

# *2008 State of Texas Consolidated Plan Annual Performance Report Reporting on Program Year 2007*



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Prepared by

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## **INTRODUCTION**

The Texas Department of Housing and Community Affairs (TDHCA), which administers the HOME Investment Partnerships and Emergency Shelter Grants programs; the Office of Rural Community Affairs (ORCA), which administers the Community Development Block Grant Program; and the Department of State Health Services (DSHS), which administers the Housing Opportunities for Persons with AIDS Program, have completed the *2008 State of Texas Consolidated Plan Annual Performance Report: Reporting on Program Year 2007* (APR).

This report is required as part of the US Department of Housing and Urban Development's (HUD's) state Consolidated Planning process, and is outlined specifically in 24 CFR 91.520. The Consolidated Planning process covers four HUD formula grant programs: the Community Development Block Grant (CDBG), Emergency Shelter Grants Program (ESGP), HOME Investment Partnerships (HOME) Program, and the Housing Opportunities for Persons with AIDS (HOPWA) Program.

The APR is an integral part of HUD's Consolidated Planning process, which requires TDHCA, ORCA, and DSHS (the Departments) to evaluate their accomplishments over the past program year. The information contained in the APR helps the Departments evaluate how well they met stated goals and objectives when developing future plans. In March 2008, the Departments completed the 2008 One-Year Action Plan (OYAP), which specifically covered Program Year (PY) 2008 activities. PY 2008 will run from February 1, 2008, through January 21, 2009.

The APR is organized into the following sections:

- **Introduction.** This section includes an overview of the document and the outlining federal legislation.
- **Program Performance.** This section includes PY 2007 performance data for the CDBG, ESGP, HOME, and HOPWA programs, as outlined in 24 CFR 91.520(a). Program-specific sections of legislation, including 24 CFR 91.520(c) for CDBG, 24 CFR 91.520(d) for HOME, and 24 CFR 91.520(e) for HOPWA, are included in this section.
- **Other Actions.** This section reports in the "other actions indicated in the strategic plan and the action plan," as directed by 24 CFR 91.520(a). These actions include Meeting Underserved Needs and Developing Affordable Housing, Public Housing Resident Initiatives, Lead-Based Paint Hazards, Poverty-Level Households, Compliance, and Institutional Structure.
- **Goals and Objectives.** This section reports on the goals and objectives for each program area.
- **Citizen Participation:** This section describes the citizen participation for the document.

## LEGISLATION

### **Sec. 91.520 Performance reports.**

(a) *General.* Each jurisdiction that has an approved consolidated plan shall annually review and report, in a form prescribed by HUD, on the progress it has made in carrying out its strategic plan and its action plan. The performance report must include a description of the resources made available, the investment of available resources, the geographic distribution and location of investments, the families and persons assisted (including the racial and ethnic status of persons assisted), actions taken to affirmatively further fair housing, and other actions indicated in the strategic plan and the action plan. This performance report shall be submitted to HUD within 90 days after the close of the jurisdiction's program year.

(b) *Affordable housing.* The report shall include an evaluation of the jurisdiction's progress in meeting its specific objective of providing affordable housing, including the number and types of families served. This element of the report must include the number of extremely low-income, low-income, moderate-income, and middle-income persons served.

(c) *CDBG.* For CDBG recipients, the report shall include a description of the use of CDBG funds during the program year and an assessment by the jurisdiction of the relationship of that use to the priorities and specific objectives identified in the plan, giving special attention to the highest priority activities that were identified. This element of the report must specify the nature of and reasons for any changes in its program objectives and indications of how the jurisdiction would change its programs as a result of its experiences. This element of the report also must include the number of extremely low-income, low-income, and moderate-income persons served by each activity where information on income by family size is required to determine the eligibility of the activity.

(d) *HOME.* For HOME participating jurisdictions, the report shall include the results of on-site inspections of affordable rental housing assisted under the program to determine compliance with housing codes and other applicable regulations, an assessment of the jurisdiction's affirmative marketing actions and outreach to minority-owned and women-owned businesses, and data on the amount and use of program income for projects, including the number of projects and owner and tenant characteristics.

(e) *HOPWA.* For jurisdictions receiving funding under the Housing Opportunities for Persons With AIDS program, the report must include the number of individuals assisted and the types of assistance provided.

(f) *Evaluation by HUD.* HUD shall review the performance report and determine whether it is satisfactory. If a satisfactory report is not submitted in a timely manner, HUD may suspend funding until a satisfactory report is submitted, or may withdraw and reallocate funding if HUD determines, after notice and opportunity for a hearing, that the jurisdiction will not submit a satisfactory report.

(g) The report will include a comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives.

## **PROGRAM PERFORMANCE**

This section reports on the PY 2007 performance in the Community Development, Homeless, Housing, and Non-Homeless Special Needs categories. Each section reports on the following subjects, as required by 24 CFR 91.520(a):

- Description of the resources made available
- Investment of the available resources
- Geographic distribution and location of investments
- Families and persons assisted
- Actions taken to affirmatively further fair housing

The Community Development section reporting on the CDBG program includes the additional provisions of 24 CFR 91.520(c), which requires that the report include (1) a description of the use of CDBG funds during the program year, (2) an assessment of the relationship of that use to the priorities and specific objectives identified in the plan, (3) the nature of and reasons for any changes in program objectives, and (4) indications of how ORCA would change the program as a result of its experiences. The description of the use of CDBG funds is included in the “Investment of Available Resources” part of the CDBG program section.

The Housing section reporting on the HOME program includes the additional provisions of 24 CFR 91.520(d), which requires that the report include (1) the results of on-site inspections of affordable rental housing assisted under the program to determine compliance with housing codes and other applicable regulations, (2) an assessment of the jurisdiction’s affirmative marketing actions and outreach to minority-owned and women-owned businesses, and (3) data on the amount and use of program income for projects, including the number of projects and owner and tenant characteristics. The data on the use of program funds and number of projects is included in the “Investment of Available Resources” part of the HOME program section, while owner and tenant characteristics is included in the “Families and Persons Assisted” part.

The HOPWA section covering Non-Homeless Special Needs includes the additional provisions of 24 CFR 91.520(e), which requires that the report include the number of individuals assisted and the types of assistance provided. These requirements are included in the “Families and Persons Assisted” and “Investment of Available Resources” parts, respectively.

In accordance with the guidelines from HUD, the Departments now comply with the new CPD Outcome Performance Measurement System. The performance measures targets, including the objectives and outcomes addressed are described in the *2007 State of Texas Consolidated Plan One-Year Action Plan*. The Departments’ performance regarding the new targets for PY 2007 is reported in this document.

## COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

The objective of the Community Development Block Grant Program (CDBG) is “the development of viable communities by providing decent housing, suitable living environments, and expanding economic opportunities, principally for persons of low and moderate income (0-80 percent of Area Median Family Income (AMFI)).” ORCA administers the “non-entitlement” or “states and small cities program.” Under this program, HUD allocates CDBG funds directly to the State, which, in turn, allocates funds to small, non-metropolitan cities (populations of less than 50,000) and rural counties. Large metropolitan communities (populations of 50,000 or more), known as “entitlement areas,” receive their CDBG funding directly from HUD. The demographics and rural character of Texas have shaped a state CDBG program that focuses on providing basic sanitary infrastructure to small rural communities in outlying areas. Eligible activities include sanitary sewer systems, water treatment improvements, disaster relief and urgent needs projects, housing, drainage and flood control, street improvements, and economic development.

### DESCRIPTION OF RESOURCES

This section describes CDBG funding that was available for PY 2007.

#### ***PY 2007 Funding***

The following table lists the amount of funds available for PY 2007 through the HUD allocation, distributed according to the CDBG 2007 Action Plan. 2007 Total State Allocation: \$73,611,737

**PY 2007 CDBG State Allocation**

<b>Fund</b>	<b>2007 Percent</b>	<b>Amount Available</b>
Community Development Fund	40.00%	\$29,444,695
Community Development Supplemental Fund	21.10%	15,532,077
Texas Capital Fund	14.51%	10,681,063
Colonia Fund		
Colonia Construction Fund	6.84%	5,037,282
Colonia EDAP Fund	2.72%	2,000,000
Colonia Planning Fund	0.44%	323,892
Colonia Self-Help Centers Fund	2.50%	1,840,293
Non-Border Colonia Fund	0.61%	449,032
Planning And Capacity Building Fund	0.90%	662,506
Disaster Relief Fund	4.10%	3,018,081
Urgent Need Fund	0.0%*	
STEP Fund	3.14%	2,314,464
Microenterprise Loan Fund	0.0%*	
Small Business Loan Fund	0.0%*	
Section 108 Loan Guarantee Pilot Program	0.0%*	
Administration – 2%	2.00%	1,472,235
Administration Funds – \$100,000	0.14%	100,000
Technical Assistance – 1%	1.00%	736,117
<b>Total</b>	<b>100.00%</b>	<b>\$73,611,737</b>

\* Deobligated funds and/or program income funds may be use to fund projects in the indicated funding categories.



## **PY 2007 Activities**

Each activity proposed for funding under CDBG must address one or more of the following three national program objectives:

- Principally benefit low and moderate income persons. (At least 51 percent of the identified beneficiaries must have an income of less than 80 percent of the area median family income).
- Aid in the prevention or elimination of slum or blighted areas.
- Meet other community development needs of particular urgency which represent an immediate threat to the health and safety of residents of the community.

Activities are funded under the following program categories:

### **Community Development Fund and Community Development Supplemental Fund**

Grants are awarded on a competitive basis to address public facilities and housing needs such as sewer and water system improvements, street and drainage improvements, and housing rehabilitation activities.

### **Texas Capital Fund**

Grants are awarded to eligible communities to address economic development needs by providing infrastructure and real estate improvements in support of businesses willing to create/retain jobs. The Texas Department of Agriculture (TDA) administers the program through an interagency agreement with ORCA.

### **Colonia Fund**

Planning and construction grants are awarded on a competitive basis for community development projects such as sewer, water, and housing rehabilitation to county applicants for projects in unincorporated “eligible colonia” areas located within 150 miles of the Texas-Mexico border and outside metropolitan areas. Eligible colonias are identifiable, unincorporated communities lacking one or more basic services such as potable water supply, adequate sewage systems, and decent, safe and sanitary housing. This fund also provides grants for the operation of colonia self-help centers located in seven Texas-Mexico border counties and for Economically Distressed Areas Program (EDAP) grants on an “as-needed” basis to provide water and sewer connections on projects funded by the Texas Water Development Board.

### **Non-Border Colonia Fund**

Grants are available for construction projects in severely distressed unincorporated areas that are not eligible for the Colonia Fund. Non-Border Colonia communities, located more than 150 miles from the Texas-Mexico border or within a metropolitan area in the border region, are determined to be colonia-like on the basis of objective criteria, including lack of potable water supply, lack of adequate sewage systems, lack of decent, safe, and sanitary housing, and existence as a colonia prior to November 28, 1990.

## Program Performance

### Community Development

#### Planning/Capacity Building Fund

Grants are awarded on a statewide competitive basis to assist eligible cities and counties in planning activities that assess local needs, develop strategies to address local needs, build or improve local capacity, or address other needed local planning elements. Emphasis is placed on housing analysis, mapping, and public infrastructure planning.

#### Disaster Relief/Urgent Need Fund

Assistance is available to localities impacted by a natural disaster or an urgent need situation. Disaster Relief Funds address damages caused by natural disasters such as floods or tornadoes following an emergency declaration by the President or Governor. Urgent need assistance is available for unanticipated and dangerous local situations, contingent upon the availability of funds.

#### Texas Small Towns Environment Program (STEP) Fund

Grants are awarded on a statewide competitive basis to cities and counties to assist communities willing to solve water and sewer problems by utilizing self-help techniques. This approach encourages local support such as volunteer labor and donated materials and/or equipment.

#### Small Business Loan Fund

Grants are awarded to communities to make loans to small businesses (enterprises with 100 or fewer employees) who commit to creating or retaining jobs in rural communities and to making 51% or more of those jobs available to low or moderate income persons.

#### Micro-Enterprise Loan Fund

Grants are awarded to communities to make loans to vary small businesses (enterprises with 5 or fewer employees) known as micro-enterprises who commit to creating or retaining jobs in rural communities and to making 51% or more of those jobs available to low or moderate income persons.

## INVESTMENT OF RESOURCES

This section describes CDBG funding commitments that were made during the reporting period, using PY 2007 funds as well as program income and deobligated funds from prior program years.

### PY 2007 Funding Commitments

For PY 2007, the CDBG program committed \$82,705,801 through 286 grants.

#### Total Amount of Funds Committed during PY 2007

Fund	No. of Contracts	2007 Allocation	Prior Year - Allocation	Prior Year - Deobligated	Program Income	2007 Total Obligation
Community Development	107	29,401,548	375,000			29,776,548
Community Development Supplemental Fund	55	15,382,155				15,382,155
Texas Capital Fund	25	8,023,600	3,088,300	300,000		11,411,900
Colonia Construction Fund	11	5,037,282	60,386			5,097,668
Colonia EDAP Fund	2		439,614			439,614
Colonia Planning Fund	4	177,750				177,750

*Program Performance*

*Community Development*

<b>Fund</b>	<b>No. of Contracts</b>	<b>2007 Allocation</b>	<b>Prior Year - Allocation</b>	<b>Prior Year - Deobligated</b>	<b>Program Income</b>	<b>2007 Total Obligation</b>
Colonia Self-Help Centers	5	1,027,776	1,832,440			2,860,216
Non-Border Colonia	2	449,032	50,968			500,000
Planning / Capacity Building Fund	17	661,454	2,546			664,000
Disaster Relief/Urgent Need Fund	40	3,018,081	2,888,236	4,908,495	790,844	11,605,656
STEP Fund	17	2,314,464		2,614,230		4,928,694
Micro-Enterprise Loan Fund	1				100,000	100,000
<b>Total</b>	<b>286</b>	<b>\$65,493,142</b>	<b>\$8,737,490</b>	<b>\$7,822,725</b>	<b>\$ 890,844</b>	<b>\$82,944,201</b>

**Matching Requirements**

CDBG requires matching funds to be contributed by grant recipients toward certain CDBG funded projects. Applicants' willingness to provide matching funds, in relation to the size of the community, is taken into account when scoring applications for funding. Match requirements vary by funding category and are not required for the STEP Fund, Colonia Planning Fund, or Colonia Self-Help Centers Fund. For PY 2007, the \$82,944,201 in CDBG funds was matched by 54%, or \$45,090,093 in local commitments.

**Matching Funds Committed by Grantees, Contracts Awarded in PY 2007**

<b>Fund</b>	<b>No. of Contracts</b>	<b>2007 Total Obligation</b>	<b>Match</b>
Community Development Fund	107	29,776,548	8,599,244
Community Development Supplemental Fund	55	15,382,155	3,889,526
Texas Capital Fund	25	11,411,900	20,582,236
Colonia Construction Fund	11	5,097,668	696,023
Colonia EDAP Fund	2	439,614	0
Colonia Planning Fund	4	177,750	0
Colonia Self-Help Centers	5	2,860,216	0
Non-Border Colonia	2	500,000	25,000
Planning and Capacity Building Fund	17	664,000	145,068
Disaster Relief/Urgent Need Fund	40	11,605,656	11,222,612
STEP Fund	17	4,928,694	3,300
Micro-Enterprise Loan Fund	1	100,000	10,000
<b>Total</b>	<b>286</b>	<b>\$ 82,944,201</b>	<b>\$ 45,090,093</b>

The CDBG staff continues to work with the Texas Department of Agriculture and Texas Water Development Board on projects that leverage funds from multiple agencies to take full advantage of the available resources.

**Summary of CDBG Housing Assistance**

During PY 2007, CDBG closed contracts which provided housing assistance including rehabilitation, acquisition, clearance, new construction, and provision of other facilities to 10 communities through the Housing Rehabilitation Fund, Colonia Construction Fund, Housing Demonstration Fund, and Housing

## Program Performance

### Community Development

Infrastructure Fund. (Provision of yardlines for first-time water or sewer services, although classified as a “housing rehabilitation” program activity, is not included in this discussion.) These contracts included a maximum cost of \$25,000 for each rehabilitated housing unit or \$55,000 for each reconstructed unit, according to TxCDBG program requirements. Displacement for these contracts is limited to voluntary participants and displacement costs are not eligible for reimbursement or included in project narratives. All households, businesses, or other entities impacted by a CDBG-assisted housing project, along with their needs and preferences, were identified by the locality during the homeowner application process; and only those homeowners choosing to participate were displaced in any way.

For existing contracts closed during the reporting period, CDBG assistance was used by five grantees to rehabilitate or reconstruct 22 housing units. The 5 grantees expended \$935,951 in CDBG funds for housing rehabilitation and reconstruction assistance to 44 low- to moderate-income persons. In addition, CDBG assistance provided \$1,979,843 to construct infrastructure supporting new affordable housing developments through the Housing Infrastructure Fund and the Housing Demonstration Fund. Five grantees used these funds to provide 113 new housing units, benefiting 304 persons of which 192 were of low- to moderate-income. The following table provides information on the households assisted through CDBG contracts closed in PY 2007:

**Housing Assistance by Household, Contracts Closed in PY 2007**

	<b>Housing Rehab/Reconstruction</b> (HR and CFC Funds) Units Persons		<b>New Housing</b> (HIF and HDF Funds) Units Persons	
Owner Occupied	19	32	113	304
Renter Occupied	3	12	0	0
Moderate Income	2	6	56	160
Low Income	15	32	9	27
Very Low Income	5	6	3	5
Non-LMI	0	0	45	112
<b>Total Assisted</b>	<b>22</b>	<b>44</b>	<b>113</b>	<b>304</b>

### Summary of CDBG Economic Development Activity

For existing contracts that were closed during the reporting period, CDBG provided economic development assistance to eighteen communities through the Texas Capital Fund expending \$5,977,141.50 in CDBG funds and \$9,538,638 in matching funds.

Eleven contracts provided \$4,949,627 for infrastructure or real estate to create 536 new jobs and retain 53 existing jobs, with 383 of the new jobs and 40 of the retained jobs filled by low- or moderate-income workers. Contracts funded under CDBG economic development are required to create or retain one job for every \$25,000 in CDBG funds expended. The eleven contracts closed during PY 2007 averaged \$14,723.25 expended for each job created or retained.

In addition to job creation activities, the Texas Capital Fund expended \$577,514 in four communities under the Main Street Program, and \$450,000 in three communities under the Downtown Revitalization Program.

## **DISTRIBUTION OF INVESTMENTS**

This section reports on how PY 2007 funds were distributed and the location of CDBG awards.

### ***Allocation Formula***

The CDBG program distributes funds using both statewide competitions and regional competitions. The Community Development and Community Development Supplemental Funds each use a specific formula to distribute funds on a biennial basis to each of the 24 Council of Government regions across the state; the CD funds are allocated according to a formula based on population, poverty, and unemployment, while the CDS distributes funds using same formula used by HUD to allocate funds to the state CDBG programs. Applicants compete within each region for the funds allocated to that area. Regional competitions ensure that funds are distributed across the state and allow each region to establish its own priorities for selecting applications for funding within the scope of the program.

All other CDBG funds are available to eligible cities and counties through statewide competitive processes. A statewide competition in the smaller funding categories provides for standardized consideration and funding of the most competitive applications regardless of the project location.

### ***Award Locations***

PY 2007 CDBG awards were made in the following areas of the state:

<b>Region/County</b>	<b>No. of Awards</b>	<b>Amount of Awards</b>	<b>Total Beneficiaries</b>	<b>LMI Beneficiaries</b>
<b>AACOG</b>				
Atascosa	2	500,000	2,450	1,649
Bandera	1	250,000	674	449
Frio	4	1,271,250	4,176	2,515
Guadalupe	1	250,000	159	159
Karnes	3	750,000	1,256	815
Kendall	1	250,000	2,310	1,633
Kerr	1	30,000	1,407	1,067
Medina	1	250,000	355	330
Wilson	2	479,640	6,172	2,738
<b>Total</b>	<b>16</b>	<b>4,030,890</b>	<b>18,959</b>	<b>11,355</b>
<b>ATCOG</b>				
Bowie	2	685,685	158	104
Cass	2	500,000	138	114
Delta	2	329,593	2,147	1,313
Hopkins	1	250,000	771	582

## Program Performance

### Community Development

Region/County	No. of Awards	Amount of Awards	Total Beneficiaries	LMI Beneficiaries
Lamar	2	499,322	595	354
Morris	2	400,000	69	62
Red River	3	582,057	1,285	878
<b>Total</b>	<b>14</b>	<b>3,246,657</b>	<b>5,163</b>	<b>3,407</b>
<b>BVCOG</b>				
Burleson	1	250,000	968	600
Leon	3	750,000	1,636	1,142
<b>Total</b>	<b>4</b>	<b>1,000,000</b>	<b>2,604</b>	<b>1,742</b>
<b>CAPCO</b>				
Bastrop	3	750,000	305	293
Blanco	1	250,000	79	49
Burnet	3	1,050,000	28,371	11,476
Caldwell	1	250,000	165	133
Fayette	2	900,000	51	27
Hays	1	250,000	75	75
Lee	1	250,000	67	63
<b>Total</b>	<b>12</b>	<b>3,700,000</b>	<b>29,113</b>	<b>12,116</b>
<b>CBCOG</b>				
Bee	1	500,000	53	50
Brooks	2	800,000	7,026	4,581
Jim Wells	2	1,000,000	1,450	879
Kleberg	1	500,000	30	28
Mcmullen	1	500,000	28	28
Refugio	4	1,120,600	2,949	1,841
San Patricio	5	1,749,400	10,936	6,217
<b>Total</b>	<b>16</b>	<b>6,170,000</b>	<b>22,472</b>	<b>13,624</b>
<b>CTCOG</b>				
Bell	1	250,000	114	107
Coryell	4	1,154,333	18,290	6,633
Hamilton	2	600,000	6,721	3,040
Lampasas	3	1,700,000	8,551	4,577
Milam	2	484,446	5,752	2,160
Mills	1	350,000	3,174	1,138
San Saba	1	301,246	3,549	1,168
<b>Total</b>	<b>14</b>	<b>4,840,025</b>	<b>46,151</b>	<b>18,823</b>
<b>CVCOG</b>				
Irion	1	200,000	101	69
Mcculloch	1	200,000	155	109
Menard	1	200,000	1,616	1,105

Region/County	No. of Awards	Amount of Awards	Total Beneficiaries	LMI Beneficiaries
Sterling	1	200,000	1,106	673
<b>Total</b>	<b>4</b>	<b>800,000</b>	<b>2,978</b>	<b>1,956</b>
<b>DETCOG</b>				
Angelina	2	495,500	2,353	1,538
Houston	1	250,000	61	48
Jasper	4	1,300,000	33,823	13,707
Nacogdoches	2	500,000	26,355	13,519
Newton	1	350,000	12,631	5,562
Polk	3	849,000	3,260	1,741
San Jacinto	1	350,000	15,119	6,012
Shelby	1	250,000	839	620
Trinity	1	150,000	0	0
Tyler	1	350,000	16,084	6,567
<b>Total</b>	<b>17</b>	<b>4,844,500</b>	<b>110,525</b>	<b>49,314</b>
<b>ETCOG</b>				
Anderson	1	250,000	1,154	705
Camp	2	732,800	4,390	2,343
Cherokee	4	1,100,000	2,238	1,594
Gregg	3	450,000	6,282	3,377
Henderson	1	250,000	280	223
Marion	1	251,140	53	30
Panola	2	500,000	1,357	988
Rains	5	1,209,800	3,624	2,569
<b>ETCOG (cont.)</b>				
Rusk	1	334,985	250	230
Upshur	1	36,250	1,288	671
Van Zandt	1	250,000	2,244	1,415
Wood	3	750,000	1,223	820
<b>Total</b>	<b>25</b>	<b>6,114,975</b>	<b>24,383</b>	<b>14,965</b>
<b>GCRPC</b>				
Calhoun	1	250,000	1,555	1,163
Dewitt	1	250,000	16	13
Goliad	1	250,000	819	531
Gonzales	1	250,000	475	442
<b>Total</b>	<b>4</b>	<b>1,000,000</b>	<b>2,865</b>	<b>2,149</b>
<b>HGAC</b>				
Brazoria	2	700,000	18,930	9,054
Colorado	1	350,000	3,618	2,311
Galveston	2	399,400	6,459	3,891

## Program Performance

### Community Development

Region/County	No. of Awards	Amount of Awards	Total Beneficiaries	LMI Beneficiaries
Liberty	3	1,050,000	18,464	11,157
Matagorda	3	749,400	15,042	8,783
Montgomery	1	350,000	425	285
Walker	1	350,000	546	303
Waller	1	31,800	4,691	3,129
<b>Total</b>	<b>14</b>	<b>3,980,600</b>	<b>68,175</b>	<b>38,913</b>
<b>HOTCOG</b>				
Bosque	3	750,000	1,527	1,105
Falls	1	35,900	1,598	889
Freestone	1	150,000	0	0
Hill	2	500,000	557	356
<b>Total</b>	<b>7</b>	<b>1,435,900</b>	<b>3,682</b>	<b>2,350</b>
<b>LRGVDC</b>				
Cameron	8	2,889,160	18,097	12,335
Hidalgo	3	768,651	1,476	1,476
Willacy	1	289,860	9,733	6,278
<b>Total</b>	<b>12</b>	<b>3,947,671</b>	<b>29,306</b>	<b>20,089</b>
<b>MRGDC</b>				
Dimmit	2	305,000	2,700	1,405
Edwards	1	219,026	1,258	810
La Salle	2	299,949	5,237	3,077
Maverick	5	2,159,835	15,504	14,113
Real	1	193,475	387	217
Uvalde	2	623,563	34,638	16,993
Val Verde	2	821,055	5,943	5,892
Zavala	1	270,267	311	294
<b>Total</b>	<b>16</b>	<b>4,892,170</b>	<b>65,978</b>	<b>42,801</b>
<b>NCTCOG</b>				
Collin	2	700,000	3,003	1,927
Dallas	1	750,000	57	30
Ellis	7	2,685,870	89,129	29,456
Erath	1	350,000	3,754	2,337
Hood	1	250,000	584	406
Hunt	4	1,300,000	9,553	6,407
Johnson	1	350,000	382	365
Kaufman	3	658,700	7,720	4,899
Navarro	3	1,176,601	12,788	4,220
Palo Pinto	1	345,000	989	642
Wise	2	66,550	1,944	1,155



Program Performance

Community Development

<b>Region/County</b>	<b>No. of Awards</b>	<b>Amount of Awards</b>	<b>Total Beneficiaries</b>	<b>LMI Beneficiaries</b>
Total	<b>26</b>	<b>8,632,721</b>	<b>129,903</b>	<b>51,844</b>
<b>NORTEX</b>				
Archer	2	524,972	2,043	1,263
Baylor	1	150,000	0	0
Clay	1	175,000	413	273
Cottle	1	175,000	1,127	691
Hardeman	1	175,000	660	437
Jack	2	514,964	4,146	1,558
Montague	1	49,000	5,584	2,860
Wichita	1	174,999	2,642	1,677
Total	<b>10</b>	<b>1,938,935</b>	<b>16,615</b>	<b>8,759</b>
<b>PBRPC</b>				
Dawson	1	350,000	216	141
Ector	1	468,631	201	159
Gaines	1	350,000	2,168	1,334
Reeves	3	938,400	3,503	2,223
Upton	1	44,300	1,805	950
Total	<b>7</b>	<b>2,151,331</b>	<b>7,893</b>	<b>4,807</b>
<b>PRPC</b>				
Armstrong	1	250,000	128	112
Castro	1	250,000	1,029	698
Dallam	1	350,000	824	759
Deaf Smith	2	799,325	329	277
Hall	1	250,000	523	327
Hansford	1	250,000	1,164	727
Moore	2	588,881	4,535	2,754
Ochiltree	1	250,000	90	62
Randall	1	250,000	169	106
Swisher	1	192,961	5,117	2,342
Total	<b>12</b>	<b>3,431,167</b>	<b>13,908</b>	<b>8,164</b>
<b>RGCOG</b>				
Brewster	1	295,384	274	241
El Paso	3	1,630,184	669	534
Hudspeth	3	612,868	772	505
Jeff Davis	1	295,384	841	611
Presidio	3	1,090,768	1,970	1,248
<b>Total</b>	<b>11</b>	<b>3,924,588</b>	<b>4,526</b>	<b>3,139</b>

## Program Performance

### Community Development

Region/County	No. of Awards	Amount of Awards	Total Beneficiaries	LMI Beneficiaries
<b>SETRPC</b>				
Hardin	3	950,000	28,585	11,190
Jefferson	2	600,000	6,067	2,168
Orange	2	650,000	2,870	1,213
<b>Total</b>	<b>7</b>	<b>2,200,000</b>	<b>37,522</b>	<b>14,571</b>
<b>SPAG</b>				
Cochran	1	250,000	1,843	1,248
Crosby	2	250,000	4	3
Hale	2	399,700	1,254	778
Hockley	3	750,000	965	628
Lubbock	1	150,000	0	0
Motley	2	553,220	266	185
<b>Total</b>	<b>11</b>	<b>2,352,920</b>	<b>4,332</b>	<b>2,842</b>
<b>STDC</b>				
Jim Hogg	1	800,000	181	139
Starr	4	2,800,000	27,457	23,611
Zapata	1	500,000	182	124
<b>Total</b>	<b>6</b>	<b>4,100,000</b>	<b>27,820</b>	<b>23,874</b>
<b>TEXOMA</b>				
Collin	1	125,000	57	50
Cooke	1	125,000	94	57
Fannin	5	550,000	11,199	7,736
Grayson	3	367,000	752	469
<b>Total</b>	<b>10</b>	<b>1,167,000</b>	<b>12,102</b>	<b>8,312</b>
<b>WCTCOG</b>				
Brown	1	750,000	51	27
Callahan	1	250,000	3,152	2,151
Coleman	1	60,031	2,792	1,018
Comanche	1	250,000	502	363
Eastland	1	250,000	812	586
Haskell	2	597,120	338	206
Jones	1	250,000	1,928	1,290
Runnels	1	235,000	30	24
Throckmorton	2	400,000	283	210
<b>Total</b>	<b>11</b>	<b>3,042,151</b>	<b>9,888</b>	<b>5,875</b>

## FAMILIES AND PERSONS ASSISTED

This section describes the households and persons assisted with CDBG funds.

