe threshold factors and grant size limits.	Parameters for minimum or maximum loan amounts may be established by the subrecipient.
	What are the outcome measures expected as a result of the method of distribution?	Activities Benefitting LMI Persons through Job Creation/Retention
11	State Program Name:	National Housing Trust Fund
	Funding Sources:	Housing Trust Fund
	Describe the state program addressed by the Method of Distribution.	It is planned that the NHTF Program will award loans to for-profit and nonprofit multifamily developers to construct multifamily affordable housing. Because the NHTF is required to benefit ELI households at 30% of AMI or less, the units will likely not be able to service a debt payment. The constraints on NHTF dictate that the funds typically be available as 0% interest, deferred payment loan, or as 0% interest cash flow loans, if required, to leverage with tax credits or other financing mechanisms.

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>TDHCA's Texas Administrative Code Chapters 10 and 13 set forth a minimum set of requirements that document a project owner's readiness to proceed with the development as evidenced by site control, notification of local officials, the availability of permanent financing, appropriate zoning for the site, and market and environmental studies. Additionally, the development must be near certain community assets. TDHCA Multifamily Direct Loan ("MFDL") Program funds are typically awarded on a first-come, first-served basis, as long as the criteria above are met.</p> <p>TDHCA will review and recommend NHTF (referred to under the umbrella term MFDL below) applications in accordance with the Multifamily Direct Loan Rule as follows:</p> <p>(1) Priority 1: Applications not layered with 2018 9% HTC that are received prior to the 2018 9% HTC Application deadline as described in 10 TAC §11.2 Program Calendar for Competitive Housing Tax Credits. Priority 1 applications will be prioritized on a first come first served basis within their respective set-aside and subregion or region. If the RAF has collapsed, applications will be reviewed on a first-come first served basis within their set-aside.</p> <p>(2) Priority 2: Applications layered with 2018 9% HTC will be prioritized based on their recommendation status for an HTC allocation. All Priority 2 applications will be deemed received on the Market Analysis Delivery Date as described in 10 TAC §11.2 Program Calendar. In order for an MFDL application layered with 2018 9% HTC to be considered complete, Applications for both programs must be timely received. Priority 2 applications will be recommended for approval at the same meeting when the Board approves the 2018 9% HTC allocations. Applications that will be recommended for 2017 9% HTC and are tied for MFDL under the scoring criteria will be further prioritized for funding based upon the scoring, tiebreaker and award criteria in 10 TAC Chapter 11 (the "QAP").</p> <p>(3) Priority 3: Applications that are received after the 2018 9% HTC Application deadline on a first come first served basis for any remaining funds until the final deadline identified in the annual NOFA.</p> <p>Applications that will create new ELI units without preexisting vouchers or other rental subsidy may be prioritized, and additional criteria may be imposed for applications not layered with tax credits.</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>NHTF will not be allocated among funding categories. The requirement to serve ELI households already meets a set aside category in TDHCA Multifamily programs.</p>

	Describe threshold factors and grant size limits.	TDHCA's Uniform Texas Administrative Code Chapters 10 and 13 set forth a minimum set of requirements that document a project owner's readiness to proceed with the development as evidenced by site control, notification of local officials, the availability of permanent financing, experience of the developer, appropriate zoning for the site, and a market and environmental study. Additionally, the development must be near certain community assets such as a bank, pharmacy, or medical office and have certain unit amenities and common amenities. Awards of NHTF will be integrated into the TDHCA Multifamily Direct Loan Program. Award funds may range up to \$3 million per application in the form of a loan for this program.
	What are the outcome measures expected as a result of the method of distribution?	Assistance to ELI households.
12	State Program Name:	Planning/Capacity Building Fund
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	The Planning/Capacity Building ("PCB") Fund is available to assist eligible cities and counties in conducting planning activities that assess local needs, develop strategies to address local needs, build or improve local capacity, or that include other needed planning elements (including telecommunications and broadband needs).
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	The selection criteria for the PCB Fund will focus upon the following factors: a. Community Distress; a. Percentage of persons living in poverty; b. Per capita income; c. Unemployment rate; b. Benefit to LMI Persons; c. Project Design; d. Program Priority; e. Base Match; f. Area-wide Proposals; and g. Planning Strategy and Products.
	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov .

	Describe how resources will be allocated among funding categories.	1.0% (approximately) of the State CDBG allocation is allocated to this fund. In addition, deobligated funds may be allocated to this fund according to the procedures described in the Additional Detail on Method of Distribution section following this table.
	Describe threshold factors and grant size limits.	Minimum \$0/Maximum \$55,000
	What are the outcome measures expected as a result of the method of distribution?	Activities Benefiting LMI Persons
13	State Program Name:	State Mandated Contract for Deed Conversion Set-Aside
	Funding Sources:	HOME
	Describe the state program addressed by the Method of Distribution.	Following the 85 th Legislative Session, Rider 6 of the TDHCA bill pattern within the General Appropriations Act for Fiscal Years 2018-19 requires TDHCA to identify funding sources and estimated funding levels for contract for deed conversions and other activities for families that reside in a colonia and earn 60 percent or less of the applicable area median family income ("AMFI") and the home converted must be their primary residence.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Administrators must meet HOME Program threshold requirements to access funding. Funding is made available to contract for deed administrators on a first-come, first-served basis, in addition to threshold requirements outlined in the State HOME Program Rule, through the Reservation System.
	Describe how resources will be allocated among funding categories.	Beginning in FY 2018, TDHCA will set aside \$1,000,000 for Contract for Deed activities annually and will release the funds through the reservation system as a method of distribution.
	Describe threshold factors and grant size limits.	Applicants must meet the thresholds provided in the NOFA and State HOME Program Rules in effect the year in which they receive their award. Administrators are not awarded a grant following a successful application. Rather funds are awarded on a household by household basis.
	What are the outcome measures expected as a result of the method of distribution?	Assistance to households with incomes at or below 60% AMFI.
14	State Program Name:	TCF Main Street Program
	Funding Sources:	CDBG

Describe the state program addressed by the Method of Distribution.	The Texas Capital Fund ("TCF") Main Street and Downtown Revitalization Programs award grant funds for public infrastructure to foster and stimulate economic development in rural downtown areas.
Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	<p>The selection criteria for the TCF Main Street Program for eligible Texas Main Street communities will focus upon the following factors:</p> <ul style="list-style-type: none"> a. Applicant Need criteria, including poverty rate, median income, unemployment rate, and community need; b. Project criteria, including leverage, economic development consideration, sidewalks projects and Americans with Disabilities Act ("ADA") compliance, broad-based public support, emphasis on benefit to LMI persons, and grant application training; and c. Main Street program criteria, including National Main Street program recognition, Main Street program participation, historic preservation ethic impact. <p>The selection criteria for the TCF Downtown Revitalization Program will focus upon the following factors:</p> <ul style="list-style-type: none"> a. Applicant Need criteria, including poverty rate, median income, unemployment rate, and community need; b. Project criteria, including leverage, economic development consideration, sidewalks projects, and ADA compliance, broad-based public support, emphasis on benefit to LMI persons, and grant application training; and c. Past Performance.
If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov .
Describe how resources will be allocated among funding categories.	4.7% of the State CDBG allocation is allocated to the TCF Main Street and Downtown Revitalization Programs; in addition, deobligated funds may be allocated for the these programs, up to a total funding amount of \$3,500,000 . Program income funds may be transferred to this category on August 1 if such funds have not been utilized by other TCF programs (if available).
Describe threshold factors and grant size limits.	Maximum \$250,000/Minimum \$50,000

	What are the outcome measures expected as a result of the method of distribution?	Eliminate or prevent slum and blight conditions.
15	State Program Name:	TCF Real Estate and Infrastructure Development Programs
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	The Texas Capital Fund ("TCF") Real Estate and Infrastructure Development Programs provides grants and/or loans for Real Estate and Infrastructure Development to create or retain permanent jobs in primarily rural communities and counties.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	<p>The selection criteria for the TCF Real Estate and Infrastructure Development will focus upon the following factors:</p> <ul style="list-style-type: none"> a. Job creation criteria: <ul style="list-style-type: none"> i. Cost-per-job, ii. Job impact, iii. Wage impact, and iv. Primary jobs created/retained; b. Unemployment rate; and c. Return on Investment. <p>Once applications are evaluated and determined to be in the funding range the projects will be reviewed upon the following additional factors:</p> <ul style="list-style-type: none"> a. History of the applicant community in the program; b. Strength of the business or marketing plan; c. Evaluation of the business and the business' principal owners credit; d. Evaluation of community and business need; and e. Justification of minimum necessary improvements to serve the project.
If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov .	

	<p>Describe how resources will be allocated among funding categories.</p> <p>11.9% of the State CDBG allocation is allocated to the Real Estate and Infrastructure Development Programs. In addition, program income funds generated by TCF projects and not otherwise allocated are made available for the Real Estate and Infrastructure Development Programs on the first day of a program year.</p> <p>In accordance with 24 CFR 570.479(e)(ii), the State has determined that program income generated by TCF during PY 2016 must be returned to the State for redistribution to new economic development activities. TCF awards are made for a specific project, based on the minimum necessary work to support the creation or retention of specific jobs, which must be completed prior to close out of the TCF contract. Therefore the community is unlikely to continue funding the same activity in the near future as described in the new regulation.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>Maximum \$1,500,000/Minimum \$150,000</p>
<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>Activities Benefiting LMI Persons</p>
<p>16 State Program Name:</p>	<p>TCF Small and Micro Enterprise Revolving Fund</p>
<p>Funding Sources:</p>	<p>CDBG</p>
<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The Texas Capital Fund ("TCF") Small and Micro Enterprise Revolving Fund provides grants to local partnerships of communities and non-profit organizations to establish a local revolving loan fund, providing loans to local small businesses that commit to create or retain permanent jobs.</p>
<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>The TCF Small and Micro Enterprise Revolving Fund will be offered as a component of the Main Street and Downtown Revitalization Programs.</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov.</p>

	Describe how resources will be allocated among funding categories.	Up to 1,200,000 in program income will be made available for the SMRF Fund.
	Describe threshold factors and grant size limits.	\$100,000 per award
	What are the outcome measures expected as a result of the method of distribution?	Activities Benefiting LMI Persons
17	State Program Name:	Utility U Program
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	Utility U provides funds to cities and counties, in coordination with water and wastewater utilities, to provide job training opportunities in the utility field. Both classroom and on-site training methods provided by a community based development organization (CBDO) or similar organization shall provide critical utility industry skills to current and newly hired employees to create or enhance job opportunity.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	The Utility U Program will be available to cities and counties only upon recommendation by two or more state or federal regulatory or funding agencies. These agencies are expected to evaluate the need for job training for a specific utility or group of utilities prior to making a recommendation to TDA. The utility must agree to employ the trainee for a minimum of two years following completion of the training.
	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Guidelines, applications and additional program documentation are available upon request.
	Describe how resources will be allocated among funding categories.	\$0 are made available for the Utility U Program on the first day of the program year. If an eligible project is recommended for funding, up to \$125,000 may be transferred to the program.

	Describe threshold factors and grant size limits.	Maximum \$125,000/Minimum \$30,000
	What are the outcome measures expected as a result of the method of distribution?	Activities Benefiting LMI Persons
18	State Program Name:	Texas ESG Program
	Funding Sources:	ESG

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The ESG Program is currently a competitive grant that awards funds to private nonprofit organizations, cities, and counties in the State of Texas to provide the services necessary to help persons who are experiencing or at-risk of homelessness quickly regain stability in permanent housing. After a public input process on the draft NOFA during the summer of 2016, TDHCA ran a competition for a two-year award cycle for 2017 and 2018 funds. In the fall of 2016, TDHCA released a Request for Application for CoC lead agencies to run a local ESG competition in their areas. Applicants in the CoC regions in which the lead agency runs a local competition applied directly to the CoC lead agency for TDHCA ESG funding. Applicants in the CoC regions in which the lead agency is not running a local competition applied directly to the TDHCA for ESG funding. Ultimate award authority for all ESG funds remained with TDHCA’s Board, and the awards were approved at the October 2017 and November 2017 TDHCA Board meetings.</p> <p>Before entering into a contract for 2018 ESG funds, TDHCA will determine how much funding is received by HUD and distribute the funding based on the proportional share that award received in the first year of the award cycle (with the exception of the onetime funds awarded to the Amarillo CoC). For example, if the total received by TDHCA in year one was \$8,000,000, and in year two is \$8,500,000, the amount available to each Subrecipient before performance is considered will be approximately 105% adjusted proportionally. If the amount received by TDHCA for PY 2018 is less than PY2017, the amount available to each Subrecipient before performance is considered will be reduced proportionally from the first year award.</p> <p>Any funds remaining in first year contracts will be recaptured ninety days after the original end date in the 2017 ESG Contract. The recaptured funds, along with any disallowed costs, will be pooled options for awards as follows. The first step is to increase the award of ESG Subrecipients that received a partial award in 2017 award cycle. Once the partial award is increased to the amount requested, the remaining funds will be pooled. The next step depends on the amount of funding available. If the remaining funds are over \$50,000, the funds will be used to fund the highest scoring Applicant that was not originally funded. If the remaining funds are less than \$50,000, the funds will be distributed to awarded Subrecipient(s) that have had the highest amount of success in meeting their PY 2017 performance measures.</p> <p>Any funds returned to the Department from prior ESG awards before 2018 ESG awards are made, will be redistributed in accordance with the 2017/2018 NOFA, or as otherwise approved by the TDHCA Board.</p>
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<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>In the competitive process with TDHCA, applications are selected based on: Program Description and Capacity; Proposed Performance; Proposed Budget and Match; CoC Participation and Coordination; and Contract History of Subrecipients in ESG Expenditure and Reporting (negative scores only). The allocation amounts available in each CoC region are established by formula.</p> <p>Performance or benchmarks that could result in loss of some or all 2018 ESG funding include, but are not limited to, the following:</p> <ol style="list-style-type: none"> 1. Delinquent submission of Audit Certification Form or required Audit. 2. Failure to expend 60% of 2017 funding nine months after the start date in the 2017 ESG Contract. 3. Failure to meet performance measurements by more than 25%.
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<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>For the competitive process, TDHCA released a NOFA in the winter of 2017 in anticipation of the State's receipt of ESG funding. The NOFA was for a two-year award cycle; for an award of ESG 2017 and anticipated 2018 funds. A two-year award cycle allows Subrecipients to offer up to 24 months of assistance for medium-term rental assistance (previously Subrecipients were limited to the number of months within their contracts, which is 12 months or fewer), and to spend more time on program activities than applying for funds. TDHCA encourages collaboration among homeless service providers by allowing the submission of a Collaborative Application. A Collaborative Application is an application that has a lead applicant and partner agencies. The lead applicant is an organization that submits the ESG application and, if awarded, will have a contract with TDHCA. The partner agencies will have a legal relationship with the lead applicant to receive ESG funding in return for performance and reporting, as established during the application process. Collaborative Applications are often more competitive than single applicants because the lead applicant's and partner organizations' performance, which is part of the application which has the highest potential for points, is combined into one application.</p> <p>Eligible applicant organizations are Units of General Purpose Local Government, including cities, counties and metropolitan cities; urban counties that receive ESG funds directly from HUD; and a consolidation of units of general purpose local governments, like a Council of Governments. Other instrumentalities of a city or county, like a Local Mental Health Authority, may be eligible and should seek guidance from TDHCA to determine if they can apply. Governmental organizations such as Public Housing Authorities ("PHAs") and housing finance agencies are not eligible and cannot apply directly for ESG funds; however PHAs may serve as a partner in a collaborative Application, but may not be the lead applicant. These same criteria will apply to those applicants awarded directly by the CoCs as well.</p> <p>Eligible applicants also include private nonprofit organizations that are secular or religious organizations described in section 501(c) of the Internal Revenue Code of 1986, are exempt from taxation under subtitle A of the Code, have an acceptable accounting system and a voluntary board, and practice non-discrimination in the provision of assistance. Faith-based organizations receiving ESG funds, like all organizations receiving HUD funds, must serve all eligible beneficiaries without regard to religion.</p>
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<p>Describe how resources will be allocated among funding categories.</p>	<p>ESG funds may be used for six program components: street outreach, emergency shelter, homelessness prevention, rapid re-housing assistance, HMIS or HMIS-comparable database, and administrative activities. In order for TDHCA to meet the requirement of no more than 60% of funds expended in street outreach and emergency shelter per 24 CFR §576.100(b), applicants that apply directly to TDHCA cannot propose budgets in excess of the 60% cap on those two activities. The 60% limit per Application is waived for a competition run by the local CoC lead agency because the CoC lead agencies will ensure that the combined amount recommended for ESG awards in the CoC will not exceed 60% in street outreach and emergency shelter. For a CoC region with a local competition, one Applicant for ESG may propose to serve more than 60% street outreach or emergency shelter only if the recommendations for awards from the CoC lead agencies balance the distribution of funding so that the overall award recommendations result in less than 60% for street outreach and emergency shelter.</p> <p>Persons experiencing homelessness and homelessness resources are often concentrated in urban areas. While the need in urban areas for resources is great, there are large areas of Texas that do not receive ESG funds directly from HUD. The 2017/2018 ESG NOFA established a system of scoring where applicants receive more points for clients they serve in rural areas and colonias.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>Due to having an extremely large Balance of State CoC made up of mostly rural areas, TDHCA set separate thresholds for grant size limits outside and inside the Balance of State CoC for the 2017/2018 NOFA.</p> <p>Within the Balance of State CoC region, Applicants could have requested no less than \$100,000 per year, and a maximum of \$150,000 per year. For a Collaborative Application in the Balance of State CoC, the minimum request could have been \$100,000 per year. The maximum request amount was \$150,000 per year, times the number of partners in the Application, with a maximum request of \$600,000 per year. For example, a Collaborative of 3 agencies could request up to \$450,000 per year (\$150,000 X 3 partners= \$450,000). The \$450,000 per year can be budgeted among all partners as agreed by all partners.</p> <p>Outside the Balance of State, the minimum request for a Collaborative Application was \$200,000 per year, unless the amount available in the region is less than \$200,000 per year. In those cases, the minimum request is no less than the available allocation for that region. The maximum request amount is \$200,000 per year times the number of partners in the Application, with a maximum request of \$600,000 per year. For example, a Collaborative Application made up of 3 partners may apply for a total grant amount of \$600,000 per year (\$200,000 x 3), but can decide to budget \$300,000 for Agency 1, \$250,000 for Agency 2, \$50,000 for Agency 3.</p>

	What are the outcome measures expected as a result of the method of distribution?	The expected outcome is that funds will be awarded to organizations that have the administrative and performance capacity to provide the services needed in their communities, with a broad distribution of funding to reach as many areas of the state with quality services as possible. The expected outcome of TDHCA's plan to allow local competitions is that the same will be accomplished, but with CoC-wide planning rather than with only State planning.
19	State Program Name:	Texas HOPWA Program
	Funding Sources:	HOPWA
	Describe the state program addressed by the Method of Distribution.	DSHS selects seven AAs across the state through a combination of competitive Requests for Proposal ("RFP") and intergovernmental agency contracts. The AAs act as an administrative arm for DSHS by administering the HOPWA program locally. The AAs do not receive any HOPWA administrative funds from DSHS; all AA administrative costs are leveraged from other funding sources. The AAs, in turn, select HOPWA Project Sponsors to cover all 26 HSDAs through local competitive processes.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Information on grant applications, available funding opportunities, application criteria, etc. can be found on the DSHS website: http://www.dshs.texas.gov/fic/default.shtm . Contracting and procurement services for DSHS HOPWA is overseen by Texas Health and Human Services Procurement and Contracting Services ("PCS") Division. This division handles the solicitation, contract development, contract execution, and is the office of record for DSHS' contracting needs. Evaluation Criteria as noted in the most recent RFP process for AAs for Ryan White/State Services and HOPWA programs were: Respondent Background = 30%; Assessment Narrative = 15%; Performance Measures = 10%; Work Plan = 35%; and Budget = 10%.
	Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)	The AAs select HOPWA Project Sponsors to cover all 26 HSDAs through local competitive processes. Community-based organizations, minority organizations, minority providers, grassroots and faith-based organizations are encouraged to apply. Historically, many of the agencies that have provided services to TDHCA's client population are grassroots, community-based, and minority organizations.

	<p>Describe how resources will be allocated among funding categories.</p> <p>Texas HOPWA funding allocations are geographically distributed across the state to the 26 HSDAs based on factors such as population of PLWH and unmet need. Texas HOPWA serves PLWH and their household members, all of whom are at or below 80% of AMI, and most fall into the extremely low-income category. Allocations generally mirror the Ryan White Program allocation formula, which takes into account population of PLWH, HIV incidence, number of PLWH accessing Ryan White services, percent of PLWH eligible for Medicaid, and other considerations. The allocations are then adjusted based on unmet need, prior performance and expenditures, geographic-specific data provided by Project Sponsors, and any other relevant factors. After allocations to each HSDA are determined, it is then up to the Project Sponsor to allocate between activities of TBRA, STRMU, Facility-Based Housing Subsidy Assistance, PHP, Supportive Services, and administrative expenses (not to exceed 7% of their allocation) and submit those to their AA and DSHS for approval. Project Sponsors base allocations on many factors, including but not limited to, number of clients projected to continue into the next year, area unmet need, rental costs, prior number of clients served, average expenditures per client, and changes in HIV population living in poverty, etc. Funds are also reallocated during the year within HSDAs under each AA as needed when needs change.</p>
	<p>Describe threshold factors and grant size limits.</p> <p>Texas HOPWA serves PLWH and their household members, all of whom are at or below 80% of AMI. The majority of HOPWA clients are classified as extremely low income, which is between 0% and 30% of AMI.</p>
	<p>What are the outcome measures expected as a result of the method of distribution?</p> <p>TBRA, STRMU, Facility-Based Housing Subsidy Assistance, and Supportive Service activities each have their own outcome measures. TBRA measures housing stability by assessing a household's destination at the end of the service. STRMU measures housing stability by assessing a household's housing status at the end of the service. Facility-Based Housing Subsidy Assistance measures housing stability by assessing a household's destination at the end of the service. Supportive Services measures access to health care and supportive services outcomes at the end of the service.</p>
20	<p>State Program Name: Texas Small Towns Environment Program Fund</p>
	<p>Funding Sources: CDBG</p>
	<p>Describe the state program addressed by the Method of Distribution.</p> <p>The Texas Small Towns Environment Program ("STEP") Fund provides funds to cities and counties that recognize the need and potential to solve water and sewer problems through self-help techniques via local volunteers. By utilizing the resources of the community (human, material, and financial), the necessary construction, engineering, and administration costs can be reduced significantly from the cost for the installation of the same improvements through conventional construction methods.</p> <p>The self-help response to water and sewer needs may not be appropriate in every community. In most cases, the decision by a community to utilize self-help to obtain needed water and sewer facilities is based on the realization of the community that it cannot afford even a basic water or sewer system based on the initial construction costs and the operations/maintenance costs (including debt service costs) for water or sewer facilities installed through conventional financing and construction methods.</p>

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>STEP assistance is available as needed. The following are the criteria to be used by CDBG staff for assessments and applications under the Texas STEP Fund:</p> <ul style="list-style-type: none"> a. Project Impact b. STEP Characteristics, Merits of the Project, and Local Effort c. Past Participation and Performance d. Percentage of Savings off of the retail price e. Benefit to Low/Moderate-Income Persons
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>Deobligated funds up to \$700,000 are made available for the STEP Fund on the first day of the program year.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>Maximum \$350,000/Minimum \$0</p>
<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>Activities Benefiting LMI Persons</p>
<p>21 State Program Name:</p>	<p>Urgent Need Fund</p>
<p>Funding Sources:</p>	<p>CDBG</p>