**Anticipated Persons Served with PY 2007 Funding**

For contracts that were awarded with PY 2007 funds, there are 696,863 total anticipated beneficiaries, of which 52 percent were low- and moderate-income persons.

**Estimated Beneficiaries, Contracts Awarded in PY 2007**

<b>Fund</b>	<b>Total Beneficiaries</b>	<b>Low/Mod Beneficiaries</b>
Community Development Fund	147,209	93,192
Community Development Supplemental Funds	84,760	51,988
STEP Fund	5,354	3,927
Colonia EDAP Fund	1,135	1,135
Colonia Construction Fund	1,905	1,782
Colonia Planning Fund	9,060	5,295
Colonia Self-Help Centers	31,976	31,976
Non-Border Colonia	276	276
Disaster Relief/Urgent Need Funds	352,179	139,508
Planning Fund	62,241	36,257
Texas Capital Fund	764	452
Micro-Enterprise Loan Fund	4	3
<b>Total</b>	<b>696,863</b>	<b>365,791</b>

**Actual Persons Served in PY 2007**

For contracts closed during PY 2007, 625,955 persons actually received service through CDBG contracts, of which 58 percent were low- and moderate-income persons.

**Actual Beneficiaries, Contracts Closed in PY 2007**

<b>Fund</b>	<b>Total Beneficiaries</b>	<b>Low/Mod Beneficiaries</b>
Community Development Fund	263,887	181,687
Community Development Supplemental Fund	19,624	13,265
Colonia Construction Fund	2,955	2,854
Colonia EDAP Fund	1,983	1,983
Colonia Planning Fund	6,051	3,135
Colonia Self-Help Centers	5,184	5,184
Texas Capital Fund	45,239	21,914
Disaster Relief/Urgent Need Funds	245,263	112,871
Planning Fund	27,799	16,211
Housing Infrastructure Fund	304	192
Housing Rehabilitation Fund	24	24
STEP Fund	7,515	4,503
Young v Martinez Fund	127	127
<b>Total</b>	<b>625,955</b>	<b>363,950</b>

## Program Performance

### Community Development

#### Racial and Ethnic Status of Persons Assisted

The racial and ethnic status of persons receiving assistance for contracts closed in PY 2007 is reported below.

##### Racial and Ethnic Status of Beneficiaries, Contracts Closed in PY 2007

Race / Ethnicity	Persons Assisted	Percent
White	298,455	47.7%
Black / African American	58,737	9.4%
Asian	1,822	0.3%
American Indian/Alaska Native	4,005	0.6%
Native Hawaiian/Other Pacific Islander	387	<0.1%
Black/African American and White	306	<0.1%
Asian and White	196	<0.1%
Asian and Native Hawaiian/Other Pacific Islander		
American Indian and White	1,292	0.2%
American Indian/Alaska Native and Black/African American	28	<0.1%
Other Multi-Race	26,930	4.3%
Hispanic and White	222,941	35.6%
Hispanic and Black /African American	360	<0.1%
Hispanic and Asian	60	<0.1%
Hispanic and American Indian/Alaska Native	322	<0.1%
Hispanic and Native Hawaiian/Other Pacific Islander	33	<0.1%
Hispanic and Other Race or Multiracial	10,081	1.6%
<b>Total</b>	<b>625,955</b>	

#### Income Status of Persons Assisted

The CDBG program collects information on beneficiaries according to low/moderate income status. Most funding categories require applications to benefit a minimum of 51% low- or moderate-income persons. Colonia Planning Fund applicants can qualify for funding under the slum and blight national objective. While the Colonia Planning grant does not require a low/moderate income threshold, as the strategies that result from the grant, if implemented, will benefit primarily low- to moderate-income persons. Similarly, Disaster Relief/Urgent Need Fund applicants can qualify under the urgent need national objective without a low/moderate income benefit; however many of these projects do benefit primarily low- to moderate-income persons and only those contracts are included in the CDBG low/moderate income national objective reporting and are included below.

The table below reflects contracts closed during PY 2007 that meet the low/moderate income national objective. Twenty five contracts met the urgent need or slum/blight national objectives, including the Downtown Revitalization and Main Street Program contracts in the Texas Capital Fund, certain Disaster Relief contracts, and a Colonia Planning Fund contract, and are not included in the table below.

**Income Status of Actual Beneficiaries,  
Contracts Closed in PY2007 under the LMI National Objective**

<b>Fund</b>	<b>Total Beneficiaries</b>	<b>Low/Mod Beneficiaries</b>	<b>% Low/Mod</b>
Community Development Fund	263,887	181,687	68.85%
Community Development Supplemental Fund	19,624	13,265	67.60%
STEP Fund	7,515	4,503	59.92%
Colonia Construction Fund	2,955	2,854	96.58%
Colonia EDAP Fund	1,983	1,983	100.00%
Colonia Planning Fund	5,532	2,875	51.97%
Colonia Self-Help Centers	5,184	5,184	100.00%
Disaster Relief/Urgent Need Fund	39,085	22,846	58.45%
Planning Fund	27,799	16,211	58.32%
Texas Capital Fund	589	423	71.82%
Housing Infrastructure Fund	304	192	68.30%
Housing Rehabilitation Fund	24	24	100.00%
Young V. Martinez Fund	127	127	100.00%
<b>Total</b>	<b>374,608</b>	<b>252,174</b>	<b>67.32%</b>

\* Reported beneficiaries include only contracts meeting the low/moderate income national objective.

**FAIR HOUSING ACTIVITIES**

In compliance with 24 CFR Part 570, §570.487, other applicable laws and related program requirements, the state has completed the required actions to affirmatively further fair housing. The State of Texas conducts training and provides educational material to the participating units of general local government on federal and state fair housing laws and procedures, including technical assistance. The following are examples of this performance:

***Contractor Certifications***

All applicants to the CDBG fund must certify that they will take action to affirmatively further fair housing. This certification must be signed and submitted with the initial application for funding and is also included in the contract, if funded. This certification is discussed at the application workshops and is clearly noted in the application guides.

***Civil Rights and Fair Housing Technical Assistance***

The Texas Community Development Block Grant Program has assigned a staff member to be responsible for the fair housing and civil rights requirements of the program. Staff addresses questions from the grantees and general public regarding civil rights and makes any appropriate referrals on an on-going basis. ORCA implemented a fair housing training for all staff including an overview of all related civil rights and fair housing laws, regulations and executive orders; discussion of fair housing activities that can be accomplished to comply with fair housing requirements and certifications; record keeping requirements; and the procedures to use regarding fair housing complaints.

***Project Implementation Manual***

## *Program Performance*

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### *Community Development*

A copy of the Implementation Manual was distributed to all new grantees to assist them in the administration of project activities and to inform them of all the applicable laws and regulations. This manual includes a chapter regarding fair housing and a chapter on equal opportunity with detailed information, forms and checklists to ensure compliance with all regulations. This manual includes clear instructions so that city and county employees are able to understand and complete the necessary forms and requirements.

### ***Pre-Funding Site Visits***

The Regional Coordinators conducted pre-funding site visits to all localities that were recommended for funding under the Community Development Fund. All CDBG grantees (contractor localities) are informed that they are required to conduct at least one fair housing activity during the contract period. During this personal visit the localities are provided with a Project Implementation Manual. A list of acceptable fair housing activities, samples of Fair Housing Ordinances (also contained in the manual) and a checklist of reporting and record keeping requirements of the CDBG program was provided to the new grantees. They are encouraged to pass fair housing ordinances and to update existing fair housing ordinances to include all federally protected classes. The fair housing ordinance must include a penalty clause and the locality must have the staff and the capacity to enforce the ordinance.

### **Availability of Fair Housing Posters and Brochures**

The Texas Community Development Block Grant Program obtained fair housing posters and various brochures for distribution to participating cities, counties, regional planning councils, and the general public. In addition, copies of civil rights laws, various samples of public service announcements and fair housing ordinances, etc. are available and mailed upon request. Staff is encouraged to deliver posters to grantees to increase awareness of fair housing laws. The Texas Health and Human Rights Commission and ORCA also provide fair housing brochures and technical assistance upon request.

### **Fair Housing Expenses**

The CDBG utilizes funds from the technical assistance funding for the cost of providing fair housing technical assistance. This includes the cost of reproducing/printing fair housing brochures and memorandums; related postage; and the purchase of office supplies and materials. Additional funds were utilized on travel expenses to conferences and workshops as well as staff time.

CDBG staff stamp all outgoing correspondence with the phrase “ORCA SUPPORTS FAIR HOUSING, IT’S RIGHT, IT’S FAIR, IT’S FOR EVERYONE!” to increase public awareness of the fair housing law. The Office of Rural Community Affairs’ fax cover sheet was also revised to inform recipients of ORCA’s fair housing support. These fair housing activities were performed throughout the year and continue this year.

### **Monitoring of Civil Rights Requirements**

Texas CDBG administers on average between 800 to 1,000 open CDBG contracts throughout the year. Program Monitors review each contractor for civil rights requirements using a detailed checklist on civil rights and fair housing requirements. A review of the files includes, but is not limited to, the following:

- All bid documents and contracts must contain equal employment opportunity provisions including an equal opportunity plan.
- The Contractor locality must comply with Section 3 requirements and adopt an equal opportunity plan.
- All Contractor localities are required to publish a notice of non-discrimination in a general circulation newspaper in the affected community and complete a Section 504 self-evaluation review.
- Contractor localities with 15 or more employees must have appointed a Section 504 coordinator, adopted grievance procedures, and notified all CDBG project participants that they must not discriminate on the basis of an individual’s disability.
- The Texas Community Development Block Grant Program requires that each Contractor locality appoint a Fair Housing/Equal Opportunity Officer to be responsible for the fair housing and civil rights program requirements, and to take any possible complaints and make referrals, as necessary.
- Each Contractor locality is monitored closely to ensure that at least one fair housing activity was completed within the contract period.

## *Program Performance*

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### *Community Development*

- The project completion report must include a description of the fair housing activities conducted during the contract period.
- The project completion report also contains the breakout of beneficiaries by race, ethnicity, gender, and low/moderate income status.

### **Quarterly Report Requirements**

Contractors must submit quarterly progress reports to inform CDBG of their progress. The grant recipients are instructed to report any activities conducted to comply with the civil rights and fair housing requirements. Evidence of the civil rights and fair housing activities performed must be well-documented and available for review at the locality files. This evidence is reviewed by Program Monitors when conducting on-site monitoring visits. If documentation of these activities is not available at the time of the monitoring visit, the locality is provided with a written request for these documents and instructed to provide the evidence within 30 days. Contracts are not administratively closed until the civil rights and fair housing requirements are met.

### **Staff Outreach, Training, Conferences, and Workshops**

The Texas Health and Human Services Commission's Civil Rights Office has the responsibility to investigate claims of discrimination; to conduct new, periodic, and special compliance reviews of offices, programs and contractors; to provide training and guidance; and to take other appropriate steps to ensure that programs and services do not discriminate.

The staff members of the ORCA Field Offices attended various workshops to provide technical assistance regarding ORCA housing programs and fair housing issues. USDA, local community services, lenders and realtors participated in these workshops. These staff members provide technical assistance in housing, community and economic development, and capacity building, and provide health-care related information for the rural areas. The staff members also provide limited information on TDHCA's housing programs and refer communities to the appropriate office.

In addition to ORCA Field Offices, Border Field Offices, operated by TDHCA's Office of Colonia Initiatives (OCI) and supported in part by CDBG funds, promote fair housing in border counties. The OCI staff provides one-on-one training and technical assistance on their housing and community affairs programs and services including Contract for Deed Conversion, Texas Bootstrap Loan Program, First-Time Homebuyer, and Contract for Deed Consumer Education. Furthermore, CDBG provides grants for colonia self-help centers in seven border counties. The centers provide on-site technical assistance and conduct community development activities, infrastructure improvements, outreach and education.

The TxCDBG Fair Housing Specialist attended a conference sponsored by the City of Austin, Equal Employment/Fair Housing Office and The Austin Tenants' Council on April 20, 2007. The conference, called



“Fair Housing: It’s Not An Option, It’s the Law” Conference, was presented by representatives from the U.S. Department of Housing and Urban Development, the U.S. Department of Justice, and local Attorneys. Subject matter covered an overview of Title 8, legal updates, and housing discrimination legal issues.

**ACCOMPLISHMENTS IN HIGH PRIORITY AREAS**

This section demonstrates how activities undertaken during the program year address identified areas of high priority and objectives.

**Non-Housing Community Development Priority Needs Summary Table**

<b>Priority Community Development Needs</b>	<b>Priority Need Level</b>
PUBLIC FACILITY NEEDS	Medium
INFRASTRUCTURE IMPROVEMENT	High
Solid Waste Disposal Improvements	Medium
Drainage and Flood Control Improvements	High
Water System Improvements	High
Street and Bridge Improvements	High
Sewer System Improvements	High
PUBLIC SERVICE NEEDS	Medium
ECONOMIC DEVELOPMENT NEEDS	High
OTHER COMMUNITY DEVELOPMENT NEEDS	Medium
PLANNING	High

***Specific Accomplishments***

The following goals address the high priority needs identified above. Activities undertaken during the PY 2007 period that accomplish these goals are described.

**INFRASTRUCTURE IMPROVEMENTS**

Encourage projects that address basic human needs such as water, sewer and housing; projects that provide a first-time public facility or service; and projects designed to bring existing services up to at least state minimum standards as set by the applicable regulatory agency.

CDBG received 666 applications for assistance under the 2007/2008 Community Development Fund and Community Development Supplemental Fund competition and funded 107 projects under the CD Fund and 55 projects under the CDS Fund. Together these two funds receive just over 60% of the total annual CDBG allocation.

- The vast majority of applications for 2007/2008 CD/CDS funds requested assistance with basic human needs (water, sewer, and housing).
- About 75% of funds awarded by CDBG address basic human needs.
- 90% of awarded construction funds address basic needs.
- 25 contracts totaling \$7,410,244 included funds for first time public water or public sewer facilities, benefiting 1,846 of whom 1,741 or 94% were low- to moderate-income persons.

## Program Performance

### Community Development

The STEP Fund is designed to make a large impact by leveraging local resources and self-help volunteer labor to install needed water and sewer facilities at a cost that is affordable for the assisted communities. During this reporting period, 17 grants were awarded obligating \$4,928,694 for projects to benefit 5,851 persons of which 4,179 are low- and moderate-income persons.

- Over 70% of STEP funds awarded in 2007 address basic human needs, and 99% of construction funds address such needs.
- Five of the 17 STEP projects using \$1,486,650 in CDBG funds provide first time public water or public sewer facilities benefiting 397 of which 253 are low- to moderate income persons.

#### Contracts Awarded in PY 2007 by Activity – Selected Funds

Activity	CD/CDS	% of CD/CDS Total	STEP	% of STEP Total
Water Facilities *	17,213,854	38.1%	3,209,815	65.1%
Sewer Facilities *	14,692,757	32.5%	236,000	4.8%
Housing Rehabilitation *	1,883,820	4.2%	65,168	1.3%
Drainage	113,533	0.3%		
Streets	2,956,246	6.6%		
Other Facilities	521,078	1.2%		
Acquisition	161,675	0.4%	20,436	0.4%
Administration	2,996,455	6.6%	526,174	10.7%
Engineering	4,619,285	10.2%	871,101	17.7%
<b>Total Funds</b>	<b>\$45,158,703</b>		<b>\$4,928,694</b>	
*Basic Needs Dollars	33,790,431	74.8 %	3,510,983	71.2%

### ECONOMIC DEVELOPMENT

Provide funds for economic development and business expansion in rural communities. Fund economic development projects that create or retain jobs.

Texas CDBG administered two relatively new programs during PY 2007 to promote economic development. Both programs provide grant funds to communities, which in turn make loans to small businesses: the Micro-enterprise Loan Fund is targeted toward businesses with five or fewer employees, while the Small Business Loan Fund benefits businesses with 100 or fewer employees. The loan recipients commit to creating or retaining jobs in rural communities and to making 51% or more of those jobs to be filled by low- or moderate-income persons. The CDBG funded one new Micro-enterprise Loan Fund grant for \$100,000 in PY 2007, and continued administration of twelve grants previously awarded under both funds.

In PY 2007, CDBG funded twenty-five grants under the Texas Capital Fund. The \$11,173,500 in CDBG assistance is expected to create 639 new jobs and retain 113 jobs in rural communities, with at least 51% of those jobs to be filled by low- and moderate-income workers. The estimated cost per job created or retained through these contracts is \$14,989.

**PLANNING**

Provide assistance to local governments in rural areas, emphasizing planning activities that primarily address problems in the areas of public works and housing assistance.

Texas CDBG awarded 17 grants totaling \$664,000 for planning and capacity building projects. These projects are expected to benefit 62,241 persons including 36,257 low- and moderate-income persons. The 2007 planning projects primarily address public works and housing planning elements and leverage an estimated \$145,068 in other funding.

**OTHER PRIORITY ACCOMPLISHMENTS**

Provide support for colonia communities, including funding for public improvements through a Colonia Construction Fund, funding for planning through a Colonia Planning Fund, and Self-Help Centers established in border counties.

The Colonia Construction Fund is the second largest program administered by Texas CDBG and the largest targeting colonias. In 2007 CDBG funded 11 projects totaling \$5,097,668. Nearly 85% of CFC funds awarded in PY 2007 address basic human needs, and 99% of construction funds address such needs. All 11 of the 11 CFC projects fund first time public water or public sewer facilities, which will benefit 1,932 persons, of which 1,832 are low- to moderate income persons.

Four Colonia Planning Fund grants were awarded that have the potential to benefit 9,060 persons of which an estimated 5,295 are low and moderate income persons. The \$177,750 obligated will be used to assess county-wide comprehensive needs in colonia areas and for an in-depth study/plan covering individual colonia communities.

A rider to ORCA’s state appropriation retains 2.5% of the total CDBG appropriation for the operation of colonia self-help centers in seven border counties, in addition to the 10% federally mandated colonia set-aside. The activities of the self-help centers are overseen by the TDHCA Office of Colonia Initiatives. Separately, three border field offices, operated by TDHCA-OCI staff and supported in part by CDBG funds, are located in El Paso, Edinburg and Laredo to provide technical assistance to area residents and other interested parties. The TDHCA-OCI staff continues to provide technical assistance and disseminate information regarding available programs administered by TDHCA that could assist in addressing colonia issues and other local priority needs. During the reporting period, \$2,860,216 was awarded to support the colonia self-help centers.

**Colonia Fund Activities, Contracts Awarded in PY 2007**

Activity	CEDAP	CFC	CFP	Colonia Fund Total	% of Colonia Fund Total
Water Facilities *		859,060		859,060	15.0%
Sewer Facilities *		2,194,004		2,194,004	38.4%
Housing Rehabilitation *	394,950	1,271,604		1,666,554	29.2%
Acquisition		41,500		41,500	0.7%
Planning			177,750	177,750	3.1%
Administration	44,664	295,000		339,664	5.9%
Engineering		436,500		436,500	7.6%
<b>Total Funds</b>	<b>439,614</b>	<b>5,097,668</b>	<b>177,750</b>	<b>5,715,032</b>	

## Program Performance

### Community Development

Activity	CEDAP	CFC	CFP	Colonia Fund Total	% of Colonia Fund Total
*Basic Needs Dollars	394,950	4,324,668		4,719,618	82.6%

\*\* Colonia Self Help Centers are not included in this table, as the data is tracked differently.

Provide assistance for the recovery from natural disasters and fund projects that resolve threats to the public health and/or safety of local residents in rural areas.

During this reporting period, 40 grants were awarded for Disaster Relief/Urgent Need Fund projects. The \$11,605,656 obligated for these contracts will provide urgently needed assistance or alleviate the impacts of natural disasters for 352,179 Texans. An estimated 139,508 of the total beneficiaries for these projects are persons with low and moderate income.

### **Persons with Disabilities**

ORCA accomplished the following to address the needs of persons with disabilities during PY 2007:

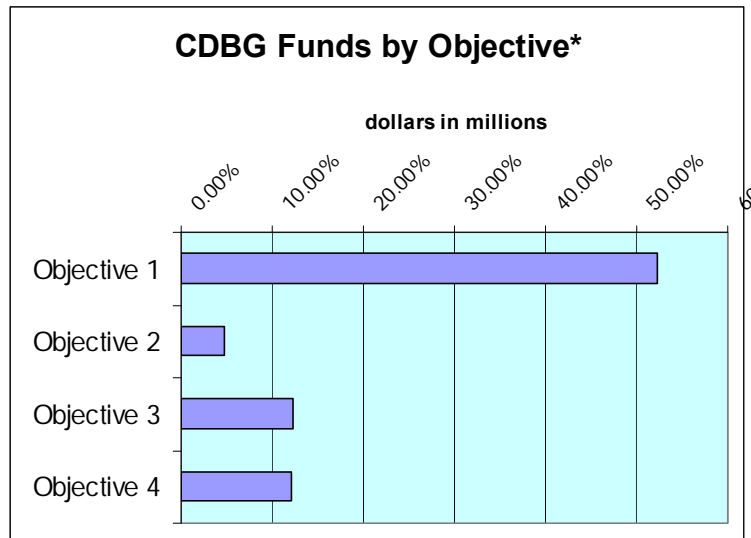
- Localities wishing to address the needs of persons with disabilities may include removal of architectural barriers as an eligible activity in an application for CDBG assistance. No contracts were awarded in PY 2007 for this purpose.
- Texas CDBG and all grantees are required to comply with federal and state non-discrimination regulations and monitored for Section 504 compliance.

### **RELATIONSHIP BETWEEN USE OF FUNDS AND PROGRAM OBJECTIVES**

The purpose of the Texas Community Development Block Grant Program (CDBG) continues to be the development of viable communities by providing decent housing and a suitable living environment and by expanding economic opportunities, principally for persons of low and moderate income. The funding allocations among the CDBG programs and the activities funded within those programs reflect the following state development objectives and priorities:

The objectives of the Texas Community Development Block Grant Program are as follows:

Figure 1 CDBG Funds by Objective



\* Activities may meet more than one objective.

- Objective 1: To improve public facilities to meet basic human needs, principally for low and moderate income persons.
- Objective 2: To improve housing conditions, principally for persons of low and moderate income.
- Objective 3: To expand economic opportunities by creating or retaining jobs, principally for low and moderate income persons.
- Objective 4: To provide assistance and public facilities to eliminate conditions hazardous to the public health and of an emergency nature.

The largest percentage of the funds obligated during this period will be used to address Objective 1, the *basic human needs* of water, sewer, and housing. Objective 2 *housing conditions* is addressed through several funds according to local priorities. Objective 3 *job creation and retention* is addressed under the Texas Capital Fund and the two new economic development funds. Through the Disaster Relief/Urgent Need Fund, the State continues to address Objective 4 *disaster relief* to provide assistance to meet the needs resulting from the disaster situations that impact Texas during each program year. The graph above charts CDBG funds according to the objective(s) met by funded activities.

### CHANGES IN PROGRAM OBJECTIVES

The Office of Rural Community Affairs (ORCA) does not intend to make any changes to the program objectives described above. The changes in funding categories implemented in PY 2007 which relate to the program objectives are discussed in the next section.

Four public hearings for the proposed 2008 CDBG Action Plan were held in April and May 2007, and six public hearings for the 2008 Consolidated Plan (including the 2008 CDBG Action Plan) were held in

## *Program Performance*

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### *Community Development*

September and October 2007. In addition, nine public hearings for the proposed 2009 CDBG Action Plan and revised 2008 CDBG Action Plan were held in October and November 2008.

The following comments were received for the proposed 2008 CDBG Action Plan relative to changing program objectives or related funding:

- Comments both in support of and opposed to a Renewable Energy Demonstration Pilot Program.
- Comments recommending elimination of the Micro-enterprise Loan Fund and Small Business Loan Fund.

## **PROGRAM CHANGES BASED ON EXPERIENCES**

The following changes were implemented during the program year to further improve the program:

- Scoring criteria were revised for several funds:
  - Community Development/Community Development Supplemental Funds: new criteria were added to address long term reinvestment in infrastructure systems and water conservation issues.
  - Regional Review Committee scoring for Community Development/Community Development Supplemental Funds: scoring was revised based on concepts presented during the 2005/2006 scoring cycle.
  - Colonia Fund and Non-Border Colonia Fund: criteria now include local unemployment rate, and priorities were clarified for on-site wastewater disposal systems to distinguish first time service project from failing septic system projects.
  - Planning and Capacity Building Fund: a 20% matching requirement was applied to communities of all sizes, water conservation measures were required for all applicants, and telecommunications and broadband needs were added as activities.
  - Micro-enterprise Loan Fund and Small Business Loan Fund: a minimum number of points for project design or feasibility was required to be considered for funding.
- Disaster Relief funding was prioritized by the type of activity or assistance requested. In addition, applicants and CDBG were expected to consider the use of funds awarded under an existing contract to the community before awarding Disaster Relief funds.
- Texas CDBG supplemented the funding structure that supports certain funds by obligating program income and deobligated funds in addition to the PY 2007 allocation:
  - Objective 2: *improve housing conditions* was supplemented with \$2.6 million in previously deobligated funds for the STEP Fund.
  - Objective 4: *provide assistance of an emergency nature* was supplemented with \$5.7 million in program income and deobligated funds for disaster relief in PY 2007.
- Local Revolving Loan Funds were required to limit the amount of funds held in reserve, and communities retaining additional funds were required to make loans until the reserve balance complied with the new requirement.
- ORCA released the 2007 Project Implementation Manual in September 2007. The new manual clarifies project requirements, adopts certain forms provided by HUD, and provides guidance on other project-related issues.

- Housing Infrastructure Fund contracts funded prior to Program Year 2003 were a high priority for closeout. ORCA developed a new procedure to review HIF projects not completed within five years, accounting for due diligence by grant recipients, changes in local housing markets, national economic conditions, and other factors impacting successful housing development. Using this process, CDBG closed five contracts and terminated three HIF projects in PY 2007. An additional seven HIF contracts are in the closeout process and five are under review.
- Closeout of Program Years:
  - Tracking: ORCA focused considerable effort in PY 2007 on tracking and closing contracts funded through Program Years 1993 to 1997. The ORCA Executive Committee heard reports on these contracts on several occasions.
  - Fund Substitution: ORCA proposed to HUD, and received approval, to expend available funds from older Program Years by substituting those funds for funds obligated to existing contracts that are tied to more recent program years. ORCA successfully used this process to expend all remaining PY 1995 funds through contracts nearing closeout.
  - Conditional Closure: ORCA informally proposed to HUD a method of conditionally closing program years that are complete except for repayment agreements. Certain grant recipients have been required to return some or all grant funds, which must then be re-obligated and expended to close the program year; in some cases such repayment requirements are the only actions preventing Program Year closeout for up to five years after all other activities have been closed. ORCA will submit a formal proposal for HUD consideration in PY 2008. If the proposal is accepted, ORCA will conditionally close several program years when submitting PER 2008. The table below details the contracts that have currently been asked to repay funds associated with PY 1993 to PY 2002.