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>Urgent Need ("UN") Fund assistance is available for activities that will restore water and/or sewer infrastructure whose sudden failure has resulted in death, illness, injury, or poses an imminent threat to life or health within the affected applicant's jurisdiction. The infrastructure failure must not be the result of a lack of maintenance and must be unforeseeable. An application for UN Fund assistance will not be accepted until discussions between the potential applicant and representatives of TDA, TWDB, and the Texas Commission on Environmental Quality ("TCEQ") have taken place. Through these discussions, a determination shall be made whether the situation meets eligibility requirements and if a potential applicant should be invited to submit an application for the UN Fund.</p> <p>Construction on an UN Fund project must begin within ninety (90) days from the start date of the CDBG contract. TDA may de-obligate the funds under an UN Fund contract if the grantee fails to meet this requirement.</p>
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<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>To qualify for the UN Fund:</p> <ol style="list-style-type: none"> 1. The situation addressed by the applicant must not be related to a proclaimed state or federal disaster declaration. 2. The situation addressed by the applicant must be both unanticipated and beyond the control of the local government (e.g., not for facilities or equipment beyond their normal, useful life span). 3. The problem being addressed must be of recent origin. For UN assistance, this means that the situation first occurred or was first discovered no more than 30 days prior to the date that the potential applicant provides a written request to the TDA for UN assistance. UN funds cannot fund projects to address a situation that has been known for more than 30 days or should have been known would occur based on the applicant's existing system facilities. 4. Each applicant for these funds must demonstrate that local funds or funds from other state or federal sources are not available to completely address the problem. 5. The applicant must provide documentation from an engineer or other qualified professional that the infrastructure failure cannot have resulted from a lack of maintenance or been caused by operator error. 6. UN funds cannot be used to restore infrastructure that has been cited previously for failure to meet minimum state standards. 7. The infrastructure requested by the applicant cannot include back-up or redundant systems. 8. The UN Fund will not finance temporary solutions to the problem or circumstance. 9. TDA may consider whether funds under an existing CDBG contract are available to be reallocated to address the situation, if eligible. 10. The distribution of these funds will be coordinated with other state agencies. <p>Each applicant for UN Funds must provide matching funds. If the applicant's most recent Census population is equal to or fewer than 1,500 persons, the applicant must provide matching funds equal to 10 percent of the CDBG funds requested. If the applicant's most recent Census population is over 1,500 persons, the applicant must provide matching funds equal to 20 percent of the CDBG funds requested. For county applications where the beneficiaries of the water or sewer improvements are located in unincorporated areas, the population category for matching funds is based on the number of project beneficiaries.</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov.</p>

	Describe how resources will be allocated among funding categories.	No funds will be allocated on the first day of the Program Year; however, the amount for this funding category may be adjusted during the 2017 PY as needed.
	Describe threshold factors and grant size limits.	Maximum \$250,000/Minimum \$25,000
	What are the outcome measures expected as a result of the method of distribution?	Meet other community development needs of particular urgency which represent an immediate threat to the health and safety of residents of the community
21	State Program Name:	State Revolving Fund
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	TxCDBG retains the program income generated by economic development activities and reinvests the funds to continue supporting economic development activities.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Application Guides for the Texas Capital Fund Real Estate and Infrastructure Development Programs, Main Street / Downtown Revitalization Programs and the Small and Micro Enterprise Revolving Fund can be found on the TDA website.
	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Application Guides for the Texas Capital Fund Real Estate and Infrastructure Development Programs, Main Street / Downtown Revitalization Programs and the Small and Micro Enterprise Revolving Fund can be found on the TDA website.
	Describe how resources will be allocated among funding categories.	Program Income generated by the State Revolving Fund will be allocated to the Texas Capital Fund Real Estate and Infrastructure Development Programs, Main Street / Downtown Revitalization Programs and the Small and Micro Enterprise Revolving Fund.
	Describe threshold factors and grant size limits.	The amount of program income generated will determine the amount of funds available.
	What are the outcome measures expected as a result of the method of distribution?	Activities Benefitting LMI Persons through Job Creation/Retention and the elimination of slum and blight conditions.

Discussion:

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

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

Additional information for Allocation of CDBG program income and deobligated funds has been provided as an attachment.

AP-35 Projects – (Optional)

Introduction:

Per the IDIS Desk Guide, Project-level detail is not required for a state grantee's Annual Action Plan. Once a state grantee has allocated funding via its Method of Distribution, the state grantee will use the Projects sub-menu in IDIS Online to add its projects for the program year. However, in order for accomplishments to associate to the goals listed in the plan, projects must be entered in the Action Plan template. Given this, it will be necessary to amend the plan and resubmit it after the projects have been added. As such, Texas will enter projects as amendments to the 2018 OYAP as necessary.

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

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

CDBG-DR allocation priorities can be found in the CDBG-DR Action Plan at:
<http://www.glo.texas.gov/recovery/reporting/action-plans/index.html>

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

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

No

Available Grant Amounts

Not applicable.

Acceptance process of applications

Not applicable.

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

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

Yes

State’s Process and Criteria for approving local government revitalization strategies

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

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

The Downtown Revitalization Program and Main Street Development Program are intended to stimulate economic growth through the funding of public infrastructure improvements to aid in the elimination of slum and blight conditions in the historic downtown areas of rural communities; the Main Street component is available to communities designated as an official Texas Main Street City by the Texas Historical Commission. The programs are only available to “non-entitlement” city governments. Non-entitlement cities do not receive direct funding from HUD and typically include cities with a population of less than 50,000. Awarded cities receive funds to make public infrastructure improvements in the designated historic, downtown business district. Projects must meet the national objective of aiding in the elimination of slum and/or blighted conditions identified by city resolution. The improvements must directly support the revitalization of the city's designated downtown area. Awarded cities may also request Small and Microenterprise Revolving Fund (SMRF) funding to provide loans to downtown businesses that commit to create or retain jobs.

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

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

Introduction

Distribution Methods

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

Table 9 - Distribution Methods by State Program for Colonias Set-aside

State Programs Addressed

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

Criteria and their importance

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

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

CDBG only: Access of application manuals

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

Resource Allocation among Funding Categories

The allocation is distributed on an as-needed basis.

Threshold Factors and Grant Size Limits

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

Outcome Measures expected as results of Distribution Method

Activities Benefiting LMI Persons

Discussion

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

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

AP-50 Geographic Distribution – 91.320(f)

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

HOME/NHTF Addresses Geographic Areas for Assistance

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

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

ESG Addresses Geographic Areas for Assistance

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

HOPWA Addresses Geographic Areas for Assistance

The Texas HOPWA funding allocations are geographically distributed according to the 26 HIV HSDAs. Allocations are based on several factors, including past performance of Project Sponsors and unmet need, with the majority of Texas HOPWA clients (90% in 2016) classified as extremely low and very low income. Allocations generally mirror the Ryan White Program allocation formula, which takes into account population of PLWH, HIV incidence, number of PLWH accessing Ryan White services, percent of PLWH eligible for Medicaid, and other considerations. The allocations are then adjusted based on unmet need, prior performance and expenditures, geographic-specific data provided by Project Sponsors, and any other relevant factors. Many of these individuals reside in areas of minority concentration and a disproportionate number of PLWH are racial and ethnic minorities, so the program allocates funding to meet the needs of PLWH in Texas.

CDBG Addresses Geographic Areas for Assistance

TDA does not provide priorities for allocation of funds geographically to areas of minority concentration as described in Section 91.320(f). CDBG funds are allocated across the state in three ways. 1. The CD Fund assigns a percentage of the annual allocation to each of the 24 Regional COGs, ensuring that each region of the state receives a portion of the funds.

2. The Colonia Fund directs funding to communities within 150 miles of the Texas-Mexico border. All remaining funds are distributed through state-wide competitions without geographic priorities.
3. Colonia SHCs are established along the Texas-Mexico border in Cameron/Willacy, Hidalgo, Starr, Webb, Maverick, Val Verde, and El Paso counties. The Colonia SHC Program serves approximately 35 colonias in seven border counties, which are comprised of primarily Hispanic households and have concentrations of very low-income households.

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

Geographic Distribution

Target Area	Percentage of Funds
State of Texas	100

Table 10 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

HOME Addresses Geographic Investments

HOME funds are allocated geographically using a regional allocation formula (“RAF”), as described in Strategic Plan Section 10. This process directs funds to areas of the State that demonstrate high need. At least 95% of TDHCA-administered HOME funds are used in areas that are not Participating Jurisdictions (“PJs”) per statute. This results in more HOME funds in smaller communities than in larger Metropolitan Statistical Areas (“MSAs”) that receive HOME funds directly from HUD. The current RAF is online at <http://www.tdhca.state.tx.us/housing-center/pubs-plans.htm>.

ESG Addresses Geographic Investments

TDHCA released the allocation formula for public comment with the draft NOFA in summer of 2017 and again in fall of 2017. CoC regions make funding available for competition according to the combination of the region’s proportionate share of the state’s total of a number of factors. Factors used in the 2017 ESG distribution were homeless population, people living in poverty, cost burden of renters, point in time counts and 2016 ESG funds from federal and state sources.

During the hurricanes of the summer of 2017, TDHCA worked with the local HUD office to identify unobligated ESG funds and directed the money to disaster affected areas. This one-time expenditure as a result of the disaster was a result of an immediate need identified by the State and approved by HUD.

HOPWA Addresses Geographic Investments

At the end of 2016, there were 86,669 people living with HIV in Texas. The number of Texans living with HIV increases each year and in order to meet the needs of low-income PLWH in Texas, many of whom live in areas of minority concentration, the HOPWA funding allocations are geographically distributed across the State and are allocated based on several factors, including unmet need.

Six cities in Texas have a population of over 500,000 (Austin, Dallas, Fort Worth, El Paso, Houston, and San Antonio) in MSAs funded directly from HUD for HOPWA. The Texas HOPWA program can operate in any area of the State, but mostly serves counties not covered under the MSAs' jurisdictions, with some overlap of

counties between the State and the MSAs. As a result, Texas HOPWA covers all of the rural areas of the State, where many low-income HOPWA clients reside, and funding prioritization is based on areas with greater unmet need for PLWH.

CDBG Addresses Geographic Investments

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

For the Colonia SHCs, state legislative mandate designates five centers along the Texas-Mexico border in Cameron/Willacy, Hidalgo, Starr, Webb and El Paso counties to address the long history of poverty and lack of institutional resources. In 2001, TDHCA added two additional Colonia SHCs in Maverick and Val Verde counties. These two counties collectively have approximately 42,000 colonia residents who may qualify to access center services.

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

Discussion

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

NHTF Geographic Priorities

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

NHTF Addresses Geographic Investments

NHTF funds are allocated geographically using a Regional Allocation Formula, as described in Strategic Plan Section 10. Acknowledging that all regions of the State have a need to create housing for ELI households, the formula provides opportunity for access to NHTF. This process directs funds to areas of the State that demonstrate high need.

Affordable Housing

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

Introduction:

Affordable Housing goals for PY 2018 are indicated in the table below for the number of homeless, non-homeless, and special needs households, and for the number of affordable housing units that will be provided by program type, including rental assistance, production of new units, rehabilitation of existing units, utility connections for existing units, or acquisition of existing units. Note that goals entered for ESG are only for Homeless Prevention and Rapid Re-housing. The HOME goals include multifamily and single family activities.

One Year Goals for the Number of Households to be Supported	
Homeless	8,663
Non-Homeless	596
Special-Needs	1,041
Total	10,300

Table 11 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	4,536
The Production of New Units	134
Rehab of Existing Units	137
Acquisition of Existing Units	27
Total	4,834

Table 12 - One Year Goals for Affordable Housing by Support Type

Discussion:

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

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

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

DSHS' HOPWA Program provides TBRA, STRMU, Facility-Based Housing Subsidy Assistance, PHP, and Supportive Services to assist low-income HIV-positive clients and their households to establish or maintain

affordable, stable housing, reduce the risk of homelessness, and improve access to health care and other services. HOPWA serves households with 80% or less of area median income, but a majority of Texas HOPWA households are under 30% AMI and lack of affordable housing is an ongoing issue. DSHS estimates that the HOPWA program will assist 975 unduplicated, income-eligible households with housing subsidy assistance.

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

Colonia residents are considered “Special Needs” households who are supported through the production, rehab or acquisition of units. The Colonia SHCs continue to address affordable housing needs in border counties by assisting qualifying colonia residents to improve or maintain a safe, suitable home in suitable areas, with the contribution of the residents’ sweat-equity which is required in all housing activities at the SHC. In addition, the Colonia SHCs provide other development opportunities that support the creation of affordable housing for beneficiaries, such as tool lending and training in home construction and repair, financial literacy, and homeownership skills.

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

Introduction:

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

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

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

HOME/NHTF Addresses PHA Needs

TDHCA provides notices of funding availability under the HOME Program to interested parties around the State, including PHAs. Furthermore, staff of PHAs, especially those receiving HOME funds and those with Section 8 Homeownership programs, are targeted by TDHCA's Texas Statewide Homebuyer Education Program for training to provide homebuyer education opportunities and self-sufficiency tools for PHA residents. In addition, PHAs may also administer HOME TBRA funds, for either on-going rental assistance or as a stand-alone program which provides security deposits with TBRA funds, enabling them to provide households with rental assistance and services to increase self-sufficiency.

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

ESG Addresses PHA Needs

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

HOPWA Addresses PHA Needs

The HOPWA program administered by DSHS does not provide public housing assistance. However, Project

Sponsors coordinate closely with local housing authorities for client referrals and to address local housing issues. HOPWA clients who move into public housing are no longer eligible to receive HOPWA housing subsidy assistance but are offered HOPWA Supportive Services as needed for transition and if eligible, may continue to receive services through the Ryan White/State Services program.