**Timeline for Anticipated Program Year Closeout Based on Current Repayment Plans**

<u>Program Year</u>	<u>Contract</u>	<u>Grantee</u>	<u>Fund</u>	<u>Total Repayment</u>	<u>Repayment Remaining</u>	<u>Last Payment Due</u>	<u>Anticipated PY Close*</u>
<b>1993</b>	No repayments						PER 2008
<b>1994</b>	714028	Mt Pleasant	HIF	\$ 11,856.00	\$ 11,856.00	10/30/2008	PER 2008
<b>1996</b>	716018 716039	Colorado City Asherton	HDF CD	\$ 134,380.00 \$ 59,050.00	\$ 52,000.00 \$ 59,050.00	11/30/2009 12/31/2006*	PER 2010
<b>1997</b>	No repayments						PER 2008
<b>1998</b>	700459 718168 714028	Sunset Pittsburg Mt Pleasant	STEP HIF HIF	\$ 65,318.91 \$ 142,480.00 \$ 16,019.00	\$ 41,014.91 \$ 124,106.68 \$ 16,019.00	TBD* 3/31/2010 10/30/2008	PER 2010
<b>1999</b>	719088 719068	Raymondville Paris	HIF HIF	\$ 31,524.00 \$ 393,520.00	\$ 31,524.00	11/30/2008 TBD	PER 2013



## Program Performance

### Community Development

Program Year	Contract	Grantee	Fund	Total Repayment	Repayment Remaining	Last Payment Due	Anticipated PY Close*
2000	718168	Pittsburg	HIF	\$ 133,120.00	\$ 133,120.00	10/31/2012	PER 2013
	720058	Bay City	HIF	\$ 389,515.47		TBD	
2001	721108	Pecos	HIF	\$ 367,342.91	\$ 352,342.91	10/31/2011	PER 2013
	721749	Smyer	CD	\$ 39,771.85	\$ 29,828.88	12/31/2008	
	721078	Lufkin	HIF	\$ 400,000.00		TBD	
2002	722098	Hondo	HIF	\$ 392,000.00	\$ 392,000.00	TBD	PER 2013

\* these contractors also have audit or other eligibility concerns and are the least likely to complete repayment

The following changes are underway or represent potential changes from existing initiatives:

- ORCA Executive Committee:
  - The Executive Committee continued to meet outside the state office for one half of its regularly scheduled meetings. Rural communities throughout the state host the Executive Board's rural meetings, offering an opportunity for citizens to gain access to the board members and for the members to obtain greater local input.
  - The Executive Committee retained the Regional Allocation Task Force Subcommittee as a standing committee that includes representatives from the ORCA Executive Committee, State Planning Region Executive Directors, State Review Committee members, and Regional Review Committee members. This committee meets periodically to consider any changes to the regional allocation formula and to discuss other issues that could result in recommendations to the ORCA Executive Committee.
- Texas CDBG staff continue to establish positive working relationships with program stakeholders:
  - CDBG staff is part of an interagency workgroup with a focus on infrastructure improvement grants across Texas. The group is working toward greater cooperation among the funding agencies on complex projects requiring funding or approval from two or more sources.
  - The program continued to provide comprehensive training to the Regional Review Committees that score the CD/CDS applications, while working with the RRCs and HUD to develop a revised method of local scoring that meets all HUD requirements.
- CDBG staff provided training for communities and administrative consultants throughout the state, including:
  - *Project Implementation Workshops* based on the 2007 Project Implementation Manual;
  - *Meeting a National Objective Workshops* using beneficiaries and Census data; and
  - Application workshops for the Colonia Planning Fund.

## HUD PERFORMANCE MEASURES

Texas CDBG implemented the HUD Performance Outcome Measurement System in PY 2007. Applications submitted in PY 2007 and closeout documents submitted under the Program Implementation



Manual released in PY 2007 were required to identify the Objective (1. Creating Suitable Living Environments; 2. Providing Decent Affordable Housing; or 3. Creating Economic Opportunities) and the Outcome (1. Availability/Accessibility; 2. Affordability; or 3. Sustainability) addressed by the project.

The table below shows the performance measures identified for activities awarded in PY 2007:

**Performance Measures, Activities Awarded in PY 2007**

<b>Performance Measure Identified</b>	<b>Proportion of Activities - Projected</b>	<b>Proportion of Activities - Actual</b>
Activities to create Suitable Living Environments		
through Availability/Accessibility	42.2%	69.3%
through Affordability	16.8%	3.2%
through Sustainability	29.9%	18.8%
	<b>88.8%</b>	<b>91.4%</b>
Activities to provide Decent Housing		
through Availability/Accessibility	0.4%	0.3%
	<b>0.4%</b>	<b>0.3%</b>
Activities to create Economic Opportunities		
through Availability/Accessibility	4.5%	0.3%
through Affordability	1.9%	-
through Sustainability	4.5%	8.0%
	<b>10.8%</b>	<b>8.3%</b>

**MINORITY OUTREACH**

The Office of Rural Community Affairs and its individual units have been successful in hiring qualified minority staff.

- The minority labor force percentage for the City of Austin, provided by the Texas Workforce Commission (as of December 2007), is 45 percent; the Office of Rural Community Affairs percentage of minority employees is 42 percent.
- The female labor force percentage for the City of Austin is 46 percent; the Office of Rural Community Affairs percentage of female employees is 59 percent.

**Summary of Minority Business Enterprise Activities**

The Texas Building and Procurement Commission (TBPC) provides business services including maintaining the Centralized Master Bidders List, which includes the Historically Underutilized Businesses (HUB) List, as well as a list dedicated only to HUB listings. All Contractor localities can obtain a copy of this list of minority-owned businesses through TBPC. These businesses have been certified through the State’s TBPC program. All CDBG recipients are notified of this service in writing at the time of contract execution for funds and contact numbers and website addresses are included in the TCDP Implementation Manual.

## Program Performance

### Community Development

The directory can assist CDBG contractors in identifying minority- and women-owned businesses that provide goods and services in their immediate area and in the state. The online directory also provides an opportunity for local minority- and women-owned businesses to sign-up for HUB certification through the Internet.

The Texas Community Development Block Grant Program continues to require that all grantees submit Minority Business Enterprise reports on a quarterly basis. Instructions for reporting CDBG contractors are provided in the TCDP Project Implementation Manual. The information from these reports is compiled and reported annually to the HUD Regional Office in Fort Worth.

The state reviews the performance of all CDBG grantees and monitors the compliance with the required civil rights laws. All bid documents and contracts must contain equal opportunity provisions; compliance with Section 3 is reviewed for local contractor participation; and Section 504 requirements must be in place to avoid discrimination on the basis of handicap.

CDBG staff closely monitors the Contractor files for the following program requirements:

- Were equal opportunity guidelines followed in advertising vacancies, such as posting job vacancies and included equal opportunity language?
- Does the city/county have a written Section 3 Plan (or equivalent)?
- Did the city/county implement procedures that allow individuals with disabilities to obtain information concerning the existence and location of accessible services, activities and facilities?
- Did the city/county adopt 504 grievance procedures that incorporate due process standards and allow for prompt resolution of complaints?
- Has the city/county adopted and enforced a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individual engaged in nonviolent civil rights demonstrations, and a policy of enforcing applicable state and local laws against physically barring entrance to or exit from a facility or location which is the subject of such nonviolent civil rights demonstration within its jurisdiction?
- Has the city/county provided in the closeout reports the final beneficiaries for the project beneficiaries broken out, by race, ethnicity, gender, and low/moderate income status?
- Does the Final MBE reflect all contractors and subcontractors on the project?

If evidence of the above program requirements was not found in the files, the locality is allowed 30 days to provide the information, or complete the activity and submit proof of compliance.

#### **Minority Business Enterprise Participation February 1, 2007 to January 31, 2008**

Total Amount of Funds Subcontracted by CDBG Contractors	Amount of Funds Subcontracted to MBE's by CDBG Contractors	Percent of Funds Subcontracted to MBE's by CDBG Contractors
\$104,929,099	\$ 9,463,982	9.02%

- Total Contracts: 1,138
- Total MBE Contracts: 114

**HOMELESS:  
EMERGENCY SHELTER GRANTS PROGRAM**

TDHCA has administered the Emergency Shelter Grants Program (ESGP) since 1987. The state’s strategy to help homeless persons includes:

- community outreach efforts to ensure that homeless persons are aware of available services;
- providing funding to support emergency shelter and transitional housing programs;
- helping homeless persons make the transition to permanent housing and independent living through comprehensive case management; and
- supporting statewide efforts to address homelessness.

Emergency shelter and transitional housing needs of homeless persons are addressed by utilizing ESGP grant funds to provide support to organizations that provide emergency services, shelter, and transitional housing to homeless persons and families. ESGP subrecipients assess the needs of homeless persons and those persons assisted to prevent homelessness through a case management system. To ensure that homelessness prevention funds are used appropriately and efficiently, ESGP subrecipients are encouraged to maximize all community resources when providing homelessness prevention assistance.

The objectives of the ESGP program are to:

- help improve the quality of emergency shelters for the homeless;
- make additional emergency shelters available;
- help meet the cost of operating and maintaining emergency shelters;
- provide essential services so that homeless individuals have access to the assistance they need to improve their situations; and
- provide emergency intervention assistance to prevent homelessness.

**DESCRIPTION OF RESOURCES**

This section describes ESGP funding that was available for PY 2007.

***PY 2007Funding***

The following ESGP resources were made available in PY 2007.

<b>PY 2007 State ESGP Allocation</b>	
Total 2007 State ESGP Allocation	\$5,157,329
5% State Administration (\$)	
Shared Administration	\$17,929
Reserved State Administration	\$239,937
Pending Reobligation	\$134,724
Regional Obligation	\$4,764,739
Total Funds Obligated	\$5,157,329

## Program Performance

### Homeless

#### **PY 2007 Activities**

The following activities are performed with ESGP PY 2007 funding:

- Renovation, major rehabilitation, or conversion of buildings for use as emergency shelters for the homeless.
- Provision of essential services\*, including (but not limited to):
  - a. assistance in obtaining permanent housing;
  - b. medical and psychological counseling and supervision;
  - c. employment counseling;
  - d. nutritional counseling;
  - e. substance abuse treatment and counseling;
  - f. assistance in obtaining other federal, state, and local assistance;
  - g. other services such as child care, transportation, job placement, and job training; and
  - h. staff salaries necessary to provide the above services.
- Payment of maintenance, operation, and furnishings costs, except that not more than 10 percent of the amount of any ESGP grant may be used to pay operation staff costs.
- Developing and implementing homeless prevention activities as per Sec. 414 of the McKinney Act as amended by Sec. 832 of the Cranston-Gonzalez National Affordable Housing Act.

*\*Services must be provided pursuant to Sec. 414 of the McKinney Act as amended by Sec. 832 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. Sec. 11374), which requires ESGP-funded services to be provided in a non-discriminatory manner.*

#### **INVESTMENT OF RESOURCES**

This section describes ESGP funding commitments that were made with PY 2007 funds.

#### **PY 2007 Funding Commitments**

ESGP funds received for PY 2007 were awarded in July 2007. The State ESGP contracts using PY 2007 funds began on September 1, 2007, and will end August 31, 2008, corresponding with the Texas State Fiscal Year (FY). For PY 2007, ESGP committed \$4,782,668 through 78 grants.

#### **ESGP PY 2007 Funding Commitments**

	<b>State FY 2008</b>
Contract Dates	9/1/07-8/31/08
Number of Grant Recipients, Statewide	78
State ESGP Allocation	\$5,157,329
State Administration	* 239,937
Funds Committed	\$4,782,668
Pending Reobligation	** \$134,724
*Carry-In Funds/Unexpended 2006	\$53,542
<b>Total Allocated</b>	<b>\$5,210,872</b>

*\* Excludes \$17,929 of the State administration funds shared with units of local government.*

*\*\* Pending reobligation are funds which had been obligated, but for which contracts were not executed during the PY 2007 period.*

**PY 2007 ESGP Funding Commitments by Activity**  
*(FY'06 2/1/07-8/31/07 and FY'07 9/1/07-1/31/08)*

	Funding Amount	Percentage
Rehabilitation	\$8,790	.17%
Maintenance, Operations	\$2,217,787	42.96%
Essential Services	\$1,213,592	23.51%
Homeless Prevention	\$1,335,145	25.86%
Operations Administration	\$378,293	7.33%
Administration shared w/local govts	\$8,959	.17%
<b>Total Funds Committed</b>	<b>\$5,162,566*</b>	<b>100%</b>

\*Includes partial funds from FY'06 and FY'07

**Matching Requirements**

Section 576.51 of the ESGP regulations states that each grantee must match the funding provided by HUD. These matching funds must be provided after the date of the grant award to the grantee. TDHCA passes this match requirement along to each State recipient. Match must be provided in an amount equal to or greater than the grant award. ESGP applicants identify the source and amount of match they intend to provide if they are chosen for funding. They report monthly on the amount of match provided. ESGP monitors review the match documentation during each monitoring visit. TDHCA conducts a desk review at the closeout of each contract to ensure that each ESGP recipient has provided an adequate amount of match during the contract period. The table below reflects match contributions for PY 2007 funds.

**Match Contributions for PY 2007 funds**  
*(SFY'06 2/1/07-8/31/07 and SFY'07 9/1/07-1/31/08)*

Source	Dollar Value
Donations (cash)	\$2,761,822
Lease Or Rent	\$896,628
Salaries	\$913,745
Volunteers (@ \$5/Hour)	\$470,577
Other (Various Sources of Grant Funds, In-Kind Donations, etc.)	\$1,226,009
<b>Total</b>	<b>\$6,268,781</b>

**Continuum of Care Activities**

Historically, Texas has not received all of the Continuum of Care (CoC) funds HUD targeted for the State due to a lack of viable applications. To address this, TDHCA provided Community Services Block Grant discretionary funds to the Texas Homeless Network (THN) to provide statewide technical assistance and training to organizations and communities interested in forming homeless coalitions and in applying for CoC funds. THN coordinated the application for the balance of state CoC funds in 2007 and in June 2007, THN submitted a Continuum of Care application to HUD requesting \$14.8 million on behalf of 21 organizations. HUD awarded CoC renewal funds to THN for \$348,716 and Abilene Hope Haven for \$185,577, the total awarded to the application was \$534,292.

As part of the ESGP Application requirements, organizations applying for ESGP funds must describe their involvement in homeless coalitions coordinating the provision of services to the homeless and at-

## *Program Performance*

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### *Homeless*

risk populations in their area. The 2005 applications once again demonstrated that local care providers continue to make great strides in coordinating their efforts and adopting a more comprehensive “continuum of care” approach to service. A majority of ESGP applicants include case management and information and referral in their range of services, while a significant number of communities have formed local homeless coalitions and social services coordinating councils as part of the Continuum of Care concept. In FY 2006, the Department revised the performance reporting requirements for ESGP subrecipients and the Department is now receiving data on outcomes accomplished by clients served by subrecipients. Outcomes tracked are in the area of education, employment, housing, substance abuse treatment, counseling, and other important services.

### **HMIS Requirements**

In the FY 2007 TDHCA ESGP application, applicants were required to sign an applicant certification that included a provision that stated that the applicant organization will meet HUD’s standards for participation in a local Homeless Management Information System (HMIS) and the collection and reporting of client-level information. On August 17, 2004, TDHCA issued ESGP Policy Issuance #2004-11.2 notifying ESGP subrecipients that all organizations receiving HUD McKinney-Vento Act program funds, which includes ESGP funds, that are located in a Continuum of Care jurisdiction are expected to participate in an HMIS. The issuance stated that ESGP subrecipients who are located in a Continuum of Care jurisdiction shall coordinate and report client-level data to the administrator for the Continuum of Care coalition in their area. Furthermore, TDHCA stated that failure to coordinate with appropriate contacts to facilitate the HMIS implementation may result in withholding of ESGP contract funds. TDHCA is providing Community Services Block Grant funds to the Texas Homeless Network to assist ESGP subrecipients to implement an HMIS reporting system. The Department will continue to monitor ESGP subrecipients progress at implementing an HMIS reporting system.

### **DISTRIBUTION OF INVESTMENTS**

This section reports on how PY 2007 funds were distributed and the location of ESGP awards.

TDHCA administers the S-04-DC-48-0001 ESGP funds in a manner consistent with the McKinney-Vento Homeless Assistance Act, as amended (42 USC Sec 11371 et seq.). According to 24 CFR 576.35, states must commit their grant amount (i.e., make funds available through the offer of a contract) to units of general local government or nonprofit organizations within 65 days of the date of the grant award issued by HUD. This regulation also requires states to obligate (i.e. implement a contract) all ESGP funds within 180 days of the date of the grant award. In order to comply with these deadlines, TDHCA begins the application and award process several months in advance of receiving the dated grant award from HUD. All contracts are issued for a 12 month period in order to ensure that the full allocation is spent within 24 months of the time the funds are awarded to grant recipients (required by 24 CFR 576.35). If any funds remain unexpended after the contract period, they are reobligated to current recipients after the first quarter of their contract period to ensure recipients of additional funds have demonstrated appropriate expenditure rates and are free from monitoring concerns.

### **Fund Distribution Methodology**

TDHCA obligates ESGP funds through a statewide competitive application process. TDHCA funded 78 projects with FY 2007 (9/1/07-8/31/08) ESGP funds. TDHCA reserved ESGP funds for each of the 13

TDHCA Uniform State Service Regions using a formula based on the percentage of poverty population in each region (as reported in the most recent US Census). TDHCA awarded funds to units of general local government and to private nonprofit organizations that have local government approval to operate a project that assists homeless individuals. TDHCA established funding guidelines at a minimum of \$30,000 and a maximum of \$100,000, with collaborative projects awarded up to \$300,000. In awarding ESGP funds, TDHCA makes available up to 30 percent of the total ESGP allocation for homeless prevention activities, 30 percent for the provision of essential services, 10 percent for operations administration, 5 percent for state administration which is shared with subrecipients that are cities or counties, and the remainder of the funds for rehabilitation, maintenance or operations.

**PY 2007 Regional Funding Distribution**

TDHCA Service Region		Percent of Poverty Population*	Number of Counties	Fund Distribution per Region
1	High Plains	3.95%	41	195,499
2	Northwest Texas	2.49%	30	120,129
3	Metroplex	18.88%	19	916,375
4	Upper East Texas	4.88%	23	235,434
5	Southeast Texas	3.87%	15	186,707
6	Gulf Coast	21.04%	13	1,015,067
7	Capital	4.65%	10	224,337
8	Central Texas	4.79%	20	231,092
9	Alamo	8.57%	12	353,732
10	Coastal Bend	4.24%	19	204,557
11	South Texas Border	14.61%	16	712,334
12	West Texas	2.73%	30	131,708
13	Upper Rio Grande	5.30%	6	255,697
Total		100%	254	4,782,668*

Source: 2000 US Census

\*Amount does not include \$17,929 of state administration funds shared with local government. It does not include \$134,724 pending reobligation nor unexpended 2006 ESGP funds.



## Program Performance

### Homeless

#### Award Locations

PY 2007 ESGP awards were made in the following areas of the state. The amounts reported reflect actual allocation of FY 2007 ESGP funds, contract cycle 9/1/07-8/31/08.

#### PY 2007 ESGP Awards by Region

Region	Organization	Home County	Total Funds Requested	Target
1	Amarillo, City of	Potter	128,250	All Homeless
1	Panhandle Crisis Center, Inc.	Ochitree	67,249	Domestic Violence Victims
2	First Step of Wichita Falls, Inc.	Wichita	48,663	Domestic Violence Victims
2	Salvation Army of Abilene	Taylor	71,466	All Homeless
3	Arlington Life Shelter, The	Tarrant	51,690	All Homeless
3	Collin Intervention To Youth, Inc.	Collin	65,000	At-Risk Homeless
3	Dallas Jewish Coalition	Dallas	34,125	All Homeless
3	Denton, City of	Denton	143,423	All Homeless
3	Family Gateway, Inc.	Dallas	45,500	All Homeless
3	Family Place, The	Dallas	46,150	Domestic Violence Victims
3	Grayson County Juvenile Alternatives, Inc.	Grayson	57,254	Youth
3	Hope's Door	Collin	50,366	Domestic Violence Victims
3	Johnson County Family Crisis Center	Johnson	48,300	Domestic Violence Victims
3	Mission Granbury, Inc.	Hood	58,397	All Homeless
3	New Beginning Center, Inc.	Dallas	53,820	Domestic Violence Victims
3	Promise House, Inc.	Dallas	60,000	At-Risk Homeless
3	Safe Haven of Tarrant County	Tarrant	65,000	Domestic Violence Victims
3	Salvation Army of Dallas	Dallas	30,000	All Homeless
3	Salvation Army of Fort Worth	Tarrant	65,000	All Homeless
3	YMCA of Metropolitan Dallas	Dallas	42,350	Youth
4	East Texas Crisis Center, Inc.	Smith	69,254	Domestic Violence Victims
4	Sabine Valley Regional Mental Health and Mental Retardation Center	Gregg	51,975	Mentally Ill
4	Salvation Army of Tyler	Smith	75,000	All Homeless
4	Shelter Agencies for Families in East Texas, Inc.	Titus	39,205	Domestic Violence Victims
5	Family Services of Southeast Texas, Inc.	Jefferson	64,612	Domestic Violence Victims



Program Performance

Homeless

Region	Organization	Home County	Total Funds Requested	Target
5	Port Cities Rescue Mission Ministries	Jefferson	76,210	All Homeless
5	Women's Shelter of East Texas, Inc.	Nacogdoches	45,885	At-Risk Homeless
6	Bonita House of Hope	Harris	61,084	All Homeless
6	Bridge Over Troubled Waters, Inc., The	Harris	48,750	Domestic Violence Victims
6	Childrens Center, Inc., The	Galveston	76,305	All Homeless
6	Covenant House Texas	Harris	65,000	Youth
6	Focusing Families	Waller	65,000	Domestic Violence Victims
6	Fort Bend County Women's Center	Fort Bend	48,000	Domestic Violence Victims
6	Harmony House, Inc.	Harris	48,897	All Homeless
6	Houston Area Womens Center	Harris	65,000	Domestic Violence Victims
6	Montgomery County Women's Center	Montgomery	81,012	Domestic Violence Victims
6	Northwest Assistance Ministries	Harris	65,000	All Homeless
6	Salvation Army of Galveston	Galveston	69,995	All Homeless
6	SEARCH	Harris	129,328	All Homeless
6	Star of Hope Mission	Harris	65,000	All Homeless
6	Wesley Community Center, Inc.	Harris	64,779	All Homeless
6	Womens Home, The	Harris	61,917	Mentally Ill
7	Bastrop County Women's Shelter	Bastrop	55,473	Domestic Violence Victims
7	Hays County Womens Center dba Hays-Caldwell Women's Center	Hays	86,398	All Homeless
7	Travis County Domestic Violence and Sexual Assault Survival Center dba Safeplace	Travis	38,666	Domestic Violence Victims
7	Youth and Family Alliance, dba LifeWorks	Travis	43,800	Youth
8	Compassion Ministries of Waco, Inc.	McLennan	32,000	All Homeless
8	Faith Mission and Help Center, Inc.	Washington	84,092	All Homeless
8	Family Abuse Center, Inc.	McLennan	45,000	Domestic Violence Victims
8	Twin City Mission, Inc.	Brazos	70,000	All Homeless
9	Catholic Charities, Archdiocese of San Antonio, Inc.	Bexar	51,408	All Homeless
9	Comal County Family Violence Shelter Inc.	Comal	39,750	Domestic Violence Victims
9	Connections Individual and Family Services, Inc.	Comal	30,000	Youth

## Program Performance

### Homeless

Region	Organization	Home County	Total Funds Requested	Target
9	Family Violence Prevention Services, Inc.	Bexar	64,870	Domestic Violence Victims
9	Hope Action Care	Bexar	64,724	AIDS Victims
9	Salvation Army of Kerrville	Kerr	49,934	All Homeless
9	Seton Home	Bexar	53,046	Youth
10	Corpus Christi Hope House, Inc.	Nueces	46,659	At-Risk Homeless
10	Mid-Coast Family Services	Victoria	44,263	At-Risk Homeless
10	Salvation Army of Corpus Christi	Nueces	70,259	All Homeless
10	Salvation Army of Victoria	Victoria	43,376	All Homeless
11	Advocacy Resource Center for Housing	Hidalgo	48,000	At-Risk Homeless
11	Amistad Family Violence and Rape Crisis Center	Val Verde	41,405	At-Risk Homeless
11	Bethany House of Laredo, Inc.	Webb	60,000	All Homeless
11	Brownsville, City of	Cameron	194,464	All Homeless
11	Family Crisis Center, Inc.	Cameron	147,410	All Homeless
11	Providence Ministry Corporation dba La Posada Providencia	Cameron	37,756	All Homeless
11	Salvation Army of McAllen	Hidalgo	64,999	All Homeless
11	Wintergarden Women's Shelter, Inc.	Dimmit	53,300	Domestic Violence Victims
11	Women Together Foundation, Inc.	Hidalgo	65,000	Domestic Violence Victims
12	Midland Fair Havens, Inc.	Midland	57,400	All Homeless
12	Salvation Army of Big Spring	Howard	41,090	All Homeless
12	Salvation Army of Odessa	Ector	33,218	All Homeless
13	Opportunity Center for the Homeless	El Paso	70,000	All Homeless
13	Salvation Army of El Paso	El Paso	42,452	At-Risk Homeless
13	Sin Fronteras Organizing Project	El Paso	70,000	All Homeless
13	YWCA El Paso Del Norte Region	El Paso	73,245	All Homeless

**FAMILIES AND PERSONS ASSISTED**

This section describes the households assisted with ESGP funds.

**Anticipated Households Served with PY 2007 Funding**

The ESGP Program does not project the number of households to be served. Please see the next section for information on the actual number of persons served in PY 2007.

**Actual Households Served in PY 2007**

This section reports on the actual households served in PY 2007 (February 1, 2008, though January 31, 2008) through current contracts. These contracts were originally awarded in 2006 and 2007, and assisted persons during the PY 2007 reporting period. There were 104,111 total beneficiaries reported in PY 2007 through these contracts.

**Persons Assisted in PY 2007**

ESGP Activity	Total Estimated Beneficiaries	Total Funding
Homelessness Prevention	6,939	\$1,335,145
Essential Services	104,111	\$1,213,592
Total	104,111	\$2,548,737

*\*The 104,111 persons assisted with essential services is an estimate and includes all persons assisted by ESGP subrecipients. The 6,939 persons assisted with homelessness prevention assistance are part of the persons assisted with essential services.*

The table below reports program performance measures as required by HUD CPD guidelines. HOME Program eligible activities are categorized in the table below according to the CPD objectives and outcomes standard.

**ESGP Performance Measures, PY 2007**

Outcomes and Objectives	Performance Indicators	Expected Number	Actual Number
<b>SL-1</b> Availability/ Accessibility and Create a Suitable Living Environment	Provide funding to support the provision of emergency and/or transitional shelter to homeless persons	75,000	104,111
<b>DH-2</b> Affordability and Provide Decent Housing	The provision of non-residential services including homelessness prevention assistance	5,500	6,939

## Program Performance

### Homeless

#### Racial and Ethnic Status of Persons Assisted

The racial and ethnic status of the 104,111 total individuals receiving assistance in PY 2007 is reported below.

##### Racial and Ethnic Status of Persons Assisted in PY 2007

Ethnicity	Persons Assisted	Percent
White	79,021	75.90%
Black /African American	20,790	19.97%
Asian	355	0.34%
American Indian/Alaska Native	456	0.44%
Native Hawaiian/Other Pacific Islander	44	0.04%
American Indian and White	134	0.13%
Asian and White	28	0.03%
Black/African American and White	360	0.34%
American Indian/Alaska Native And Black/African American	20	0.02%
Other Multi-Race	2,042	1.96%
Native Hawaiian/Pacific Islander and Asian		0%
Balance of Individuals	861	0.83%
<b>Total</b>	<b>104,111</b>	<b>* 100.0%</b>

\* estimate

Of 104,111 total persons, 47,223 or 45.36 % percent, is of Hispanic or Latino origin. The breakdown of this population is below.

##### Hispanic Origin of Persons Assisted in PY 2007

Ethnicity	Persons Assisted	Percent
Hispanic and White	46,723	98.94 %
Hispanic and Black /African American	71	.15 %
Hispanic and Asian	2	.004 %
Hispanic and American Indian/Alaska Native	10	.02 %
Hispanic and Native Hawaiian/Other Pacific Islander	3	.006 %
Hispanic and Other Race or Multiracial	194	.41 %
White and Native American Hispanic	9	.02%
White and Asian Hispanic	7	.01%
White and Black Hispanic	25	.05%
Black and Native American Hispanic	6	.01%
Balance of Individuals Hispanic	173	.37%
Total	47,223	* 100%

**Income Status of Persons Assisted**

Of the 104,111 persons assisted, over 95 percent would be extremely low income and a small percent would be very low income. The persons with incomes in the very low income range would primarily be persons receiving assistance with rent or utilities to prevent homelessness, thus they would be part of the 6,939 persons receiving homelessness prevention assistance.

**Income Status of Persons Assisted in PY 2007**

Income Level	Persons Assisted	Percent
Extremely Low Income (0-30% AMFI)	104,111	100%
Very Low Income (31-50% AMFI)		
Low Income (51-80% AMFI)		
Moderate Income (81-95%)		
Higher than 95%		
<b>Total</b>		<b>100%</b>

**FAIR HOUSING ACTIVITIES**

The State of Texas last revised its *Analysis of Impediments to Fair Housing* in 2003. In the 2003 Analysis, the following impediments were identified: lack of affordable housing, lack of available resources, lack or organizational capacity, public opposition to affordable housing, and discrimination. This section describes TDHCA’s efforts to affirmatively further fair housing through ESGP.

ESGP subrecipients, in providing rental assistance to homeless persons or persons who are at risk of homelessness due to a foreclosure or eviction or due to loss of utilities, ensure that owners or renters are not discriminated against. The Department’s ESGP subrecipient contracts include a provision on compliance with the Fair Housing Act. Finally, the Department’s monitoring of subrecipients includes a process where we review compliance with provisions of the McKinney-Vento Homeless Assistance Act, the ESGP contract, other federal or State regulations.

## ACCOMPLISHMENTS IN HIGH PRIORITY AREAS

This section demonstrates how activities undertaken during the program year address identified areas of high priority and objectives.

**Homeless Populations Needs Summary Table**

Homeless Population	Priority Need Level
Families	H
Chronic Substance Abusers	H
Seriously Mentally Ill	H
Persons with HIV/AIDS	H
Victims of Domestic Violence	H
Youth	H
Rural	H
General Homeless	H

The following FY 2007 (9/1/2007-8/31/2008) award recipients are targeting several of the priority homeless populations identified above. The table reflects the primary target population; however, the majority of the subrecipients serve other populations. The exception would be subrecipients who serve domestic violence victims or youth.

**Priority Homeless Populations Served by 2007 Award Recipients**

Target Population	# Subrecipients	Percentage
All Homeless	39	50%
At-Risk Homeless	9	11%
Domestic Violence Victims	21	27%
Homeless Families	0	0%
Homeless Refugees	0	0%
Mentally Ill	2	3%
Sexual Assault Victims	0	0%
Tuberculosis Victims	0	0%
Youth	6	8%
HIV/AIDS	1	1%
<b>Total Subrecipients</b>	<b>78</b>	<b>100%</b>

### Specific Accomplishments

While the Department considers all homeless populations to be priority, the awards process does not give preference to any particular priority population and ESGP funds are awarded on a competitive basis. The services provided by ESGP subrecipients during the FY 2007 period addressed the high priority needs identified above. The information in the table reflects the primary target population of FY 2007 ESGP subrecipients. Most ESGP subrecipients also serve other populations and most of the shelters serving all homeless populations would include persons who are mentally ill, persons who are chronic substance abusers, and persons with HIV/AIDS.

***Persons With Disabilities***

In order to meet the needs of persons with disabilities, the Department's ESGP subrecipients must make their facilities accessible to persons with disabilities.

ESGP subrecipients submit an annual Integrated Disbursement and Information System (IDIS) Report, and in that report, agencies state the percentage of persons assisted on an average day who meet a variety of identified characteristics, including the percentage of persons who are physically disabled. However, since a percentage is reported, and the percentage may exceed 100 percent, TDHCA is unable to report a statewide number or percent of disabled persons assisted.

## Program Performance

### Housing

## HOUSING:

### HOME INVESTMENT PARTNERSHIPS PROGRAM

The purpose of the HOME Program is to expand the supply of decent, safe, and affordable housing for extremely low, very low, and low income households and to alleviate the problems of excessive rent burdens, homelessness, and deteriorating housing stock. HOME strives to meet the short-term goal of increasing the supply and the availability of affordable housing and the long-term goal of building partnerships between State and local governments and, private and nonprofit organizations to strengthen their capacity to meet the housing needs of low, very low, and extremely low income Texans.

### DESCRIPTION OF RESOURCES

This section describes HOME funding that was available for PY 2007.

#### ***PY 2007 Activities***

For PY 2007, TDHCA was allocated \$41,420,803 by HUD; \$40,746,942 for HOME and \$673,861 for ADDI. Program Income in the amount of \$1,454,905 was received in PY 2007 and was utilized in funding additional HOME activities. These funds are not reflected in the funding plan below but are included in awards and expenditures detailed throughout this report

#### **PY 2007 HOME State Allocation and Funding Plan**

	<b>Funding Amount</b>	<b>Percentage</b>
Total HOME Allocation for PY 2007	\$40,746,942	100%
Less Administration Funds (10 percent of Allocation)	\$ 4,074,694	10%
Less CHDO Project Funds Set Aside (15 percent of Allocation) <sup>1,2</sup>	\$ 6,112,041	15%
Less CHDO Operating Expenses Set Aside (5 percent of CHDO Set Aside)	\$ 305,602	1%
Less Persons with Disabilities Housing Programs	\$ 4,000,000	10%
Less Set Aside for Contract for Deed (CFD) Conversions	\$ 2,000,000	5%
Less Set Aside for Rental Housing Preservation Program	\$ 2,000,000	5%
Less Set Aside for Rental Housing Development Program	\$ 3,000,000	7%
Remaining Project Funds Subject to Regional Allocation Formula (RAF)	<b>\$19,254,604</b>	47%
Total ADDI Allocation for PY 2006	\$ 673,861	
Total HOME Funds subject to the Regional Allocation Formula (includes ADDI funds)	<b>\$ 19,928,465</b>	

<sup>1</sup>\$1,000,000 will be reserved from this set-aside for the Colonia Model Subdivision Program. If sufficient applications are not received for this activity, the remaining funds will be used for other CHDO-eligible activities.

<sup>2</sup>The Department may set aside 10 percent of the annual CHDO 15 percent Set-Aside for Predevelopment Loans.



**Total PY 2007 Funds by Activity including ADDI  
(Excluding Administrative Funds and CHDO Operating)**

Activity	Funding Amount	Percentage
Persons with Disabilities Housing Programs (Subject to RAF)	\$4,000,000	5%
Homebuyer Assistance (Subject to RAF, and includes ADDI)	\$3,562,052	10%
Owner-Occupied Housing Assistance (Subject to RAF)	\$13,478,223	36%
Tenant-Based Rental Assistance (Subject to RAF)	\$2,888,191	8%
Rental Housing Development and Preservation (Subject to RAF)	\$5,000,000	14%
Community Housing Development Organization (CHDO) Set-Aside (\$6 million of CHDO for Rental Housing Development Subject to RAF)	\$6,112,041	17%
Total	\$37,040,507	100%

**PY 2007 Activities**

HUD regulations allow the HOME program to serve a variety of activities such as owner-occupied housing assistance, homebuyer assistance, tenant-based rental assistance, and rental housing development assistance. The PY 2007 allocation funded the following activities.

**Owner-Occupied Housing Assistance**

Rehabilitation or reconstruction cost assistance, in the form of grants or loans, is provided to eligible homeowners for the repair or reconstruction of their existing homes. The homes must be the principal residence of the homeowner. At the completion of the assistance, all properties must meet the Texas Minimum Construction Standards and local building codes. If a home is reconstructed, the applicant must also ensure compliance with the universal design features in new construction, established by §2306.514, Texas Government Code. This requirement applies to any applicants utilizing federal or state money administered by TDHCA in the construction of single family homes. This activity comprised 39 percent of the HOME allocation that was made available through the regional allocation process, approximately \$13,478,223.

**Homebuyer Assistance**

Down payment and closing cost assistance is provided to homebuyers for the acquisition of affordable single-family housing. This activity may also be used for the following:

- Construction costs associated with architectural barrier removal in assisting homebuyers with disabilities by modifying a home purchased with HOME assistance to meet their accessibility needs.
- Acquisition and rehabilitation costs associated with contract for deed conversions to serve Colonia residents.
- Construction costs associated with the rehabilitation of a home purchased with HOME assistance.

Eligible homebuyers may receive loans up to \$10,000 per household for down payment and closing costs, in the form of a 2nd or 3rd lien, zero percent interest, 10-year deferred-forgivable loan. Homebuyer assistance loans are to be repaid at the time of resale of the property, transfer of any interest in the

## *Program Performance*

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### *Housing*

property, lease of the property, default under the terms of the loan, refinance of the first lien, or repayment of the first lien, if any of these events occur before the end of the 10-year term. The amount of recapture will be based on the pro-rata share of the remaining term subject to available net proceeds from the sale, voluntary or involuntary, of the property. The Department has elected to utilize the recapture provision under 24 CFR 92.254(a)(5)(ii) as its method of recapturing HOME funds.

At the completion of the assistance, all properties must meet the Texas Minimum Construction Standards or the Colonia Housing Standards, if located in a colonia, and local building codes. Compliance with the basic access standards in new construction, established by §2306.514, Texas Government Code, is also required for any applicants utilizing federal or State money administered by TDHCA in the construction of single family homes. This activity was comprised of approximately 10 percent (\$ 3,562,052) of the total HOME allocation subject to the regional allocation formula process, this included \$ 673,861 in ADDI funds. Additionally, \$ 6,000,000 of combined set-aside HOME funds, from the Contract for Deed Set-Aside and Persons with Disabilities Set-Aside were also included. While the Contract for Deed funds were not subject to the Regional Allocation Formula, the Persons with Disabilities Set-Aside did go through the process.

### **American Dream Downpayment Initiative Set-Aside**

The American Dream Downpayment Initiative (ADDI) was signed into law on December 16, 2004, and was created to help homebuyers with down payment and closing cost assistance. ADDI aims to increase the homeownership rate, especially among lower income and minority households and revitalize and stabilize communities.

Down payment and closing cost assistance is provided to first-time homebuyers for the acquisition of affordable single family housing. A first time homebuyer is defined as an individual and his or her spouse who have not owned a home during the three-year period prior to purchase. A first-time homebuyer includes an individual who is a “displaced homemaker” or “single parent” and who, even if while a homemaker or married, owned a home with his or her spouse or resided in a home owned by the spouse. A “displaced homemaker” means an individual who (1) is an adult; (2) has not worked full-time in the labor force for a number of years but has, during such years worked primarily without remuneration to care for the home and family; and (3) is unemployed or under-employed and is experiencing difficulty in obtaining or upgrading employment. A “single parent” is defined as an individual who (1) is unmarried; and (2) has one or more minor children for whom the individual has custody, or is pregnant.

Eligible first time homebuyers may receive a loan for up to \$10,000 for down payment and closing costs. ADDI assistance will be in the form of a 2<sup>nd</sup> or 3<sup>rd</sup> lien, zero percent interest, 10-year deferred forgivable loan. The loans are to be repaid at the time of resale of the property, refinance of the first lien, repayment of the first lien, or if the unit ceases to be the assisted homebuyer’s principal residence. If any of these occur before the end of the 10-year term, the amount of recapture will be based on the pro-rata share of the remaining loan term. The Department has elected to utilize the recapture provision under 24 CFR 92.254(a)(5)(ii) as its method of recapturing HOME funds.

At the completion of the assistance, all properties must meet the Texas Minimum Construction Standards or the Colonia Housing Standards, if located in a colonia, and local building codes. Compliance with the basic access standards in new construction, established by §2306.514, Texas Government Code, is also

required for any applicants utilizing federal or State money administered by TDHCA in the construction of single family homes. The 2007 ADDI allocation was \$673,861, and not subject to the Regional Allocation Formula process. However, these funds were included with the Homebuyer Activity and made available through the regional allocation formula process.

### **Tenant-Based Rental Assistance**

Rental subsidy and security and utility deposit assistance is provided to tenants, in accordance with written tenant selection policies, for a period not to exceed twenty four months, but may be renewed, subject to availability of HOME funds. TBRA allows the assisted tenant to live in and move to any dwelling unit with a right to continued assistance with the condition that assisted families participate in a self-sufficiency program. This activity comprised 8 percent of the HOME allocation that was made available through the Regional Allocation process – approximately \$2,888,191.

### **Rental Housing Development**

Awards for eligible applicants are to be used for the development of affordable multifamily rental housing. Owners are required to make the units available to extremely low, very low, and low income families, and must meet long-term rent restrictions. This activity totaled approximately \$3,000,000. These funds were subject to the Regional Allocation Formula.

### **Rental Housing Preservation**

Awards for eligible applicants are to be used for the acquisition and/or rehabilitation for the preservation of existing affordable or subsidized rental housing. Owners are required to make the units available to extremely low, very low, and low income families and must meet long-term rent restrictions. This activity totaled approximately \$2,000,000. These funds were subject to the Regional Allocation Formula.

### **CHDO Set-Aside**

A minimum of 15 percent of the annual HOME allocation, approximately \$6,112,041, plus \$305,602 in CHDO operating expenses, was reserved for CHDOs. CHDO set-aside projects are owned, developed, or sponsored by the CHDO, and result in the development of rental units or homeownership. Development includes projects that have a construction component, either in the form of new construction or the rehabilitation of existing units.

### **Contract for Deed Conversions Set-Aside**

In 2005, the 79th Legislature passed Appropriations Rider 11 to TDHCA's appropriation, which requires TDHCA to spend no less than \$4 million for the biennium on contract for deed conversions for families that reside in a colonia and earn 60 percent or less of the Applicable area median family income (AMFI). The intent of this program is to help colonia residents become property owners by converting their contracts for deeds into traditional mortgages. Households must not earn more than 60 percent of AMFI. Properties proposed for this initiative must be located in a colonia as identified by the Texas Water Development Board colonia list or meet TDHCA's definition of a Colonia, approximately \$2,000,000.

### **Colonia Model Subdivision Program Set-Aside**

Subchapter GG of Chapter 2306, Texas Government Code, created this program to provide low interest rate or possibly interest-free loans to promote the development of new, high-quality, residential housing, that provide alternatives to substandard colonias, and housing options affordable to individuals and

## *Program Performance*

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### *Housing*

families of extremely low and very low income who would otherwise move into substandard colonias. TDHCA will make loans to CHDOs certified by TDHCA, and for the types of activities and costs described under the previous section regarding CHDO development Loans.

### **Persons with Disabilities Set-Aside**

Subject to the availability of qualified applications, 11 percent or approximately \$4,000,000 of the annual HOME allocation was available to applicants serving persons with disabilities. This allocation was divided evenly, providing \$2 million each, for Homebuyer Assistance and Tenant-Based Rental Assistance activities within the set-aside. As previously mentioned, this set-aside was subject to the Regional Allocation Formula for each activity.

### **INVESTMENT OF RESOURCES**

This section describes HOME funding commitments that were made with PY 2007 funds.

TDHCA receives an annual HOME allocation from HUD, which is then awarded to units of local government, public housing authorities (PHAs), community housing development organizations (CHDOs), and other nonprofits and for-profits eligible to receive HOME funds from the State. TDHCA provides technical assistance through application and implementation workshops to all recipients of HOME funds to ensure that all participants meet and follow the State implementation guidelines and federal regulations, and continues to provide technical assistance during the implementation of HOME awards.

HOME funds are reserved for persons at or below 80 percent of the area median family income as defined by HUD. By HUD regulations, 15 percent of TDHCA's total HOME allocation must be set aside for CHDOs.

**PY 2007 Funding Commitments**

During 2007, TDHCA utilized a total of \$ 27,026,109 in HOME funds in the following manner.

**Total Amount of Funding Committed for PY 2007**

	<b>HOME Allocation</b>	<b>Project Funds Awarded</b>	<b>Admin/Oper Exp. Funds Awarded</b>
2007 HUD HOME Allocation	\$40,746,942	\$27,026,109	\$978,881
Less Administration (10% of Allocation) <sup>1</sup>	-4,074,694	—	\$2,444,816
Less CHDO (15% of Allocation)	-6,112,041	\$4,026,043	—
Less CHDO Operating Exp.(5% of CHDO)	-305,602	—	\$75,000
TOTAL HUD Mandated deductions	-10,492,337	—	—
Sub-Total Available SF and MF Non-CHDO funds	<b>30,254,605</b>	—	—
Less MF Rental Hsng. Preservation Prg.	-2,000,000	\$1,332,125	—
Less MF Rental Hsng. Development Program	-3,000,000	\$955,000	—
Less Contract for Deed	-2,000,000	\$0	\$0
Persons with Disabilities Set Aside	-4,000,000	\$3,768,178	\$226,090 30,000
TOTAL State Set Asides	-11,000,000	—	—
<b>Total Available SF &amp; MF Non-CHDO funds</b>	<b>19,254,605</b>	—	—
<b>Plus 2006 American Dream Downpayment Initiative (ADDI)</b>	673,861	—	—
<b>Total Project Funds Subject to Reg. Alloc. Formula</b>	<b>19,928,466</b>	—	—
Homebuyer Assistance (Includes ADDI funds)	3,562,052	\$120,000	\$4,800
Owner Occupied Housing Assistance (Includes OCC Disaster Relief Assistance)	13,478,223	\$16,824,763	\$672,991
Tenant Based Rental Assistance	2,888,191	\$0	\$0

<sup>1</sup> includes 60% TDHCA and 40% Contract Administrators.

**Award of HOME Funds by Activity PY 2007  
(Includes Administration and CHDO Operating funds)**

<b>Activity</b>	<b>Amount</b>	<b>Percentage</b>
Homebuyer Assistance (all activities)	\$1,889,700	6.7%
Owner Occupied Housing Assistance	\$17,497,754	62.5%
Tenant Based Rental Assistance	\$2,229,368	8.0%
CHDO Rental Development	\$4,026,043	14.4%
CHDO Operating Expenses	\$75,000	0.3%
Rental Housing Development	\$955,000	3.4%
Rental Housing Preservation	\$1,332,125	4.8%
Total	\$28,004,990	100%

Homebuyer Assistance and Tenant-based rental assistance also includes those awards made through the Persons with Disabilities category.

**Matching Requirements**

TDHCA provides matching contributions from several sources for HOME funds drawn down from the State HOME Investment Trust Funds Treasury account within the PY. The following sources are utilized:

- Proceeds from the sale of single family mortgage revenue bonds issued by TDHCA.
- Match contributions from the Texas Housing Trust Fund to affordable housing projects that are not HOME-assisted but that meet the requirements as specified in 92.219(b)(2).
- Eligible match contributions from State recipients and subrecipients, as specified in 24 CFR 92.220.

TDHCA annually submits a separate HOME match report, HUD 40107-A, which lists matching funds and sources provided by each HOME project.

**DISTRIBUTION OF INVESTMENTS**

This section reports on how PY 2007 funds were distributed and the location of HOME awards.

**Allocation Formula**

Section 2306.111, Texas Government Code mandates that TDHCA is to allocate no less than 95 percent of HOME funds to applicants that serve households located in a non-participating jurisdiction. The Department may use 5 percent of the HOME funds in participating jurisdictions, but only for multifamily developments that serve persons with disabilities<sup>1</sup> and adhere to TDHCA's Integrated Housing Rule.

<sup>1</sup> According to HUD, a person shall be considered to have a disability if the person is determined to have a physical, mental, or emotional impairment that: (1) is expected to be of long-continued and indefinite duration, (2) substantially

TDHCA had a goal of allocating a minimum of 20 percent of the annual HOME allocation to applicants serving persons with special needs. Persons with “special needs” include homeless persons, elderly persons, , persons with disabilities, persons with AIDS and AIDS-related diseases, victims of domestic violence, persons with alcohol and/or drug addictions, colonia residents, and migrant farmworkers. Eligible applicants include nonprofits, units of general local government, and PHAs with documented histories of working with special needs populations. Eligible activities include homebuyer assistance, owner-occupied housing assistance, and tenant-based rental assistance.

### **Regional Allocation Formula**

Section 2306.111, Texas Government Code, mandates that TDHCA allocate housing funds awarded in the HOME, Housing Trust Fund, and Housing Tax Credit (HTC) programs to each Uniform State Service Region using a formula developed by TDHCA. As a result, a large portion of the HOME funds were awarded using the Regional Allocation Formula (RAF) that responds to Section 2306.111. PY 2007 funding associated with the following set-asides was not distributed through the RAF: Contract for Deed Conversions.

Section 2306.1112, Texas Government Code established TDHCA’s Executive Award and Review Advisory Committee. HOME funding recommendations were presented to this committee prior to recommendation to TDHCA’s Governing Board.

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impeded his or her ability to live independently, and (3) is of such a nature that the ability could be improved by more suitable housing conditions. A person shall also be considered to have a disability if he or she has a developmental disability as defined in the Developmental Disabilities Assistance and Bill of Rights Act (42 USC. 6001-6006). The term also includes the surviving member(s) or any household described in the first sentence of this paragraph who is (were) living in an assisted unit with the disabled member of the household at the time of his or her death. Disabilities reflect the consequences of a bodily impairment in terms of functional performance.

**Regional Award of HOME Funds PY 2007 (Includes Administration Funds)**

Region	Amount	% of Total Amount	Proposed Units to be Assisted	% of Total Units to be Assisted
1	\$2,891,315	10%	63	8%
3	\$1,545,000	6%	36	5%
4	\$6,926,400	25%	121	16%
5	\$312,000	1%	5	1%
6	\$1,227,500	4%	33	4%
7	\$1,500,000	5%	40	5%
8	\$2,422,920	9%	45	6%
9	\$0	0%	0	0%
10	\$2,794,852	10%	99	13%
11	\$4,445,843	16%	63	8%
12	\$730,000	3%	37	5%
13	\$185,500	1%	5	1%
Multicounty	\$3,023,660	11%	203	27%
<b>Total</b>	<b>\$28,004,990</b>	<b>100%</b>	<b>750</b>	<b>100%</b>

**Award Locations**

PY 2007 HOME awards were made in the following areas of the state. These numbers include administration dollars awarded to the contractor.

**PY 2007 HOME Awards and Estimated Units by Region**

TDHCA Region	Administrator Name	Counties Served	Total Award Amount	Total Units
1	City Of Muleshoe	Bailey	\$249,600	4
1	City Of Floydada	Floyd	\$312,000	5
1	City Of Olton	Lamb	\$312,000	5
1	Azteca Economic Development Corporation	Castro	\$290,954	8
1	City Of Littlefield	Lamb	\$312,000	5
1	City Of Morton	Cochran	\$312,000	5
1	City Of Plainview	Hale	\$312,000	5
1	City Of Slaton	Lubbock	\$312,000	5
1	City Of Roaring Springs	Motley	\$312,000	5
1	Lifetime Independence For Everyone, Inc.	Lubbock	\$166,761	16
2	Central Texas Mental Health And Retardation Services	Brown, Coleman, Comanche, Eastland	\$291,500	30
3	Grayson County	Grayson	\$114,400	2
3	Johnson County	Johnson	\$499,200	8



<b>TDHCA Region</b>	<b>Administrator Name</b>	<b>Counties Served</b>	<b>Total Award Amount</b>	<b>Total Units</b>
3	City Of Palmer	Ellis	\$312,000	5
3	City Of Gainesville	Cooke	\$312,000	5
3	United Cerebral Palsy Association Of Texas, Inc.	Johnson, Parker, Tarrant	\$111,300	3
3	United Cerebral Palsy Association Of Texas, Inc.	Dallas, Tarrant	\$291,500	8
3	Fort Worth Area Habitat For Humanity, Inc.	Parker	\$15,900	1
3	Life Rebuilders, Inc.	Ellis	\$291,500	15
4	City Of Lone Star	Morris	\$187,200	3
4	City Of Clarksville	Red River	\$312,000	5
4	City Of Hughes Springs	Cass	\$312,000	5
4	City Of Maud	Bowie	\$187,200	3
4	Cass County	Cass	\$312,000	5
4	City Of Alto	Cherokee	\$312,000	5
4	City Of Jefferson	Marion	\$249,600	4
4	City Of Dekalb	Bowie	\$312,000	5
4	Morris County	Morris	\$312,000	5
4	City Of Domino	Cass	\$312,000	5
4	Red River County	Red River	\$312,000	5
4	City Of Queen City	Cass	\$124,800	12
4	City Of Omaha	Morris	\$312,000	5
4	City Of Athens	Henderson	\$249,600	4
4	City Of Rusk	Cherokee	\$312,000	5
4	City Of Emory	Rains	\$312,000	5
4	City Of New Summerfield	Cherokee	\$312,000	5
4	City Of Gladewater	Gregg, Upshur	\$249,600	4
4	City Of Avery	Red River	\$312,000	5
4	City Of Mineola	Wood	\$312,000	5
4	Lamar County	Lamar	\$312,000	5
4	City Of Point	Rains	\$312,000	5
4	City Of Naples	Morris	\$312,000	5
4	City Of Kilgore	Gregg	\$312,000	5
4	City Of Hallsville	Harrison	\$312,000	5

Program Performance

Housing

<b>TDHCA Region</b>	<b>Administrator Name</b>	<b>Counties Served</b>	<b>Total Award Amount</b>	<b>Total Units</b>
4	ARCIL, Inc.	Anderson, Bowie, Camp, Cass, Cherokee, Delta, Franklin, Gregg, Harrison, Henderson, Hopkins, Lamar, Marion, Morris, Rains, Red River, Rusk, Smith, Titus, Upshur, Van Zandt, Wood	\$45,792	3
5	City Of San Augustine	San Augustine	\$312,000	5
5	ARCIL, Inc.	Hardin, Jefferson, Orange	\$45,792	3
5	Burke Center	Angelina, Houston, Jasper, Nacogdoches, Newton, Polk, Sabine, San Augustine, San Jacinto, Shelby, Trinity, Tyler	\$291,500	32
5	Spindletop Mental Health And Retardation Services	Hardin, Jefferson, Orange	\$173,522	25
6	Economic Action Committee Of Gulf Coast	Matagorda	\$312,000	5
6	City Of Hempstead	Waller	\$312,000	5
6	City Of Palacios	Matagorda	\$312,000	5
6	United Cerebral Palsy Association Of Texas, Inc.	Fort Bend, Harris, Montgomery	\$148,400	4
6	United Cerebral Palsy Association Of Texas, Inc.	Fort Bend, Harris, Montgomery	\$111,300	3

<b>TDHCA Region</b>	<b>Administrator Name</b>	<b>Counties Served</b>	<b>Total Award Amount</b>	<b>Total Units</b>
6	Coalition For Barrier Free Living Houston Center For Independent	Austin, Brazoria, Chambers, Colorado, Fort Bend, Galveston, Harris, Liberty, Matagorda, Montgomery, Walker, Waller, Wharton	\$60,373	7
6	Tri-County MHMR	Montgomery	\$291,500	18
6	Tri-County MHMR	Liberty, Montgomery, Walker	\$143,100	10
7	DDC RRTC, Ltd.	Williamson	\$900,000	9
7	Shady Oaks GHA Housing, LP	Williamson	\$600,000	31
7	United Cerebral Palsy Association Of Texas, Inc.	Bastrop, Blanco, Burnet, Caldwell, Hays, Travis, Williamson	\$148,400	4
7	United Cerebral Palsy Association Of Texas, Inc.	Bastrop, Blanco, Burnet, Caldwell, Hays, Travis, Williamson	\$148,400	4
7	ARCIL, Inc.	Bastrop, Blanco, Burnet, Caldwell, Fayette, Lee, Llano, Travis, Williamson	\$183,168	12
8	City Of Hillsboro	Hill	\$312,000	5
8	City Of Rosebud	Falls	\$312,000	5
8	Falls County	Falls	\$312,000	5
8	City Of Hubbard	Hill	\$249,600	4
8	City Of Marlin	Falls	\$312,000	5
8	City Of Mart	Mclennan	\$312,000	5
8	City Of Gatesville	Coryell	\$312,000	5
8	Hamilton-Charger Properties, LP	Hamilton	\$225,000	6
8	United Cerebral Palsy Association Of Texas, Inc.	Bell, Coryell, Mclennan	\$111,300	3
8	ARCIL, Inc.	Mclennan	\$76,320	5

## Program Performance

### Housing

<b>TDHCA Region</b>	<b>Administrator Name</b>	<b>Counties Served</b>	<b>Total Award Amount</b>	<b>Total Units</b>
10	Kingsville LULAC Manor, LP	Kleberg	\$310,000	10
10	City Of Freer	Duval	\$312,000	5
10	City Of Gregory	San Patricio	\$312,000	5
10	City Of Sinton	San Patricio	\$312,000	5
10	City Of Bishop	Nueces	\$312,000	5
10	City Of Odem	San Patricio	\$312,000	5
10	Lake Victor Housing, Ltd.	Gonzales	\$732,125	24
10	Valley Association For Independent Living	Kleberg, Nueces	\$67,840	8
10	Coastal Bend Center For Independent Living	Aransas, Bee, Brooks, Calhoun, DeWitt, Duval, Goliad, Gonzales, Jackson, Jim Wells, Kleberg, Lavaca, Live Oak, Refugio, San Patricio, Victoria	\$72,273	15
10	Coastal Bend Center For Independent Living	Nueces	\$192,727	40
11	Pharr Housing Development Corporation, Inc.	Hidalgo	\$1,391,043	15
11	Community Development Corporation Of Brownsville	Cameron	\$1,500,000	20
11	Uvalde County	Uvalde	\$520,000	9
11	City Of Roma	Starr	\$520,000	9
11	Starr County	Starr	\$514,800	10
11	Valley Association For Independent Living	Cameron, Hidalgo	\$127,200	15
11	Community Council Of Southwest Texas, Inc.	Dimmit, Edwards, Kinney, Maverick, Real, Uvalde, Val Verde, Zavala	\$201,400	10
12	CIS- Palermo Homes, LP	Midland	\$730,000	37

*Program Performance*

*Housing*

<b>TDHCA Region</b>	<b>Administrator Name</b>	<b>Counties Served</b>	<b>Total Award Amount</b>	<b>Total Units</b>
13	El Paso Rehabilitation Center	El Paso	\$74,200	2
13	El Paso Rehabilitation Center	El Paso	\$111,300	3
<b>Total</b>	—	—	<b>\$28,004,990</b>	<b>750</b>

**FAMILIES AND PERSONS ASSISTED**

This section describes the households assisted with HOME funds.

**Anticipated Households Served with PY 2007 Funding**

For contracts that were awarded with PY 2007 funds, there are 750 total anticipated units.

**PY 2007 Estimated Funds and Units  
(Including Administration and CHDO Operating Funds)**

	HOME Activity	Total Estimated Units	Total Funding
Owner	Homebuyer Assistance	72	\$1,889,700
	Owner-Occupied Assistance	287	\$17,497,754
Renter	Tenant-Based Rental Assistance	239	\$2,229,368
	CHDO Rental Development (includes operating funds)	54	\$4,101,043
	Rental Development	43	\$955,000
	Rental Preservation	55	\$1,332,125
Total		750	\$28,004,990

**Actual Households Served in PY 2007**

This section reports on the actual units completed in PY 2007 (February 1, 2007, though January 31, 2008) through current contracts. These contracts were originally awarded in 2003 though 2006, and units were completed during the PY 2007 reporting period. There were 2,464 total units completed in PY 2007 through these contracts.