CDBG Addresses PHA Needs

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

CDBG grant recipients must also comply with local Section 3 policies, including outreach to public housing residents and other qualified Section 3 persons in any new employment, training, or contracting opportunities created during the expenditure of CDBG funding.

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

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

HOME Addresses Public Housing Resident Initiatives

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

ESG Addresses Public Housing Resident Initiatives

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

HOPWA Addresses Public Housing Resident Initiatives

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

CDBG Addresses Public Housing Resident Initiatives

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

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

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

TDHCA has a history of assisting troubled housing authorities and has absorbed vouchers from several PHAs that were having difficulties. HUD identified, in two separate instances, public housing authorities that it thought might be well-advised to have its voucher programs absorbed by TDHCA. The Navasota Housing Authority and the Alamo Area Council of Governments (which was operating as a PHA) each contacted TDHCA to discuss the possibility of absorbing their housing choice voucher programs. During a series of meetings with HUD staff and the PHAs, discussion resulted in multiple on-site visits. Ultimately, the Navasota Housing Authority and the Alamo Area Council of Governments transferred their voucher programs to TDHCA and HUD reassigned the files' PHA codes.

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

Discussion:

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

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

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

Introduction

TDHCA will address requirements in 24 CFR §91.320 by using funds to reduce and end homelessness. Each ESG Applicant is required to coordinate with the lead agency of the CoC, which provides services and follows a centralized or coordinated assessment process; has written policies and procedures in place as described by §578.7(a)(8) and (9); and follows a written standard to provide street outreach, emergency shelter, rapid re-housing, and homelessness prevention assistance. To assist low-income individuals and families to avoid becoming homeless, TDHCA requires each ESG Subrecipient to set performance targets that are part of its scoring criteria for the NOFA. For Collaborative Applications, the performance targets to serve certain numbers of persons or households or meet a certain percentage of outcomes not only applies to the ESG Subrecipient, but is extended to the agreement the ESG Subrecipient had during the application process with its collaborative partners. A Subrecipient must address the housing and supportive service needs of individuals assisted with ESG funds in a plan to move the client toward housing stability.

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

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

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

The Texas ESG Program provides funds to service providers for outreach to unsheltered homeless persons in order to connect them to emergency shelter, housing, or critical services; and to provide urgent, non-facility-based care to unsheltered homeless people who are unwilling or unable to access emergency shelter, housing, or other appropriate facilities. Of critical importance is assisting the unsheltered homeless with emergency shelter or other placement. Subrecipients serving clients through street outreach will be measured against their targets to help persons experiencing homelessness move into temporary, transitional or permanent housing. Subrecipients conducting street outreach may provide case management, such as assessing housing and service needs; arranging, coordinating, and monitoring the delivery of services; and planning a path to permanent housing stability.

ESG Subrecipients are required to describe how they provide outreach to sheltered and unsheltered homeless persons in the ESG application. For example, a 2017 ESG Subrecipient that provides outreach to sheltered and unsheltered homeless persons is City House and its partners in Plano. These organizations focus on runaway and homeless youth up to 21 years old.

Their resource center is located along public transportation line in Plano, and homeless, runaway, and street

youth are helped to find stable housing and services. Street Roving teams meet the street youth/young adult where they are and work to rebuild trusting relationships with adults. Staff provides street-based education and outreach, access to emergency shelter, survival aid, trauma-informed treatment, information and referrals. City House has a hotline number accessible 24 hours a day, and responding staff members are able to provide emergency shelter and transitional housing to youth and young adults. For those over age 21, City House and its partner have partnerships with local churches and hotels to provide housing when needed.

For clients receiving emergency shelter, rapid re-housing, or homelessness prevention, clients will be required to meet with a case manager not less than once per month with exceptions pursuant to the VAWA and the Family Violence Prevention and Services Act ("FVPSA"). Subrecipients are required to develop a plan to assist program participants to retain permanent housing after the ESG assistance ends.

Addressing the emergency shelter and transitional housing needs of homeless persons

The ESG Program provides support to organizations that provide emergency services and shelter to homeless persons and households.

If assisting persons experiencing homelessness that are in an emergency shelter, Subrecipients will be measured against their annual targets serve clients with essential services and to help persons experiencing homelessness move into temporary, transitional or permanent housing. If assisting persons with rapid re-housing or homelessness prevention, Subrecipients will be measured against their annual targets to help persons experiencing or at-risk of homelessness maintain housing for 3 months or more, exit to a permanent housing destination, or gain a higher income.

During the 2017/2018 ESG Application process, many of the applicants reported using the Vulnerability Index Service Prioritization Decision Assistance Tool (VI SPDAT). An example of a Subrecipient in 2017 which addresses the emergency shelter and transitional housing needs of clients San Antonio Metropolitan Ministries (SAMMinistries) and its partners, who use the VI SPDAT with its Coordinated Entry System. The VI SPAT tool indicates the most vulnerable individuals and/or families and will define the types of housing interventions needed; such as, emergency shelter, transitional housing, rapid re-housing or other permanent housing. SAMMinistries and its partners meet weekly to review the Coordinated Entry list and determine how those individuals can be housed most efficiently.

Chronically homeless individuals are prioritized in the Coordinated Entry System and those individuals presenting with the greatest needs will be provided services first. Individuals or families in need of more intense services may be referred for a transition program. Others, using the Housing First model of low barriers for entrance, may be ready for permanent housing and/or independent living. The Housing Specialist assists the client with the landlord, leases and any other processes required in order to get the client(s) housed.

For veterans, SAMMinistries operates a Veteran's Housing Stability Program which provides Rapid ReHousing and Homeless Prevention to veterans and eligible dependents. SAMMinistries and its partners are also active partners in the local Veterans Homeless Work Group, which includes representatives from several non-profits and the City of San Antonio ensuring that a "by name" list of homeless veterans are regularly reviewed and referred for housing. Supportive services available to clients in the programs include

coordination/case management, physical and mental health services, substance abuse management and recovery support, employment services, literacy and education, youth and children's programs, money management and parenting classes. Case Managers will meet with participating tenants no less than two times per month to promote self-sufficiency and maintain and secure permanent housing. Additional referrals offered to individuals and families include counseling, access to medical and dental resources and financial literacy classes.

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

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

Per 24 CFR §576.106, ESG funds can be used for short-term and medium-term rental assistance. Per 24 CFR §576.105, ESG funds can be used for a variety of housing relocation and stabilization services such as rental application fees, security deposits, utility deposits, utility payments, and moving costs for homeless individuals or persons at risk of homelessness. Funds can also be used for housing service costs related to housing search and placement, housing stability case management, mediation, legal services, and credit repair. ESG funds can also be used to pay for essential service costs including case management, child care, education services, employment assistance and job training, outpatient health services, legal services, life skills training, mental health services, substance abuse treatment services, transportation, and costs related to serving special populations. It should be noted that, while the assistance listed above are eligible under ESG, an ESG Subrecipient may choose to not provide all the assistance listed. ESG Subrecipients specify in their written standards which services they will provide.

An example of an ESG Subrecipient in 2017 which helps persons experiencing homelessness make the transition to permanent housing and preventing homelessness again is the Salvation Army of Houston and its partners. Although this ESG Subrecipient has a contract for only Emergency Shelter and HMIS with TDHCA, they have established relationships with other housing providers and have funding from other sources to offer an array of services. The ESG Subrecipient and its partners create collaborative relationships with clients by guiding them in the direction of positive change, leading with autonomy and recognizing they are the experts of their own lives. This approach respects concerns of clients and helps staff guide clients in setting appropriate goals and engaging in activities necessary for them to make a successful transition to permanent housing and independent living. The rapid re-housing and homelessness prevention program has Housing Navigators and Outreach Housing Navigators to aid homeless individuals in the transition to permanent housing. Navigation supports clients throughout the housing process, helping them complete applications, attend voucher briefings, search for units, and advocate on their behalf whenever needed. Other

funding sources provide financial assistance such as rental deposits, utility deposits, application fees and administration fees to help clients overcome barriers to housing. After individuals obtain housing, the Salvation Army of Houston and its partners help them create a home by providing them with access to furniture through the Houston Furniture Bank and welcome baskets that contain necessary household items.

The Salvation Army of Houston and its partners continue to provide supportive services to clients when they first become housed by offering move-in supplies, employment assistance, and general support. The Salvation Army of Houston uses Homeless Prevention funding specifically for the purpose of shortening and preventing young adult homelessness experience. Funds will be used to prevent those who were formerly homeless from becoming homeless again by preventing eviction. The Salvation Army of Houston will also utilize bridge beds that can help those waiting for housing to shorten their homeless experience. By supporting a system that prioritizes those most vulnerable and provides navigation support to those most in need, the Salvation Army of Houston and its partners are working to reduce the length of time those persons spend on the streets. The current goal for move in is no more than 60 days following approval of a housing voucher. Individuals are often challenge by the complexities of housing authorities and rental markets and can easily be deterred by barriers. Dedicated staff advocates for clients and help guide them through the process so they are not lost by complexities of the housing system and can be successfully housed.

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

ESG funds promote coordination with community providers and integration with mainstream services to gather available resources. One possible performance measure for Subrecipients is their ability to help increase non-cash benefits for program participants; the Subrecipients help program participants obtain non-ESG resources, such as veterans benefits or food stamps. An example of a 2017 ESG Subrecipient that helps individuals and families avoid becoming homeless is the City of Amarillo and its partners. In their 2017/2018 ESG application for funding, they stated that one of the strengths of the active CoC in Amarillo is its different perspectives, resources, abilities, and community connections that provides the ability to intervene with clients. Through the efforts of the CoC Board, Coordinated Assessment has been designed so that participating agencies can better meet presenting needs. Through the CoC, homeless shelters, service providers, and mental health facilities all collaborate to provide referrals for mentally ill clients that are experiencing chronic homelessness. The CoC has developed a policy where mental health agencies and other social service agencies contact the City of Amarillo to assist in providing permanent housing prior to discharge. Also, an interagency report allows for a host of different services available for various situations, demographics, and level of complications. There is regular discussion at the monthly community case managers meeting how to make the transition to being self supporting as seamless as possible. Case management and directed to services will include safety planning for victims of domestic abuse and creating case plans to address vulnerable areas prior to victims leaving an abusive household.

Individuals eligible for the State's HOPWA Program who are exiting from an institution receive a comprehensive housing plan and linkage and referrals to health professionals from a case manager. The State HOPWA Program provides TBRA, which can be used to transition persons from institutions into stable housing. Some project sponsors also provide rental deposits and application fees. Other programs included in this Plan also provide Facility-Based Housing Subsidy Assistance to address the temporary housing assistance needs of persons transitioning from institutions.

TDHCA has received awards totaling more than \$24 million for the Section 811 PRA Program, which will provide more than 600 new integrated supportive housing units in eight areas of the state for extremely low-income individuals with disabilities and their families. The target population includes individuals transitioning out of institutions, people with severe mental illness, and youth with disabilities transitioning out of the state's foster care system. Individuals in the Section 811 PRA Target Population are eligible for assistance from the Texas Health and Human Services agencies, are Medicaid-eligible, and could be at-risk of housing instability and/or homelessness.

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

TDHCA offers TBRA to individuals on the Project Access Wait List, allowing them to live in the community until they can utilize a Project Access voucher. TDHCA conducted outreach and technical assistance to Department of Aging and Disability Services ("DADS") Relocation Specialists and HOME TBRA Administrators to help them serve individuals on the Project Access wait list.

To further address the needs of individuals transitioning from institutions, HHSCC seeks to increase coordination of housing and health services by supporting agencies to pursue funding, such as Relocation Contractor services for people with behavioral health challenges and Intellectual and Developmental Disabilities; Medicaid waiver programs; vouchers from PHAs for people with disabilities and aging Texans; housing resources from the Texas Department of Criminal Justice for people with criminal histories transitioning to the community; and DSHS' rental assistance program. HHSCC also encourages the coordination between TDHCA and DSHS for DSHS' new Home and Community-Based Services: Adult Mental Health Program. This program will serve individuals with Serious Mental Illness who have long-term or multiple stays in the State's Mental Health Facilities.

Discussion

The Texas ESG Program is designed to assist, assess and, where possible, shelter the unsheltered homeless;

to quickly re-house persons who have become homeless and provide support to help them maintain housing; and to provide support that helps persons at risk of becoming homeless maintain their current housing. Other special needs populations are described in Action Plan Section 25.