**Actual Units Completed in PY 2007 by Activity**

	HOME Activity	Total Units Assisted	Total Disbursed
Owner	Homebuyer Assistance	437	\$5,043,921
	OCC	432	\$20,635,234
Renter	TBRA	725	\$4,079,140
	Rental Development	870	\$18,418,120
Total		2,464	\$48,176,415

**Actual Units Completed in PY 2007 by Special Needs Population**

Special Needs Group	Number of Units	Percent of Units
Alcohol and Drug Addiction	1	0%
Colonias	24	1%
Elderly Populations	149	6%
Homeless Populations	100	4%
Migrant Farmworkers	1	0%
People With Disabilities	549	22%
Persons with HIV/AIDS	46	2%
Victims of Domestic Violence	20	1%
Not Applicable	1,574	64%
<b>Total</b>	<b>2,464</b>	<b>100.00%</b>

**Racial and Ethnic Status of Units Assisted**

The racial and ethnic status of the 2,464 total units completed in PY 2007 is reported below.

**Racial and Ethnic Status of Units Completed, PY 2007**

Ethnicity	Units Assisted	Percent of Units
American Indian/Alaska Native	7	0.3%
American Indian/Alaska Native & Black/African American	1	0.0%
American Indian/Alaska Native & White	1	0.0%
Asian	3	0.1%
Asian & White	3	0.1%
Black/African American	313	12.7%
Black/African American & White	5	0.2%
Hispanic Only	9	0.4%
Hispanic and White	597	24.2%
Native Hawaiian/Other Pacific Islander	3	0.1%
Other Multi Racial	75	3.0%
White Only	577	23.4%
Unknown	870	35.3%
<b>Total</b>	<b>2,464</b>	<b>100.0%</b>

Of 2,464 total units, 676 , or 27 percent, have Hispanic or Latino origin. The breakdown of this population is below.

**Hispanic Origin of Units Assisted in PY 2007**

Ethnicity	Units Assisted	Percent of Units
Hispanic and American Indian/Alaska Native	2	0.3%
Hispanic and Black/African American	1	0.1%
Hispanic and Black/African American & White	1	0.1%
Hispanic Only	9	1.3%
Hispanic and Native Hawaiian/Other Pacific Islander	1	0.1%

## Program Performance

### Housing

Ethnicity	Units Assisted	Percent of Units
Hispanic and Other Multi Racial	65	9.6%
Hispanic and White	597	88.3%
<b>Total</b>	<b>676</b>	<b>100.0%</b>

### Income Status of Units Assisted

The income status of the 2,464 total units receiving assistance in PY 2007 is reported below.

#### Income Status of Units Completed in PY 2007

Income Category	Number of Units	Percentage
Extremely Low Income (0-30% AMFI)	949	39%
Very Low Income (31-50% AMFI)	917	37%
Low Income (51-60% AMFI)	379	15%
Low Income (61-80% AMFI)	187	8%
Other	32	1%
<b>Total</b>	<b>2,464</b>	<b>100%</b>

#### Income Status of Units Completed in PY 2007 by Activity

	HOME Activity	AMFI 0-30%	AMFI 31-50%	AMFI 51-60%	AMFI 61-80%	AMFI Unknown	Total
<b>Owner</b>	Homebuyer Assistance	23	105	108	171	30	437
	Owner-Occupied Assistance	254	155	11	10	2	432
<b>Renter</b>	Tenant-Based Rental Assistance	640	83	2	0	0	725
	Rental Development Assistance	32	574	258	6	0	870
<b>Total</b>		949	917	379	187	32	2,464

### CPD Outcome Performance Measurement

The table below reports program performance measures as required by HUD CPD guidelines. HOME Program eligible activities are categorized in the table below according to the CPD objectives and outcomes standard.

#### HOME Program Performance Measures, PY 2007

Outcomes and Objectives	Performance Indicators	Expected Number	Actual Number
DH-2	No. of rental units assisted through new construction and rehabilitation	400	870
DH-2	No. of tenant-based rental assistance units	630	725
DH-2	No. of existing homeowners assisted through owner-occupied assistance	750	432



<b>Outcomes and Objectives</b>	<b>Performance Indicators</b>	<b>Expected Number</b>	<b>Actual Number</b>
DH-2	No. of first-time homeowners assisted through homebuyer assistance	560	437

## **FAIR HOUSING ACTIVITIES**

In the State of Texas Analysis of Impediments to Fair Housing, the following impediments were identified: lack of affordable housing, lack of available resources, lack of organizational capacity, public opposition to affordable housing, and discrimination. This section describes TDHCA's efforts to affirmatively further fair housing through the HOME Program.

### ***Monitoring and Compliance of the Fair Housing Requirements***

Fair Housing complaints received by TDHCA are forwarded directly to the Texas Workforce Commission Civil Rights Division, which is the Texas state agency responsible for enforcement of the Texas Fair Housing Act.

If design standards and technical requirements of Section 504, of the Rehabilitation Act of 1973 and the Fair Housing Act are identified, TDHCA requires correction prior to retainage release and final inspection clearance for all HOME rental developments. Such violations can impact the owner's future participation in the HOME Program.

TDHCA's Portfolio Management and Compliance (PMC) division is responsible for on-site monitoring of all HOME rental developments. Compliance staff utilizes comprehensive checklists to review compliance with fair housing, accessibility and affirmative marketing requirements. Checklists and standard operating procedures are updated as needed to ensure consistency.

- Fair Housing requirements are monitored by reviewing pertinent development documents. The development's lease contract is reviewed to ensure there are no prohibited lease terms. In addition, the lease contract or an addendum is reviewed to ensure residents cannot be evicted or non-renewal of their lease for other than good cause. All applicants and existing residents are offered a minimum lease term of 1 year unless mutually agreed upon. In addition, the development's leasing/resident selection criteria are reviewed to ensure objective criteria is used in selection or denial.
- Accessibility requirements are monitored throughout the affordability period. After the HOME rental development receives clearance at final inspection, a limited accessibility inspection is conducted during on-site monitoring reviews.
- The Affirmative marketing plan and documentation of outreach efforts are reviewed during the on-site monitoring review. The plan is reviewed to ensure persons least likely to apply and persons with disabilities are identified and marketed to appropriately.
- Any noncompliance issues identified are provided in writing in a monitoring report submitted to the administrator and development staff. The monitoring report includes all identified noncompliance issue(s), necessary corrective action and technical assistance. An administrator is typically provided a 90 day corrective action period from the issuance of the monitoring report.
- The Department is committed to ensure all rental developments funded with HOME dollars are in compliance with federal and state regulations and requirements. The Department has several mechanisms in place to encourage compliance, which are outlined in 10TAC, Chapter 60, Subchapters A and C.

**Fair Housing Conferences and Workshops**

Staff members of the TDHCA Field Offices attended various workshops to provide technical assistance regarding TDHCA housing programs and fair housing issues. USDA, local community services, lenders and realtors participated in these workshops.

**Fair Housing Training**

The Qualified Allocation Plan requires owners and architects to attend at least eight hours of Fair Housing training. The Department maintains a list of entities that provide ongoing training to ensure that training opportunities are shared with developers, architects, and TDHCA staff. Training attended by owners and architects that is offered by other entities may also satisfy this requirement.

**ACCOMPLISHMENTS IN HIGH PRIORITY AREAS**

This section demonstrates how activities undertaken during the program year address identified areas of high priority and program objectives.

**Housing Priority Needs Summary Table**

Priority Housing Needs			Priority Need Level		
			H=High, M=Medium, L= Low, N=No Such Need		
Households (HH)			0-30%	31-50%	51-80%
Renter	Elderly HH	Cost Burden > 30%	H	H	H
		Cost Burden > 50%	H	H	H
		Substandard	H	H	H
		Overcrowded	H	H	H
	Small Related HH	Cost Burden > 30%	H	H	H
		Cost Burden > 50%	H	H	H
		Substandard	H	H	H
		Overcrowded	H	H	H
	Large Related HH	Cost Burden > 30%	H	H	H
		Cost Burden > 50%	H	H	H
		Substandard	H	H	H
		Overcrowded	H	H	H
	All Other HH	Cost Burden > 30%	H	H	H
		Cost Burden > 50%	H	H	H
		Substandard	H	H	H
		Overcrowded	H	H	H
Owner	Cost Burden > 30%	H	H	H	
	Cost Burden > 50%	H	H	H	
	Substandard	H	H	H	
	Overcrowded	H	H	H	

### **Specific Accomplishments**

This section describes specific HOME Program activities undertaken during PY 2007 that address high priority needs. Please see the “Goals and Objectives” section for detailed information about HOME Program goals and objectives, which also address these needs.

The purpose of the HOME Program is to expand the supply of decent, safe, and affordable housing for extremely low, very low, and low income households and to alleviate the problems of excessive rent burdens, homelessness, and deteriorating housing stock. The HOME Program funds are awarded utilizing a competitive methodology and scoring criteria, one of the scoring categories is income targeting, and Applicants are awarded additional points for targeting extremely low income households. The HOME Program addresses high priority needs areas by making available a majority of its annual HUD allocation to rural areas of Texas, pursuant to §2306.111(d) of the Texas Government Code.

### **Persons with Disabilities**

In order to address the needs of persons with disabilities, the HOME Program accomplished the following during PY 2007.

The Department created a Person with Disabilities (PWD) Set-Aside to better target the housing needs of this community. Previously, the Department required administrators to dedicate a number of units from their award for this special needs population; however, in 2007 the Department strengthened its commitment by allocating with a separate PWD set-aside.

From the \$4,000,000 allocated to the PWD Set-Aside, \$2,103,178 million was awarded to 16 applicants for Tenant-Based Rental Assistance and \$1,665,000 million was awarded to 12 applicants through Homebuyer Assistance with Rehabilitation (HBAR), to allow for necessary accessibility modifications to homes purchased. Together, both programs account for a total investment of \$3,994,268 million toward 299 units for Persons with Disabilities.

### **ON-SITE INSPECTIONS**

In accordance with 24 CFR 91.520(d), this section includes the results of on-site monitoring reviews of affordable rental housing assisted through the HOME Program.

Possible sanctions for non-compliance include default, foreclosure, and receivership. However, the Department strives to work cooperatively with owners to restore compliance. Before imposing sanctions, alternative solutions are considered such as restructuring debt, intensive in-depth technical assistance, and/or requiring changes in management companies. In addition to the sanctions listed above, TDHCA has a noncompliance scoring system. In the past, owners found to be in Material Noncompliance were not eligible for additional funding from TDHCA. On December 2, 2007, TDHCA adopted new compliance rules and administrative penalties for uncorrected noncompliance. Prior to the award of any new funding, the Portfolio Management and Compliance Division conducts a previous participation review to determine if an applicant has control of an existing HOME development with any uncorrected noncompliance. If any issue(s) are identified during this review, the HOME administrator is notified in writing and provided a 5 day period to submit all necessary corrective action to cure the violation(s). If the HOME administrator does not cure the issue(s), the application for funding will be terminated.

The Department's new enforcement provisions in 10 TAC, Subchapter C §60.3012 has created monetary penalties for owners who do not correct noncompliance violations. The Department has prioritized sanction enforcement starting with development with egregious violations of property conditions. The Department has entered into a new contract with a contractor specializing in Uniform Physical Condition Standards inspections. These identified developments will just receive a UPCS inspection and be provided a corrective action period. Those owners who do not cure noncompliance will be assessed administrative penalties and be referred to the Department's new Enforcement Division.

The following table reflects on-site inspections of affordable rental housing assisted through the HOME program and describes actions taken in the event of non-compliance.

Program Performance

Housing

**PY 2007 HOME Program Property Inspections**

No.	HOME File No.	Property Name	Monitoring Date	Non-Compliance Identified?	If "Yes," what was the finding?	Finding Corrected?	Action Taken
1	5306077	Heatherwilde Park Retirement	6/13/2007	Yes	Household income above limit.	Yes	
2	1000293	Golden Manor Apartments	6/20/2007	Yes	Violation with senior project age restriction.	No	Corrective action is under review.
3	100041	East Texas Apartments	4/25/2007	Yes	Household income above limit.	Yes	
4	536263	Brownwood Apartments	2/21/2007	Yes	Failure to complete HQS inspections; utility allowance violation, violation with UPCS inspection standards and household income above limit.	No	Corrective action due on 5/22/2008.
5	536264	Commonwealth Apartments	4/24/2007	Yes	Failure to complete HQS inspection and violations of UPCS standards.	Yes	
6	536293	Autumn Spring Senior	8/24/2007	Yes	Failure to complete HQS inspection report; violation with UPCS inspection standards; household income above limit; late recertification and accessibility violation.	No	Owner failed to respond. An additional notice of noncompliance was sent on 1/24/2008. Scored in NC status system and the development is in material noncompliance status.
7	539111	Bavarian Manor Apartments	8/1/2007	Yes	Late recertification.	Yes	
8	538092	Alpine Retirement Community	3/23/2007	Yes	Gross rent violation, failure to provide an affirmative marketing plan; failure to provide HQS inspection report and violation of UPCS inspection standards.	No	Corrective action is under review.

No.	HOME File No.	Property Name	Monitoring Date	Non-Compliance Identified?	If "Yes," what was the finding?	Finding Corrected?	Action Taken
9	539109	Angelica Homes	9/20/2007	Yes	Failure to provide an affirmative marketing plan and HQS inspection report.	No	Corrective action is under review.
10	539115	Bentcreek Apartments	4/11/2007	No			
11	532322	Claremont Apartments	3/27/2007	Yes	Failure to provide a HQS inspection report.	Yes	
12	537605	Denver City Tri-plex	7/24/2007	Yes	Gross rent violation.	Yes	
13	534031	Rincon Point Apartments	2/20/2007	Yes	Gross rent violation and failure to provide an affirmative marketing plan.	Yes	
14	536268	Keystone Apartments	10/10/2007	Yes	Failure to meet additional occupancy restrictions	No	Corrective action is under review.
15	533186	Lincoln Courts	533186	Yes	Failure to provide an affirmative marketing plan and violations of UPCS inspection standards.	No	Owner failed to respond. Scored in NC status system and the development is in material noncompliance status.
16	532313	Littlefield Home I	7/24/2007	Yes	Violations of UPCS inspection standards.	No	Corrective action due on 5/28/2008.
17	532314	Littlefield Home II	7/24/2007	Yes	Violations of UPCS inspection standards.	No	Corrective action due on 5/28/2008.
18	536272	Lockhart Housing Authority	5/1/2007	Yes	Violation with senior age restrictions and UPCS inspection standards.	Yes-Age No-UPCS	Corrective action due on 4/11/2008.

## Program Performance

### Housing

No.	HOME File No.	Property Name	Monitoring Date	Non-Compliance Identified?	If "Yes," what was the finding?	Finding Corrected?	Action Taken
19	532305	Port Velasco Apartments	6/21/2007	Yes	Failure to provide an affirmative market plan; failure to provide a HQS inspection report; violations of UPCS inspection standards, failure to meet additional State restrictions and submit require reports.	No	New owner requested an extension to the corrective action deadline due to rehab of the development. Corrective action due on 3/31/2008.
20	539122	Center Park Apartments	10/31/2007	Yes	Household income above limit; failure to provide an affirmative marketing plan and violations of UPCS inspection standards.	No	Corrective action due on 6/4/2008.
21	537601	Notre Dame Hills	5/8/2007	Yes	Failure to provide an affirmative marketing plan; late recertification; and violation of UPCS inspection standards.	Yes-AMP No-Rec Yes-UPCS	One NC issue uncorrected. Owner has submitted a corrective action plan.
22	535031	Parkview Place	5/16/2007	Yes	Late recertification.	Yes	
23	539113	Piney Woods Home Team	4/26/2007	Yes	Gross rent violation; late recertification; failure to adjust rent for "over-income" HH; failure to provide an affirmative marketing plan and HQS inspection report.	Yes	
24	539009	Grandview Retirement Village	10/19/2007	Yes	Gross rent violation; failure to provide an affirmative marketing plan; and violation of UPCS inspection standards.	Yes-Rent No-AMP Yes-UPCS	Corrective action due on the AMP 3/27/2008.
25	538613	Brittons Place	2/13/2007	Yes	Gross rent violation and utility allowance violation.	Yes	
26	532315	Plainview II Triplex	7/24/2007	Yes	Household income above limit; failure to complete HQS inspection report and violation of UPCS inspection standards.	Yes-HH Yes-HQS No-UPCS	Corrective action due on 5/8/2008.
27	532329	Tomas Molina Homes	3/1/2007	Yes	Gross rent violation; violation of terms with lease contract; failed to provide an affirmative	No-Rent Yes-Lease No-AMP	Corrective action due on 5/8/2008.



No.	HOME File No.	Property Name	Monitoring Date	Non-Compliance Identified?	If "Yes," what was the finding?	Finding Corrected?	Action Taken
					marketing plan and HQS inspection report.	Yes-HQS No-UPCS	
28	536268D	Red River Independent Senior	6/17/2007	Yes	Development in bankruptcy and pending foreclosure. Legal and Asset Management Divisions implementing BANTA.	No	
29	532331	Joe Gonzalez Homes	3/1/2007	Yes	Late recertification; failure to provide HQS inspection report; violation of terms with lease contract and violation of UPCS standards.	Yes-Rec Yes-HQS Yes-Lease No-UPCS	Corrective Action due for UPCS violations on 5/8/2008.
30	533288	Ranchland Apartments	4/24/2007	Yes	Household income above limit; late recertification and violation of UPCS standards.	Yes-HH Yes-Rec No-UPCS	Corrective Action due for UPCS violations on 3/18/2008.
31	534284	Cedar Ridge Apartments	5/18/2007	Yes	Late recertification and violation of UPCS standards.	No-Rec No-UPCS	Corrective Action due UPCS violations on 6/8/2008.
32	535247	Olton Multifamily Housing	7/24/2007	Yes	Late recertification; failure to meet additional state restrictions and violations of UPCS inspection standards.	Yes-Rec Yes-State No-UPCS	Corrective Action due for UPCS violations on 5/8/2008.
33	533303	Colorado City Homes	4/25/2007	Yes	Late recertification; gross rent violation; violation of UPCS inspection standards.	Yes-Rec No-Rent No-UPCS	Owner failed to respond by corrective action deadline. Sent final notice 12/19/2007. NC scored in status system and property is in material noncompliance.
34	534341	Colorado City Homes II	4/27/2007	Yes	Gross rent violation and violation of UPCS standards.	Yes-Rent No-UPCS	Owner failed to respond by corrective action deadline. Sent final notice 12/19/2007. NC scored in status system and property is in material noncompliance.

## Program Performance

### Housing

No.	HOME File No.	Property Name	Monitoring Date	Non-Compliance Identified?	If "Yes," what was the finding?	Finding Corrected?	Action Taken
35	537606	Southeast Texas Community	1/24/2008	Yes	Failed to respond to Agency request for a monitoring review.	No	Corrective action due 3/1/2008. Owner failed to respond. NC scored in status system and property is in material noncompliance.
36	5333000	Spur Triplex	7/24/2007	Yes	Household income above limit; violation of utility allowance; ; failure to meet additional state restrictions; failure to complete HQS inspection report and violation of UPCS standards.	Yes-HH Yes-U.A Yes-State Yes-HQS No-UPCS	Corrective Action due to the Department for UPCS violations on 3/18/2008.
37	534276	Golden Age Home	5/1/2007	Yes	Late recertification; failure to complete HQS inspection report and violation of UPCS inspection standards.	Yes-Rec Yes-HQS No-UPCS	Corrective action due for UPCS violations on 4/11/2008.
38	532277	Tyler Community Homes	8/8/2007	Yes	Household income above limit; late recertification; failure to complete an affirmative marketing plan; failure to complete HQS inspection report and violation of UPCS standards.	No-HH Yes-Rec No-AMP No-HQS No-UPCS	Owner submitted corrective action but insufficient to correct all identified noncompliance. Corrective action due for UPCS violations on 4/3//2008. NC scored in status system and property is in material noncompliance.
39	533199	Tyler Community Home II	8/8/2007	Yes	Household income above limit; late recertification; failure to complete an affirmative marketing plan; failure to complete HQS inspection report and violation of UPCS inspection standards.	No-HH Yes-Rec No-AMP No-HQS No-UPCS	Owner submitted corrective action but insufficient to correct all identified noncompliance. Corrective action due for UPCS violations on 4/3//2008. NC scored in status system and property is in material noncompliance.
40	532321	Warren House Apartments	10/31/2007	Yes	Failed to provide HQS inspection report and violation of UPCS inspection standards.	No	Corrective action under review. UPCS corrective action due on 5/8/2008.
41	533308	Webb Street Revitalization	8/24/2007	Yes	Failed to meet additional state restrictions and violation of UPCS inspection standards.	Yes-State No-UPCS	Corrective action due for UPCS violations on 3/18/2008.
42	539112	Weldon Black Rental	4/18/2007	Yes	Household income above limit and violations of UPCS inspection standards.	No	Owner failed to respond. Scored in NC status system and the development is in material noncompliance status. The Department is in negotiations with a

No.	HOME File No.	Property Name	Monitoring Date	Non-Compliance Identified?	If "Yes," what was the finding?	Finding Corrected?	Action Taken
							local PHA to purchase the development.
43	532318	Railroad Street Rental Housing	4/26/07	Yes	Gross rent violation; failure to provide HQS inspection report and violations of UPCS inspection standards.	No-Rent Yes-HQS No-UPCS	Owner submitted corrective action but insufficient to correct all noncompliance issues. A follow up notice was submitted to the owner on 1/2/2008 outlining the remaining issues. Scored in NC status system and the development is in material noncompliance.
44	539116	Riverview Apartments	5/2/2007	Yes	Household income above limit and violation with UPCS inspection standards.	No-HH Yes-UPCS	Owner has submitted a corrective plan to cure noncompliance.
45	538089	Spring Garden Apartments II	4/10/2007	Yes	Household income above limit and violation of UPCS inspection standards.	No-HH Yes-UPCS	Owner has submitted a corrective plan to cure noncompliance.
46	530617	Spring Garden Apartments III	4/10/2007	Yes	Late recertification and violations of UPCS inspection standards.	Yes	Owner has submitted a corrective plan to cure noncompliance.
47	536270	Tanner Point Apartments	2/27/2007	Yes	Household income above limit and failure to adjust rent for "over-income" HH.	No	Owner has been in contact with the Division for technical assistance to resolve the noncompliance issues.
48	532316	Town Creek Homes	4/25/2007	Yes	Household income above limit; gross rent violation and violation of UPCS inspection standards.	Yes-HH No-Rent No-UPCS	Owner failed to respond by corrective action deadline. Sent final notice 12/19/2007. NC scored in status system and property is in material noncompliance.
49	539110	Villa De Reposo San Luis	4/18/2007	Yes	Gross rent violation and violation of UPCS inspection standards.	Yes-Rent No-UPCS	Corrective action due for UPCS violations on 5/8/2008.
50	535253	Villa De Reposo Pearsall	2/26/07	Yes	Failure to submit HQS inspection report and violation of UPCS inspection standards.	Yes-HQS No-UPCS	Corrective action due for UPCS violations on 5/8/2008.
51	537603	West Avenue Apartments	10/30/2007	Yes	Household income above limit; late recertification and violation of UPCS inspection standards.	Yes-HH Yes-Rec No-UPCS	Corrective action due for UPCS violations on 5/8/2008.
52	536288	Whitney Retirement Village	2/26/2007	Yes	Household income above limit; gross rent violation and late recertification.	Yes	

## Program Performance

### Housing

No.	HOME File No.	Property Name	Monitoring Date	Non-Compliance Identified?	If "Yes," what was the finding?	Finding Corrected?	Action Taken
53	530200	St. John Colony Park	5/1/2007	Yes	Household income above limit; violation of lease contract and violation of UPCS inspection standards.	No	Development is currently under investigation by the State Auditors Office.
54	530201	Villa De Reposo Encinal	6/29/2007	Yes	Household income above limit and violation of UPCS inspection standards.	No-HH Yes-UPCS	Owner has submitted a corrective plan to cure noncompliance.
55	531102	Country Villa	3/1/2007	Yes	Household income above limit and violation of UPCS inspection standards.	Yes-HH No-UPCS	Corrective action due for UPCS violations on 5/8/2008.
56	531300	Alta Vista Village Retirement	11/14/2007	Yes	Household income above limit and violation of UPCS inspection standards.	No	Corrective action due for UPCS violations on 4/2/2008 and file issues on 3/3/2007.
57	531301	Spring Garden I	11/14/2007	Yes	Failure to provide an affirmative marketing plan.	No	Corrective action due 6/8/2008.
58	532308	Plainview Duplex	7/24/2007	Yes	Household income above limit; failure to provide HQS inspection report; failure to calculate utility allowance and violation of UPCS inspection standards.	Yes-HH Yes-HQS Yes-U.A No-UPCS	Corrective Action due for UPCS violations on 3/18/2008.
59	1000246	Lexington Court	8/7/2007	Yes	Gross rent violation.	Yes	
60	542076	Bridgeport Estates	11/14/2007	Yes	Household income above limit; gross rent violation; late recertification and failure to provide an affirmative marketing plan.	No	Corrective action due 6/8/2008.
61	535247A	George Gervin-Garden	10/31/2007	Yes	Violation with UPCS inspection standards.	No	Corrective action due for UPCS violations on 5/8/2008.
62	1000084	Canal Street Apartments	2/15/2007	Yes	Late recertification.	Yes	
63	1000415	Spring Garden V	11/5/2007	Yes	Failure to provide an affirmative marketing plan.	No	Corrective action due 6/8/2008.
64	1000608	Estates of Bridgeport IVa	11/14/2007	Yes	Household income above limit; gross rent violation; failure to provide an affirmative marketing plan and HQS inspection report.	No	Corrective action due 6/8/2008.

## **AFFIRMATIVE MARKETING AND MINORITY OUTREACH**

The HOME Program ensures that HOME Program administrators comply with the fair housing, accessibility, and affirmative marketing requirements of the program. The following actions are taken by TDHCA to ensure compliance.

- An Application Guide, which discusses these issues and includes guidance regarding the affirmative marketing plan requirements, is provided at the time of Application.
- An Implementation Manual, which discusses these issues, is provided to all HOME Program administrators.
- On a quarterly basis, TDHCA conducts compliance training workshops for HOME Program administrators. These workshops include a chapter regarding Fair Housing, accessibility, and affirmative marketing requirements of the program.
- HOME Program administrators must submit an Affirmative Marketing Plan.

In accordance with HOME regulations at 24 CFR 92.351 (a) and (b) and in furtherance of Texas's commitment to nondiscrimination and equal opportunity in housing, TDHCA has established procedures to affirmatively market units assisted under HOME. These procedures are intended to further the objectives of Title VIII of the Civil Rights Act of 1968, the Fair Housing Amendments of 1988, and Executive Order 11063.

### ***Affirmative Marketing Actions***

Subrecipients of HOME funds are required to adopt affirmative marketing procedures and requirements for rental and homebuyer projects containing five or more HOME-assisted housing units. Affirmative marketing steps consist of actions to provide information and otherwise attract eligible persons in the housing market area to the available housing without regard to race, color, national origin, sex, religion, familial status, or disability.

The marketing program outlines procedures by which applications will be solicited from eligible potential program participants, maintain records of efforts to affirmatively market program activities or available housing opportunities, and to develop a system for evaluating the affirmative marketing efforts.

### **Specific Actions**

- Program administrators must ensure that the public, including potential beneficiaries of HOME-assisted housing, is informed that the HOME program is administered under an established, affirmative marketing policy; applicable federal Fair Housing laws; and other applicable federal, state, and local housing laws. This policy must be promoted in the community through media and other outlets, and communicated to beneficiaries of housing that will be or has been assisted with HOME funds.
- Program administrators shall affirmatively market available housing in local newspapers and using other appropriate methods. All forms of program marketing should depict the Equal Housing Opportunity logo.

## Program Performance

### Housing

- To help ensure that available housing is affirmatively marketed to persons not likely to apply for such housing, Program administrators are encouraged to make HOME information available in non-English languages spoken by minority groups residing in or near the community. Furthermore, Program administrators are encouraged to distribute marketing materials to area social service agencies that work with minorities, disabled individuals, or other protected groups.

### Affirmative Marketing Record Keeping

Program administrators are required to develop an affirmative marketing plan to identify persons who are the least likely to apply and how to reach those persons. Administrators must maintain documentation of their affirmative marketing activities. Program administrators also must update their affirmative marketing plan for HUD every five years. TDHCA collects Fair Housing Sponsor Report data from each rental housing development program administrator annually. The program administrators use this information in preparing their affirmative marketing plan update.

### Minority Outreach

Information on the number and dollar value of contracts for HOME projects completed during the reporting period to Minority Business Enterprises (MBE) and Women Business Enterprises (WBE) is provided below.