AP-70 HOPWA Goals – 91.320(k)(4)

One year goals for the number of households to be provided housing through the use of HOPWA for:	
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	446
Tenant-based rental assistance	548
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	0
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	47
Total	1,041

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

Introduction:

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

TDHCA staff utilizes a database to track agency goals, efforts, and progress made under the Phase 2 AI. The Fair Housing Tracking database provides the Department with an ability to pull basic metrics and provide reports by AI Goals, Impediments, Action Items, and other meaningful search criteria. This assists the state in identifying areas of improvement and success under its HUD related obligation to affirmatively further fair housing choice. The design of the database was completed in 2014. The content of the database is maintained on an ongoing basis with quarterly reports shared with TDHCA’s governing board.

The AI included several suggestions on countering negative effects of public policy as it concerned two areas – land use and zoning and attitudes referred to as “Not-In-My-Backyard” (“NIMBYism”). In order to avoid the difficulty, expense, and uncertainty that NIMBYism can engender, developers often focus on areas where their proposed developments are less likely to meet with such resistance. Changes in the scoring of the State’s HTC Program provide incentives to develop in opportunity areas. Opportunity areas include places with low poverty rates, higher income areas, and a menu of other community amenities such as access to public transportation, parks, libraries, grocery stores, and recreational facilities.

Cases of NIMBYism can be difficult to document and track; it is hard to measure where NIMBYism occurs most often. The cases of NIMBYism most often associated with proposed multifamily developments appear anecdotally to be more likely, although not exclusively, in areas with socioeconomic and housing homogeneity. To assist the State in gathering data on how development patterns can be impacted by NIMBYism sentiments and to help the State in countering NIMBY messaging, TDHCA periodically outsources with universities and private consulting firms for studies, market analyses, and special projects. Guidance and resources to support affordable housing are provided through TDHCA’s Fair Housing website, along with the Fair Housing listserv and community events calendar

TDHCA and the Texas Workforce Commission Civil Rights Division (“TWC CRD”) annually collaborate on a Fair Housing webinar series. The series includes training sessions providing general fair housing information and specific sessions on HUD’s guidance, how to respond to reasonable accommodation requests, and best practices in fair housing. The webinars are available for free 24/7 on TDHCA’s website at: <https://www.tdhca.state.tx.us/fair-housing/presentations.htm>. In addition, effective April 2017, all TDHCA staff will complete a fair housing training module biennially. The HUD-approved training is provided online through TWC CRD.

For CDBG and HOPWA, see additional information in AP-80.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

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

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

In 2016, the TWCCRD received a HUD Partnership grant for enforcement, outreach, and education. With the grant, TWCCRD focused its outreach in some of the fastest growing and most underserved areas of the State, including the Rio Grande Valley and the metropolitan areas surrounding Dallas, Austin, and Houston. TWCCRD also provides training and attends conferences and educational events related to the issue of disability discrimination prevention. TWCCRD will continue utilizing social media, online advertising, outreach materials for distribution in the targeted areas, events and educational audiovisual materials to expand the number of individuals reached.

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

The new process directly links the AFH tool and its identified goals with the Unit of Government's HUD-required program planning document, its Consolidated Plan or for a PHA, its 5-Year PHA Plan. Fair housing

goals and priorities from the AFH are expected to be incorporated into the actual programming and proposed use of the HUD funds. Fair Housing staff are reviewing the AFFH rule and beginning to implement changes into the citizen participation plan. The first AFH tool is anticipated to be due to HUD from the State of Texas in May 2019, pending release of the final state AFH tool. The state AFH tool is not currently available, under 24 CFR 5.160(a)(3)(2017) program participants shall continue to conduct an analysis of impediments in accordance with requirements in effect prior to August 17, 2015, until the state AFH tool is available.

Discussion:

In 2015 TDHCA revised the Uniform Multifamily rules to guide owners and managers in identifying "least likely to apply" populations using HUD's definition of minority concentration and seek to clarify and expand on HUD's definition of a "market area." Staff created a multifamily affirmative marketing tool to assist in comparing tenant pool data (or in the case of new construction developments, census tract demographic data) to metropolitan statistical areas ("MSA") or county demographic census data. The tool is web based and has been effective in helping properties better strategize in affirmative marketing and continues to be an ongoing action step. Staff believes these databases will assist in identifying new impediments to fair housing choice as the consolidated data is analyzed and the efficacy of implemented action steps is reviewed.

Effective August 24, 2017, the Department created a Fair Housing, Affirmative Marketing and Reasonable Accommodations rule under the single family programs umbrella rule. The rule requires administrators to have an affirmative marketing plan which identifies the least likely to apply populations and methods of affirmative marketing. The rule requires Administrators to accept applications for a 30 day period and select applications via a neutral, random selection process. This selection process helps to level the playing field and provide equal access for all households, regardless of disability status or language proficiency. Also included in the rule are specific provisions related to Limited English Proficiency to provide meaningful access and an equal opportunity to participate in services, activities, programs, and other benefits.

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

The Fair Housing Team at TDHCA has taken a leadership role in these meetings as directed under the 2013 Analysis of Impediments; the Fair Housing Team has shared both its Fair Housing Tracking Database and its Fair Housing website section. The Fair Housing Team has shared its demographic database, which is being created with the long-range goal of standardizing demographics collected in each TDHCA program area and analyzing these demographics to identify trends; make policy recommendations; and map service areas.

The Fair Housing Team has over 200 action steps tracked in TDHCA's Fair Housing Tracking Database in

various stages of research, planning, and implementation to affirmatively further fair housing. In addition to logged action steps, the database also includes outreach and daily task logs. The database collects action steps based on the four phases of project management planning (e.g., Plan, Review, Implement, and Evaluate) which lead staff to consider even at the planning stage how the step will be evaluated. This has resulted in a metrics-focused planning effort that will continue to guide future initiatives.

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

AP-80 Colonias Actions – 91.320(j)

Introduction

Based on a 2014 assessment by the Texas Office of the Secretary of State's Colonia Initiatives Program, an estimated 500,000 people live in 2,294 colonias in Texas. Six Texas counties (El Paso, Maverick, Webb, Starr, Hidalgo, and Cameron) have the largest population of colonias and are home to an estimated 369,500 people. Texas' colonias lie outside of city limits in the rural areas of their respective counties, where few to no local building codes exist to protect the households that seek affordable and sanitary housing solutions. Egregious housing conditions persist while residents also endure substandard infrastructure, inadequate potable water and waste water systems, and a host of public health, environmental and employment risks.

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

Actions planned to address obstacles to meeting underserved needs

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

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

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

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

Colonia set-aside funding is intended to improve the living conditions of low and moderate income families in colonias, including basic human needs. As with all CPD funds, Section 3 goals encourage job, contracting, and training opportunities for qualifying residents when such opportunities become available as a result of grant funding.

The Colonia SHCs provides 35 targeted colonias in seven border counties with a multitude of opportunities to create a one-stop-shop for low-income colonia families to gain a foothold out of poverty. The Colonia SHCs provide housing services in the form of new construction, reconstruction, rehabilitation, small repairs, tool lending, construction skills training and utility connections. Colonia SHC community development activities include homeownership education, access to and training in computers/technology, consumer rights education and financial literacy, and solid waste disposal assistance. While the above listed services are limited only to residents of pre-identified colonias in the Colonia SHC Program, the centers themselves are open to all who wish to use the meeting space for activities beneficial to the community or simply to seek information on locating other services. By creating an accessible and consistent manner for which services and information are disseminated among colonias, more households can become beneficiaries of multiple kinds of assistance that build their self-sufficiency over time.

Actions the state plans to take to develop the institutional structure

TDHCA and TDA are committed to working with other state and federal regulatory and funding agencies. The Colonia Interagency Workgroup previously used to facilitate this coordination specifically for areas with colonias has been discontinued for the current year. Agency coordination continues through the Texas Water Infrastructure Coordinating Committee (“TWICC”). TWICC includes many of the same agencies and addresses concerns throughout the state, including those in colonias. The information sharing within the group facilitates delivery for multiple programs besides affordable housing, and proactively addresses potential obstacles that could affect large areas of the state, including the Texas–Mexico border.

The state legislature has also set aside a portion of the CDBG administration funding for technical assistance and administrative support provided by the regional Councils of Government (COGs). This funding can provide institutional structure and assistance to small communities without administrative resources.

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

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

community.

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

Discussion

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

AP-85 Other Actions – 91.320(j)

Introduction:

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

Actions planned to address obstacles to meeting underserved needs

HOME/NHTF Addresses Underserved Needs

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

ESG Addresses Underserved Needs

Lack of facilities and services for persons experiencing homelessness in rural areas is ESG's greatest underserved need. To help meet this need, TDHCA is considered implementing subregions within the Balance of State CoC region to ensure broad range of homeless coverage but, due to public input, decided not to implement sub-regions. However, TDHCA did add a provision in the ESG funding allocation formula to include a minimum amount of \$100,000 per ESG CoC region, which includes underserved areas of the State that have not received ESG funds from TDHCA in several funding cycles. The minimum amount of funding was an effort to encourage greater participation in these areas. In addition, TDHCA has used Community Services Block Grant discretionary funds to provide training and technical support to organizations in the Balance of State CoC. Shelters in the Balance of State CoC have limited funds for operations and maintenance, with little access to federal funds which often require substantial organizational capacity less common in smaller organizations. ESG and TDHCA's HHSP, which is state-funded only in some urban areas, and, in the future, the state's Ending Homelessness Fund, may supplement federal funds in operational support.

HOPWA Addresses Underserved Needs

Some significant obstacles to addressing underserved needs for PLWH are the inability to obtain or maintain medical insurance, maintain income, and especially obtain employment, which are partially due to limited opportunities in conjunction with rising costs of living (rent, deposits, utilities, food, transportation, etc.), unemployment, lack of access to health insurance and/or decreased access to other affordable housing such as the HCV program. The inability to access HCVs is due to long or closed waiting lists, and in some cases, client non-compliance and ineligibility.

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

CDBG Addresses Underserved Needs

TDA encourages projects addressing underserved community development needs. In PY 2018 CDBG funds will be available through five different grant categories to provide water or sewer services on private property for low- and moderate-income households by installing yard lines and paying impact and connection fees. Regional competition for funding allows each area of the state to determine its highest priority needs, which may vary from first-time water service to drought relief to drainage projects.

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

Actions planned to foster and maintain affordable housing

HOME Addresses Affordable Housing

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

ESG Addresses Affordable Housing

TDHCA's ESG Subrecipients have a relatively even distribution among street outreach and emergency shelter compared to homelessness prevention and rapid re-housing. However, fostering the creation or maintenance of affordable housing is not an initiative TDHCA provides funding for or monitors in relation to the ESG Program.

HOPWA Addresses Affordable Housing

The cost of living continues to rise while clients may have no income or their income does not change or decreases. HOPWA makes housing more affordable for low-income clients so they can maintain housing, adhere to medical treatment, and work towards healthier outcomes. Project Sponsors address long-term goals with clients to help them establish a financial plan that can assist them in maintaining their housing.

Affordable housing needs are high among PLWH. DSHS will continue to update funding allocations to address the changing needs of local communities and maximize and target HOPWA funding to HSDAs in greatest need. DSHS will consider a variety of factors including HIV/AIDS morbidity, poverty level, housing costs and needs, and program waitlists and expenditures. Funds are reallocated between HOPWA activities within HSDAs to meet changing needs during the project year.

CDBG Addresses Affordable Housing

CDBG funds primarily support affordable housing through water and sewer infrastructure for housing. The CDBG funding provides a cost savings for housing when used to install water and sewer yard lines and pay impact and connection fees for eligible residents. Housing rehabilitation projects are prioritized in several fund categories and TDA encourages each region to set aside a percentage of their allocation for housing rehabilitation projects. CDBG helps communities study affordable housing conditions, providing data on affordable housing stock and planning tools for expanding affordable housing. The Colonia SHCs continue to address affordable housing needs in border counties by assisting qualifying colonia residents to improve or maintain a safe, suitable home in suitable areas. The OCI serves as a liaison to the Colonia SHCs to assist with securing funding and carrying out activities such as low-interest mortgages, grants for self-help programs, revolving loan funds for septic tanks, and tool lending.

NHTF Addresses Affordable Housing

NHTF funds are provided to developments assisted by or through entities including public organizations, nonprofit and for-profit organizations, and PHAs. These funds are primarily used to foster and maintain affordable housing by providing funding for preservation of existing affordable developments or construction of new affordable developments.

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

Actions planned to reduce lead-based paint hazards

HOME Addresses Lead-based Paint

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

ESG Addresses Lead-based Paint

For ESG, TDHCA requires Subrecipients to evaluate and reduce lead-based paint hazards as part of its habitability review. New Subrecipient program staff are required to review the ESG Learning Opportunity related to habitability, which includes lead-based paint regulations and TDHCA's requirements related to

such. ESG Learning Opportunities are webinars offered the first Wednesday of each month by TDHCA staff providing technical assistance or facilitating peer-to-peer learning. For lead-based paint requirements, TDHCA has stated in the ESG Learning Opportunity on habitability that ESG-funded Subrecipients must determine if a housing unit was built prior to 1978, for households seeking ESG funded rent or rent deposit assistance whose household has a family member(s) six year of age or younger. If the housing unit is built prior to 1978, the ESG Subrecipient will notify the household of the hazards of lead-based paint. In addition, ESG Subrecipients utilizing ESG funds for renovation, rehabilitation or conversion must comply with the Lead-Based Paint Poisoning and Prevention Act and the Residential Lead-Based Paint Hazard Reduction Act of 1992. Through renovation, rehabilitation or conversion, ESG increases access to shelter without lead-based paint hazards. TDHCA evaluates, tracks, and reduces lead-based hazards for conversion, renovation, leasing or rehabilitation projects.

HOPWA Addresses Lead-Based Paint

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

CDBG Addresses Lead-Based Paint

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

NHTF Addresses Lead-based Paint

The NHTF Program will not fund rehabilitation activities with PY 2017 funds; therefore, this section is not applicable.

Actions planned to reduce the number of poverty-level families

HOME Addresses Poverty-Level Households

Through the HOME TBRA Program, TDHCA assists households with rental subsidy, security deposits, and utility deposit assistance for an initial term not to exceed 24 months. Providing of security deposits may be offered as a stand-alone program. As a condition to receiving rental assistance, households must participate in a self-sufficiency program, which can include job training, General Education Development ("GED") classes, or drug dependency classes. The HOME Program enables households to receive rental assistance while participating in programs that will enable them to improve employment options and increase their economic independence and self-sufficiency. Additionally, TDHCA allocates funding toward the rehabilitation and construction of affordable housing, incentivizing units to assist very low-income households, and assists very low-income households within 150 miles of the international border of Texas and Mexico by promoting the conversion of contract for deed arrangements to traditional mortgages.

ESG Addresses Poverty-Level Households

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

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

HOPWA Addresses Poverty-Level Households

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

CDBG Addresses Poverty-Level Households

A substantial majority of TDA's CDBG funds, over 90% in 2017, are awarded to principally benefit low and moderate income persons. In addition, the formula used to distribute CD funds among regions includes a variable for poverty to target funding to the greatest need. CDBG economic development funds create and retain jobs through assistance to businesses. LMI persons access these jobs, which may include training, fringe benefits, opportunities for promotion, and services such as child care.

NHTF Addresses Poverty-Level Households

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

Actions planned to develop institutional structure

HOME Addresses Institutional Structure

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

ESG Addresses Institutional Structure

Through its collaborative application process, TDHCA encourages organizations to work together to provide an array of services to serve persons experiencing homelessness. A lead entity can submit a Collaborative Application by partnering with up to five other separate organizations (for a total of six organizations) that bring other types of expertise and experience to the proposal. Each Collaborative Application must designate one organization as the lead organization. During the preparation of the application, the lead entity is responsible for gathering all necessary information from its partners and submitting a single application for the entire group. If selected, the lead entity will be the entity that executes the contract with TDHCA and is responsible for all activities under the contract with the State.

Due to input from the local competition process in 2016, TDHCA made a change in the 2017/2018 ESG application to allow for an organization to submit more than one application in a CoC region. In 2016, an organization could only submit one application per CoC region, either as a single entity or as part of a collaborative effort. In 2017/2018, an organization could be the lead in one application and a partner in another application within the same CoC, but not submit two applications as the lead organization in the same CoC region. This change allowed for greater collaboration within each CoC for each ESG activity.

Furthermore, TDHCA changed the application amount structure to address public input that some partnerships incentivized in ESG application process were not meaningful. In the ESG application process, collaborative applicants can request more funding for each partner. TDHCA received input that some partners received very little funding from the lead applicant but were included as a partner so that the lead applicant could apply for more funding. In the 2016 ESG application process, collaborative applicants could request \$125,000 for each partner. In the 2017/2018 ESG application process, collaborative applicants could request \$200,000 for each partner outside the Balance of State CoC, and \$150,000 for each partner inside the Balance of State CoC. This change incentivizes partnerships while also reducing the need for partners that were part of the application only in order for the applicant to request more funding.

HOPWA Addresses Institutional Structure

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

CDBG Addresses Institutional Structure

Each CDBG applicant must invite local housing organizations to provide input into the project selection process. TDA coordinates with state and federal agencies, regional Councils of Governments, and other partners to further its mission in community and economic development. TDA also uses conference calls and webinars to provide training and technical assistance throughout the state. On-site project reviews may be conducted based on risk and other factors.

NHTF Addresses Institutional Structure

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

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

TDHCA has staff members that participate in several State advisory workgroups and committees. The workgroups and committees that TDHCA leads are listed in Action Plan Section 15. The groups in which TDHCA participates include, but are not limited to the Community Resource Coordination Groups, led by the Health and Human Services Commission ("HHSC"); the Statewide Behavioral Health Coordinating Council, led by HHSC;; Reentry Task Force, led by Texas Department of Criminal Justice; Interagency Workgroup on Border Issues, led by Secretary of State; Money Follows the Person Demonstration Project, led by HHSC; and Texas State Independent Living Council, led by HHSC.

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

The HHSCC is codified in Texas Government Code §2306.1091. The purpose of the Council is to increase state efforts to offer Service-Enriched Housing through increased coordination of housing and health services. The Council seeks to improve interagency understanding and increase the number of staff in state housing and health services agencies that are conversant in both housing and services. Service-Enriched Housing is defined in Title 10 Texas Administrative Code, Part 1, Chapter 1, Subchapter A, §1.11 as: integrated, affordable, and accessible housing that provides residents with the opportunity to receive on-site or off-site health-related and other services and supports that foster independence in living and decision-making for individuals with disabilities and older Texans.

Council members meet quarterly and provide direction to the staff to prepare a Biennial Report of Findings and Recommendations that is submitted to the Legislative Budget Board and the Office of the Governor on August 1 each even numbered year. This Report along with a Biennial Plan is available to the public on the TDHCA website at <http://www.tdhca.state.tx.us/hhsc/biennial-plans.htm>.

Discussion:

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

forums and public hearings held throughout the State.

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

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

Furthermore, TDHCA, DSHS, and TDA's programs are aimed at reducing the number of Texans living in poverty, thereby providing a better quality of life for all Texans. The departments provide long-term solutions to the problems facing people in poverty and focus resources to those with the greatest need. Regarding institutional structure, TDHCA, DSHS, and TDA are primarily pass-through funding agencies and distribute federal funds to local entities that in turn provide assistance to households. Because of this, the agencies work with many partners, including consumer groups, community based organizations, neighborhood associations, community development corporations, councils of governments, community housing development organizations, community action agencies, real estate developers, social service providers, local lenders, investor-owned electric utilities, local government, nonprofits, faith-based organizations, property managers, state and local elected officials, and other state and federal agencies. Because the agencies do not fund individuals directly, coordination with outside entities is essential to the success of their programs. By structuring its operations this way, the State shares its risk and commits funds in correlation with local needs, local partners are able to concentrate specifically on their area of expertise and gradually expand to offering a further array of programs.

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

Program Specific Requirements

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

Introduction:

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

For the CDBG Program, it is expected that the total amount of program income for PY 2016 and that has not yet been reprogrammed will be \$2,100,000, including \$520,000 program income collected by the state and program income retained by local subgrantees. The amount of CDBG urgent need activities is estimated to be \$4,700,000. The 85% of CDBG funds to benefit persons of low to moderate income includes PY 14-17.

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.320(k)(1)

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

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	2,100,000
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	2,100,000

Other CDBG Requirements

1. The amount of urgent need activities	3,500,000
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	85.00%

HOME Investment Partnership Program (HOME)
Reference 24 CFR 91.320(k)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:
The State is not proposing to use any form of investment in its HOME Program that is not already listed as eligible for investment in 24 CFR §92.205(b).

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in §92.254, is as follows:
A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in §92.254, is as follows:
If the participating jurisdiction intends to use HOME funds for homebuyers, the guidelines for resale or recapture must be described as required in 24 CFR §92.254(a)(5). Recapture provisions are not applicable for HOME-assisted multifamily rental projects; in the case of default, sale, short sale, and/or foreclosure, the entire HOME investment must be repaid.
TDHCA has elected to utilize the recapture provision under 24 CFR §92.254(a)(5)(ii) as its primary method of recapturing HOME funds under any program the State administers that is subject to this provision. The following methods of recapture would be acceptable to TDHCA and will be identified in the note prior to closing.
 - A. Recapture the amount of the HOME investment reduced on a pro rata share based on the time the homeowner has owned and occupied the unit measured against the required affordability period.
Number of years remaining in the Period of affordability X Total direct HOME subsidy = Recaptured Amount
Period of affordability
 - B. The recapture amount is subject to available net proceeds in the event of sale or foreclosure of the housing unit. In the event of sale or foreclosure of the housing unit, if the net proceeds (i.e., the sales price minus closing costs; any other necessary transaction costs; and loan repayment, other than HOME funds) are less than the HOME investment that is subject to recapture, then the Department will recapture the available amount of net proceeds. If there are no Net Proceeds from the sale, no repayment will be required of the homebuyer and the balance of the loan shall be forgiven. TDHCA will not recapture more than the amount available through net proceeds.
 - C. The household can sell the unit to any willing buyer at any price.
 - D. In the event that the assisted property is rented or leased, or otherwise ceases to be the principal residence of the initial household, the entire HOME investment is subject to recapture.
 - E. In the event of sale to a subsequent low-income purchaser of a HOME-assisted homeownership unit, the low-income purchaser may assume the existing HOME loan and recapture obligation entered into by the original buyer if no additional HOME assistance is provided to the subsequent homebuyer. In cases in which the subsequent homebuyer needs HOME assistance in excess of the balance of the original HOME loan, the HOME subsidy (the direct subsidy as described in §92.254) to the original homebuyer must be recaptured. A separate HOME subsidy must be provided to the new homebuyer, and a new affordability period must be established based on that assistance to the buyer.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with

HOME funds? See 24 CFR §92.254(a)(4) are as follows:

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

A. Resale is defined as the continuation of the affordability period upon the sale or transfer, rental or lease, refinancing, or if the initial Household is no longer occupying the property as their Principal Residence.

B. Resale requirements must ensure that, if the housing does not continue to be the principal residence of the family for the duration of the period of affordability, the housing is made available for subsequent purchase at an affordable price to a reasonable range of low- or very low-income homebuyers that will use the property as their principal residence. Affordable to a reasonable range of low-income buyers is defined as targeting Households that have income between 70 and 80 percent of the area median family income and meet all program requirements.

C. The resale requirement must ensure that the price at resale provides the original HOME-assisted owner a fair return on investment. Fair return on investment is defined as the sum of down payment and closing costs paid from the initial seller's cash at purchase, closing costs paid by the seller at sale, the principal payments only made by the initial homebuyer in excess of the amount required by the loan, and any documented capital improvements in excess of \$500. Fair return on investment is paid to the seller at sale once first mortgage debt is paid and all other conditions of the initial written agreement are met. In the event there are no funds for fair return, then fair return does not exist. In the event there are partial funds for fair return, then fair return shall remain in force.

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

E. In the event that a federal affordability period is required and the assisted property is rented or leased, or no member of the Household has it as the Principal Residence, the HOME investment must be repaid. In the event that a federal affordability period is required and the assisted property is sold or transferred in lieu of foreclosure to a qualified low income buyer at an affordable price, the HOME loan balance shall be transferred to the subsequent qualified buyer and the affordability period shall remain in force to the extent allowed by law.

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

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

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

Discussion:

For HOME, the State is not proposing to use any form of investment in its HOME Program that is not already listed as an eligible for investment in 24 CFR §92.205(b). As described above, TDHCA may use HOME funds to refinance existing debt secured by multifamily housing that is being rehabilitated as described in 24 CFR §92.206(b). TDHCA shall use its underwriting and evaluation standards, site and development requirements, and application and submission requirements found in 10 Texas Administrative Code, Chapters 10 and 13, for refinanced properties in accordance with its administrative rules.