**HOME Projects Completed by Minority Business Enterprises, PY 2007**

Contractor or Subcontractor Business Ethnic Code	Contracts			Subcontracts		
	Total	Percent of Total	Amount	Total	Percent of Total	Amount
American Indian/Alaska Native	0	0%	\$0	6	0%	\$9,600
Asian	5	1%	\$229,150	5	0%	\$52,681
Asian & White	5	1%	\$225,750	1	0%	\$45,150
Black/African American	5	1%	\$250,385	15	1%	\$212,556
Hispanic	105	24%	\$10,397,501	380	25%	\$6,104,342
White	306	72%	\$19,328,682	1,084	73%	\$5,318,523
Unknown	7	1%	\$367,080	0	0%	\$0
<b>Total</b>	<b>426</b>	<b>100%</b>	<b>\$30,431,468</b>	<b>1,491</b>	<b>100%</b>	<b>\$11,742,852</b>

**HOME Projects Completed by Women Business Enterprises, PY 2007**

Gender Business Code	Contracts			Subcontracts		
	Total	Percent of Total	Amount	Total	Percent of Total	Amount
Man Owned	412	95.2%	\$29,749,511	1,485	99.6%	\$11,722,374
Woman Owned	21	4.8%	\$1,049,037	6	0.4%	\$20,478
<b>Total</b>	<b>433</b>	<b>100.0%</b>	<b>\$30,798,548</b>	<b>1,491</b>	<b>100.0%</b>	<b>\$11,742,852</b>

## **NON-HOMELESS SPECIAL NEEDS: HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM**

### **GRANTEE AND COMMUNITY OVERVIEW**

As of the end of 2006, 60,517 persons were known to be living with HIV/AIDS in Texas; this does not include persons with HIV who have not been diagnosed<sup>2</sup>. The 2008-2010 Texas Statement of Coordinated Need reported oral health care and housing as the two most frequent gaps in services identified by clients in six of the seven HIV Service Delivery Areas (HSDAs) assessed in Texas<sup>3</sup>. Situated within a comprehensive network of HIV care services in Texas, the State of Texas HOPWA Formula program meets the unmet housing and supportive services needs of people living with HIV/AIDS (PLWHA) in Texas by providing housing assistance and supportive services to income-eligible individuals living with HIV/AIDS and their families. The goals of the HOPWA program are to help low-income HIV-positive clients establish or maintain affordable and stable housing, to reduce the risk of homelessness, and to improve access to health care and supportive services.

The State of Texas HOPWA program is administered by the HIV/STD Comprehensive Services Branch of the Department of State Health Services (DSHS) and provides the following services:

**Tenant-Based Rental Assistance (TBRA) program:** The TBRA program provides tenant-based rental assistance to eligible individuals until they are able to secure other affordable and stable housing.

**Short-Term Rent, Mortgage, and Utilities (STRMU) assistance program:** The STRMU program provides short-term rent, mortgage, and utility payments to eligible individuals for a maximum of 21 weeks of assistance in a 52-week period.

**Supportive Services program:** The Supportive Services program provides case management, basic telephone service and assistance to purchase smoke detectors to eligible individuals.

**Permanent Housing Placement Services (PHP):** The PHP program 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.

**Areas of service coverage within jurisdiction:** The State of Texas HOPWA Formula program serves all counties in Texas, with the exception of the 26 counties served by five directly-funded Metropolitan Statistical Areas (MSAs): Austin, Dallas, Fort Worth, Houston, and San Antonio. The 26 counties not served by the State of Texas HOPWA program are: Bastrop, Caldwell, Hays, Travis, Williamson, Collin, Dallas, Denton, Ellis, Hunt, Kaufman, Rockwall, Hood, Johnson, Parker, Tarrant, Chambers, Fort Bend, Harris, Liberty, Montgomery, Waller, Bexar, Comal, Guadalupe, and Wilson.

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<sup>2</sup>Texas Integrated Epidemiologic Profile for HIV/AIDS Prevention and Services Planning  
[http://www.dshs.state.tx.us/hivstd/planning/Epi\\_Profile\\_02012008.pdf](http://www.dshs.state.tx.us/hivstd/planning/Epi_Profile_02012008.pdf)

<sup>3</sup> 2008-2010 Texas Statement of Coordinated Need

**ANNUAL PERFORMANCE UNDER THE ACTION PLAN**

**Outputs Reported**

In the State’s Consolidated Action Plan 2007, DSHS proposed to serve 500 TBRA households and 800 STRMU households. In the 2007 HOPWA project year (2/01/2007 to 1/31/2008), DSHS achieved the proposed goals and served 512 households with TBRA and 814 households with STRMU assistance. Of the total 1,309 (unduplicated) households served, 1,201 households (92%) also received HOPWA-funded Supportive Services, and 6 households received Permanent Housing Placement services. DSHS also supported an additional 1,107 beneficiaries with HOPWA services, defined as family members residing with the HOPWA clients.

In 2007, DSHS was awarded \$2,733,000 for HOPWA. Three percent of the award (\$81,990) was budgeted for grantee administration and DSHS expended \$44,072 in indirect costs; no costs for personnel were taken. DSHS does not directly administer HOPWA services, but distributes the funds via formula to eight Administrative Agencies (AAs), who in turn competitively select Project Sponsors to directly deliver HOPWA services based on the local housing needs assessments of each area. Over half of the HOPWA award is allocated for TBRA and new funds were allocated for PHP, as PHP was a new eligible program activity in 2007. During the 2007 HOPWA project year, the Projects Sponsors reported \$1,521,057 was expended for TBRA, \$561,304 for STRMU services, \$283,294 for Supportive Services, and \$6,275 for PHP. Project Sponsors reported \$141,979 in administrative costs and were in compliance with the seven percent project sponsor administration cap.

**Table 1. 2007 HOPWA Program Outputs by Program Activity**

Program Activity		Households Goal to be served	Number of Households Served	Additional Beneficiaries served	HOPWA Budget <sup>4</sup>	HOPWA Actual Expenditures
1.	Tenant-based Rental Assistance	500	512	450	\$1,648,374	\$1,554,095
2.	Short-term Rent, Mortgage, and Utility Assistance	800	814	657	\$666,089	\$609,318
3.	Supportive Services in conjunction with HOPWA housing activities	1300	1201	610	\$305,981	\$291,095

<sup>4</sup> DSHS allocates more in HOPWA contracts than the current year HOPWA award to spend down unobligated balances from prior years.



Program Activity		Households Goal to be served	Number of Households Served	Additional Beneficiaries served	HOPWA Budget <sup>5</sup>	HOPWA Actual Expenditures
4.	Permanent Housing Placement	0	6	1	\$4,000	\$6,275
5.	Grantee Administration (3%)				\$81,990	\$55,882
6.	Project Sponsor Administration				\$148,283	\$143,551 (5.2%)
7.	Total Program Costs for 2007				\$2,854,716	\$2,648,406

Based on Project Sponsor's HOPWA quarterly reports, Table 2 shows 2007 HOPWA formula funds distributed by the 26 HSDAs, the amount budgeted and expenditures by program activity. There is one Project Sponsor that delivers HOPWA services for each HSDA.

**Table 2. 2007 HOPWA Program Budget and Expenditures by Program Activity and Geographic Region**

HSDA/Project Sponsor	Budget	TBRA Expenditures	STRMU Expenditures	SS/PHP Expenditures	Admin Expenditures	Total Expenditures
San Antonio/Alamo Area Resource Center	\$95,074	\$44,175	\$17,847	\$12,007	\$7,436	\$81,465
Uvalde/United Medical Centers	\$28,159	\$15,655	\$1,428	\$5,454	\$756	\$23,292
Victoria/Victoria City-County Health Department	\$71,639	\$35,005	\$12,555	\$2,374	\$297	\$50,231
Austin/Community Action, Inc.	\$28,042	\$8,736	\$8,440	\$3,572	\$1,547	\$22,295
Concho-Plateau/San Angelo AIDS Foundation	\$55,129	\$37,133	\$2,884	\$10,121	\$859	\$50,998
Temple-Killeen/United Way of the Greater Fort Hood Area	\$33,464	\$16,411	\$5,958	\$8,631	\$1,521	\$32,521
Bryan-College Station/Project Unity	\$64,156	\$43,141	\$4,106	\$9,563	\$3,413	\$60,223
Waco/Waco/McLennan County Public Health District	\$77,378	\$57,142	\$16,922	\$0	\$0	\$74,064

<sup>5</sup> DSHS allocates more in HOPWA contracts than the current year HOPWA award to spend down unobligated balances from prior years.

## Program Performance

### Non-Homeless Special Needs

HSDA/Project Sponsor	Budget	TBRA Expenditures	STRMU Expenditures	SS/PHP Expenditures	Admin Expenditures	Total Expenditures
Dallas/Dallas County Health and Human Services - HOPWA Program	\$16,585	\$0	\$60	\$701	\$53	\$814
Sherman-Dennison/Your Health Clinic	\$55,033	\$35,401	\$9,316	\$6,947	\$4,218	\$55,882
Galveston/AIDS Coalition of Coastal Texas	\$25,289	\$10,595	\$1,421	\$2,426	\$2,800	\$17,242
Houston/AIDS Foundation of Houston	\$25,732	\$0	\$27,926	\$0	\$0	\$29,326
Lufkin/Health Horizons	\$129,657	\$52,223	\$56,654	\$9,323	\$6,882	\$125,082
Tyler/Special Health Resources for Texas, Inc. Tyler	\$269,804	\$119,128	\$86,679	\$44,134	\$19,845	\$269,786
Texarkana/Special Health Resources for Texas, Inc. Texarkana	\$145,009	\$23,163	\$72,206	\$0	\$2,818	\$98,187
Beaumont-Port Arthur/Triangle AIDS Network	\$108,848	\$69,522	\$2,965	\$28,447	\$3,450	\$104,384
Amarillo/Panhandle AIDS Service Organization	\$116,284	\$49,200	\$52,730	\$7,631	\$6,476	\$116,036
Permian-Basin/Permian Basin Community Center	\$108,042	\$72,291	\$24,822	\$3,861	\$7,068	\$108,042
Lubbock/Planned Parenthood Association of Lubbock	\$89,962	\$58,448	\$22,015	\$2,852	\$4,420	\$87,735
El Paso/Planned Parenthood Center of El Paso	\$361,401	\$244,248	\$47,680	\$38,932	\$23,128	\$353,988
Laredo/City of Laredo Health Department	\$101,018	\$73,039	\$12,384	\$5,113	\$6,070	\$96,605
Corpus Christi/Coastal Bend AIDS Foundation	\$274,557	\$163,208	\$51,663	\$33,013	\$9,338	\$257,222
Brownsville/Valley AIDS Council	\$343,416	\$272,029	\$23,100	\$23,024	\$24,378	\$342,530
Abilene/AIDS Resources of Rural Texas – Abilene	\$53,353	\$16,168	\$16,540	\$18,479	\$1,736	\$52,923
Weatherford/AIDS Resources of Rural Texas – Weatherford	\$52,032	\$25,769	\$1,857	\$20,764	\$3,642	\$52,032
Wichita Falls/Wichita Falls Wichita County Health Department	\$43,663	\$12,267	\$29,162	\$0	\$0	\$41,429
<b>Total</b>	<b>\$2,772,726</b>	<b>\$1,554,095</b>	<b>\$609,318</b>	<b>\$291,095</b>	<b>\$143,551</b>	<b>\$2,604,334</b>

### Outcomes Assessed

HOPWA Client outcomes for the 2007 HOPWA project year indicate the majority of HOPWA clients received housing case management (87%) and had a housing plan (91%), as reported in the HOPWA

Outcomes on Access to Care and Support Chart. By the end of the 2007 HOPWA project year, 98% of TBRA and STRMU households were living in stable housing, well above the national goal (80%) and an improvement from the 2006 stability outcomes (95% stable for TBRA and 73% for STRMU). One of the main outcomes of the HOPWA program is to improve clients' access to supportive services and health care. In addition to the 87% of HOPWA clients who had contact with a primary health care provider and 71% had medical insurance coverage or medical assistance, Project Sponsors reported that clients receiving housing assistance through the HOPWA program significantly improved compliance with medication, increased CD4 counts, adherence to medical and counseling appointments, and increased access to supportive services such as Medicaid and Food Stamps.

## Program Performance

### Non-Homeless Special Needs

#### HOPWA Story 1

A young HIV-positive family comprised of a father, mother, and three HIV-positive children began receiving TBRA in February of 2006 when the family was having financial difficulties and couldn't make ends meet on the father's only source of income, which was his disability benefit. After getting the family situated in stable housing, the client and his wife both started to attend local junior college classes and the father is due to graduate cooking school within a few months while the mother is working on a teaching degree. For the first time in several years, the client is compliant with his medications and is attending counseling sessions every other week. Last month they were able to transfer from TBRA to HUD Section 8 Housing and are now situated with long-term housing assistance through an outside source. This family benefited tremendously from the HOPWA program and will live a more independent and higher quality of life than had they not received HOPWA assistance. This is just one of the many grateful families that will continue to benefit from the HOPWA program.

**Table 3. 2007 HOPWA Outcomes on Access to Care and Support**

<b>Categories of Services Accessed</b>	<b>Number of HOPWA Households (n=1309)</b>	<b>Outcome Indicator</b>
1. Has a housing plan for maintaining or establishing stable on-going housing.	1185 (91%)	<i>Support for Stable Housing</i>
2. Has contact with case manager/benefits counselor consistent with the schedule specified in client's individual service plan.	1145 (87%)	<i>Access to Support</i>
3. Had contact with a primary health care provider consistent with the schedule specified in client's individual service plan	1065 (81%)	<i>Access to Health Care</i>
4. Has accessed and can maintain medical insurance/assistance <sup>6</sup> .	934 (71%)	<i>Access to Health Care</i>
5. Successfully accessed or maintained qualification for sources of income <sup>7</sup> .	n/a	<i>Sources of Income</i>
6. Total number of households that obtained an income-producing job	83 (6%)	<i>Sources of Income</i>

6 This outcome includes HOPWA clients that had medical insurance coverage or medical assistance, as reported in the 2007 HOPWA report and was then revised in the new CAPER (expiration date: 12/31/2010).

7 This outcome is a new outcome in the revised CAPER (expiration date: 12/31/2010) recently released and was not collected in 2007 HOPWA reports.

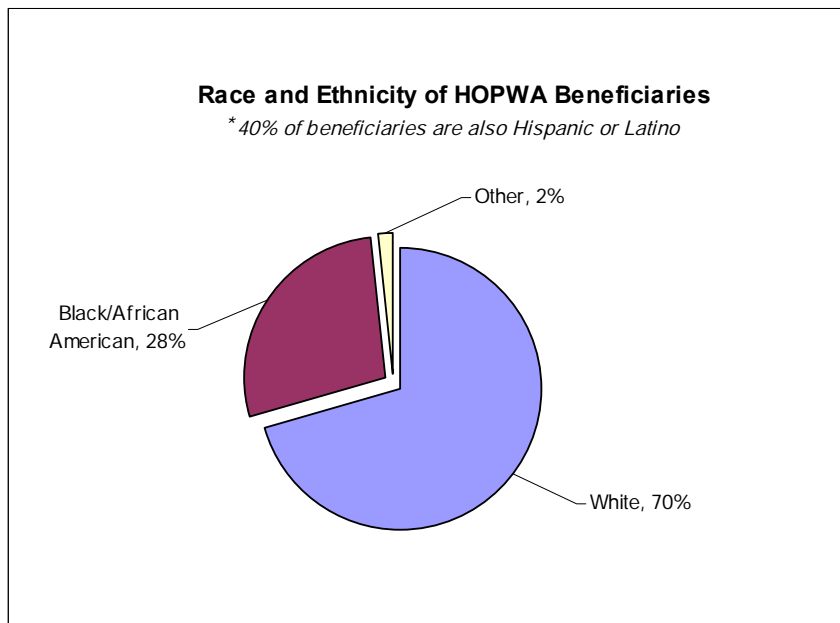
**Table 4. 2007 Housing Stability Outcomes**

Permanent/ Short-Term Housing Assistance	Stable Housing	Temporary Housing/temporarily stable with reduced risk of homelessness	Unstable Arrangements	Life Event (death)
<b>TBRA</b>	507 (98%)	1 (0.2%)	8 (2%)	10
<b>STRMU</b>	1230 (98%)	15 (1%)	16 (1%)	12
<b>Total HOPWA Housing Assistance</b>	<b>1737 (98%)</b>	<b>16 (1%)</b>	<b>24 (1%)</b>	<b>22</b>

As required by the Fair Housing Act (24 CFR Part 91.250), the race and ethnicity of all HOPWA beneficiaries are reported in the following table. Seventy percent of HOPWA beneficiaries are White, 28% are Black/African American, and 2% Other (includes Asian, American Indian/Alaskan Native, American Indian/Alaskan Native and White, Asian and White, Black/African American and White, and Other Multi-Racial). Of the HOPWA beneficiaries, 40% are also Hispanic or Latino. When analyzed to include Hispanics as a race, the demographics of HOPWA beneficiaries are representative of prevalent HIV/AIDS cases in Texas as reported in the Texas Epidemiologic Profile for 2006<sup>8</sup> (Table 5).

**Chart 1. Race and Ethnicity of HOPWA Beneficiaries**

**Figure 2 Race and Ethnicity of HOPWA Beneficiaries Graph**

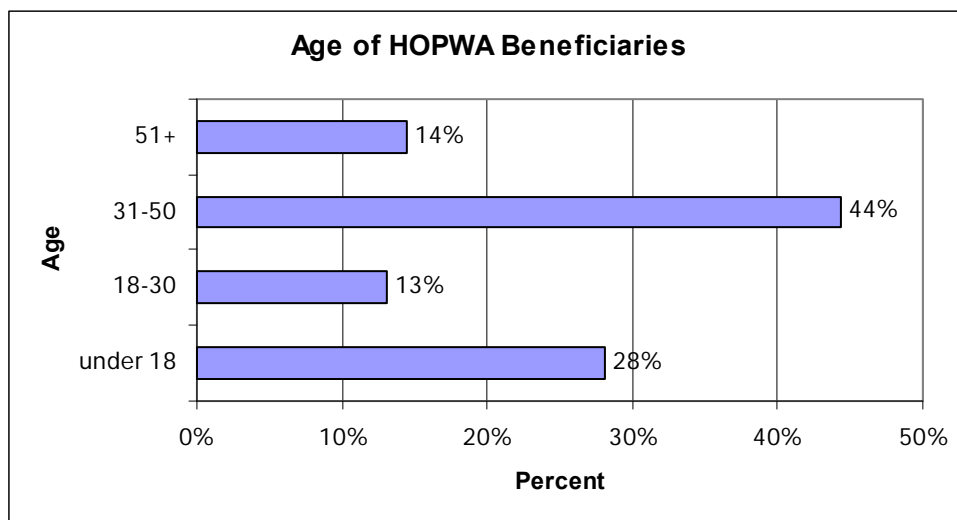


8 Texas Epidemiologic Profile 2006 – see footnote 1.

<b>Table 5. Demographic Comparison of HOPWA Beneficiaries and PLWHA in Texas</b>		
<b>Race<sup>9</sup></b>	<b>HOPWA Beneficiaries<sup>10</sup></b>	<b>PLWHA<sup>11</sup></b>
White (non-Hispanic)	32%	36%
Black	28%	26%
Hispanic	40%	37%
Other	1%	1%

In 2007, the gender distribution of HOPWA clients is 57% Male and 43% Female compared to the 75% male and 25% female PLWHA cases in 2006, as shown in the Texas Epidemiologic Profile 2006. The largest group of HOPWA beneficiaries are between 31 and 50 years of age, which reflects the 83% of PLWHA between the ages of 25 and 54 years reported in the 2006 Texas Epidemiologic Profile.

**Chart 2. Age of HOPWA Beneficiaries**



<sup>9</sup> Hispanic is categorized as a race in the Texas Epidemiologic Profile. HUD categorizes Hispanic as an ethnicity.

<sup>10</sup> HOPWA beneficiaries include HOPWA clients and their family members.

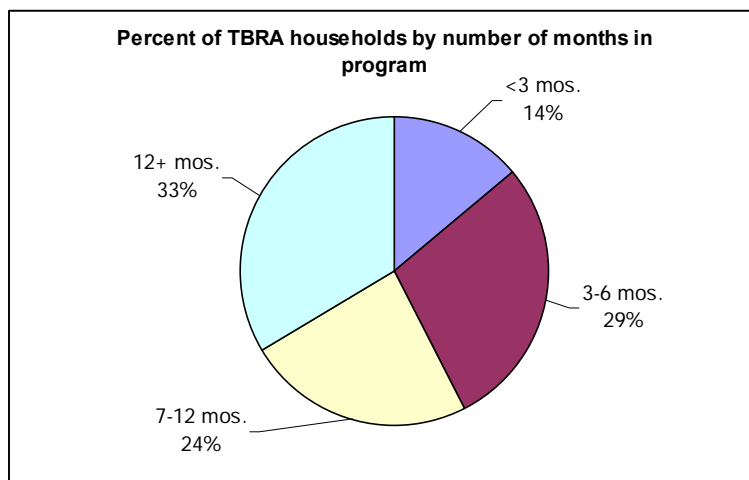
<sup>11</sup> For comparison with HOPWA beneficiaries served, this represents PLWHA not served by the MSAs in Texas.

HOPWA expenditures per household averaged \$2,971 annually per TBRA household and \$690 annually per STRMU household (compare to \$2,676 for TBRA and \$880 for STRMU in 2006). Charts 3 and 4 show that the majority of TBRA households received assistance for 3-12 months and STRMU households received assistance for 3-8 weeks. This indicates that TBRA clients are staying on TBRA for up to 12 months and reports also show that 81% of TBRA clients are continuing to the following year. With reported TBRA waitlists of 249 by the end of 2007, HOPWA programs experience a major barrier to transitioning HOPWA TBRA clients into more affordable and stable housing situations. Long waitlists for Section 8 and lack of affordable housing, and public housing are the most common housing issues reported by many of the Project Sponsors across the state. For STRMU households, 75% of all STRMU households received STRMU assistance for less than 17 weeks and do not utilize the full 21-weeks of assistance each year. Furthermore, data collected from Project Sponsor reports show that 35% of STRMU households received STRMU in the prior year and 21% received STRMU in the 2 prior years. Overall, HOPWA clients are utilizing STRMU assistance each year for short-term and/or emergency needs to prevent homelessness and this is especially for high utility bills during summer months in Texas. For example, the following HOPWA story exemplifies how the STRMU program is critical in helping clients prevent homeless in emergency situations and the clients cannot make rent, mortgage, and/or utility payments.

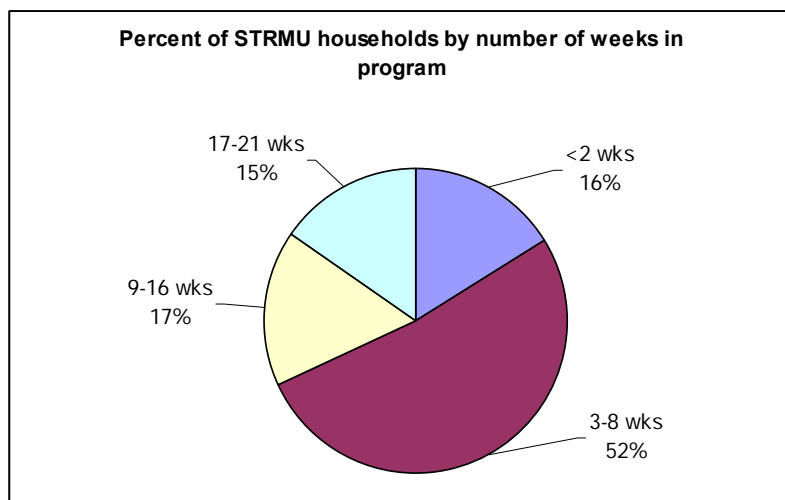
### HOPWA Story 2

In July 2007, John (not client's real name) was diagnosed as having AIDS. Several opportunist infections had him in and out of the hospital over a three month period. During this time John was unable to work, HOPWA STRMU funding allowed him to meet his monthly mortgage payment each month. While the amount of funding provided was not enough to meet the total mortgage payment, he was able to contribute the remaining portion of the mortgage payment with disability insurance payments provided to him from his workplace. "I'm sure I would be out of my home if it had not been for HOPWA funding. With no real income coming in, I would have fallen behind on my mortgage, and would probably be in a homeless shelter. I would not have gotten better as soon as I did if I had to worry about losing my home and being on the streets. I never thought that I would be in this situation." John is currently back at work and is almost working full-time again. His health is better and he is seeing an infectious disease physician regularly.

**Chart 3. Percent of TBRA Households by Number of Months in Program**



**Chart 4. Percent of STRMU Households by Number of Weeks in Programs**



**BARRIERS AND TRENDS OVERVIEW**

In Project Sponsor HOPWA reports, Project Sponsors indicate the barriers experienced during the 2007 project year. The barriers reported by Project Sponsors and actions taken to address the barriers are summarized below. The top three barriers reported by Project Sponsors are related to other issues, housing availability, and HOPWA/HUD regulations.

**Table 6. 2007 Barriers Reported by Project Sponsors**

Barriers	Number of Project Sponsors
Other	9
Housing Availability	8
HOPWA/HUD Regulations	7
Eligibility Issues	5
Discrimination/Confidentiality	3
Multiple Diagnosed Issues	3
Rent Determination and Fair Market Rents	1
Supportive Services	1
Technical Assistance or Training Issues	1
Planning Issues	0



## **Programmatic Barriers**

With regard to program services, HOPWA Project Sponsors reported 249 clients on TBRA waiting lists, and 40 clients on STRMU waiting lists at the end of the 2007 project year (compare to 288 TBRA and 62 STRMU in 2006). Several Project Sponsors reported very long or closed Section 8 waitlists (up to 3 years in some areas) and lack of affordable public housing, especially in rural areas and areas still recovering from Hurricanes Rita and Humberto. Other reported barriers to meeting the housing needs of PLWHA were increases in rental costs, criminal and credit history, deposits and application fees, transportation, and mental health and substance issues. Project Sponsors reported working with housing providers to negotiate waivers for deposits, application fees, income requirements, and criminal and credit history issues, and to include utilities in the rent. This year, DSHS also added the PHP service to address the security deposits and application fees issues hindering HOPWA clients from transitioning to permanent housing. Furthermore, PHP also addresses the need to help eligible homeless PLWHA establish housing. For example, the Houston Resource Group reported utilizing PHP funds to assist eligible individuals to secure permanent housing by providing assistance for security deposits, application fees and credit checks. The Dallas County Health and Human Services HOPWA program was able to overcome the transportation issues by leveraging State Services funds allocated by the Ryan White Planning Council for non-medical trips. The mental health and substance abuse issues reported by Alamo Area Resource Center were hindering the clients' progress to achieving goals in the housing plan. The Project Sponsor addressed this issue by implementing routine mental health and substance screening for all new clients. The following is an example of another HOPWA success story where the client experienced personal issues that interfered with the clients' mental and physical health but the HOPWA program helped the client to secure stable housing and improve his overall health.

### **HOPWA Story 3**

David (not client's real name) had been living with his grandmother for the past two years due to the financial hardship of living on a limited income of social security benefits and was slowly becoming more depressed and socially isolated as a result of his internal struggle with his sexuality, religion, and desire to please his family/grandmother. His mental and physical health started to deteriorate. He quit taking his HIV meds and his anti-depressant medication as well. He was missing his doctor's appointments, refused to see his counselor, and stopped attending the HIV Support Group completely. When HOPWA funds became available, we were able to find him his own little one-bedroom apartment and the stability of permanent housing assistance. It was a slow climb back up but he did begin to make positive changes and see a better life for himself. Currently, he is not only participating in the HIV support group, but brings people with him and dresses beautifully when attending the client parties and events. It was a dramatic change to witness. Even his HIV physician, who is housed next door, called to tell the case manager to keep up the good work. Through HOPWA, this client was able to reclaim his life and was able to live independently and in a way that made him feel self confident and whole. He is appreciative as are we; for receiving HOPWA assistance and making this service available to our clients.

In addition, Project Sponsors reported HOPWA/HUD regulations as one of the main barriers to the HOPWA program this year. DSHS addressed this issue by extensively revising the HOPWA Program Manual to clarify program definitions and operating procedures and improve program worksheets, including the addition of forms translated in Spanish. DSHS also provided a series of 8 technical assistance trainings via web-based teleconferences on revisions made to the DSHS HOPWA Program

## *Program Performance*

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### *Non-Homeless Special Needs*

Manual. The web-based teleconferences were provided to AAs and Project Sponsors across the state (approximately 40 participants attended each session). Participant surveys were conducted after each session and nearly all Project Sponsors reported the trainings were extremely valuable in understanding the HOPWA regulations and improving HOPWA service delivery.

### **Reporting and financial management**

Project Sponsors reported that new reporting requirements and revisions to the Project Sponsor HOPWA quarterly report over the past year have created challenges in collecting, tracking and reporting HOPWA program data. The current client-level database (AIDS Regional and Information Evaluation System, ARIES) does not fully support HOPWA reporting requirements, therefore Project Sponsors had developed supplemental systems of collecting and tracking HOPWA client data. DSHS addressed the reporting issues by providing technical assistance via web-based teleconferences to help AAs and Project Sponsors complete the HOPWA report accurately. Furthermore, DSHS will be adding a HOPWA module to ARIES to collect HOPWA client data and remedy the current reporting issues.

An ongoing barrier to administration of the HOPWA program concerns the due date for the HOPWA annual report and discrepancies between fiscal and programmatic management of the program through the Integrated Disbursement Information System (IDIS). DSHS General Provisions for services contracts allow contractors 60 days after the end of the contract period to submit vouchers for payment, and DSHS takes another 30 days to process those vouchers for payment. The payments are then submitted to the DSHS Federal Funds Reporting Branch to draw down reimbursement of DSHS through IDIS. Since the contracts end January 31 of each year, this means that Administrative Agencies have until March 31 to present vouchers to DSHS for payment, and those expenditures are not entered into IDIS for another 4 to 6 weeks, or May 15 of each year. Therefore, HOPWA expenditures for the project year may not be accurately reflected in IDIS until well past the April 30 due date of the HOPWA annual report. Another barrier regarding financial management of the HOPWA program concerns the inability to verify expenditures at the Project Sponsor level because DSHS does not have direct contracts with Project Sponsors and can only verify expenditures at the Administrative Agency level.

DSHS has taken a number of actions to address the administrative barriers noted above. The HIV/STD Comprehensive Services Branch and the DSHS Federal Funds Reporting Branch made an extraordinary effort to assure insofar as possible that all vouchers were processed through IDIS prior to the submission of the annual report. However, despite this effort, the amounts disbursed through IDIS did not concur with the expenditures reports submitted by Project Sponsors at the end of the 2007 Project Year. In addition, DSHS Field Operations Consultants worked tirelessly with AAs and Project Sponsors to verify all program and expenditure data were as accurate and consistent as possible.

### **FAIR HOUSING ACTIVITIES**

HOPWA Project Sponsors offer counseling and information to assist eligible persons and their families to locate, acquire, finance and maintain housing. Specifically, fair housing counseling is provided to those clients who encounter discrimination on the basis of race, color, religion, sex, sexual orientation, age, national origin, familial status, or handicap. HOPWA Project Sponsors display fair housing literature *Fair Housing Equal Opportunity for All* (also available in Spanish) within their offices as well as distribute it to all HOPWA clients.

## **OTHER ACTIONS**

This section describes actions by the Office of Rural Community Affairs (ORCA), Texas Department of Housing and Community Affairs (TDHCA), and Department of State Health Services (DSHS) to address the following: Obstacles to Meeting Underserved Needs and Developing Affordable Housing, Public Housing Resident Initiatives, Lead-Based Paint Hazards, Poverty-Level Households, Compliance, and Gaps in Institutional Structure and Enhancing Coordination.

## **MEETING UNDERSERVED NEEDS AND DEVELOPING AFFORDABLE HOUSING**

The Departments have identified various obstacles that may affect the ability to meet underserved needs in Texas. They include the lack of affordable housing, lack of organization capacity, lack of organizational outreach, local opposition to affordable housing, regulatory barriers to affordable housing, and area income characteristics (particularly in rural areas). The Departments take actions to mitigate these obstacles such as effectively using existing resources to administer programs, providing information resources to individuals and local areas, and coordinating resources. The following outlines those specific actions taken by the program areas to meet underserved needs and develop affordable housing.

### ***CDBG***

Texas CDBG encourages affordable housing projects using several methods in the allocation of CDBG funds to the eligible communities that can participate in its programs, including favorable state scoring and regional prerogative to prioritize funding for housing infrastructure and rehabilitation. Each region is encouraged to set aside a percentage of the regional allocation for housing improvement projects, and housing applications are scored as high priority projects at the state level. In PY 2007, CDBG awarded two contracts for housing rehabilitation through the Community Development Fund and the Colonia Self-Help Centers Fund. These two contracts, totaling \$1,064,338, will provide assistance to 52 households and benefit 157 low- to moderate-income persons.

Currently, the primary method of promoting and supporting affordable housing is by providing the water and wastewater infrastructure for residential housing. The CDBG funding provides a cost savings for housing when CDBG funds are used to provide first-time water and wastewater services by installing water and sewer yardlines and paying impact and connection fees for qualifying residents. During PY 2007 CDBG funded 45 contracts through six different grant programs to provide water or sewer services on private property, obligating contracts totaling \$14,934,176 of which \$3,365,942 will be directly used for work on private property, including installing water and sewer yardlines, to benefit 5,586 persons, of which 5,237 or 95% are low- to moderate-income. Private property improvements installed to benefit persons that are not low- to moderate-income may be included in the project but must be funded through local or other private funds.

CDBG funding also helps cities and counties study affordable housing conditions. The plans produced through a CDBG planning contracts provide both valuable data concerning a city's or county's affordable housing stock and planning tools for expanding their affordable housing. In PY 2007, CDBG funded 17 Planning/Capacity Building grants throughout the state, obligating \$664,000 to benefit 62,241 persons, of which 36,257 are low- to moderate-income. The Colonia Fund also awarded four Colonia Planning grants totaling \$177,750 to benefit 9,060 persons, of which 5,295 are low- to moderate-income.

## *Other Actions*

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### *Underserved Needs*

The most commonly cited obstacle to meeting the underserved community development needs of Texas cities (aside from inadequate funding) is the limited administrative capacity of the small rural towns and counties the CDBG program serves. Rural areas may also have difficulty finding interested contractors who have the financial stability to wait a minimum of two weeks for payment after the work is complete. Contractors can earn more working in metropolitan areas with larger projects and without the location costs required to transport materials and equipment to rural communities. Texas CDBG staff offers technical assistance to communities to promote successful CDBG projects.

The physical size and the diversity of the State of Texas can present challenges to understanding and meeting underserved needs in local communities. The Texas CDBG Field Offices have been established to better serve these communities by providing technical assistance and support in Alice, Bedias, Levelland, La Grange, Kountze, Nacogdoches, and Sweetwater. The Colonia Self-Help Centers continue to address affordable housing needs in border counties by assisting qualifying colonia residents to finance, refinance, construct, improve or maintain a safe, suitable home in suitable areas.

Another obstacle to meeting underserved needs applies to colonias projects. There have been cases when a county applies to provide water service to an area, but more than one water supply corporation or city may have a Certificate of Convenience and Necessity (CCN) in that territory (CCNs have been issued which have overlapping territories). In these cases, a dispute over which water supply corporation/city has the right to serve the territory (and therefore collect the revenues) may arise. A public hearing process may be necessary to resolve this issue, which can then delay projects for months. Texas CDBG works with regulatory agencies as appropriate to resolve issues in project areas in a timely manner.

### **HOME and ESGP**

The HOME Program provides grant funds, deferred forgivable loans, and repayable loans to units of local government, nonprofit and for-profit organizations, community housing development organizations (CHDOs), and public housing authorities (PHAs). These funds are primarily used to foster and maintain affordable housing by providing rental assistance, rehabilitation, or reconstruction of owner-occupied housing units, down payment and closing cost assistance for the acquisition of affordable single family housing, and funding for rental housing development preservation of existing affordable or subsidized rental housing.

HOME funds may also be used in conjunction with the Housing Tax Credit Program to construct or rehabilitate affordable multifamily housing.

Regarding ESGP, while TDHCA encourages the use of ESGP funds to provide affordable transitional housing, the majority of funds are utilized to provide emergency shelter. These funds meet the needs of local homeless populations.

### **HOPWA**

The State of Texas HOPWA formula program is integrated within a statewide HIV care network of providers funded by Ryan White, State Services, local and private sources that deliver comprehensive medical and support services to individuals and families living with HIV/AIDS. Research presented at the Housing and HIV/AIDS Research Summit in 2005 shows that up to 60% of all persons living with

HIV/AIDS report a lifetime experience of homelessness or housing instability<sup>12</sup>. The HOPWA program continues to meet the unmet housing needs of people living with HIV/AIDS by providing both long-term and short-term housing assistance, therefore reducing the risks of homelessness as well as improving access to healthcare. In addition, preliminary data from the DSHS Medical Monitoring Project report 58% of people in HIV care in Texas need help finding shelter or housing<sup>13</sup>. Within the HIV care network in Texas, HOPWA Project Sponsors collaborate closely with local housing authorities, property managers, and community organizations to help find affordable housing for HOPWA clients, which includes addressing common barriers such as client eligibility, credit and criminal history, deposits and application fees. Furthermore, based on the 2007 HOPWA reports, AAs reported conducting local needs assessment surveys and satisfaction surveys which include collecting data on housing and HIV services. AAs also collaborated with Ryan White and HIV Planning councils on needs assessments and allocations. For example, Lubbock Regional MHMR Center developed collaborations with the community health clinic and church to provide contract services for medical care, dental services, and food pantry services.

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6 Aidala, A. Columbia University. Homelessness, Housing Instability and Housing Problems among Persons Living with HIV/AIDS. Paper presented at the Housing and HIV/AIDS Research Summit, June, 2005.

13 Texas DSHS Medical Monitoring Project, Odem, Sylvia. Outcomes of Interest- Pilot Year Data 2005, Presented at the Coastal Bend AIDS Foundation 2nd Annual HIV/AIDS and Substance Abuse Conference, September 2007.

## **PUBLIC HOUSING RESIDENT INITIATIVES**

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 ORCA, TDHCA, and DSHS do 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.

### **CDBG**

Litigation concerning CDBG funding and Public Housing Authorities, known as *Young v. Martinez*, focused attention and funds on these areas in the past. The State provided three funding set-asides to address Court-ordered activities under the Final Order and Decree for the litigation, expending a total of \$13,108,733.08 for sixty-two (62) *Young v. Martinez* Fund projects in PHA areas. Sixty one of those contracts have been successfully completed and closed, benefiting 8,136 persons, of which 8,033 are low- to moderate-income. The final contract was terminated due to acquisition concerns.

Although the litigation has been settled, Texas CDBG continues to serve public housing areas through other funding categories as residents of PHAs qualify as low- to moderate-income beneficiaries for CDBG projects.

### **HOME and ESGP**

Because PHAs are eligible applicants under the HOME Program, TDHCA sends notices of funding availability to all PHAs in the state. At HOME application workshops, application processes are discussed in detail, including those related to HBA/ADDI and Tenant Based Rental Assistance. Furthermore, PHA staffs, especially including 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 to PHAs that have received HOME funds to provide homebuyer assistance in their areas, PHAs have also received HOME tenant-based rental assistance funds, enabling them to provide additional households with rental assistance and services to increase self-sufficiency.

PHA residents are eligible to receive assistance and services from ESGP grantees.

In addition to HOME and ESGP activities related to PHAs, TDHCA performs certifications of consistency. In 1999, TDHCA, as required by 24 CFR §903.15, started a certification process to ensure that the annual plans submitted by PHAs in an area without a local Consolidated Plan are consistent with the State of Texas's Consolidated Plan. For the PY 2007 reporting period, February 1, 2007, through January 31, 2008, TDHCA processed 81 PHA certifications of consistency in a fair and impartial manner.

### **HOPWA**

AAs and Project Sponsors collaborate with other local public housing programs in their areas to assure that HIV positive persons have access to the housing programs that best fit their needs and circumstances. Most notable is collaboration of state formula-funded HOPWA Project Sponsors with local Section 8 housing programs. This year, the Lubbock Regional MHMR Center facilitated a Memorandum of

Understanding between one of its project sponsors and the local housing authority to provide advanced notice of when the Section 8 housing application period is open to improve access to housing for their HOPWA clients.



## **LEAD-BASED PAINT HAZARDS**

The health risks posed by lead-based paint to young children are the most significant health issue facing the housing industry today. According to the EPA's Report on the National Survey of Lead Based Paint in Housing (April 1995), 64 million homes have conditions that are likely to expose families to unsafe levels of lead. These homes are disproportionately older housing stock typical to low income neighborhoods, and the potential for exposure increases as homeowners and landlords defer maintenance. This older housing stock is the target of rehabilitation efforts and is often the desired "starter home" of a family buying their first home.

The 1992 Housing and Community Development Act included Title X, a statute that represents a major change to existing lead-based paint regulations. However, HUD's final regulations for Title X (24 CFR Part 105) were not published until September 15, 1999 and became effective September 15, 2000. Title X calls for a three pronged approach to target conditions that pose a hazard to households: 1) Notification of occupants about the existence of hazards so they can take proper precautions, 2) Identifications of lead-based paint hazards before a child can be poisoned and, 3) control of these lead-based paint hazards in order to limit exposure to residents. Title X mandated that HUD issue "The Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in Housing" (1995) to outline risk assessments, interim controls, and abatement of lead-based paint hazards in housing. Section 1018 required EPA and HUD to promulgate rules for disclosure of any known lead-based paint or hazards in target housing offered for sale or lease. These rules came into effect on March 6, 1996 in 40 CFR Part 745/24 CFR Part 35.<sup>1</sup>

### **CDBG**

In accordance with CDBG state regulations and the Lead-Based Paint Poisoning Prevention Act, CDBG has adopted a policy to eliminate as far as practicable the hazards of lead poisoning due to the presence of lead-based paint in any existing housing assisted under the CDBG. In addition, this policy prohibits the use of lead-based paint in residential structures constructed or rehabilitated with federal assistance. Abatement procedures should be included in the housing rehabilitation contract guidelines for each project and must appear in the approved work write-up documentation for all homes built prior to 1978 that will be rehabilitated, as outlined in the Housing Rehabilitation Manual.

### **HOME and ESGP**

The HOME Program requires lead screening in housing built before 1978 for its Owner Occupied Rehabilitation Assistance Program. Rehabilitation activities fall into three categories: 1) Requirements for federal assistance up to and including \$5,000 per unit; 2) Requirements for federal assistance from \$5,000 per unit up to and including \$25,000 per unit; and 3) Requirements for federal assistance over \$25,000 per unit.

Requirements for federal assistance up to and including \$5,000 per unit are: distribution of the pamphlet "Protect Your Family from Lead in Your Home" is required prior to renovation activities; notification within 15 days of lead hazard evaluation, reduction, and clearance must be provided; receipts for notification must be maintained in the administrator file; paint testing must be conducted to identify lead

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<sup>1</sup> Texas Department of State Health Services



based paint on painted surfaces that will be disturbed or replaced or administrators may assume that lead based paint exist; administrators must repair all painted surfaces that will be disturbed during rehabilitation; if lead based paint is assumed or detected, safe work practices must be followed; and clearance is required only for the work area.

Requirements for federal assistance from \$5,000 per unit up to and including \$25,000 per unit include all the requirements for federal assistance up to and including \$5,000 per unit and the following: a risk assessment must be conducted prior to rehabilitation to identify hazards in assisted units, in common areas that serve those units and exterior surfaces or administrators can assume lead based paint exist and; clearance is required for the completed unit, common areas which serve the units, and exterior surfaces where the hazard reduction took place.

Requirements for federal assistance over \$25,000 per unit included all the requirements for federal assistance from \$5,000 per unit up to and including \$25,000 per unit and the following: if during the required evaluations lead-based paint hazards are detected on interior surfaces of assisted units, on the common areas that serve those units or on exterior surfaces including soils, then abatement must be completed to permanently remove those hazards; and if lead based paint is detected during the risk assessment on exterior surfaces that are not disturbed by rehabilitation then interim controls may be completed instead of abatement.

For ESGP, TDHCA evaluates and reduces lead-based paint hazards for conversion, renovation, or rehabilitation projects funded with ESGP funds, and tracks work in these efforts as required by Chapter 58 of the Environmental Protection Act.

### **HOPWA**

HUD requires providers to give all HOPWA clients the lead-based paint pamphlet entitled *Protect Your Family from Lead in Your Home* which are also available in Spanish. The client's case files must include documentation that a copy of the pamphlet was given to the client. The pamphlet was developed by the Environmental Protection Agency in response to concern about lead-based paint hazards in the home.

For each HOPWA household, the case manager must certify the following:

If the structure was built prior to 1978, and there is a child under the age of six who will reside in the property, and the property has a defective paint surface inside or outside the structure, the property cannot be approved until the defective surface is repaired by at least scraping and painting the surface with two coats of non-lead based paint. Defective paint surface means: applicable surface on which paint is cracking, scaling, chipping, peeling or loose. If a child under age six residing in the HOPWA-assisted property has an Elevated Blood Level, paint surfaces must be tested for lead-based paint. If lead is found present, the surface must be abated in accordance with 24 CFR Part 35.

## **POVERTY-LEVEL HOUSEHOLDS**

According to the 2000 US Census, Texas has the ninth highest poverty rate among the states: 15.4 percent compared to the national rate of 12.4 percent. The federal government defined the poverty threshold for 1999 as \$17,029 in income for a family of four, and many poor families make substantially less than this. Poverty can be self-perpetuating, creating barriers to education, employment, health, and financial stability.

ORCA, TDHCA, and DSHS have an important role in addressing Texas poverty. These agencies seek to reduce the number of Texans living in poverty, thereby providing a better future for all Texans. This means trying to provide long-term solutions to the problems facing people in poverty and targeting resources to those with the greatest need.

### **CDBG**

A substantial majority of Texas CDBG funds are obligated to cities and counties under the funding competitions meeting the national objective to “principally benefit low and moderate income persons”. Texas CDBG encourages the funding of communities with a high percentage of persons in poverty through its application scoring. The CDBG projects funded under this national objective are required to serve 51% low- to moderate-income persons; however, an application receives full points only if a minimum of 60% of the project beneficiaries are of low- to moderate-income. In addition, the CDBG allocation formula used to distribute Community Development funds among regions includes a variable for poverty in its community distress scoring. The percentage of persons in poverty for each region is factored into the allocation formula in order to target funding toward the greatest need.

In PY 2007, CDBG awarded 215 contracts under the National Objective of benefiting primarily low- to moderate-income persons. The \$70,678,765 in funds obligated for this National Objective in PY 2007 benefits 371,806 persons, of whom 274,584 are low- to moderate-income persons.

The CDBG economic development funds can be instrumental in creating infrastructure and jobs. By creating and retaining jobs through assistance to businesses and then providing lower income people access to these jobs, CDBG can be a very effective anti-poverty tool. This potential can be further maximized by providing jobs that offer workplace training and education, fringe benefits, opportunities for promotion, and services such as child care. In addition, programs that improve infrastructure affords the opportunity to upgrade existing substandard housing (such as in the colonias) and build new affordable housing where none could exist before.

### **HOME and ESGP**

Through the HOME Tenant-Based Rental Assistance Program, TDHCA assists households with rental subsidy and security and utility deposit assistance for a period not to exceed twenty four months. As a condition to receiving rental assistance, households must participate in a self-sufficiency program, which can include job training, 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. In PY 2006, the HOME Program committed \$1,470,643 for Tenant-Based Rental Assistance activities.

The ESGP Program funds activities that provide shelter and essential services for homeless persons, as well as intervention services for persons threatened with homelessness. Essential services for homeless persons include medical and psychological counseling, employment counseling, substance abuse treatment, transportation, and other services. In PY 2007, ESGP committed \$1,213,592 for essential services for homeless persons. These services are intended to help homeless individuals and those with poverty-level incomes improve their conditions and achieve self-sufficiency.

For individuals threatened with homelessness, homelessness prevention funds can be used for short-term subsidies to defray rent and utility arrearages for households receiving late notices, security deposits, and payments to prevent foreclosure. In PY 2007, ESGP committed \$1,335,146 for homelessness prevention activities. These services are intended to assist very low income households and those with poverty-level incomes avoid becoming homeless.

### **HOPWA**

The HOPWA program assists people living with HIV/AIDS who are low-income, defined by HUD as less than 80% of the area median income. The number of households by percentage of area median income chart shows that half of the HOPWA households served in 2007 have an income level less than 30% of the area median income and a third of the HOPWA households' income level is between 31-50% of the area median income. The HOPWA program provides much needed long-term and short-term assistance for low-income individuals and their families living with HIV/AIDS so that they can maintain stable housing and reduce their risk of homelessness. HOPWA case management also assists clients to find long-term solutions to permanent and affordable housing by addressing the housing needs of the clients and providing referrals to supportive services and healthcare. Project Sponsor reports on HOPWA outcomes on access to care and support in 2007 show that 91% of all HOPWA clients had a housing plan, 87% had contact with a case manager and 6% obtained an income-producing job. These HOPWA services help low-income individuals living with HIV/AIDS maintain their sources of income and housing by providing housing assistance, case management, and supportive services. In turn, HOPWA helps reduce poverty in Texas by preventing and reducing the risks of homeless among individuals and families living with HIV/AIDS.

## **COMPLIANCE**

ORCA, TDHCA, and DSHS ensure compliance with program and comprehensive planning requirements through various compliance measures.

### **CDBG**

The monitoring function of ORCA has four components: project implementation, contract management, audit, and monitoring compliance.

**Project Implementation:** Prior to the award of funds, each community is evaluated for compliance in prior contracts. The application scoring process at the state level includes a scoring factor for past performance on CDBG contracts. In addition, once a funding recommendation has been made the contract is routed through the Program Development, Operations, Legal, and Fiscal Operations Departments to verify that no outstanding issues in previously awarded contracts prevent the contract execution for the recommended award.

**Contract Management:** All open CDBG projects are assigned to a specific Regional Coordinator who is responsible for contract compliance and project management. All projects have formal contracts that include all federal and state requirements. Regional Coordinators monitor progress and compliance through formal reporting procedures. Program Specialists for Labor Standards and Environmental compliance also exist under the Project Management function. Additionally, all reimbursement requests require complete supporting documentation before payment is made.

**Audit:** The audit function is authorized by OMB A-133, which requires that governmental units and nonprofit organizations spending more than \$500,000 in either federal or state funds during their fiscal years ending after December 31, 2003, submit a copy of a Single Audit to the Agency. A Single Audit is required for desk review by ORCA regardless of whether there are findings noted in the audit pertaining to CDBG funds, since it is an additional monitoring tool used to evaluate the fiscal performance of grantees.

**Monitoring Compliance:** The on-site programmatic reviews are conducted on every CDBG contract prior to close-out to ensure the contractual obligations of each grant are met. The projects are considered available for review when 75 percent of the contracted funds have been drawn down, and for construction projects, when construction has been substantially completed. Interim monitoring reviews may be conducted as necessary. The areas reviewed include procurement procedures paid with CDBG funds or with match dollars, accounting records including copies of cancelled checks, bank statements and general ledgers (source documentation is reviewed at the time of draw requests), equipment purchases and/or procurement for small purchases, on-site review of environmental records, review of any applicable construction contracts, file review of any applicable client files for rehabilitation services, review of labor standards and/or a review of local files if internal staff used for construction projects, and a review of documentation on hand pertaining to fair housing and civil rights policies.

In addition to the formal monitoring function described above, the staff of the Compliance Division communicates with the staff of the Community Development Division as needed to evaluate issues

throughout the contract implementation phase of CDBG contracts in order to identify and possibly resolve contract issues prior to the monitoring phase of the project.

### **HOME and ESGP**

TDHCA has established oversight and monitoring procedures within the HOME Portfolio Management and Compliance and Community Affairs divisions to ensure that activities are completed and funds are expended in accordance with contract provisions and applicable state and federal rules, regulations, policies, and related statutes. TDHCA's monitoring efforts are guided by both its responsibilities under the HOME and ESG programs and its affordable housing goals for the State of Texas. These monitoring efforts include the following:

- Identifying and tracking program and project results
- Identifying technical assistance needs of subrecipients
- Ensuring timely expenditure of funds
- Documenting compliance with program rules
- Preventing fraud and abuse
- Identifying innovative tools and techniques that support affordable housing goals
- Ensuring quality workmanship in funded projects
- Long-term compliance

### **Identifying and Tracking Program and Project Results**

HOME contract and project activities are tracked through the TDHCA Contract Database (CDB) system, including pending projects, funds drawn, and funds disbursed through the internet-based system, HUD's IDIS, and other reports generated as needed. The CDB provides information necessary to track the success of the program and identify process improvements and administrator training needs. IDIS tracks HOME Program data such as commitment and disbursement activities, the number of units developed, the number of families assisted, the ongoing expenditures of HOME funds, and beneficiary information.

Other resources utilized by TDHCA to track project results include an asset management division and loan servicing division. If either of these areas identifies problems, steps are taken to resolve the issue, including project workouts and oversight of reserve accounts. The Asset Resolution and Enforcement Section of the Department, in conjunction with the Compliance Division, is responsible for identification of high risk contracts, and is responsible for other asset management functions during the affordability period.

ESGP project and contract activities are tracked through TDHCA's website, which maintains an Oracle-based reports system. This system maintains funds drawn, funds expended, performance data, and other reports as needed. ESGP data such as commitment and disbursement activities, number of persons assisted, ongoing expenditures, and program activities are also tracked through HUD's IDIS.

## *Other Actions*

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### *Compliance*

#### **Identifying Technical Assistance Needs of Subrecipients**

Identification of technical assistance needs for HOME and ESGP subrecipients is performed through analysis of administrator management practices, analysis of sources used by TDHCA to track technical assistance such as information captured in the Central Database, review of documentation submitted, desk reviews based on the requirements identified in the Compliance Supplement and State Affordable Housing Program requirements, project completion progress, results of on-site audits and monitoring visits, and desk reviews conducted by Department staff.

#### **Ensuring Timely Expenditure of Funds**

TDHCA ensures adequate progress is made toward committing and expending HOME and ESGP funds. Regular review of internal reports and data from IDIS is performed to assess progress of fund commitment and to ensure that all funds are committed by the expiration date of 24 months from the last day of the month in which HUD and TDHCA enter into an Agreement. Performance deadlines for spending and matching funds are reviewed on a quarterly basis to track expenditure totals. HOME set-aside requirements are also tracked.

#### **Documenting Compliance with Program Rules**

Compliance with program rules is documented through contract administration and other formal monitoring processes. Staff document compliance issues as part of their ongoing contract management reviews and notify administrators of any noncompliance and required corrective action. On-site monitoring reviews are conducted every 1 to 3 years as determined by federal requirements. HOME rental developments may be monitored more frequently if a development continues to have uncorrected noncompliance, change in ownership, or any other risk factors determined by the Division. An on-site monitoring file review consists of reviewing 20% percent of the HOME funded units or a minimum of 5 units. A physical inspection of the development, buildings, and units is also completed. All on-site monitoring reviews are completed in accordance with the requirements of the HOME Program and Department policies and procedures, as described in the Financing/Loan Agreements, Deed Restrictions, and Regulatory and Land Use Restriction Agreements.

TDHCA has developed a set of standards for HOME administrators to follow to ensure that subcontractors and lower-tiered organizations entering into contractual agreements with administrators perform activities in accordance with contract provisions and applicable state and federal rules, regulations, policies, and related statutes.

TDHCA has taken a proactive approach to ensure HOME administrators with any uncorrected noncompliance are not eligible to receive any additional funding. The Department maintains a database to document an administrator's compliance history with rental housing developments. Prior to the award of any new funding the Portfolio Management and Compliance Division conducts a previous participation review to determine if an applicant has control of an existing HOME development with any uncorrected noncompliance. If any issues are identified during this review, the HOME administrator is notified in writing and provided a 5 day period to submit all necessary corrective action to cure the violation. If the HOME administrator does not cure the issue(s), the application for funding will be terminated. TDHCA adopted this rule which is outlined in further detail in 10 TAC, Chapter 60, Subchapter A, §60.122. The compliance history is considered by TDHCA's Board prior to finalizing awards.



### **Preventing Fraud and Abuse**

TDHCA monitors for potential fraud and mismanagement of funds through the assistance of written agreements with HOME administrators and review of supporting documentation throughout the HOME contract period to ensure that activities are eligible, through information gathered from outside sources and Department staff, and through onsite monitoring visits of HOME and ESGP subrecipients. If fraud or mismanagement of funds is found, sanctions are enforced and disallowed costs are refunded to TDHCA. Also, if fraud or mismanagement of funds is suspected, TDHCA will make referrals and work closely with HUD, the State Auditor's Office, the Inspector General, the Internal Revenue Service, and local law enforcement agencies as applicable.

### **Identifying Innovative Tools and Techniques that Support Affordable Housing Goals**

Staff identifies innovative tools and techniques to support affordable housing goals by attending trainings and conferences, maintaining contact with other state affordable housing agencies, and through the HUD internet listserv and HUD website.

### **Ensuring Quality in Funded Projects**

Ensuring the administrator provides the committed product, amenities, and compliance with accessibility is a Departmental priority. Division staff monitors for the quality of workmanship in HOME-funded projects through the inspection process. TDHCA staff, in conjunction with Manufactured Housing Inspectors, conducts inspections to substantiate compliance with program standards and application commitments and representations. Deficiencies and concerns are identified at pre-construction plan review, mid construction and final construction inspections. The construction inspections consist of a sample of units based on size and unit type and related risk factors. If any deficiencies or concerns are identified during these inspections, the HOME administrator is notified in writing and provided a corrective action period. In addition, technical assistance is available and provided during the entire construction process. All identified deficiencies require correction prior to retainage release and final inspection clearance for all HOME rental developments.

TDHCA staff is trained in the design standards and technical requirements of Section 504, Rehabilitation Act of 1973, Fair Housing Act, and Model Construction Codes including Energy Efficiency Standards. TDHCA staff provides continuous training and technical assistance to Manufactured Housing Inspection Staff. The tools and training provided to field inspection staff include comprehensive inspection checklist, annual training class, one-on-one training in the field and weekly technical assistance memos to ensure accuracy and consistency. TDHCA is committed to ensuring all inspectors are trained thoroughly on the Division's procedures, expectations, and accessibility requirements.

### **Long-Term Compliance**

The Portfolio Management and Compliance Division is responsible for long term monitoring of HOME rental developments. Long-term monitoring begins at the commencement of leasing. All HOME rental developments are required to submit electronic quarterly desk reports during the initial lease up phase. Once the development has achieved 100% occupancy and is in compliance with all program rules and regulations, the development's reporting schedule is changed to an annual basis. All HOME rental developments are required to submit an annual desk report and an annual Owner's Compliance Report

## *Other Actions*

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### *Compliance*

(AOCR) electronically through the Department's web-based Compliance Monitoring and Tracking System (CMTS) throughout the affordability period.

At the commencement of leasing all HOME rental developments are scheduled for an on-site monitoring review. These developments are monitored throughout the affordability period. An on-site monitoring review consists of reviewing 20% percent, or 5 minimum, resident files to ensure compliance with income and rent restrictions and all other federal requirements. In addition, a physical inspection of the development, buildings, and units is completed. In 2007, the Division adopted HUD's Uniform Physical Condition Standards (UPCS) to ensure all rental developments are decent, safe, sanitary and in good repair. The UPCS inspections, with the exception of new construction rental developments, are completed by the Department's Contractor, Onsite Insight. In addition, PM&C staff attended training in November 2007 on UPCS inspection protocol. The physical inspection is not limited to health and safety issues, but also includes an on-going limited accessibility inspection with the construction requirements of Section 504, Rehabilitation Act of 1973, and Fair Housing.