**Emergency Solutions Grant (ESG)
Reference 91.320(k)(3)**

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

ESG Written Standards are evaluated based on questions that are in the 2017 One Year Action Plan. These questions will be maintained for the 2018 program year due to the two-year award cycle, but re-evaluated in 2019.

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

Each of the 11 CoCs in Texas has a different centralized or coordinated assessment system. While TDHCA is informed of the broad concepts of the many coordinated assessment systems, TDHCA ensures that its Subrecipients participate in the local CoC's coordinated assessment whenever possible. The 2017/2018 NOFA required CoC lead agencies to certify that the ESG Subrecipients participated or did not participate in the CoC centralized or coordinated assessment system. Points were awarded based on participation. Once the CoC has established the coordinated assessment/entry process, ESG Subrecipients are required to use this process per 24 CFR §576.400(d), with an exception for victim service providers. Since HUD Community Planning and Development Notice 17-01 required that coordinated assessment/entry should be in place by January 23, 2018, TDHCA has requested that each of its ESG Subrecipients certify that they have written standards that are consistent with the CoC's screening, assessment and referral of ESG program participants (or to certify that the Subrecipient is a victim services provider and not required to participate in coordinated assessment/entry).

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

In the competitive process with TDHCA, applications are selected based on: Program Description and Capacity; Proposed Performance; Proposed Budget and Match; CoC Participation and Coordination; and Contract History of Subrecipients in ESG Expenditure and Reporting. The allocation amounts available in each CoC region are established by formula.

For the competitive process, TDHCA released a NOFA in the winter of 2017 in anticipation of the State's receipt of ESG funding. The NOFA was for a two-year award cycle for an award of ESG 2017 and anticipated 2018 funds. Eligible applicant organizations include Units of General Purpose Local Government, including cities, counties and metropolitan cities; urban counties that receive ESG funds directly from HUD; and a consolidation of units of general purpose local governments, like a Council of Governments. Other instrumentalities of a city or county, like a Local Mental Health Authority, may be eligible and should seek guidance from TDHCA to determine if they can apply. Governmental organizations such as Public Housing Authorities ("PHAs") and housing finance agencies are not eligible and cannot apply directly for ESG funds; however PHAs may serve as a partner in a collaborative

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Application, but may not be the lead applicant.

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

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

As a State recipient, TDHCA is not required to provide for the participation of a homeless individual or formerly homeless individual on the board of directors or other equivalent policy-making entity. However, TDHCA had a scoring item on its 2017/2018 NOFA for which Subrecipients received points if they have participation of homeless or formerly homeless individuals in their programs.

5. Describe performance standards for evaluating ESG.

TDHCA has been transitioning from evaluating performance based on whole numbers of persons or households served to percentages of persons or households served who achieve particular outcomes.

Subrecipients providing street outreach will be required to meet contractual performance targets for the number of persons to be assisted, and the percentage of persons placed in temporary or transitional housing.

Subrecipients providing emergency shelter and transitional shelter will be required to meet contractual performance targets for the number of persons receiving essential services, , and the percentage of persons who will exit to temporary, transitional housing destinations or permanent housing destinations.

Subrecipients providing homelessness prevention and rapid re-housing assistance will be required to meet contractual performance targets for the number of persons receiving higher income at exit than at entry, the percentage of persons who will exit to permanent housing destinations and, the percentage of persons who will maintain housing three months or more as a result of receiving ESG assistance.

**Housing Trust Fund (HTF)
Reference 24 CFR 91.320(k)(5)**

1. How will the grantee distribute its HTF funds? Select all that apply:

Applications submitted by eligible recipients

- Subgrantees that are State Agencies
- Subgrantees that are HUD-CPD entitlement grantees

2. If distributing HTF funds through grants to subgrantees, describe the method for distributing HTF funds through grants to subgrantees and how those funds will be made available to state agencies and/or units of general local government. If not distributing funds through grants to subgrantees, enter “N/A”.

N/A

**3. If distributing HTF funds by selecting applications submitted by eligible recipients,
a. Describe the eligibility requirements for recipients of HTF funds (as defined in 24 CFR § 93.2). If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.**

The state will distribute NHTF funds to eligible recipients as described in applicable sections of the TDHCA rules at Chapter 10 of the Texas Administrative Code, Subchapter C, Application Submission Requirements, Ineligibility Criteria, Board Decisions and Waiver of Rules for Applicants (10 TAC §10.201 through 207, which sets forth the minimum requirements for applicant eligibility to participate in TDHCA Multifamily programs. TDHCA will require evidence of experience and capacity through the Experience Requirement at 10 TAC §10.204(6) or 10 TAC §13.5(d)(1), as applicable. See attachments for full text of referenced TDHCA TAC rules

Regarding Question 3a, for both:

- the responsibility of the Grantee to address the requirement that a recipient make acceptable assurances to the grantee that it will comply with the requirements of the HTF program during the entire period that begins upon selection of the recipient to receive HTF funds, and ending upon the conclusion of all HTF-funded activities, and
- the responsibility of the Grantee to address the requirement that a recipient have familiarity and understanding of the Federal, State, and local housing programs used in conjunction with HTF funds to ensure compliance with all applicable program requirements and regulations,

please see the attached 2018 Multifamily Direct Loan Certification that is executed by an Applicant upon applying for Direct Loan funds (including NHTF). Also, all NHTF recipients must execute a Contract and Land Use Restriction Agreement that remain in effect for a minimum of 30 years. The Land Use Restriction Agreement contains language that makes it superior to any other instruments filed on the property.

Regarding Question 3a and the responsibility of the Grantee to address the requirement that a recipient demonstrate the ability and financial capacity to undertake, comply and manage the eligible activity, please see the attached 10 TAC §13.8(c)(4) and 10 TAC §13.8(c)(5), which discuss requirements associated with applications for various Direct Loan amounts and situations.

In the event that NHTF is not the only source of Department funding, 4% or 9% housing tax credits are also being requested, meaning that other lenders' and equity providers' due diligence of the Applicant would be included to ensure the Applicant's financial capacity is sufficient to undertake, comply, and manage the

eligible activity. Furthermore, if 9% credits are requested, nearly all applicants elect points under 10 TAC §11.9(e)(1) which requires a lender approval letter evidencing review of the Principals.

Furthermore, all Applications must meet the Underwriting requirements at 10 TAC §10.302, including acceptable pro forma projections through year 30, minimum 1.15 Debt Coverage Ratio, and minimum replacement reserve requirements. The attached 10 TAC §10.302(f)(1) specifically discusses developer capacity requirements.

Finally, Applicants must provide evidence of experience in owning and operating multifamily housing as required in 10 TAC §10.204(6)) – which applies to all Applicants of TDHCA funding – or the alternative experience requirement in 10 TAC §13.5(d)(1).

Regarding Question 3a and the responsibility of the Grantee to address the requirement that a recipient have demonstrated experience and capacity to conduct an eligible HTF activity as evidenced by its ability to own, construct or rehabilitate and manage and operate an affordable multifamily rental housing development, Applicants may meet the experience requirement of the Uniform Multifamily Rules (10 TAC §10.204(6)) – which applies to all Applicants of TDHCA funding – or the alternative experience requirement in 10 TAC §13.5(d)(1), which states that applicants requesting MFDL (such as NHTF) as the only source of Department funding may meet the Experience Requirement under Chapter 13.5(d)(1) by providing evidence of the successful development and operation for at least 5 years of twice as many affordability restricted units as requested in the application. The minimum number of units for any application for funding that is submitted to TDHCA is 16 units, so the minimum number of affordability restricted units that would be subject to the successful development and operation for at least 5 years would be 32. An applicant applying for both MFDL and another TDHCA source or sources would have to meet the requirement in 10 TAC §10.204(6). The lower MFDL-only threshold for experience came about as a result of public comment the Department received in response to the draft 2016 NHTF Allocation Plan. Many mission-driven nonprofits that wanted to utilize NHTF were unable to meet the experience requirement in 10 TAC §10.204(6) and suggested this alternative experience requirement.

For more information, please see the attached 2018 Multifamily Direct Loan Certification and Table of Corresponding Requirements in 24 CFR §93.2 and State Rules.

b. Describe the grantee’s application requirements for eligible recipients to apply for HTF funds. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

Texas' application requirements can be found in Subchapter C: Application Submission Requirements, Ineligibility Criteria, Board Decisions and Waiver of Rules or Pre-Clearance for Applications of 10 TAC Chapter 10 (Uniform Multifamily Rules as well as 10 TAC Chapter 13 (Multifamily Direct Loan Rule). See attached Uniform Multifamily Rules and Multifamily Direct Loan Rule.

c. Describe the selection criteria that the grantee will use to select applications submitted by eligible recipients. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

Selection criteria typically only applies when funds are oversubscribed; in cases where the application is layered with 9% Housing Tax Credits, for instance, scoring in 10 TAC §11.9 would be applicable. To the extent that two or more applications for HTF are received on the same date, the scoring criteria listed in the attached 2018 Multifamily Direct Loan Rule (10 TAC Chapter 13) as amended will apply.

If applications for NHTF are not combined with 9% HTC or do not need to be prioritized in a regional allocation formula, they will be prioritized based on the date received and reviewed to ensure the Department's threshold criteria, which takes into account all of the selection criteria in 24 CFR §91.320(k)(5)(i) is met.

The Texas Department of Housing and Community Affairs' Multifamily Division awards or allocates more than \$1 billion annually of debt and equity in an efficient and compliant manner. Our processes for Application selection are comprehensive, and assure that the resulting Developments meet the highest standards for financial feasibility and long-term stability. Our Compliance Monitoring Division assures that all properties meet these standards for the duration of their affordability period, and is frequently cited as one of the best Compliance divisions nationally. Our threshold requirements for site selection assure that projects will be located in safe communities with ample opportunity for residents, and our stringent underwriting requirements assure they will be viable throughout the affordability period.

There is a well-developed set of requirements within the Texas Administrative Code that have the force of law. These requirements have been crafted over decades of work with the development community, advocates, and other stakeholders. The Uniform Multifamily Rules, Qualified Allocation Plan, and Multifamily Direct Loan Rule are all updated annually through an extensive public input process. Additionally, the QAP is approved annually by the Governor. All of the selection criteria described in §91.320(k)(5)(i) are met by some portion of our rules, although they will not all be contained in a single section dedicated to NHTF. We endeavor to hold all Applications for multifamily funds to the same strict standards through the application of consistent requirements across all fund sources.

All Applications for NHTF funds must meet threshold criteria in 10 TAC Chapter 10, Subchapters A through D, and the Multifamily Direct Loan Rule, which address Definitions, Site and Development requirements, Applicant and Application requirements, and loan structure and underwriting requirements. Without meeting all of the applicable criteria in these 120+ pages of rules, the Application will not be successful. Therefore, the selection criteria applied to NHTF Applications will be met by passing multiple review points – threshold state and federal program reviews, underwriting reviews, and compliance/ previous participation reviews – that confirm these rules are being met.

d. Describe the grantee's required priority for funding based on geographic diversity (as defined by the grantee in the consolidated plan). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Priority based upon geographic diversity

As described in SP-10 Geographic Priorities the Texas NHTF will distribute NHTF funds through a competitive NOFA process. The funds will initially be available geographically, based on the proportion of Extremely Low Income Renter households to the total population of Renter Households in each of thirteen State Service Regions. A minimum will be calculated for each region as a ratio of the available allocation divided by thirteen, and available competitively within each region prior to collapse into a statewide competition.

The State of Texas will rely on 10 TAC §13.4(b) in making funds available geographically based on the proportion of ELI renter households to the total population of renter households in each of the thirteen State Service Regions for at least the first 30 days after the NOFA is published. Thereafter, consideration of geographic diversity will not be a factor in evaluating applications. Please see attached Multifamily Direct Loan Rule for text of 10 TAC §13.4(b). Also attached are estimated Regional Allocation amounts based on the 2017 NHTF Allocation as well as a map of the Uniform State Service Regions.

e. Describe the grantee's required priority for funding based on the applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner:

Applicants must provide evidence of their experience in developing and managing multifamily developments as required under 10 TAC §10.204(6) if layered with other fund sources, or 10 TAC §13.5(d)(1) if MFDL only. Both 10 TAC §10.204(6) or 10 TAC §13.5(d)(1) are mentioned in the table HTF Funding Priorities Question 3a.

Application criteria including readiness to proceed as evidenced by site control, appropriate zoning, architectural plans, and evidence of financing will be considered.

Furthermore, 10 TAC §13.11(d) through (e) states:

“(d) Direct Loan awardees must execute a Contract within six (6) months of the Board approval date.

(e) Loan closing must occur and construction must begin no later than three (3) months from the effective date of a Contract.”

Execution of a Contract fulfills the Commitment definition in 24 CFR §93.2 in that the Contract is the “legally binding written agreement (that includes the date of the signature of each person signing the agreement) with an eligible recipient for a project that meets the definition of ‘commit to a specific local project.’” Additionally, 10 TAC §13.11(m) states: “Termination of the Direct Loan award and repayment of all disbursed funds will be required for any Development that is not completed within four (4) years of the effective date of a Direct Loan Contract.” Finally, the Department may impose a 2-year ban on applying for MFDL for any applicant that fails to meet commitment and/or expenditure requirements in accordance with 10 TAC §13.11(b), which states: “If a Direct Loan award is returned after Board approval, or if the Applicant or Affiliates fail to meet federal commitment or expenditure requirements, penalties may apply under 10 TAC § 11.9(f) or the Department may prohibit the Applicant and all Affiliates from applying for MFDL funds for a period of 2 years if they have returned their funds or have failed to take necessary action specified in one or

more agreement with the Department where the failure resulted in the Department's failure to meet federal commitment and expenditure requirements.” See attachments for full text of referenced TDHCA 10 TAC rules.

f. Describe the grantee’s required priority for funding based on the extent to which the rental project has Federal, State, or local project-based rental assistance so that rents are affordable to extremely low-income families. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

Of highest priority in the evaluation of applications will be the creation of new units serving ELI households that would not otherwise exist. While the availability of project-based rental assistance will be considered, only applications that demonstrate the ability to meet Underwriting requirements will be funded.

The State of Texas will consider PBRA to the extent that the existence of it allows or the lack of it does not allow an application to meet TDHCA’s underwriting requirements. A development that would otherwise be characterized as infeasible may be deemed feasible if the following criteria, as described in 10 TAC §10.302(i)(6)(B) are applicable. See attached text of 10 TAC §10.302(i)(6)(B).

For Applications layered with 9% credits, leveraging is a scoring item under 10 TAC §11.9(e)(4). See attached text of 10 TAC §11.9(e)(4):

If an application is not layered with 9% credits, it must have other sources of funding, such as project based vouchers, in order to be viable over the affordability period.

The attached 10 TAC §13.8 from the Multifamily Direct Loan Rule and 10 TAC §§10.301 through .306 of the Uniform Multifamily Rule will comprise TDHCA’s underwriting requirements.

g. Describe the grantee’s required priority for funding based on the financial feasibility of the project beyond the required 30-year period. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

No priority for funding based on the feasibility of the project beyond the required 30-year period will be given except in instances where a first-lien loan ahead of an NHTF loan or grant has a term greater than 30 years that would result in the NHTF loan or grant having a term greater than 30 years. It is the Department's experience that affordability periods longer than 30 years are not reasonable without a guaranteed source of financing for gut rehabilitation within that affordability period. Texas Government Code §2306.185(c) further limits the length of the affordability period that the State can impose, stating: “The department shall require that a recipient of funding maintains the affordability of the multifamily housing development for households of extremely low, very low, low, and moderate incomes for the greater of a 30-year period from the date the recipient takes legal possession of the housing or the remaining term of the existing federal government assistance. In addition, the agreement between the department and the recipient shall require the renewal of rental subsidies if available and if the subsidies are sufficient to maintain the economic viability of

the multifamily development.” In other words, unless an FHA-insured loan or similar type of federal government-insured loan with a term greater than 30 years is part of the financing, the longest affordability period that the State can impose is 30 years.

h. Describe the grantee’s required priority for funding based on the merits of the application in meeting the priority housing needs of the grantee (such as housing that is accessible to transit or employment centers, housing that includes green building and sustainable development features, or housing that serves special needs populations). If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

The State of Texas will prioritize HTF funding for the needs of ELI households in accordance with its Analysis of Impediments (AI) and high opportunity measures of the QAP. Goal No. 1 of the AI states: “Create greater mobility and improve housing opportunities for low income households and members of protected classes.”

Threshold requirements for all multifamily projects are found in 10 TAC §10 Subchapter B, which include criteria such as Mandatory Development Amenities, Common Amenities, Unit Requirements, Tenant Supportive Services requirements, and Development Accessibility Requirements. 10 TAC §10 Subchapter B also includes threshold requirements such as Undesirable Site Features and Undesirable Neighborhood Characteristics. Additionally, Applications layered with 9% Tax Credits are scored on proximity to desirable community features, as are Direct Loan Applications if the fund source or set-aside is over-subscribed.

NHTF applicants are allowed to claim points as detailed in §13.6(a) of the Multifamily Direct Loan Rule and under 10 TAC §11.9(c)(4) related to the Opportunity Index. See attached text of the Multifamily Direct Loan Rule 10 TAC §11.9(c)(4).

i. Describe the grantee’s required priority for funding based on the extent to which the application makes use of non-federal funding sources. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

Generally, the State of Texas prefers applications proposing developments utilizing the highest proportion of non-federal contributions. It is anticipated that Applications for NHTF will require multiple funding sources in order to meet threshold feasibility requirements. While the State plans on providing NHTF funds as deferred forgivable loans or similarly soft repayment loans, other sources will be required to meet both development and operating needs. Additionally, if NHTF is oversubscribed, the amount of subsidy per unit is a scoring factor as described in 10 TAC §13.6(4), thereby requiring less NHTF funding. See the attached 2018 Multifamily Direct Loan Rule for text of 10 TAC §13.6(4).

Without other fund sources, this range of subsidy level will not be possible, so other funding sources – whether owner equity if NHTF is the only source of Department funding or, more likely, Housing Tax Credits since NHTF works best as gap financing – are required. Finally, although not federally required, 10 TAC §10.204(7)(E) discusses documentation requirements for Match funds exceeding 5 percent of requested Direct Loan funds. See attached 2018 Uniform Multifamily Rules for text of 10 TAC §10.204(7)(E).

Applications layered with 9% Housing Tax Credits will be subject to scoring in 10 TAC §11.9(e)(4) - Leveraging of Private, State, and Federal Resources - which states:

(A) An Application may qualify to receive up to three (3) points if at least five (5) percent of the total Units are restricted to serve households at or below 30 percent of AMGI (restrictions elected under other point items may count) and the Housing Tax Credit funding request for the proposed Development meet one of the levels described in clauses (i) - (iv) of this subparagraph: (i) the Development leverages CDBG Disaster Recovery, HOPE VI, RAD, or Choice Neighborhoods funding and the Housing Tax Credit Funding Request is less than 9 percent of the Total Housing Development Cost (3 points). The Application must include a commitment of such funding; or

(ii) If the Housing Tax Credit funding request is less than seven (7) eight (8) percent of the Total Housing Development Cost (3 points); or

(iii) If the Housing Tax Credit funding request is less than eight (8) nine (9) percent of the Total Housing Development Cost (2 points); or

(iv) If the Housing Tax Credit funding request is less than nine (9) ten (10) percent of the Total Housing Development Cost (1 point).

(B) The calculation of the percentages stated in subparagraph (A) of this paragraph will be based strictly on the figures listed in the Funding Request and Development Cost Schedule. Should staff issue an Administrative Deficiency that requires a change in either form, then the calculation will be performed again and the score adjusted, as necessary. However, points may not increase based on changes to the Application. In order to be eligible for points, no more than 50 percent of the developer fee can be deferred. Where costs or financing change after completion of underwriting or award (whichever occurs later), the points attributed to an Application under this scoring item will not be reassessed unless there is clear evidence that the information in the Application was intentionally misleading or incorrect.

4. Does the grantee's application require the applicant to include a description of the eligible activities to be conducted with HTF funds? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

- Yes
- No
- N/A

5. Does the grantee's application require that each eligible recipient certify that housing units assisted with HTF funds will comply with HTF requirements? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

- Yes
- No
- N/A

6. Performance Goals and Benchmarks. The grantee has met the requirement to provide for performance goals and benchmarks against which the grantee will measure its progress, consistent

with the grantee's goals established under 24 CFR 91.315(b)(2), by including HTF in its housing goals in the housing table on the SP-45 Goals and AP-20 Annual Goals and Objectives screens.

- Yes
 No

7. Maximum Per-unit Development Subsidy Amount for Housing Assisted with HTF Funds. Enter or attach the grantee's maximum per-unit development subsidy limits for housing assisted with HTF funds.

The limits must be adjusted for the number of bedrooms and the geographic location of the project. The limits must also be reasonable and based on actual costs of developing non-luxury housing in the area.

If the grantee will use existing limits developed for other federal programs such as the Low Income Housing Tax Credit (LIHTC) per unit cost limits, HOME's maximum per-unit subsidy amounts, and/or Public Housing Development Cost Limits (TDCs), it must include a description of how the HTF maximum per-unit development subsidy limits were established or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements specified above.

The State of Texas adopted Basic Statutory Mortgage Limits for Calendar Year 2016 and the Annual Base City High Cost Percentage and High Cost Area Revisions for 2016 Mortgage Letter 2017-02, will be the limits used for NHTF. The attached limits do not vary based on geographic location in Texas since the limits were approved by HUD for use throughout the state. They will be used statewide for ease of use both for applicants and TDHCA staff.

Additional limits may apply if the NHTF funds are used in conjunction with other affordable housing programs. Also, these subsidy limits may be subject to stricter limits in NOFAs.

See the attached justification as to why the State will not establish separate maximum limitations on the total amount of NHTF.

8. Rehabilitation Standards. The grantee must establish rehabilitation standards for all HTF-assisted housing rehabilitation activities that set forth the requirements that the housing must meet upon project completion. The grantee's description of its standards must be in sufficient detail to determine the required rehabilitation work including methods and materials. The standards may refer to applicable codes or they may establish requirements that exceed the minimum requirements of the codes. The grantee must attach its rehabilitation standards below.

In addition, the rehabilitation standards must address each of the following: health and safety; major systems; lead-based paint; accessibility; disaster mitigation (where relevant); state and local codes, ordinances, and zoning requirements; Uniform Physical Condition Standards; and Capital Needs Assessments (if applicable).

N/A. State will not use NHTF funds for rehabilitation of housing in PY 2018.

9. Resale or Recapture Guidelines. Below, the grantee must enter (or attach) a description of the guidelines that will be used for resale or recapture of HTF funds when used to assist first-time homebuyers. If the grantee will not use HTF funds to assist first-time homebuyers, enter “N/A”.

N/A

10. HTF Affordable Homeownership Limits. If the grantee intends to use HTF funds for homebuyer assistance and does not use the HTF affordable homeownership limits for the area provided by HUD, it must determine 95 percent of the median area purchase price and set forth the information in accordance with §93.305. If the grantee will not use HTF funds to assist first-time homebuyers, enter “N/A”.

The grantee will use the HUD issued affordable homeownership limits.

The grantee has determined its own affordable homeownership limits using the methodology described in § 93.305(a)(2) and the limits are attached.

N/A

11. Grantee Limited Beneficiaries or Preferences. Describe how the grantee will limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population to serve unmet needs identified in its consolidated plan or annual action plan. If the grantee will not limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population, enter “N/A.”

Any limitation or preference must not violate nondiscrimination requirements in § 93.350, and the grantee must not limit or give preferences to students. The grantee may permit rental housing owners to limit tenants or give a preference in accordance with § 93.303(d)(3) only if such limitation or preference is described in the action plan.

The State will limit beneficiaries and/or give preferences to the following segments of the extremely low-income population in accordance with AP-25 of the 2018 One Year Action Plan.

12. Refinancing of Existing Debt. Enter or attach the grantee’s refinancing guidelines below. The guidelines describe the conditions under which the grantee will refinance existing debt. The grantee’s refinancing guidelines must, at minimum, demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing. If the grantee will not refinance existing debt, enter “N/A.”

N/A

General OYAP Attachments:

- CDBG Allocation of CDBG program income and deobligated funds
- ESG Written Standards
- Submittal Letter, SF424s and Certifications

AP-90 NHTF Attachments:

- 2018 Uniform Multifamily Rules
<http://www.tdhca.state.tx.us/multifamily/docs/18-Ch10SubsA-C-G.pdf>
- 2018 Multifamily Direct Loan Rule
<http://www.tdhca.state.tx.us/multifamily/docs/18-MF-DirectLoanRule10TAC13.pdf>
- 2018 Multifamily Direct Loan Certification
- AP-90 Question 3a – Table of Corresponding Requirements in 24 CFR §93.2 and State Rules
- AP-90 Question 3d – Estimated Regional Allocation Amounts and Map of the Uniformed State Service Regions
- AP-90 Question 7 – Justification Documentation for Maximum Per-unit Development Subsidy Limits