All on-site monitoring reviews are completed in accordance with the requirements of the HOME Program and Department policies and procedures, as described in the Financing/Loan Agreements, Deed Restrictions, and Regulatory and Land Use Restriction Agreement. If a HOME rental development fails to comply with requirements as listed above, the Department has implemented enforcement procedures and administrative penalties described in 10 TAC, Compliance Rules, Subchapters A and C.

### **Risk Management**

HOME contracts are monitored based on a risk assessment model that is updated on an annual basis or more frequently if required. Some of the elements of the Risk Assessment Model may include the type of activity, existence of a construction component, Davis-Bacon requirements, results of previous on-site visits, status of the most recent monitoring report, amount funded, previous administrator experience, entity type, and Single Audit status. In addition to the results of the risk assessment survey, referrals from division staff are considered when determining in depth monitoring reviews or required technical assistance. An emphasis is placed on monitoring of contracts within the current draw period and contracts with projects in the affordability period as defined by HUD.

If complaints are received by TDHCA, they are considered a risk management element and will be reviewed in detail. Supplemental monitoring activities will be performed to ensure program compliance and detection of possible fraud or mismanagement.

The Risk Assessment Model is also implemented for ESGP. Some of the elements of the Risk Assessment Model include the following: length of time since last on-site visit, results of last on-site visit, status of most recent monitoring report, timeliness of grant reporting, total amount funded during assessment period, total amount funded for all TDHCA contracts during assessment period, number of TDHCA contracts funded during assessment period, and Single Audit Status. In addition to the results of the risk assessment survey consideration is also given to recommendations made from other TDHCA divisions regarding performance with other TDHCA funded programs. All ESGP subrecipients are monitored annually.



**Sanctions**

Based on the results of ongoing HOME monitoring, sanctions are imposed for noncompliance issues based on the severity of noncompliance, which may include delays in project set-ups, draw request processing, questioned/disallowed costs, suspension of the contract, or contract termination. When necessary, the Executive Director executes a referral to the State Auditor's Office for investigation of fraud as required by Section 321.022(a) of the Texas Government Code. Sanctions imposed affect future application requests and scoring. In addition, if fraud or mismanagement of funds is suspected, TDHCA will make referrals and work closely with HUD, the State Auditor's Office, the Inspector General, and local law enforcement agencies as applicable.

The results of ongoing ESGP monitoring will also determine if sanctions are imposed for noncompliance issues. Sanctions range from the use of the cost reimbursement method of payment, deobligation of funds, suspension of funds, and termination of the contract. TDHCA's legal staff is notified and referrals are made to the Attorney General's Office. Sanctions imposed affect the future consideration of ESGP applications for funding.

**HOPWA**

DSHS does not directly administer HOPWA services, but distributes the funds via formula to eight AAs, who in turn competitively select Project Sponsors to directly deliver HOPWA services based on the local housing needs assessments of each area.

Each Administrative Agency is required to submit objectives and a plan of action for expenditure of its allocation. Award of their funding allocation is contingent upon the submission of a DSHS accepted plan of action.

The DSHS HIV/STD Comprehensive Services Branch monitors the AAs and their monitoring of the Project Sponsors' HOPWA activities and expenditures. DSHS has a team of 13 Field Operations consultants and managers that are assigned to monitor the contract activities of the AAs for compliance with HOPWA/HUD regulations. This monitoring involves periodic site visits, technical assistance visits, and the submission of monthly billing reports and quarterly progress reports. The frequency of site visits is determined through the use of a formal risk assessment instrument, with higher risk agencies being visited more often. Administrative Agencies are required to comply with HOPWA/HUD regulations, the DSHS Program Manual and their contractual Statement of Work.

A new development during this year was the role of the Contract Management Unit. This centralized unit provides contract development and contract oversight activities for HIV/STD and numerous other programs within the DSHS Prevention and Preparedness Division. They assist the Field Operations staff with contract negotiation. They also serve as the point of communication for site visits and are the official repository for monitoring documentation.

## **INSTITUTIONAL STRUCTURE**

Understanding that no single entity will be able to address the enormous needs of the State of Texas, ORCA, TDHCA, and DSHS support the formation of partnerships in the provision of housing, housing-related, and community development endeavors. This is especially important considering that the limited amount of financial resources available for affordable housing, community service, and community development activities can be a major obstacle for a single agency to try to address the needs of the state, partnering with other organizations, as well as fund layering and leveraging, helps to stretch those funds that are available.

ORCA, TDHCA, and DSHS 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 housing and community development 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.

There are many benefits to these partnerships: risk and commitment are shared; the principle of reciprocity requires that local communities demonstrate an awareness of their needs and a willingness to participate actively in solving problems, therefore local communities play an active role in tailoring the project to their needs; partners are able to concentrate specifically on their area of expertise; and a greater variety of resources insure a well targeted more affordable product.

### ***CDBG***

CDBG funds are awarded to non-entitlement units of general local government thereby providing these communities with financial resources to respond to its community development needs. Such may include planning; constructing community facilities, infrastructure, and housing; and implementing economic development initiatives. Each applicant to the CDBG program is required through its citizen participation process to inform local housing organizations of its intention to apply for CDBG funding through the Texas CDBG and invite their input into the project selection process. Texas CDBG continues to coordinate with the Texas Department of Housing and Community Affairs, the Texas Department of Agriculture, the Texas Water Development Board, Annual State Agency Meeting on Rural Issues, and the 24 Regional Councils of Governments to further its mission and target beneficiaries of CDBG funds through programs such as the Colonia Self-Help Centers, the Colonia Economically Distressed Areas Program, the Housing Tax Credit Program, and the Texas Capital Fund.

### ***HOME and ESGP***

The HOME Program encourages partnerships in order to improve the provision of affordable housing. Organizations receiving HBA/ADDI 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 receiving TBRA funds must provide self-sufficiency services directly, or coordinate with a local organization that will provide the services.

## **HOPWA**

On the state level, DSHS collaborates with the TDHCA to produce the HOPWA Action Plan for the state's Consolidated Plan for housing. Additionally, the DSHS HIV/STD Comprehensive Services Branch competitively selects and contracts with 8 Administrative Agencies to administer the HOPWA formula program in Texas. AAs contract with the Project Sponsors for each HSDA under their jurisdiction to deliver the HOPWA services. AAs and Project Sponsors are part of an HIV care network supported with state formula funds which consists of 64 local providers, who provide a range of medical, psychosocial, and support services available to eligible individuals living with HIV/AIDS. In each HSDA, Project Sponsors collaborate locally with these providers to assure that HOPWA clients have access to supportive services and health care. Additionally, Project Sponsors collaborate with local public housing programs in their areas to provide referrals to HOPWA clients to secure affordable and stable housing and to address local housing needs, such as the local Section 8 programs, Shelter Plus Care, community health clinics and churches, and Ryan White and HIV Planning Councils.

In addition to more than \$11 million in direct HOPWA funds allocated to the five MSAs in Texas, DSHS, its AAs, and Project Sponsors rely on a number of federal, state, and local resources to administer the State HOPWA formula program. In 2007, DSHS distributed approximately \$23.8 million in Ryan White and State HIV Services funds statewide for the provision of HIV care and supportive services an additional \$77.9 Million in state and federal funds was expended on HIV medications in 2007. While \$349,603 was allocated for direct housing assistance, over \$4.3 million was allocated for social case management alone. The majority (81%) of HOPWA formula funds are used for direct housing assistance and HOPWA clients are mainly supported by Ryan White and State HIV Services case management and supportive services funds. Table 7 reflects a conservative estimate of leveraged funds expended to support the HOPWA program because this was a new reporting requirement in 2007 and Project Sponsors may not have had the tools to accurately report leveraged funds. In 2007, DSHS leveraged \$196,075 of federal and state funds to provide administration at the state level; AAs reported \$79,189 in leveraged funds for administration and Project Sponsors reported \$85,701. Cities, counties, and community-based organizations also leverage funding for services accessed by HOPWA clients. In 2007, Project Sponsors reported \$119,441 leveraged for housing assistance and \$904,083 leveraged for supportive services.

Leveraged funds are absolutely essential for the provision of HOPWA program delivery and administration and for the provision of medical and supportive services for HOPWA clients in the state of Texas.

Other Actions

Institutional Structure

**Table 7. 2007 HOPWA Leveraged Funds by Program Activity and Funding Source**

	Sources of Leveraging (cash resources)	Housing Assistance	Supportive Services, Permanent Housing Placement and other non-direct housing costs	Administration
1.	<b>Program Income</b>	\$0	\$477	\$0
2.	<b>Federal government</b>			
	Ryan White	\$13,614	\$406,316	\$31,732
	Prevention – Perinatal		\$42,000	\$4000
	FEMA		\$1125	
3.	<b>State government</b>			
	State HIV Services	\$57,051	\$198,198	\$22,469
4.	<b>Local government</b>			
	United Way		\$644	
	Fundraising		\$1,200	
	Jefferson Co. Commissioners		\$50,000	\$10,000
	CDBG	\$5,000		
	Waco Housing Authority	\$37,506		
	City of College Station	\$77		
	Bryan Texas Utilities	\$80		
	City Housing	\$3,000	\$3,000	\$2,500
5.	<b>Foundations and other private cash resources</b>			
	Private Donor	\$272		
	1 <sup>st</sup> Presbyterian Church	\$479		
	MAC AIDS Fund		\$100,000	
	CAI Donor Account	\$1,302		
	Local Fundraisers		\$75,000	\$15,000
6.	<b>In-kind Resources</b>	n/a	n/a	n/a
7.	<b>Resident rent payments in Rental, Facilities, and Leased Units</b>	n/a	n/a	n/a
8.	<b>Grantee/project sponsor (Agency) cash</b>	\$1061	\$26,123	\$0
9.	<b>TOTAL (Sum of 1-8)</b>	\$119,441	\$904,083	\$85,701

## **GOALS AND OBJECTIVES**

This section describes those goals and objectives that pertain to the Community Development, Homeless, Housing, and Non-Homeless Special Needs activities.

### **COMMUNITY DEVELOPMENT GOALS AND OBJECTIVES: CDBG**

The following includes the reported outputs of key and non-key measures for CDBG goals as found in the ORCA Strategic Plan 2003-2007 and reported to the Legislative Budget Board for Fiscal Year 2007.

#### **Goal 1: Support Community and Economic Development projects**

Number of new community and economic development contracts awarded.

FY 2007 Target:	325
FY 2007 Actual:	271

Number of projected beneficiaries from new contracts awarded.

FY 2007 Target:	385,000
FY 2007 Actual:	503,285

Number of programmatic monitoring visits conducted.

FY 2007 Target:	300
FY 2007 Actual:	308

Number of jobs created/retained through contracts awarded.

FY 2007 Target:	1,470
FY 2007 Actual:	678

Number of Single Audit reviews conducted.

FY 2007 Target:	50
FY 2007 Actual:	171

#### **Goal 2: Provide Outreach and Technical Assistance to Communities**

Number of on-site technical assistance visits conducted annually.

FY 2007 Target:	300
FY 2007 Actual:	675

Note: the FY2007 Actual values reported to the Legislative Budget Board included contracts awarded under the Disaster Recovery Supplemental Funding related to the consequences of Hurricane Rita, which are not included in this report.

## Goals and Objectives

### Homeless and Housing

## HOMELESS AND HOUSING GOALS AND OBJECTIVES: ESGP and HOME

The goals below, taken from the TDHCA Strategic Plan, reflect program performance based upon measures developed with the State's Legislative Budget Board and Governor's Office of Budget and Planning. The goals are also based upon Riders attached to the Department's Appropriations.

**GOAL 1:** TDHCA will increase and preserve the availability of safe, decent and affordable housing for very low, low, and moderate income persons and families.

### Strategy 1.1

Provide mortgage financing and homebuyer assistance through the Single Family Mortgage Revenue Bond Program

Strategy Measure	2007 Target	2007 Actual	% of Goal	2008 Target
Number of single family households assisted through the First Time Homebuyer Program	1,727	2,727	158%	2,016

**Explanation of Variance:** Loan originations were higher in 2007 than anticipated due to the receipt of additional volume cap. Additionally, increased market interest rates generated higher demand for the Department's lower interest rate products.

### Strategy 1.2

Provide funding through the HOME Program for affordable single family housing

Strategy Measure	2007 Target	2007 Actual	% of Goal	2008 Target
Number of single family households assisted with HOME funds	1,834	413	22.5%	1,255

**Explanation of Variance:** The total number of assisted units was lower than anticipated in 2007 due to a biennial funding cycle for 2006-2007 which resulted in fewer applications for the homebuyer assistance and tenant-based rental assistance activities.

### Strategy 1.3

Provide funding through the HTF program for affordable single family housing

Strategy Measure	2007 Target	2007 Actual	% of Goal	2008 Target
Number of single family households assisted through the Housing Trust Fund	100	115	115%	228

**Explanation of Variance:** Performance was higher than anticipated in 2007 due to the closing out of previous fiscal year contracts and an elevated amount of technical assistance provided by the Department to ensure that the nonprofit organizations are meeting their performance benchmarks.

**Strategy 1.4**  
Provide tenant-based rental assistance through Section 8 certificates

Strategy Measure	2007 Target	2007 Actual	% of Goal	2008 Target
Number of multifamily households assisted with tenant-based rental assistance	2,100	1,064	51%	1,494

**Explanation of Variance:** The targeted number was developed prior to a change in how the U.S. Department of Housing and Urban Development provides Section 8 Housing Assistance Program (HAP) funds. Provided funds are no longer based on the number of Housing Choice Vouchers available. In addition, the target was developed prior to the transfer of 560 vouchers to a local public housing authority.

**Strategy 1.5**  
Provide federal tax credits to develop rental housing

Strategy Measure	2007 Target	2007 Actual	% of Goal	2008 Target
Number of multifamily households assisted with HTCs	18,832	12,998	69%	12,291

**Explanation of Variance:** Approximately \$3.7 million credits out of the 2007 credit allocation were awarded to developments that had previously received credits in 2004. These additional credits were due to substantial increases in construction costs associated with hurricane disasters. Because of the increase in construction costs, fewer units are produced on an annual basis.

**Strategy 1.6**  
Provide funding through the HOME Program for affordable multifamily housing

Strategy Measure	2007 Target	2007 Actual	% of Goal	2008 Target
Number of multifamily households assisted with HOME funds	647	144	22.3%	500

**Explanation of Variance:** The HOME and Housing Tax Credit programs operated concurrent application cycles. Due to the competitiveness of the cycle, not all applicants that applied for both sources of funds were competitive in the Housing Tax Credit round and eligible for an award. Therefore, the awarding of HOME funds was limited to those applications that were competitive and received a Housing Tax Credit award.

**Strategy 1.7**  
Provide funding through the Housing Trust Fund for affordable multifamily housing

Strategy Measure	2007 Target	2007 Actual	% of Goal	2008 Target
Number of multifamily households assisted through the Housing Trust Fund	255	0	0%	784

## Goals and Objectives

### Homeless and Housing

**Explanation of Variance:** The 2007 funding for the HTF was utilized to meet the statutorily required minimum of \$3,000,000 funding for the Bootstrap Loan Program.

<b>Strategy 1.8</b> Provide funding through the Mortgage Revenue Bond Program for affordable multifamily housing				
Strategy Measure	2007 Target	2007 Actual	% of Goal	2008 Target
Number of households assisted through the Mortgage Revenue Bond Program	3,500	2,997	86%	2,393

**Explanation of Variance:** Due to overall market and economic conditions, the bond program has not been as attractive as it has been in the past. This led to a reduction in the applications submitted. In the past, the Department has received several applications towards the end of the year which enable the Department to CarryForward additional allocation into the following year. In 2006, the Department did not receive additional applications at the end of the year and therefore did not have the additional allocation to CarryForward into 2007. This reduced the total amount of bond allocation issued by the Department. The increase in construction costs also affected the bond program, by reducing the number of units produced due to higher costs.

**GOAL 2: TDHCA will promote improved housing conditions for extremely low, very low, and low income households by providing information and technical assistance.**

<b>Strategy 2.1</b> Provide information and technical assistance to the public through the Public Affairs Division and the Housing Resource Center				
Strategy Measure	2007 Target	2007 Actual	% of Goal	2008 Target
Number of information and technical assistance requests completed	5,400	3,824	70.8%	4,900

**Explanation of Variance:** A new toll free number for the entire agency has resulted in more calls being directly routed to the appropriate division instead of being forwarded to the Housing Resource Center. The Department has also continued to improve its website so that potential requests can be resolved via the internet instead of through the Housing Resource Center.

<b>Strategy 2.2</b> To provide technical assistance to colonias through field offices				
Strategy Measure (A)	2007 Target	2007 Actual	% of Goal	2008 Target
Number of on-site technical assistance visits conducted annually from the field offices	600	963	160.5%	800

**Explanation of Variance:** Technical assistance visits to units of local government and nonprofit organizations continued to increase due to various changes to the programs administered through the field offices.



Strategy Measure (B)	2007 Target	2007 Actual	% of Goal	2008 Target*
Number of colonia residents receiving assistance	1,700	827	48.6%	7,650

**Explanation of Variance:** The Border Field Offices focus on empowering the non-profit organizations to work with the colonia residents on a one-on-one basis. The units of local government and non-profit organizations provide the direct assistance to colonia residents on behalf of the Department. Therefore, the number of direct contacts between the Department and the colonia residents has decreased.

\*Note that the definition of the measure has changed for 2008 and now includes assistance provided through the Colonia Self-Help Centers as well as the Colonia field offices.

Strategy Measure (C)	2007 Target	2007 Actual	% of Goal	2008 Target
Number of entities and/or individuals receiving informational resources	1,200	631	52.5%	1,000

**Explanation of Variance:** Marketing of Colonia Initiatives, including the number of entities and/or individuals requesting and receiving information resources is a key performance goal. These figures were expected to increase upon the release of the Texas Bootstrap Loan Program NOFA in 2007. However, the new Texas Bootstrap Reservation System has delayed the release of the NOFA.

**GOAL 3: TDHCA will improve living conditions for the poor and homeless and reduce the cost of home energy for very low income Texans.**

<b>Strategy 3.1</b> Administer homeless and poverty-related funds through a network of community action agencies and other local organizations so that poverty-related services are available to very low income persons throughout the state.				
Strategy Measure (A)	2007 Target	2007 Actual	% of Goal	2008 Target
Number of persons assisted through homeless and poverty related funds.	440,000	565,822	128.6%	512,244

**Explanation of Variance:** This measure is impacted by the number of persons assisted through the Community Services Block Grant (CSBG) and Emergency Shelter Grants Program (ESGP). The Department revised the reporting procedures for CSBG subrecipients allowing subrecipients to report all individuals assisted by all programs operated by the CSBG subrecipient. As a result of this change, CSBG subrecipients reported a higher number of persons assisted through homeless and poverty related funds.

Strategy Measure (B)	2007 Target	2007 Actual	% of Goal	2008 Target
Number of persons assisted that achieve incomes above poverty level.	2,000	3,087	154.4%	2,200

**Explanation of Variance:** Each year, CSBG subrecipients make improvements in the self-sufficiency case management programs they operate and this enables them to be able to transition a larger number of persons out of poverty. The Department expects that annually, CSBG contractors will assist more persons to transition

## Goals and Objectives

### Homeless and Housing

out of poverty. However, it is difficult to estimate several years in advance how many persons CSBG subrecipients will enroll in self-sufficiency case management programs and how many of them will complete the program and finally transition out of poverty.

Strategy Measure (C)	2007 Target	2007 Actual	% of Goal	2008 Target
Number of shelters assisted through the Emergency Shelter Grant Program.	70	76	108.5%	73

**Explanation of Variance:** This measure represents the number of contracts issued under the Emergency Shelter Grants Program (ESGP). At the time the measure was established, the Department anticipated funding fewer subrecipients than the number actually funded. It is difficult to determine how many contracts will be awarded. The number of contracts awarded varies by the amount of funds requested and awarded and the ranking of the applications based upon their score.

#### Strategy 3.2

Administer the state energy assistance programs by providing grants to local organizations for energy related improvements to dwellings occupied by very low income persons and for assistance to very low income households for heating and cooling expenses and energy related emergencies.

Strategy Measure (A)	2007 Target	2007 Actual	% of Goal	2008 Target
Number of households assisted through the Comprehensive Energy Assistance Program.	63,200	83,529	132%	51,502

**Explanation of Variance:** High home energy prices contributed to higher demand for energy assistance.

Strategy Measure (B)	2007 Target	2007 Actual	% of Goal	2008 Target
Number of dwelling units weatherized through the Weatherization Assistance Program.	4,800	5,404	112%	3,004

**Explanation of Variance:** The Department is above target for the year as a result of advantageous weather enabling higher weatherization production.

**GOAL 4:** TDHCA will ensure compliance with the Texas Department of Housing and Community Affairs' federal and state program mandates.

#### Strategy 4.1

The Portfolio Management and Compliance Division will monitor and inspect for Federal and State housing program requirements.

Strategy Measure (A)	2007 Target	2007 Actual	% of Goal	2008 Target
Total number of monitoring reviews conducted.	4,554	5,555	122%	5,072

**Explanation of Variance:** More onsite monitoring reviews were scheduled than were anticipated.

Strategy Measure (B)	2007 Target	2007 Actual	% of Goal	2008 Target
Total number of units administered	237,195	229,744	96.9%	242,766

**Strategy 4.2**

The Portfolio Management and Compliance Division will administer and monitor federal and state subrecipient contracts for programmatic and fiscal requirements.

Strategy Measure (A)	2007 Target	2007 Actual	% of Goal	2008 Target
Total number of monitoring reviews conducted	9,220	11,474	124.5%	12,715

**Explanation of Variance:** All monitoring requests received by the Department require a review. Monitoring reviews include set up and draw reviews. As contracts near their expiration date, contractors submit more set up and draw reviews in order to complete them before contract expiration. Because several contracts expired during the quarter, the Department received a larger number of draw requests than projected.

Strategy Measure (B)	2007 Target	2007 Actual	% of Goal	2008 Target
Number of contracts administered	350	358	102.3%	430

**GOAL 5:** To protect the public by regulating the manufactured housing industry in accordance with state and federal laws.

**Strategy 5.1**

Provide titling and licensing services in a timely and efficient manner.

Strategy Measure (A)	2007 Target	2007 Actual	% of Goal	2008 Target
Number of manufactured housing statements of ownership and location issued.	89,000	86,035	96.7%	90,000

Strategy Measure (B)	2007 Target	2007 Actual	% of Goal	2008 Target
Number of licenses issued	4,435	2,602	58.7%	4,000

**Explanation of Variance:** Performance is under the targeted projection due to receiving fewer applications for new and renewed licenses.

## Goals and Objectives

### Homeless and Housing

<b>Strategy 5.2</b> Conduct inspections of manufactured homes in a timely manner.				
<b>Strategy Measure (A)</b>	<b>2007 Target</b>	<b>2007 Actual</b>	<b>% of Goal</b>	<b>2008 Target</b>
Number of routine installation inspections conducted	8,000	4,603	57.5%	6,000

**Explanation of Variance:** The Department has experienced a higher level of non-routine inspection activity including an increased amount of affordable housing property inspections and complaint/investigative inspections. In addition, there have been several inspectors out on extended leave due to injuries. Although the measure is below the targeted number, the Department is meeting the program's statutory requirement to inspect at least 25% of installation inspections received. The actual year-to-date inspection rate is 30.76%.

<b>Strategy Measure (B)</b>	<b>2007 Target</b>	<b>2007 Actual</b>	<b>% of Goal</b>	<b>2008 Target</b>
Number of non-routine installation inspections conducted	2,500	2,100	84%	2,200

**Explanation of Variance:** Education and enforcement keep the number of inspections with deviations low, which is desirable.

<b>Strategy 5.3</b> To process consumer complaints, conduct investigations, and take administrative actions to protect the general public and consumers.				
<b>Strategy Measure</b>	<b>2007 Target</b>	<b>2007 Actual</b>	<b>% of Goal</b>	<b>2008 Target</b>
Number of complaints resolved	1,700	1,052	61.9%	1,250

**Explanation of Variance:** The Department has made an effort to encourage the informal resolution of customer concerns prior to their issues becoming official complaints. The effort has helped to reduce the number of complaints officially received, which reduces the number of complaints resolved.

Goals Six through Eight are established in legislation as riders to TDHCA's appropriations, as found in the General Appropriations Act.

**GOAL 6:** TDHCA will target its housing finance programs resources for assistance to extremely low income households.\*

<b>Strategy 6.1</b> The housing finance divisions shall adopt an annual goal to apply \$30,000,000 of the division's total housing funds toward housing assistance for individuals and families earning less than 30 percent of median family income.				
<b>Strategy Measure</b>	<b>2007 Target</b>	<b>2007 Actual</b>	<b>% of Goal</b>	<b>2008 Target</b>

*Goals and Objectives*

*Homeless and Housing*

Amount of housing finance division funds applied towards housing assistance for individuals and families earning less than 30 percent of median family income.	\$30,000,000	\$19,535,526	65.12%	\$30,000,000
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**Explanation of Variance:** Fewer Section 8 vouchers and a lower than anticipated number of units assisted by the HOME program contributed to the 2007 performance for this target. HUD transferred a large number of Section 8 vouchers to a large consortium and also adjusted the methodology for distributing Section 8 funds. Both of these contributed to the lower than anticipated assistance for households earning less than 30 percent of median family income. In addition, a double funding cycle for the HOME single family funds resulted in fewer applications for 2007, the second year of the double year cycle.

Note: For more information, see Rider 4 of TDHCA's Appropriations as found in HB 1 (General Appropriations Act), 79th Legislature, Regular Session.

**GOAL 7: TDHCA will target its housing finance resources for assistance to very low income households.\***

**Strategy 7.1**

The housing finance divisions shall adopt an annual goal to apply no less than 20% of the division's total housing funds toward housing assistance for individuals and families earning between 31% and 60% of median family income.

Strategy Measure	2007 Target	2007 Actual	% of Goal	2008 Target
Percent of housing finance division funds applied towards housing assistance for individuals and families earning between 31% and 60% of median family income.	20%	50.5%	253%	20%

**Explanation of Variance:** The majority of TDHCA housing programs serve households under 60% of median family income.

**GOAL 8: TDHCA will provide contract for deed conversions for families who reside in a colonia and earn 60 percent or less of the applicable area median family income**

**Strategy 8.1**

Help colonia residents become property owners by converting their contracts for deed into traditional mortgages.

Strategy Measure	2007 Target	2007 Actual	% of Goal	2008 Target
Amount of TDHCA funds applied towards contract for deed conversions for colonia families earning less than 60% of median family income.	\$2,000,000	\$0	0%	\$2,000,000

**Explanation of Variance:** TDHCA has delayed the release of additional funds pending changes to encourage the efficient allocation of program funds. TDHCA has updated the program rules and anticipates the release of a NOFA for the 2006 and 2007 funding in FY 2008.

Note: For more information, see Rider 11 of TDHCA's Appropriations as found in HB 1 (General Appropriations Act), 79th Legislature, Regular Session.

## Goals and Objectives

### Homeless and Housing

The following TDHCA-designated goal addresses the housing needs of persons with special needs.

**GOAL 9:** TDHCA will work to address the housing needs and increase the availability of affordable and accessible housing for persons with special needs.

<b>Strategy 9.1</b> Dedicate no less than 20% of the HOME project allocation for applicants that target persons with special needs.				
<b>Strategy Measure</b>	<b>2007 Target</b>	<b>2007 Actual</b>	<b>% of Goal</b>	<b>2008 Target</b>
Percent of the HOME project allocation awarded to applicants that target persons with special needs.	20%	24%	122%	20%

#### **Strategy 9.2:**

Compile information and accurately assess the housing needs of and the housing resources available to persons with special needs.

##### **Strategy Activities:**

Assist counties and local governments in assessing local needs for persons with special needs.  
Work with State and local providers to compile a statewide database of available affordable and accessible housing.  
Set up a referral service to provide this information at no cost to the consumer.  
Promote awareness of the database to providers and potential clients throughout the State through public hearings, the TDHCA web site as well as other provider web sites, TDHCA newsletter, and local informational workshops.

#### **Strategy 9.3:**

Increase collaboration between organizations that provide services to special needs populations and organizations that provide housing.

##### **Strategy Activities:**

Promote the coordination of housing resources available among State and federal agencies and consumer groups that serve the needs of special needs populations.  
Continue working with agencies, advocates, and other interested parties in the development of programs that will address the needs of persons with special needs.  
Increase the awareness of potential funding sources for organizations to access, to serve special needs populations, through the use of TDHCA planning documents, web site, and newsletter.

#### **Strategy 9.4:**

Discourage the segregation of persons with special needs from the general public.

##### **Strategy Activities:**

Increase the awareness of the availability of conventional housing programs for persons with special needs.  
Support the development of housing options and programs, which enable persons with special needs to reside in noninstitutional settings.

## **CITIZEN PARTICIPATION**

### **PUBLIC COMMENT PROCESS**

In an effort to fully include the citizens of Texas in the Consolidated Planning process, the Department designated a public comment period for this Plan lasting 15 days. The comment period began on Monday, April 7, 2008, and concluded at 5:00 pm on Monday, April 21, 2008. An announcement of the public comment period was posted in the April 4, 2008, edition of the *Texas Register* and on TDHCA's website.

### **SUMMARY OF PUBLIC COMMENT**

No comment was received from the public regarding the 2008 *State of Texas Consolidated Plan Annual Performance Report*.